

2015



MARKET INTELLIGENCE

International **Post**  
Corporation



# MARKET FLASH

A fortnightly newsletter covering the  
latest news from the global postal sector



Issue 514

30 July 2015

[www.ipc.be](http://www.ipc.be)

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### DIRECT MAIL SPECIAL

## > TOP STORY

### GLOBAL E-RETAIL SALES TO GROW OVER 17% THIS YEAR THANKS TO 'SOCIAL' SHOPPING

Global e-retail sales are expected to grow strongly by more than 17% to reach US\$1.7tn this year, as social media companies are increasingly acting as direct sales platforms, which is likely to give an additional boost to online shopping in the long term, a new study from UK market research firm Juniper Research has shown.

The new survey "Mobile & Online Purchases: Cards, Carrier Billing & Third Party Payment Platforms 2015-2020" observed that social media players such as Twitter, Facebook, Pinterest and Instagram had already launched 'buy' buttons from their mobile apps. It claimed that such players are also likely to enhance their sales prospects through strategic retailer partnerships.

In terms of delivery, the research argued that online retailers were increasingly adapting to the growing customer demand for faster delivery by introducing same-day deliveries to reduce time-to-consumer. At the same time, 'bricks and mortar' stores now widely offer next-day in-store collection often charging an additional fee for this option.

The research also urged retailers to deliver consistency of message, branding and shopping experience across all channels by integrating in-store and online experience and adjusting to each individual's omni-channel shopping habits. A growing trend goes towards a majority of mid-sized and large retailers transitioning to a hybrid approach to maximise their engagement opportunities with consumers, as opposed to pureplay online retailers selling goods exclusively via internet.

Source: [CEP-Research](#)

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## TRANSFORCE Q2 REVENUES AND PROFITS UP

Canada-based freight and parcels group TransForce has unveiled double-digit growth in revenues and adjusted profits for the second quarter of 2015, driven by freight acquisitions and organic growth in parcels activities.

The group's revenue (before fuel surcharges) rose by 27% to CA\$988m while adjusted operating profits were 23% higher at CA\$97.8m. Adjusted net profits rose to CA\$71.3m from CA\$56.3m in the second quarter of last year.

For the first six months of 2015, net revenues rose by 31% to CA\$1.91bn while adjusted EBIT rose 27% to CA\$142.8m. The group's Package and Courier division, with express parcel businesses in Canada and the US, increased Q2 revenues by 5.6% to CA\$304.8m, while half-year revenues were up by 4.6% to CA\$591.5m. But its profits weakened slightly to CA\$26.6m in the second quarter, which was an 8.7% profit margin, while half-year profits improved somewhat to CA\$41.3m, representing a 7% margin.

Source: [CEP-Research](#)

## UPS WORLDWIDE EXPRESS FREIGHT EXPANDS IN LATIN AMERICA

UPS announced the second expansion this year of its UPS Worldwide Express Freight service, adding five countries in Latin America and three in Europe. The guaranteed service is designed for urgent, time-sensitive and high-value international heavyweight shipments to 58 origin and 56 destination countries and territories.

The expansion adds eight new origin and five new destination countries. Countries adding origin service include: Bulgaria, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Romania and Serbia. Countries adding destination service include: El Salvador, Guatemala, Honduras, Nicaragua and Panama.

Source: [UPS](#)

## UPS CAPITAL PURCHASES INSURED PARCEL BUSINESS OF G4S INTERNATIONAL LOGISTICS

UPS Capital, a subsidiary of UPS, which provides supply chain financial, insurance and payment solutions, announced that it is purchasing the Insured Parcel Services (IPS) business of G4S International Logistics (G4Si), the logistics arm of G4S, the world's leading global integrated security company. UPS Capital recently acquired Parcel Pro, the leading logistics provider to the high-value jewellery, wristwatch and collectibles industries. With this acquisition, IPS customers will have access to enhanced service offerings through Parcel Pro's secure logistics solutions, including higher-insured value limits, expanded international coverage and superior technology.

Customers of the Insured Parcel Services unit of G4Si that is being acquired by UPS Capital will continue to receive the service and protection they have come to expect. They will benefit from everything UPS Capital and Parcel Pro bring to the table, including significantly enhanced technology capabilities, such as mobile apps, API (application



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programme integration) and risk management web tools. They also will receive coverage up to US\$150,000 per package in the United States and up to US\$100,000 in other select countries.

Source: [UPS](#)

## UPS AND STAPLES OFFER MORE BILLING OPTIONS FOR SHIPPING

UPS and office supplies chain Staples have made it easier to ship UPS packages from any of the Staples outlets. Customers now can charge the cost of shipments at Staples to their UPS account, which means they do not have to prepare labels ahead of time and will see the invoice, and any customised rates, on their regular UPS invoice.

Source: [UPS](#)

## FLIRTEY SUCCESSFULLY TESTS DRONE DELIVERY IN THE US

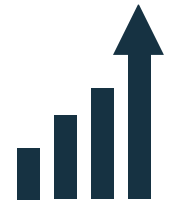
Australia-based drone delivery company Flirtey has successfully made its first test deliveries in the US after a similar recent trial in New Zealand.

A Flirtey drone made three short trips carrying medicines weighing 4.5 kg in total about one mile from a regional airport to a remote rural health clinic in Wise County, West Virginia. The US Federal Aviation Administration, which regulates aviation, granted the company and its partners, including NASA, special permission for the test flights.

Source: [CEP-Research](#)

## AMAZON HAILS RECORD-BREAKING 266% RISE IN ORDERS ON PRIME DAY

Amazon claims its new global shopping event 'Prime Day', introduced for the first time on 15 July, broke all global records with a spectacular 266% increase in orders compared to the same day last year and 18% more orders than generated on Black Friday in 2014.



Customers ordered a total of 34.4m items during the 24-hour shopping event that started at midnight on July 15 in the USA, UK, Spain, Japan, Italy, Germany, France, Canada and Austria, and which was open exclusively for Amazon Prime members. This broke all Black Friday records with 398 items ordered per second. In addition, more new members tried the Prime programme on that day than any other single day in the company's history.

Source: [CEP-Research](#)

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## DHL ECOMMERCE EXPANDS IN CHINA

DHL eCommerce has expanded its operations in China focusing on cross-border and domestic e-Commerce services. The company announced the launch of a new DHL eCommerce Shanghai Terminal located in Jiuting, which functions as the central point of consolidation of e-Commerce goods from China for global distribution.

The company already operates its own centre out of Hong Kong, but establishing a base in Shanghai will help reduce transit time by up to three days for manufacturers, particularly in eastern and northern China. DHL eCommerce plans to launch additional drop-off centres in North and South China by end of 2015 to benefit manufacturers in China.

Source: [Deutsche Post DHL](#)

## FEDEX SPEEDS UP INTERNATIONAL DELIVERIES FROM SEVEN CHINESE CITIES

FedEx Express announced improvements to its international outbound express services covering FedEx International Priority and FedEx International Priority Freight from seven Chinese cities.

The transit time for shipments from Dalian, Yantai, Weihai, Jinan, Zibo, Zhengzhou and Chongqing to America, Europe and other parts of the world will be reduced by one to two working days, helping customers optimise their supply chain and strengthen their competitive edges in markets, the company announced.

The service enhancement in these seven cities will benefit small and medium-sized enterprises (SMEs) in particular. For these SMEs, how fast their products can cross the border and reach the global market is as important as the quality.

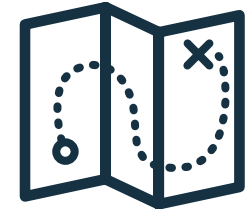
Source: [CEP-Research](#)

## UPS EXPANDS CHINA-EUROPE RAIL TRANSPORTATION WITH LCL SERVICE

UPS has expanded its rail service for China-to-Europe shipments by adding a less-than-container load (LCL) option for the weekly train services.

The service is available from Zhengzhou to Hamburg and becomes part of the UPS Preferred multimodal freight services portfolio. The UPS Preferred portfolio combines air, rail, ocean and/or ground transportation to help companies balance supply chain speed and costs to meet customer needs. The weekly door-to-door service is supported by UPS tracking technology that delivers full visibility and real-time updates regarding shipment progress via both UPS.com tracking and the use of GPS technology. It also includes security measures and temperature-control options.

Source: [CEP-Research](#)



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## RAKUTEN AND YAMATO TEAM UP TO IMPROVE JAPANESE E-COMMERCE DELIVERY SERVICES

Major Japanese e-Commerce group Rakuten is launching a new commercial cooperation with leading domestic parcel carrier Yamato using the latter's new e-Commerce logistics solutions to improve its delivery services and enhance customer convenience.

The two companies said their collaboration will improve convenience for Japanese e-Commerce customers using Rakuten Ichiba, the country's largest internet shopping mall, by offering more pick-up locations, improving operational efficiency for e-retailers and also supporting new merchants.

Under the cooperation between Rakuten and Yamato, Japanese online shoppers will be able to pick up goods bought on the Rakuten Ichiba marketplace at the approximately 20,000 convenience stores that have agreements with Yamato Transport, as well as approximately 4,000 Yamato Transport sales offices.

Source: [CEP-Research](#)



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## POSTI GROUP'S NET SALES HIT BY THE WEAK MARKET SITUATION

The Posti Group released the results for the first half of the 2015 financial year, which showed that net sales decreased by 9.6% and amounted to €842.2m in the January-June period. Mail delivery volumes continued to decline as expected. Parcel services volume grew by 5%.

The operating result before non-recurring items decreased and amounted to €13.7m, or 1.6% of net sales. Non-recurring items recognised during the period totalled €34.7m. The operating result for January-June was €48.4m, or 5.8% of net sales.

For the April-June period, net sales decreased by 12.0% and amounted to €406.3m. The operating result for the second quarter showed a profit of €27.9m, or 6.9% of net sales.

Source: [Posti](#)

## DPDGROUP LAUNCHES SPECIAL TERMINAL FOR PARCEL DELIVERIES VIA DRONES

DPDgroup has launched a dedicated terminal for parcel deliveries via drones at the Centre of Studies and Tests for Autonomous Models (CEEMA) in the Var département in south-eastern France as part of its flight and delivery safety studies, following successful tests last year.

Developed together with its project partner Atechsys, the innovative terminal features a structure protecting access to the drone during landing and take-off phases, an automated

carriage system for transporting the parcel and an electronic system for the safety of handling operations around the drone. This way, it ensures the safety of all delivery phases including parcel loading, drone take-off, landing and parcel release.

Source: [CEP-Research](#)

## HERMES GERMANY ADDS SAME-DAY SERVICE WITH 28.5% STAKE IN START-UP LIEFERY

Hermes Germany has bought a 28.5% stake in start-up LieferFactory GmbH, which offers same-day and time-definite delivery through its Liefery service, to expand its portfolio with a same-day delivery option for e-retailers and other shippers.

Based near Frankfurt, Liefery was separated from the B2B same-day delivery provider time:matters in 2014 and has been offering its services across Germany to large retailers such as SportScheck, mymuesli or Mövenpick Wine. Its network currently comprises around 50 metropolitan areas nationwide where more than 2,500 couriers deliver shipments to recipients. If possible, pick-up and delivery are even made within 90 minutes, depending on the regional conditions, or a delivery appointment is made for the same day. Hermes wants to focus on offering the "Same Day Service powered by Liefery" increasingly to business shippers and online retailers which the parcel operator already works for. By the end of 2015, Liefery aims to cover 100 German towns and cities. Beyond Germany, the service is also offered in Vienna.

Source: [CEP-Research](#)

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## GERMAN SAME-DAY PROVIDER TIME:MATTERS POSTS 13% REVENUE GROWTH IN H1 2015

Special speed logistics provider time:matters has recorded a strong, double-digit revenue increase for the first half year of 2015, following the successful spin-out of its same-day and time-definite delivery service Liefery, in which Hermes Germany bought a minority stake earlier this month.

During the first six months of this year, time:matters posted a 13% revenue increase, continuing the double-digit growth of 10% in 2014, which was the strongest year in its history. In particular, time:matters's international business showed above-average growth with positive developments in the USA as well as in the Benelux countries and in Central and Eastern Europe significantly contributing to its success.

Source: [CEP-Research](#)

## TNT REPORTS STRONG SECOND-QUARTER RESULTS

TNT reported second-quarter revenues of €1.76bn, up 6.2% year on year, and an operating income of €19m, compared with €3m in the second quarter of 2014. Adjusted for positive currency effects, which increased revenues by 4.1%, the negative impact of lower fuel surcharges and disposals, TNT's underlying revenue growth for the period was 4.1%, driven by the continued growth of revenues from SMEs.

Operating income for the second quarter of 2015 includes €22m of restructuring and other charges. Adjusted operating income was €41m in the second quarter, €29m below last year. Profitability was affected by IT transition and Outlook

project costs, costs to introduce new services and facilities, as well as pricing pressures.

International Europe revenues increased 5.1% year-on-year despite lower fuel surcharges. Adjusted for positive currency effects and the negative impact of lower fuel surcharges, the segment's underlying revenue growth was 5.7%. International AMEA revenues rose 16.3% in the second quarter to €257m, as a result of stronger local currencies. Adjusted for positive currency effects and the negative impact of lower fuel surcharges, the segment's underlying revenue growth was flat. In the Domestic segment, revenues increased 4% year-on-year to €655m. Adjusted for positive currency effects and the negative impact of lower fuel surcharges, the segment's underlying revenue growth was 1.7%.

Source: [TNT](#)

## SWISS POST REALIGNS ITS CUSTOMER CARE AT POST OFFICES

Nine out of ten customers simply want to make a quick payment, drop off a parcel or a registered letter at a post office. For customers who would like advice or have other more time-intensive requirements – such as opening a PostFinance account or concluding a new mobile phone subscription – Swiss Post is setting up special advisory options at selected post offices.

By dividing sales transactions and advisory business, customers can be served in post offices according to their requirements. To ensure the realignment is more well-received by customers, Swiss Post is testing a general



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redesign of customer areas in the pilot post offices. Visual measures and, where available, a modified ticketing system will promote the new type of customer advice to customers.

Source: [Swiss Post](#)

## WHISTL HAILS NEW CUSTOMERS AFTER DELIVERY SERVICE EXIT

Whistl, the UK's second-largest postal operator, has announced new customer wins that will increase its mail volumes this year following its recent exit from the final-mile delivery business.

Its letter collection and sorting (DSA Downstream Access) division, which uses Royal Mail for delivery, has been strengthened through some significant new client wins and the company will handle over 3.75bn items of mail this year after winning business in a range of sectors from finance through to retail.

The company pulled out of the final-mile deliveries business last year and closed down its small loss-making delivery operation with some 2,000 job losses in London, Manchester and Liverpool.

Source: [CEP-Research](#)

## ROYAL MAIL SECURES STAKE IN MALLZEE

Royal Mail plc announced it has secured a stake in Mallzee, a 'personal shopping' app. Mallzee brings together more than 2m fashion items from over 100 retailers enabling shoppers to browse, 'favourite' and purchase from a single app. It offers an additional, complementary channel to market for

clothing retailers, one of the fastest-growing and largest market sectors for parcel sending.

Royal Mail's investment in Mallzee reflects the increasingly technology-driven nature of the delivery market. It helps align the business with the rapid growth in consumer purchases made from mobile devices – 37% of UK online shoppers used a mobile device to make an e-Commerce purchase in the last three months – and the continued developments in shopping apps, which are the fastest-growing app category.

Together with the acquisition of Storefeeder – the e-Commerce technology specialist which provides order management, stock control, smart warehousing and courier integration for web merchants – earlier this year, the investment in Mallzee is part of Royal Mail's continued focus on digital innovation and brings innovative e-Commerce capability to the company. In turn, Royal Mail can introduce Mallzee capabilities to many more retailers who not already present on the platform.

Source: [Royal Mail Group](#)



## NEW ROYAL MAIL RESEARCH REVEALS UK SHOPPERS WILL WAIT FOR SALES BEFORE THEY SPEND ONLINE

Royal Mail's annual survey on the preferences and habits of online shoppers in the UK – Delivery Matters – reveals that while consumers say they are shopping more and spending more online, they have increasingly high expectations of e-Commerce retailers when it comes to getting good value.



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Royal Mail's research reveals that value for money is the main driver for shoppers going online; it was chosen by 84% of consumers. This focus on value has led shoppers to become savvier when it comes to sales. Over a quarter (26%) of today's consumers would hold off placing an online order so they can benefit from a sale event, such as Black Friday or Amazon Prime Day.

Delivery Matters is Royal Mail's regular market analysis based on the responses of 1,500 shoppers who have bought non-grocery items online in the last three months.

Source: [Royal Mail Group](#)

## UK E-RETAIL DELIVERY VOLUMES RETURN TO STRONG, DOUBLE-DIGIT GROWTH IN JUNE

In June, online order volumes in the UK went up 22% compared to June 2014, which is the highest growth rate so far this year. This brings the cumulative growth for the first six months of 2015 to 11.4%, the IMRG MetaPack UK Delivery Index has shown.

The reasons for the June upturn are likely to be the settled summer weather, post-election recovery in consumer confidence and spending as well as additional promotional activities by retailers trying to stimulate sales following a relatively slow start to the year. June's delivery figures were also in line with the online sales revenues which recorded the highest growth for the year so far in June with 18%. The on-time or attempted delivery rate was also high at 94.5% as well as the average value of orders.

Source: [CEP-Research](#)

## ROYAL MAIL TRADING FOR APRIL-JUNE PERIOD IN LINE WITH EXPECTATIONS

According to a trading update covering the three months ended 28 June 2015, Royal Mail's trading in the period was broadly in line with its expectations. Moya Greene, Chief Executive Officer, Royal Mail plc, said: "In the first three months of our financial year we have seen a continuation of the overall market trends we saw last year."

Addressed letter volumes decreased by 5%, within Royal Mail's forecast range of a 4-6% decline per year. Total letter revenue was down 4%. Parcel performance in part reflects a relatively weak comparative period last year. Parcel volumes were up 3%. Parcel revenue was up 2% due to the pricing environment which remains very competitive in all the major segments, in particular Parcelforce Worldwide and export parcels.

UKPIL revenue was down 2%, with parcel revenue up 2% but letter revenue down 4%. GLS performed better than expected, largely driven by a continued good performance in Italy and a better performance in Germany.

Source: [Royal Mail Group](#)



2015



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# DIRECT MARKETING SPECIAL

Quarterly newsletter on events, trends  
and news in the direct marketing sector



30 July 2015

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# > FEATURE STORY

## DIRECT MAIL AS THE SPECIAL INGREDIENT OF A DELICIOUS MARKETING RECIPE

The 2015 IPC conference with the theme 'Data-Driven Marketing and e-Commerce: opportunities for posts' included keynote presentations from leading global marketers including Brian Fetherstonhaugh, Chairman and CEO, OgilvyOne Worldwide, Jodie Sangster, CEO Association for Data-Driven Marketing and Advertising (ADMA), and Matt Bailey, Founder and President of SiteLogic Marketing. The conference addressed the power of data-driven marketing in generating e-Commerce sales and the opportunities for posts.

### Digital is not the enemy

Brian Fetherstonhaugh highlighted that the postal industry needs to stop treating digital as an enemy. Too many conversations begin with "digital is fine but the response rates for direct mail are 2.4 times higher" – this will not convince somebody to stop doing email. "It's not like a tennis match where I win with traditional and you loose with digital," According to Fetherstonhaugh. Instead the conversation should be about how direct mail lifts email response rates. It should explain how direct mail works together with search marketing, mobile and television.

For example, for American Express the most powerful combination of direct marketing remains television combined with direct mail. The idea should be to treat omni-channel media elements as a team working together. From a behavioural and economic standpoint, this approach will be much more convincing. Marketers are going to go digital and so how can posts be part of their omni-channel mix? To Fetherstonhaugh, "direct mail is the special ingredient that can make an omni-channel marketing recipe delicious".



## > FEATURE STORY

### Use data for inspiration and not just reporting

Brian advised the conference audience to use data for inspiration and not just for reporting. No dashboard has ever increased market share – this only happens when data gets embedded into an idea which touches the consumer. This approach has been used successfully by British Airways through campaigns such as the “Magic of Flying” and “Visit Mom”, which created actual transactional value increases of up to 69%.

According to Fetherstonhaugh, the types of brands that posts need to be partnering with are the likes of Facebook and Google; if you work with these brands you most probably will have the attention of media planners who resonate more with high-tech brands.

However, Fetherstonhaugh believes there is a perception barrier to be overcome. David Ogilvy, Ogilvy’s founder, said in the 1970s and 80s: “Direct Mail is my first love and secret weapon.” Attitudes like this are required in the marketplace today; there is a need for influential companies like Google and LinkedIn and top retailers to saying that direct mail is their secret weapon. “I don’t talk about it too often, but this is a magic extra ingredient – this would be the

emotional piece that could be developed by working with ten leading marketers to talk about the secret ingredient that lifts and works with other ingredients to make this delicious recipe for your end-customers,” Fetherstonhaugh added.

Fetherstonhaugh said you can make a powerful statement by asking marketing professionals how they think Google acquires middle-sized companies to use their search product. The company uses direct mail to target these SMEs which comes as a surprise to most professionals. This has the emotional impact of a famous, innovative brand and the surprise.

### Incentives are required for wider use of mail

According to Jodie Sangster, CEO of the Australian Association for Data-driven Marketing & Advertising (ADMA), direct mail is not top of mind within media agencies as digital natives do not consider mail – not because it is a channel that doesn’t work and not because it is a channel which is old-fashioned, but because it isn’t within their current sphere. There is no educational material on direct mail in front of them and there isn’t enough being done to explain how mail connected with digital leads to a greater uplift.

Incentives need to be offered to encourage companies to come back to mail and to test it to achieve the cut through and ROI that it can deliver. To counter this, posts need to produce research and case studies showing that mail together with digital channels provide the desired uplift. Ikea Australia, for example, changed their distribution of catalogues and supported the physical with online advertising and the recall rate for the catalogue increased as a result from 10% to 40% in a very short time period.

Watch the conference highlights video [here](#).



Watch the interview with Jodie Sangster [here](#).



Watch the interview with Brian Fetherstonhaugh [here](#).



# NEWS



- USPS to trial Real Mail Notification
- Innovations in print

## USPS TO TRIAL REAL MAIL NOTIFICATION

In most postal operations, mail sorting machines already take pictures of the fronts of nearly every piece of letter mail in order to read their barcodes. The US Postal Service saw this as a way to link mail with a digital channel and make it more appealing to use in multichannel campaigns. Subscribers to the service, called Real Mail Notification (RMN), receive 8am emails with scans of the fronts of mail pieces that will be sitting in their mailboxes that evening.

A test of RMN among 6,600 users in Northern Virginia in the beginning of 2015 elicited response rates of 5.9% compared to only 0.5% of the control group. Nine out of ten users surveyed said they would continue to use RMN were it offered on a permanent basis and that they would recommend it to their friends.

From an aesthetic perspective, RMN certainly cannot compete with beautiful graphics used in advertising these days as the pictures of mail pieces passing through sorting machines at high speed are black and white. However, mailers will be able to partner with USPS by adding interactive options that can lead the recipients to websites or landing pages instantaneously.

A planned test in New York City will provide USPS with more insights on RMN's consumer acceptance. It will be offered to residents of all five boroughs via email and an ad campaign. During the trial, USPS will offer interactive options for RMN free of charge, and may continue to do so if the business plan proves successful.

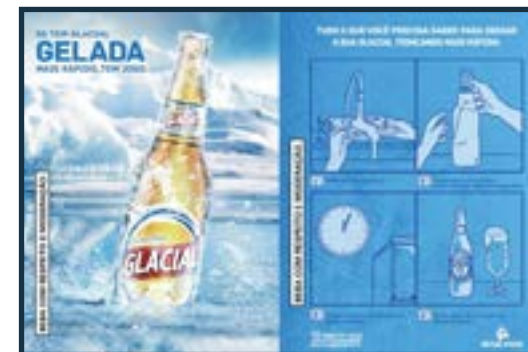
Source: dmnnews.com, USPS

## INNOVATIONS IN PRINT

Great innovations in print do not have to be prohibitively expensive and reserved for the top-level advertisers. Recent examples such as [Eneco smart DM](#), and [Kingdom of Sports' power paper](#), show that the biggest factor impeding advertisers' speed of innovation is simply their creativity. Below, we present three examples of fresh creativity.

- **Paper to chill your beer**

Ogilvy Brasil developed a print ad for Brazilian beer brand, Glacial, that functioned as a bottle chiller. The recipient could simply tear out the page, soak it in water, wrap it around a beer bottle and put it in the fridge. Because the paper contained salt particles that reduced the freezing point of water, the beer was chilled faster than normally. Which beer-drinker wouldn't agree that this is a great innovation?



# NEWS



- USPS to trial Real Mail Notification
- Innovations in print

## • DJ Qbert's Extraterrestria album

Sales of vinyl records increased in recent years; as printed electronics got more sophisticated, the Filipino American turntablist and composer DJ Qbert in partnership with tech company Novalia, developed the world's first playable album cover for his album Extraterrestria. Its cover featured a set of working Bluetooth MIDI decks and controls that connected to a smartphone app, allowing the fan to scratch, mix and fade a range of beats and sounds.



## • Coca-Cola creative music mailer

Coca-Cola Zero, the official sponsor of Rock in Rio, one of the world's largest music and entertainment festivals, launched a series of special-edition cans featuring all music styles among its attractions. VIP kits were designed containing a full set of Coca-Cola Zero musical cans and were sent to the most influential celebrities in Brazil. The cans in the kit could be scanned with a mobile app, launching playlists from bands playing in the festival. And to make it a complete experience, the agency turned the VIP kit into a passive acoustic amplifier, making it ready to play the songs at full blast without electricity. Read the full case study [here](#).



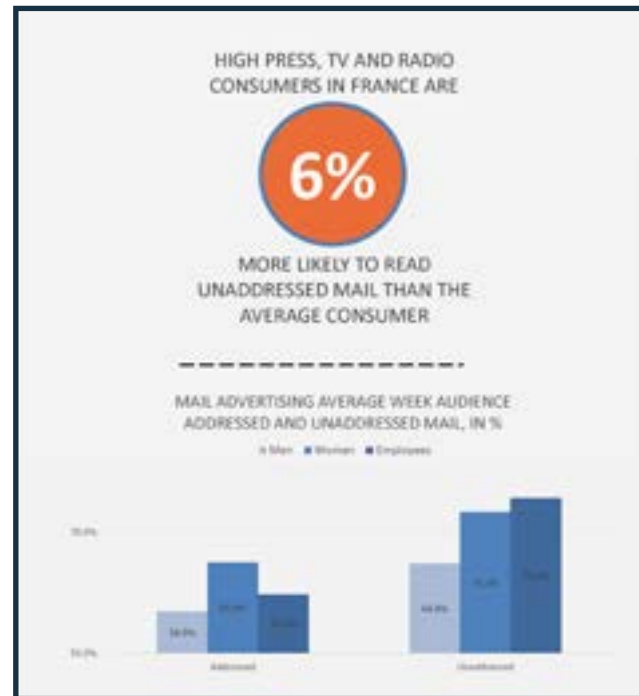
# RESEARCH



- Mail provides powerful customer touchpoint in France
- Canada Post's research breaks through the noise
- Data-driven marketing growth outpaces marketers' new skills acquisition

## MAIL PROVIDES POWERFUL CUSTOMER TOUCHPOINT IN FRANCE

Results of the 2014 French mail audience measurement initiative called Balmétrie show that mail provides a powerful customer touch-point, with 89% of households in France checking the mailbox every day. Launched in 2012, Balmétrie offers the advertising market its own audience measurement regarding mail channel. Balmétrie established the world's first measurement on this scale and developed the methodology and indicators from scratch.



This benchmark study positions mail on the same level with other media in terms of accountability and measurability. It allows agencies and advertisers to analyse the mail channel by validated audience figures: coverage, readership and cross-channel indicators. This study takes place every year and the 2014 one is the third of the series. Implemented by Ipsos Connect Institute, this study's sampling included 10,015 individuals representative of the French population over the age of 15. Data from the study is accessible throughout the year to assess the effectiveness of mail campaigns. Below, we present the key results from the report.

Access the full report (in French) [here](#).

## CANADA POST'S RESEARCH BREAKS THROUGH THE NOISE

To understand how direct mail can help marketers break through the noise, Canada Post commissioned a major ethnographic study that explored how direct mail factors into the lives of today's consumers and thereby influences the purchase journey. Through this study, and reinforced by a series of additional Canadian consumer surveys and global research into the topic, they found that by combining the intimacy of ritual, the impact of physicality and the power of data-driven relevance, direct mail can mean the difference between contributing to the noise and breaking through it. It helps brands stand out, trigger emotional responses, generate a lasting effect and, perhaps most importantly, influence consumer behaviour.





# RESEARCH



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The findings in this paper were drawn primarily from a qualitative, Canada-wide ethnographic study commissioned by Canada Post and conducted by market research consultancy Phase 5. This foundational study inspired an in-depth review of related secondary research focused on consumer attitudes towards and responses to direct mail – including, but not limited to, various consumer surveys commissioned by Canada Post – Canadian consumer insights from independent market research companies, and direct mail studies from postal agencies around the globe. Qualitative and quantitative findings from this body of research are referenced throughout this paper.

Through this research project, Canada Post and Phase 5 examined the consumer's mail management experience across physical mail, email and social media (Facebook), with a primary focus on promotional messages. This study was conducted in two stages.

The first phase included the in-person observation of mail management rituals and habits. The physical and digital mail sorting behaviour of participants was observed via eye tracking. Eye-tracking tests seek to understand how people interact with stimuli by measuring the gaze and movement of their eyes using a small, specialised camera. These tests were used to devise the hypotheses upon which the second part of the study was framed.

In the second phase, subjects participated in a two-week semi-structured online forum with diary entries, where they shared their responses to, behaviour around and attitudes towards physical and digital mail. This was followed by a one-week re-convened online forum to validate experience maps and other findings.

Learn more and access this report [here](#).

## DATA-DRIVEN MARKETING GROWTH OUTPACES MARKETERS' NEW SKILLS ACQUISITION

American marketers are confident in the practice of data-driven marketing (DDM) and its prospects for future growth with nearly three-quarters of DMA/Winterberry Group's Quarterly Business Report (QBR) survey respondents expressing confidence in the industry's growth. Nearly half of the respondents expressed strong confidence in DDM's prospects. Almost 50% of the respondents said they expected to continue growing DDM expenditures while 48% expected to maintain current levels of spending. Nearly 45% of panellists reported that their DDM-generated revenues activities grew in Q1 2015 compared to the previous quarter, while 41.4% said their related revenue remained constant.

The survey's respondents agreed that it isn't the tools themselves that are of prime importance, but the data that powers their utilisation. Nearly 65% indicated "aggregating and integrating disparate data sources" is a high priority for their organisation. At the same time, only 40% indicated that their organisation does a good job of training internal teams about new technology. This disparity points to a need for the alignment of technological tools and the skill sets needed to implement them.

Data-driven marketers seem to have just begun testing mobile and location-based technologies as 60.4% of respondents said they were using them, though only few of them called these tools mission-critical.

Access the full report [here](#).



# CASE STUDIES



- Fuji – the battle for bigger borders
- Multichannel campaign with Australia sports TV channel
- Clever paper invitation yields powerful results
- NZ\$1,000 mailer sent by a bank in New Zealand
- Dimensional mail strengthens an environmental campaign

## FUJI – THE BATTLE FOR BIGGER BORDERS

Fuji New Zealand ‘went to war’ to establish itself in the wide-format digital printing business with its Acuity Select press. To reach the largely male target audience of draftsmen, architects, and print shop owners, it launched a campaign called Wide War 1 (The Battle for Bigger Borders). Fuji dispatched launch invitations in authentic Howitzer artillery shells along with large-format recruitment posters personalised to each business. Recipients RSVP’d at a military-themed website that let them personalise an FX Warbird airplane. Their designs were downloaded by Fuji Xerox and printed on balsa wood scale models they could assemble at the event. The programme’s goal was to attain 25 leads and a single sale of one of the NZ\$450,000 printers. The direct mail piece ended up receiving a 77% response. One machine was purchased the night of the event and two more were sold in subsequent weeks. The campaign also received Silver Award at 2014 Caples marketing awards.

Read more [here](#).



## MULTICHANNEL CAMPAIGN WITH AUSTRALIA SPORTS TV CHANNEL

Many Australian football fans watch matches on free-to-air TV. Subscription television broadcaster, Foxtel had been trying to win over football fans through different channels for two years. Although the company experienced modest success, it knew that its chances of converting non-subscribers were slim – especially given the service’s growing price. So the company decided to come up with an innovative way to engage fans and get them to see Foxtel in a new light with The Alert Shirt – a wearable direct mail piece.

The Alert Shirt, created in partnership with advertising agency CHE Proximity, was a wearable piece of technology that enabled football fans to feel what players feel during a game. The shirt connected to a mobile app, captured real-time game data, and sent the data to electronics inside of the shirt via Bluetooth to create sensations that simulate the game.

Read more [here](#).



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## CLEVER PAPER INVITATION YIELDS POWERFUL RESULTS

Auckland City Mission had set about learning why some people were unable to free themselves from poverty through an extensive, year-long research project, Family 100. The findings revealed there were eight key drivers that trapped people in an endless financial hardship. To officially launch their conclusions, Auckland City Mission wanted to ensure the highest attendance, including media, at their launch event. Nearly 300 key influencers were sent an invitation designed to be read as unending cycle copy with no beginning or ending. This gave a real sense of what it must have felt like to be trapped in poverty.

Read more [here](#).



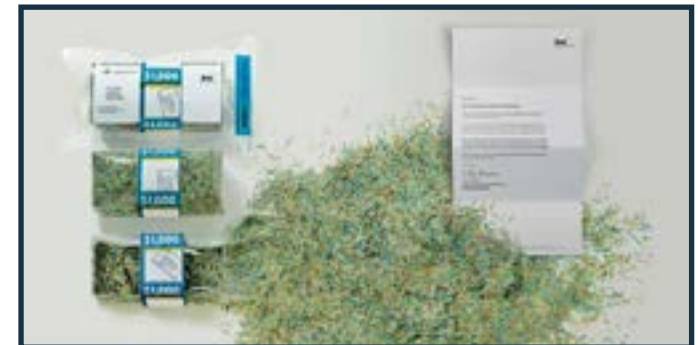
## NZ\$1,000 MAILER SENT BY A BANK IN NEW ZEALAND

As part of Bank of New Zealand's (BNZ) promise to help New Zealanders be good with money, the bank wanted to encourage people to tackle their biggest financial commitment: their home loan. Most New Zealanders had no idea how much money they were wasting on unnecessary home loan interest.

Every day, billions of dollars in old banknotes were destroyed by the world's major banks and turned into waste. The idea was to salvage some of that waste and make it valuable again.

Collaborating with the Reserve Bank, NZ\$1,000 of real shredded cash was put into bundles and delivered to homeowners across the country with a letter explaining how a BNZ Tailored Home Loan could help them prevent such waste and save NZ\$156,000 on a typical NZ\$300,000 home loan.

Read more [here](#).



# CASE STUDIES



## DIMENSIONAL MAIL STRENGTHENS AN ENVIRONMENTAL CAMPAIGN

The Dogwood Initiative is an environmental lobby group established in British Columbia, Canada, to protect their state from the reckless and thoughtless exploitation of its oil and coal deposits. In seeking popular support for its battles against vested interests, the Dogwood Initiative needed a powerful campaign to make the public aware of the real danger that the tankers posed to the environment.

To stimulate debate about the risks of allowing more tankers to the British Columbia coast, tanker-shaped packages filled with black oil were mailed to hundreds of homes. In many instances, the mailing's journey caused the packages to rip off, leaking all over the letter and making the point more dramatically.

Read more [here](#).



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# ABOUT THIS PUBLICATION

IPC MARKET FLASH is a fortnightly newsletter providing a comprehensive look at new developments emerging in the international postal marketplace. It is published by the Markets and Communications department of the International Post Corporation.

If you would like to contribute to this publication or require further information, please contact: [publications@ipc.be](mailto:publications@ipc.be).

# ABOUT IPC

International Post Corporation is a cooperative association of 24 member postal operators in Asia Pacific, Europe and North America. Over the past two decades IPC has provided industry leadership by driving service quality and interoperability, supporting its members to ensure the high performance of international mail services and developing the IT infrastructure required to achieve this. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms for member post CEOs and senior management to exchange best practices and discuss strategy, and gives its members an authoritative, independent and collective voice. IPC also manages the system for incentive-based payments between postal operators. With members delivering some 80% of global postal mail, IPC represents the majority of the world's mail volume.

For more information please visit our website [www.ipc.be](http://www.ipc.be) or contact us at [info@ipc.be](mailto:info@ipc.be).

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