



It's all about Mail and Email »

Working together to create greater 1 to 1
relationships with your customers_



Contents »

Introduction	04 – 05
Executive summary	06 – 07
The impact of the digital revolution	08 – 09
Changing perceptions of mail and email	10 – 21
When to use email and when to use mail	22 – 23
Combining the strengths of mail and email	24 – 29
Mail and the digitally active	30 – 31
Maximising communications effectively	32 – 37
Conclusions	38 – 41
Research sources	42 – 43
Contact us	44

Introduction »

At Royal Mail we've always believed in using the power of 1 to 1 communications to build customer relationships.

However, technology has transformed marketing communications. The development of email and the rapid adoption of smartphones and tablets have changed the way we connect with customers forever. When you want to talk to customers directly you now have many different tools at your disposal and that's a good thing.

So we've conducted extensive research to find out how customers prefer businesses to talk to them. You have this research in front of you and we think the results are fascinating.

It shows that the core strengths of mail have endured and in some cases grown even stronger, often by driving customers online. Mail is still opened, still valued, still kept and still drives response. Digital has transformed marketing but it hasn't replaced mail for one simple reason. Customers don't want it to.

Customers are very clear about what they prefer to receive by mail. They prefer to receive items of substance that they can spend time with and keep. Equally, there are some communications like quick updates that customers prefer to receive via email.

So, complementarity pays. A recent meta-analysis by Peter Field on the IPA Databank reveals that 27% more of the campaigns which delivered high sales performance included mail than did not.

He also looked at campaigns which drove high acquisition levels. And 40% more of these included mail than those that didn't. Campaigns with mail achieved over twice (205%) the market share growth when measured against campaigns without mail in the mix.

We hope you find this report interesting. We feel sure you'll find it useful and look forward to discussing with you the exciting opportunities it creates for your business.



Jonathan Harman
Managing Director, Royal Mail MarketReach
May 2014

Executive summary »

Digital media have had a major impact on both consumer behaviour and marketing communications. As digital usage has grown, the core strengths of mail have not only endured but increased.

Consumers are clear that mail and email have different qualities which make each suited to different things.

Because consumers move seamlessly between the physical and online worlds, mail actually generates a great deal of online activity. Both mail and email are able to drive consumer action.

Using mail and email together in a planned way builds on the strengths of each. This gives you the greatest chance of maximising the effectiveness of your direct communications.

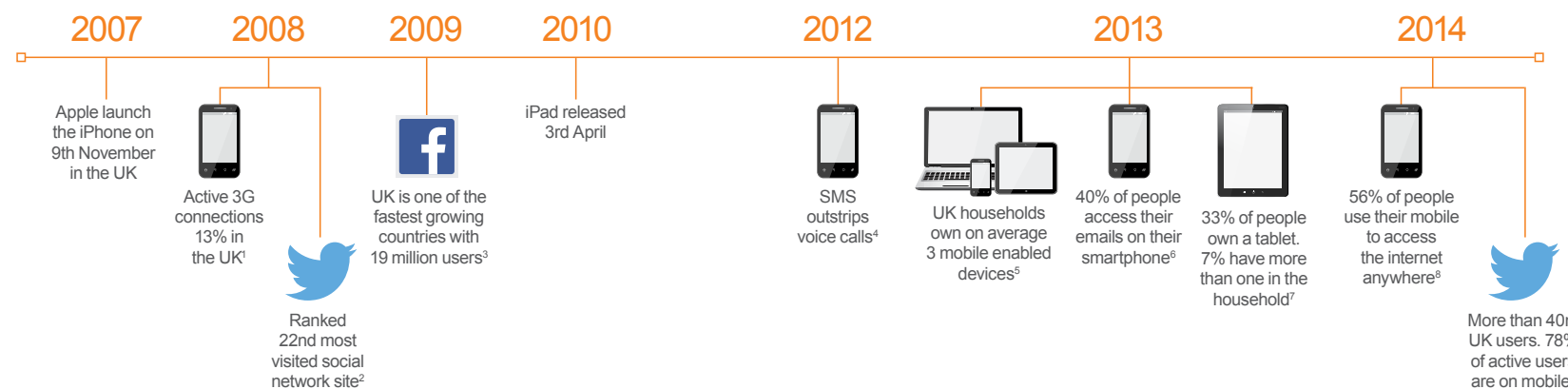
The impact of the digital revolution »

Back in 2007 Royal Mail commissioned some research which showed that if you want to have 1 to 1 conversations with your customers, mail and email should be used together.

What mail was good at email was less good at, and vice versa.

However, a revolution was just around the corner. 2007 was also the year the iPhone was launched. Smart devices have transformed the way consumers access and manage information so completely it's hard to believe they're just seven years old. In fact, we now connect with brands so often when we're on the move you might think we've become totally digital.

But is that how consumers see themselves? Are digital media fundamentally changing the way people think about what they do in the physical world? Over the next few pages you'll discover how consumers respond to digital media and how this is redefining their response to physical channels such as mail.



1. Ofcom, The International Communications Market, 2007
2. Compete, Millward Brown Digital
3. Facebook User Stats, July 2009
4. Ofcom, Communications Market Report, 2012
5. Ofcom, Communications Market Report, 2013
6. Royal Mail MarketReach, Mail and Digital Part 1, Quadrangle, 2013
7. TGI, Kantar Media, 2013
8. IPA Touchpoints 5, 2014
9. Twitter.com, May 2014

The amount of money spent on digital has grown enormously »

Many consumers are feeling overwhelmed by email_

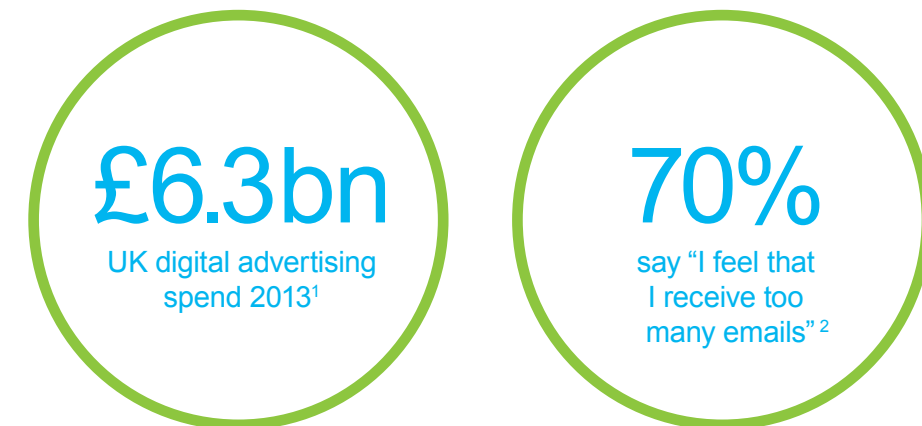
In 2002, less than £200 million was spent on internet advertising. In 2013, advertisers spent a record £6 billion on digital media (including paid for search and display).

More and more, marketers have turned to email for their 1 to 1 communications because it is easy to produce and easy to respond to.

However our research suggests that, as smartphones and tablets have become ubiquitous, consumers are starting to feel overwhelmed.

Consumers feel they're receiving too many marketing emails_

Brands are sending out high volumes of email and why not? It's a low cost medium, after all. But what brands may not realise is that this deluge can create negative perceptions and there may be a high cost to pay in the long run.



1.IAB/PwC Digital Adspend Study, 2014

2.Royal Mail MarketReach, Mail and Digital Part 1, Quadrangle, 2013

Question asked (S3Q4): Please tell me which of the following apply to the way you manage your inbox. "I receive too many emails". (Base: all respondents n=1,000)

Open rates of email are low and consumers delete very quickly »

Email has many benefits. It can be a cost-effective medium and basic emails are easy to produce and to send out.

They enable you to send links to interesting content and to your own websites which makes it easy for customers to purchase from you, perhaps incentivised by special offers and online vouchers and codes. Email is certainly a very efficient, direct medium.

However, a study of email analytics by Litmus in 2013 revealed that over half of emails are deleted within two seconds of being opened. And the actual open rates were only 21% and 29% for acquisition and retention respectively.

There's a strong suggestion that, as more and more content is being consumed on the move (and as people feel they're getting too many emails), the vast majority of emails are not even being opened, and those that are being opened get deleted with little more than a glance. This begs the question, who are you not reaching?

What consumers do with email_



Consumers see mail and email as different and like to receive both »

Consumers associate mail and email with very different characteristics.

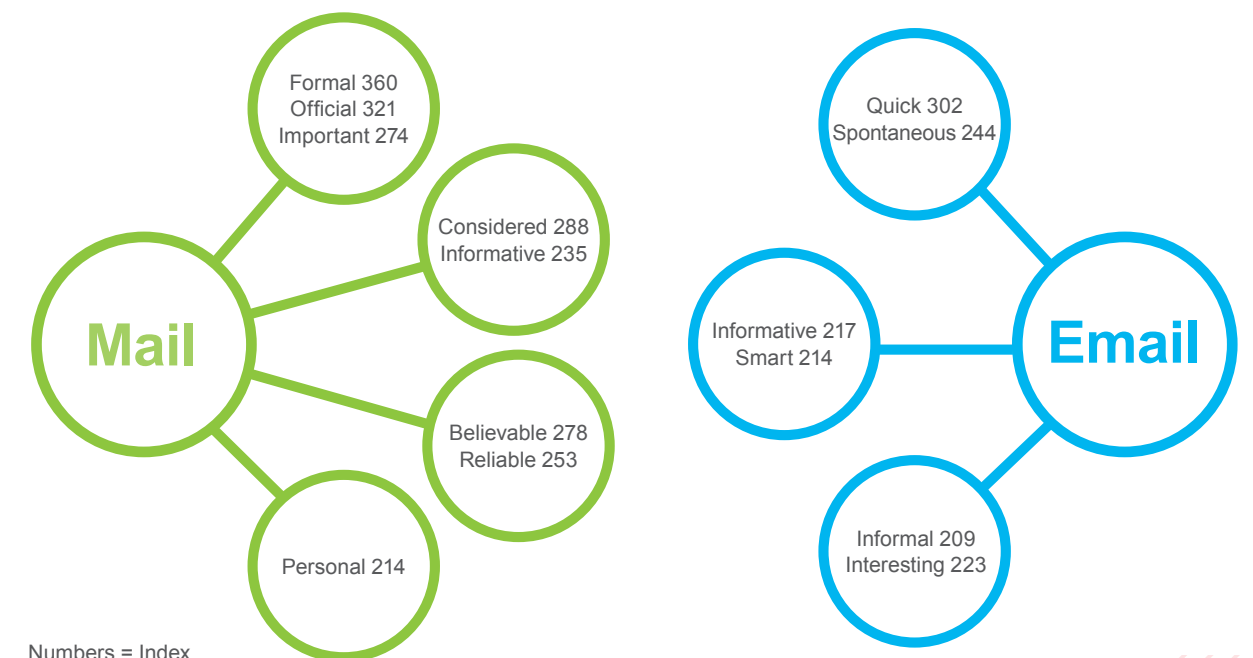
But if you're putting together a marketing plan these characteristics can also be seen as complementary:

- Email is seen as being quick and informal. A simple piece of information or news that people can glance at and get in a moment.
- Mail is believable and reliable. In fact all of the top associations show that it is a medium of authority. This makes it perfectly suited for communications that are formal or official.

What's also interesting is that mail is seen as 'personal' in a way that email is not – even though both are targeted and personalised.

Consumers are perhaps being influenced by the high volume of emails they are now receiving. Alternatively, it may be the physical nature of mail and the tactile way people interact with it that gives it a higher status.

Mail and email have very different characteristics_



Numbers = Index (Average 100)

Royal Mail MarketReach, Mail and Digital Part 2, Quadrangle, 2014

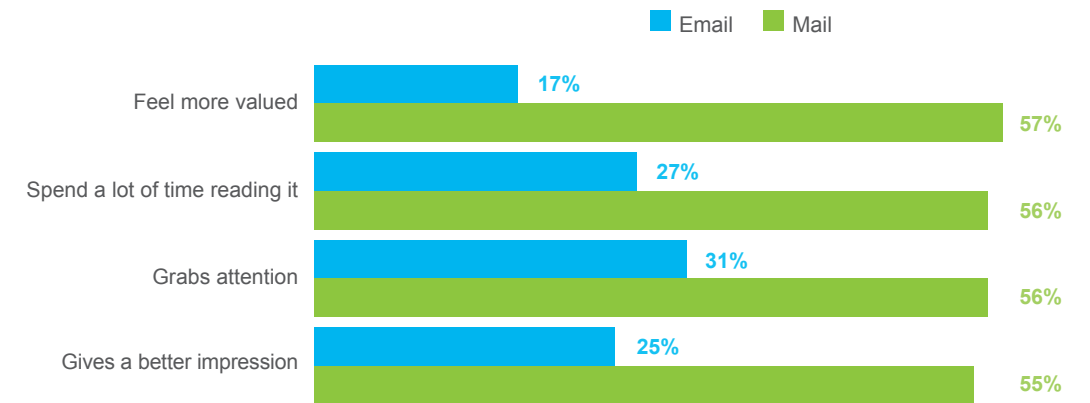
Question asked (S3Q10): Please choose the words that you most associate with the different ways that [industry sector] communicate with you? Base: All respondents n=2375

Mail makes recipients feel more valued than email »

Helping you earn time with your target audience_

Want to demonstrate to your customers that you value them? Sending them mail is considerably more likely to achieve this. You'll earn significantly more time with them and create a better impression.

How mail earns you time with your audience_



As digital usage has grown, the core strengths of mail have actually increased »

The big story that comes out of our research is that the best strategy is to combine mail and email.

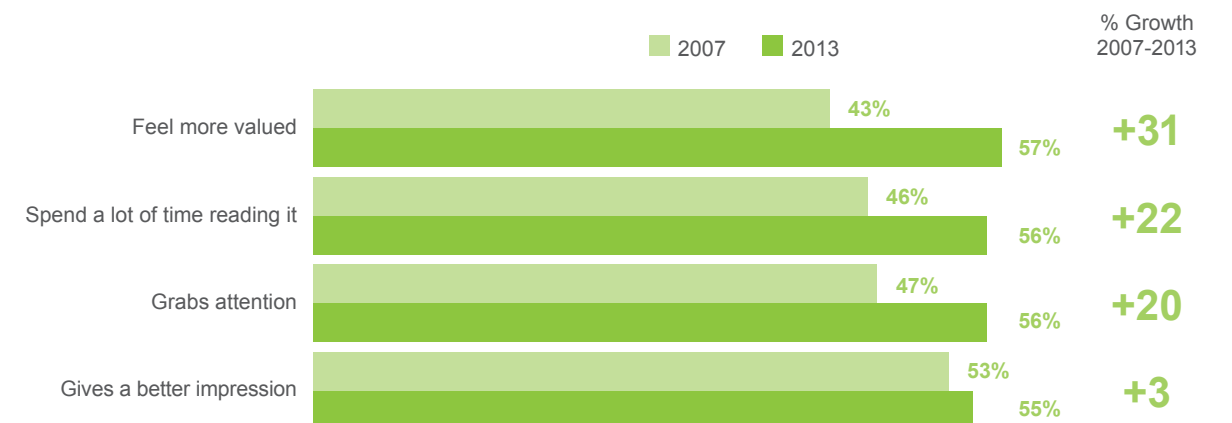
What we've also discovered is that if we compare perceptions from the findings of our two research projects (2007 and 2013), the core strengths of mail have not just endured, they have grown even stronger.

Nowadays, 56% of consumers say mail grabs their attention, up from 47% in 2007, and 10% more say they spend a lot of time reading it, compared to 2007.

The biggest increase though is in the number of us who say receiving mail makes us feel more valued which is now 57%, around a third higher than in 2007.

Grabbing attention, creating a good impression and making consumers feel more valued. These are three things that every brand and organisation strives for. They're also three things that mail is even better at delivering than it used to be in the days before superfast broadband access, before the smartphone and mobile internet.

What consumers think about mail_



Mail makes things happen »

It seems that the perceived value and authority of mail translates into physical interactions.

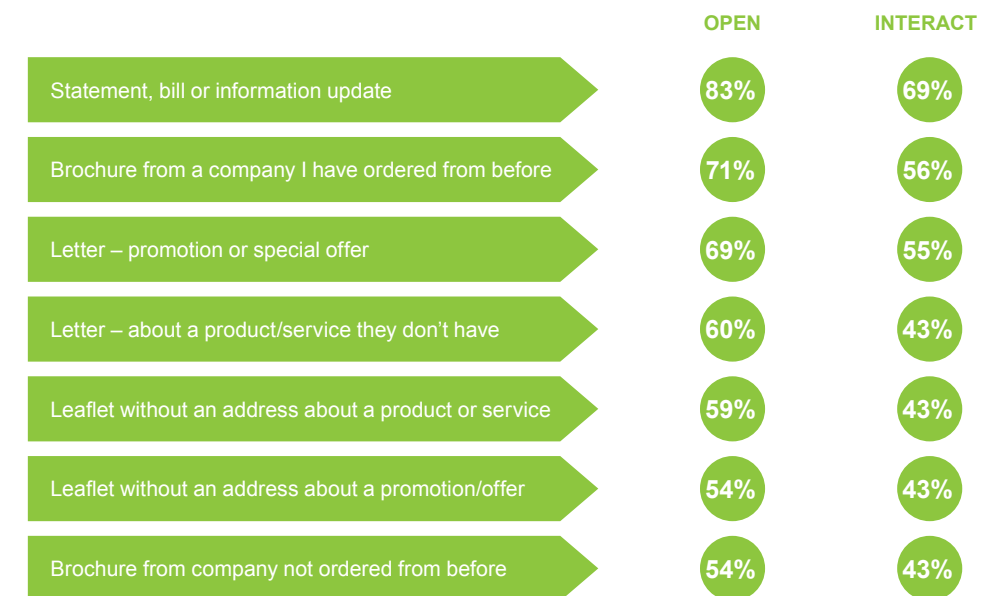
Mail delivers more cut-through and is far more likely to be opened than email. Research reveals that 69% will open a letter from a company about a promotion or special offer. Furthermore, 60% will open mail if it's from a company about a product or service they don't currently have.

Understandably, we engage more with organisations we've already dealt with. But even when mail is received from businesses we haven't used before, more than half of communications are opened. Of those opened pieces, 43% lead to some kind of interaction.

Door to door mail such as leaflets, postcards and flyers also deliver strong cut-through, with 59% of people saying they open it.

What's more, recipients actually spend time with mail. On average, they keep mail around the house for more than two weeks. Although most marketers know, from responses that come much later than two weeks, many people keep mail for much longer. And with some mail such as catalogues and customer magazines, people spend time reading it.

Consumers don't just open mail... They interact with it and keep it too_



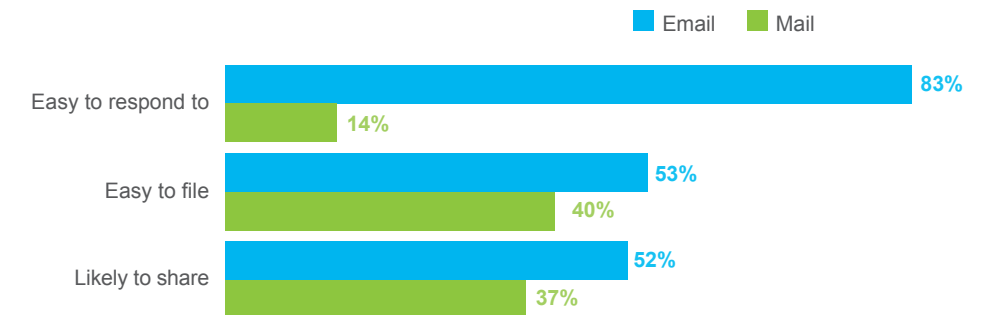
Advertising mail is kept for **17 days** on average

When to email and when to mail »

We asked people what types of communications they wanted from companies they already have relationships with. Their feelings are clear:

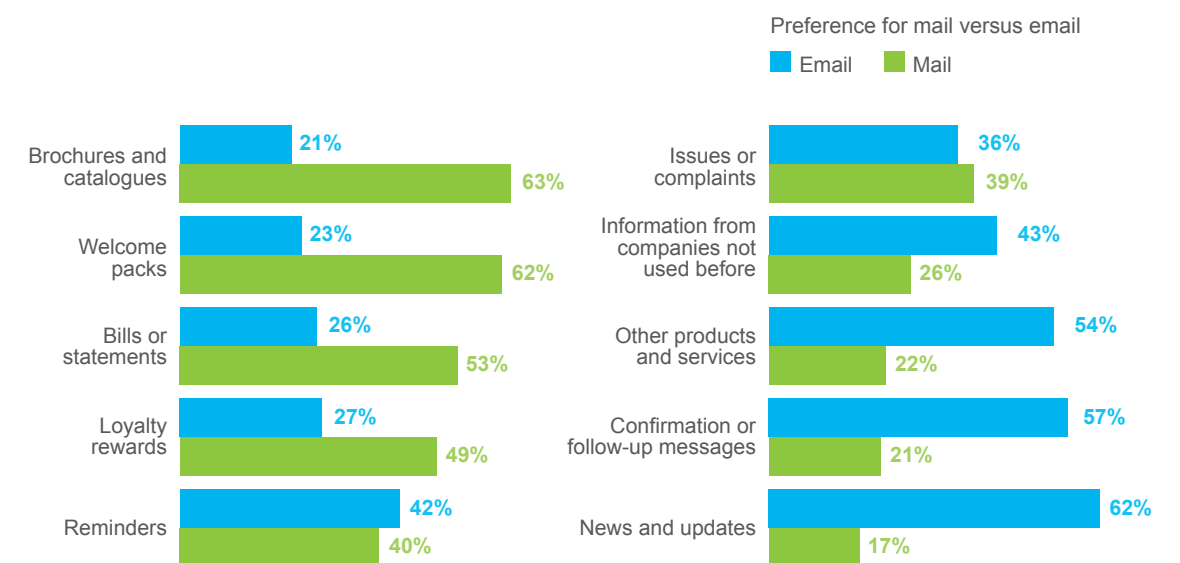
- Email is perfect for eliciting an instant response, for confirmations and follow-ups. For example, emails are good for acknowledging an order or enquiry or for informing people about deliveries. They're also useful for asking customers if they'd like to be notified when new items become available.
- Email also scores highest for news and updates – messages that typically require a quick glance or messages about events that are happening soon.
- For catalogues, brochures and communications that require time to read they strongly prefer to receive printed versions in the mail. They can then consider the contents and keep the information around the home.
- Mail is seen as a medium of authority, so people still prefer to get bills and statements in a physical form.
- Since mail makes people feel valued, it's also the preferred medium for loyalty communications.

Email is a medium of convenience, it's easy for people to respond to_



Royal Mail MarketReach, Mail and Digital Part 1, Quadrangle, 2013
 Question asked (S4Q6): Thinking just about the messages you get from businesses, please tell me whether you think [statement] is most true of mail, or of email in your opinion? (Base: all respondents n=1,000)

Customers know when they want mail and when they want email_



Royal Mail MarketReach, Mail and Digital Part 1, Quadrangle, 2013
 Question asked (S4Q2): How do you prefer to hear from companies that you have/have not used before for [item] (Base: all respondents n=1,000)

Combining the strengths of mail and email »

Putting these findings together we can see how combining mail and email can be very beneficial to organisations and brands.

Email is quick, easy to read, informative and easy to respond to. It's suited to quick messages such as acknowledging an enquiry or giving customers specific pieces of information such as delivery times and it's perfect for following up on enquiries or requests.

People also feel it has an informal quality. It's the equivalent of saying 'just thought you'd like to know.'

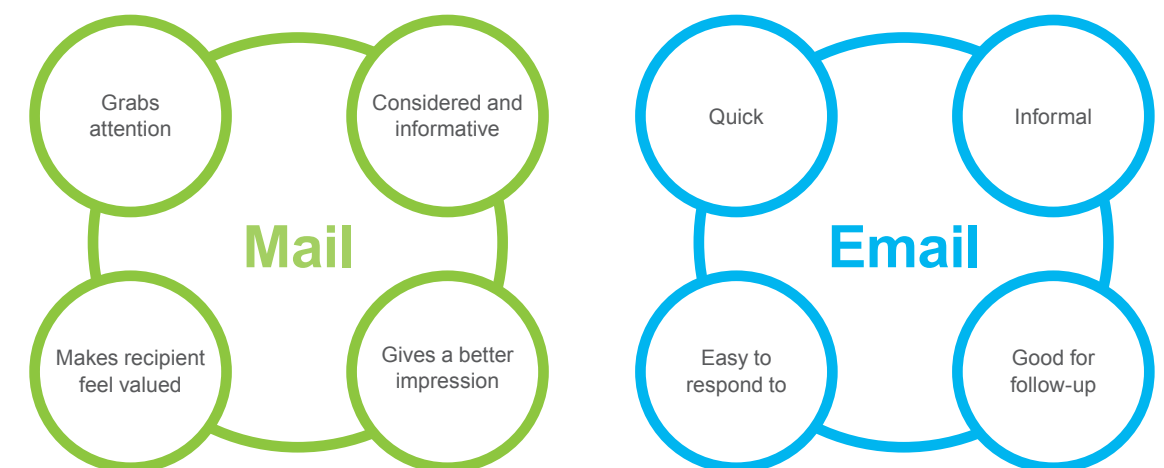
Mail is a more immersive medium. It grabs our attention, draws us into a communication and then holds our attention. So mail is suited to messages that require greater consideration than email, or occasions when we need to communicate more information. We see this in the way people like to browse through catalogues and brochures, or dip into them over extended periods. Similarly, when we join a new service we will often hold onto a welcome pack or membership guide for future reference.

Another good time to use mail is when we want to make recipients feel valued, when we want to show our customers we care. This is an important differentiator for the medium. It's hard to build a strong relationship that goes beyond the purely functional if all you do is drop your customers quick notes. Mail is the medium that allows you to take your time to tell them more about you, about your products and services.

When you do this effectively, customers respond positively (and often by email). They say that mail creates a better impression and will usually take the time to read it.

Brands face a big challenge trying to be seen and heard today, never mind being cared about. There are more demands on people's time than ever and they receive more communications.

Mail and email work on different levels, but in ways that complement each other_



Consumers move seamlessly between the physical and online worlds, between mail and email »

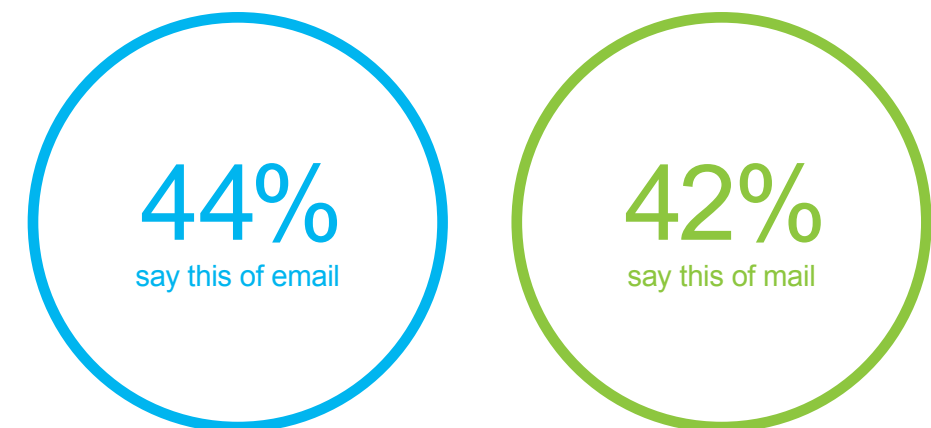
In 2007 we used to talk about 'going online' as if we were moving into a different space or world.

Now, we're equally comfortable reading the news in a paper or on a mobile device. We're happy reading a book on a Kindle or in paperback and we switch between shopping online and in a physical store very easily.

We're still doing the same thing – just through different channels.

We're moving seamlessly between them. And as marketers, mirroring this behaviour will mean we're more likely to get a positive response from our customers.

“I am more likely to do something as a result of it”



Sending out mail sends customers online »

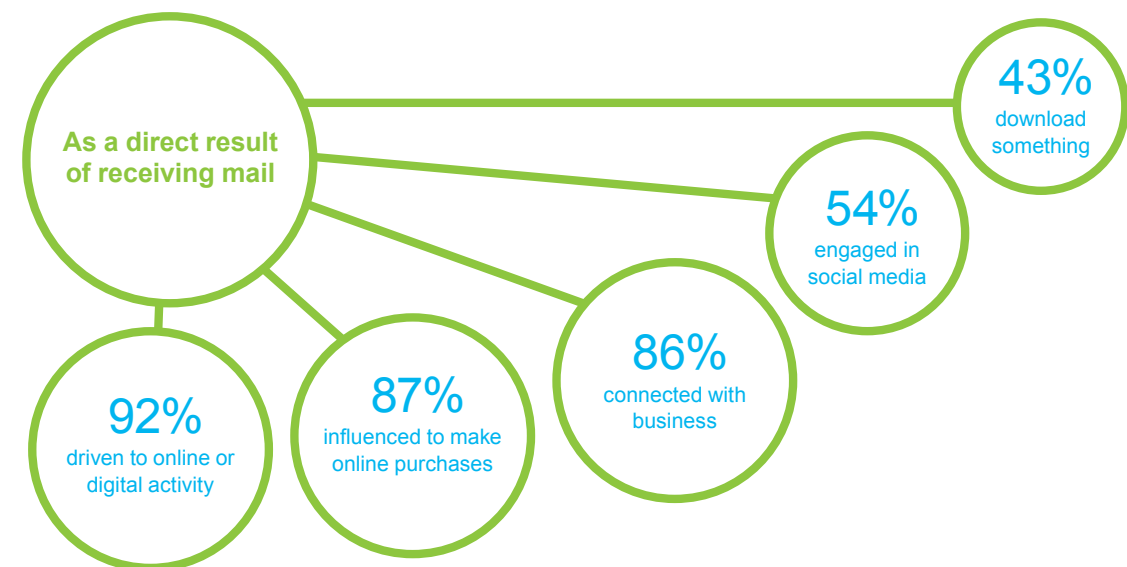
Sending customers direct mail sends them directly to your websites and to social media.

In fact, the majority of people have gone online in response to mail they've received, and this behaviour isn't just confined to making a potential purchase.

What our research shows is that 86% of people have contacted an organisation online in direct response to receiving an item of mail. They may visit a website, send businesses an email or use Twitter.

More than half have logged in to Facebook, YouTube, Twitter or another social channel because they've received something through their letterbox. And nearly 90% have been influenced to make an online purchase. This is because, if a mail piece piques their interest, consumers can simply type the brand name into a search engine.

Mail drives people online and mobile is making it easier than ever for people to do this_



Mail prompts consumers to interact further with brands online_

- 43% 'liked' the sender's Facebook page
- 24% followed the sender on Twitter
- 25% followed the sender on other social media sites
- 36% shared information with friends via social media

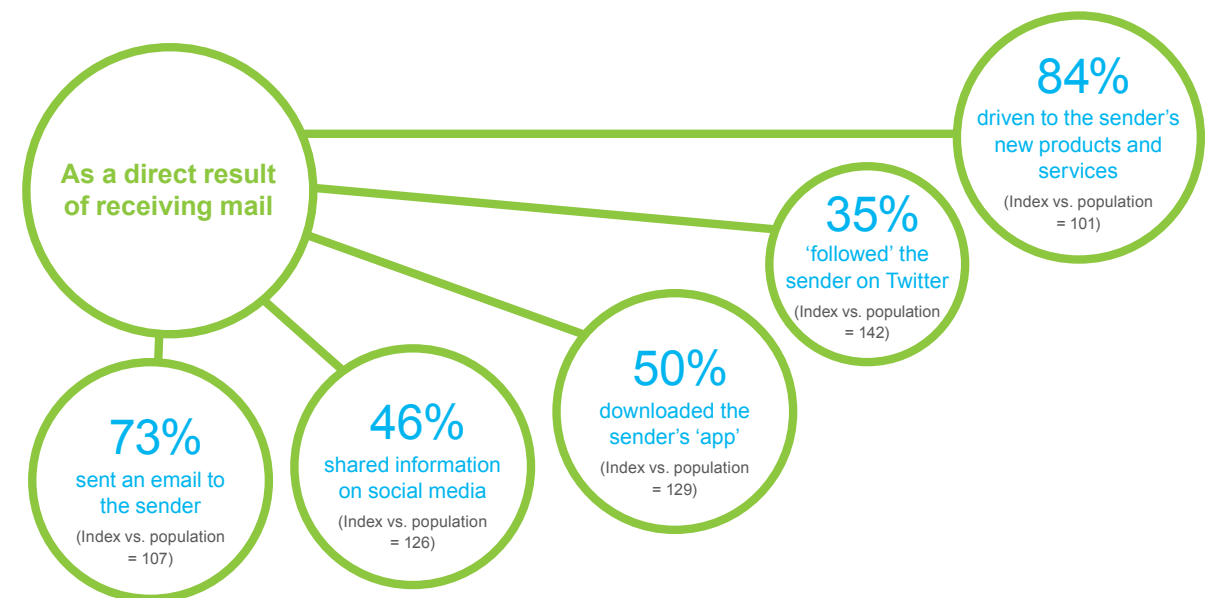
Mail and the digitally active »

It is interesting that those who are more likely to take action online as a result of receiving mail are those who use the internet the most.

Those who spend more time on the internet and who access it via their smartphones, are the same people who appreciate the qualities of mail.

In other words, to maximise engagement with the most digitally active¹ consumers, the answer is not to rely on a digital strategy alone. The trick is to put together an integrated communications plan combining both mail and email because mail is often the initiator and email is for responding to.

The digitally active are more responsive than average to mail_



¹People who browse throughout the day
Royal Mail MarketReach, Mail and Digital Part 2, Quadrangle, 2014
Question asked (S2Q1a): On average, how often do you use the internet for personal reasons (i.e. not for work) (Base: all respondents – n= 2375)
Question asked (S4Q1): How often have you done the following online? (Base – frequent browsers, n=711)

Integrating mail and email communications means you'll not only meet customers' needs, you'll maximise the effectiveness of your communication »

Technology and devices allow us to go online anywhere at any time. But when it comes to brand engagement, consumers want choice. They digest communications in many different ways depending on where they are, what they're doing and what the purpose of the communication is. Before making some purchases, for example, 65% like to spend time perusing both a mailed catalogue and a company's website.

They don't want brands and organisations to decide on one channel of communication. On the surface it may appear financially attractive to migrate all customer communications to purely digital media like email, web, mobile and social. But customers are very clear this isn't what they want. Over half say they want a mix of both mail and email. When looking at the more digitally active¹ group 56% say that "mail makes me feel valued" whilst only 40% of the same group say the same of email.

Consumers don't like the idea of just one communication channel, a combined approach resonates best_



1. People who browse throughout the day

2. Royal Mail MarketReach, Mail and Digital Part 1, Quadrangle, 2013
Question asked (S4Q1): Overall, thinking generally about the communications you receive, would you say you prefer to be contacted by post, email or a combination of both? (Base: all respondents n=2375)

3. Royal Mail MarketReach, Mail and Digital Part 2, Quadrangle, 2014
Question asked to people who browse the internet throughout the day (S2Q6-9): Which communication method do you feel applies to the following: 'it makes me feel valued'? (Base: all browse internet throughout day n=711)

4. Royal Mail MarketReach, Print Catalogues in a Digital World, Illuminas, 2013
Question asked (Q12): Please now indicate the extent to which you agree with each of the following statements (Base: All Respondents n = 1000)

Adding mail to email opens up new responsive audiences »

What is clear from our research is that many consumers only acted after receiving mail. So adding mail to the mix encourages a whole new, untapped section of your audience to purchase, redeem coupons and visit your website.

Add mail to the mix and a new, unique group of consumers start to take action_

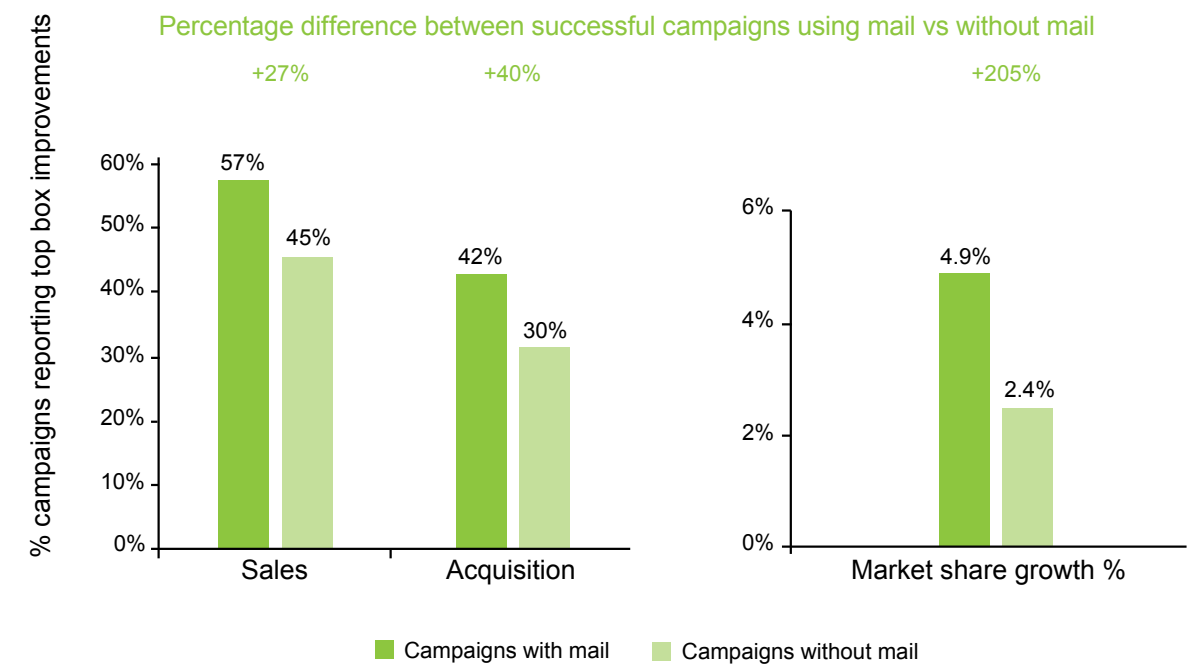


when compared to using email on its own

Campaigns that include mail are more effective »

Adding mail to campaigns improves performance substantially. A recent meta-analysis by Peter Field on the IPA Databank shows that when looking at campaigns which delivered high sales performance, 27% more included mail than did not. When looking at campaigns that drove high acquisition levels, 40% more included mail than campaigns which didn't. Furthermore, campaigns with mail achieved over twice (205%) the market share growth than campaigns without mail in the mix.

Campaigns including mail demonstrate enhanced effectiveness_



Conclusions »

Technology has transformed how organisations communicate and interact with customers. Smartphones and other mobile devices mean the vision of ‘anytime, anyplace, anywhere’ is now close to reality.

In 2007 when we conducted our first research study into mail and digital, email was the primary direct digital channel. Now, consumers are also receiving a steady stream of communications through mobile and social media.

Consumers are starting to feel somewhat overwhelmed by the number of messages they’re getting. They’re more selective about emails they open and are quick to press delete.

Amidst all this change, mail’s core strengths have increased, showing the enduring value it has for consumers.

Consumers don’t see mail and email as the same, they feel they have different strengths and should be used for different types of communication.

- They value email for being quick and informal. It’s quick for an organisation to send an email in acknowledgement of an enquiry and quick for the customer to receive, review and action.
- Consumers value mail for being authoritative and informative so it’s a better medium for sending communications they need time to consider. It’s also good for sending customers messaging they may want to browse and enjoy.

Above all, at a time when so many of the communications received are through digital channels, consumers say that mail makes them feel valued. In fact, it makes them feel far more valued than email and even more valued than when we asked the same question seven years ago.

Of course the real question is not whether mail makes them feel valued but whether it creates value. And here, the answer is unequivocally 'yes'.

Our research has shown how mail is an activation medium. Consumers open and interact with mail, which then drives digital behaviour such as visits to a website or social site, emails to an organisation, or sharing of content online. What's more, the most digitally active are even more likely to translate reading mail into digital action. Using mail and email together opens up new responsive audiences, audiences that don't respond in the same way to email alone.

But the real conclusion from the research is that you create the greatest value when you combine mail and email. By doing this you take advantage of their very different but highly complementary strengths.

- Combine the time that mail earns you with your customers with the speed of email.
- Give customers something to think about.
- Show them that you care.
- Make it easy for them to act.

In fact, adding mail to campaigns improves performance substantially. Figures taken from an IPA Databank meta-analysis conducted by Peter Field show that, of campaigns delivering high sales performance, 27% more included mail than those that didn't. Also, when looking at campaigns that drove high acquisition levels, 40% more included mail than campaigns which didn't. Campaigns with mail achieved over twice (205%) the market share growth than campaigns without mail in the mix.

It all adds up. Mail and email together build better, more valuable relationships.

Research sources »

Our insights are based on the findings from a number of sources:

- Compete, Millward Brown Digital
- DMA, National Email Benchmarking Report, 2013
- Facebook User Stats, 2009
- IAB/PwC Digital Adspend Study, 2014
- IPA Touchpoints 5, 2014
- IPA Databank meta-analysis conducted by Peter Field, 2013
- Litmus Email Analytics, 2013
- Ofcom, The International Communications Market, 2007
- Ofcom, Communications Market Report, 2012
- Ofcom, Communications Market Report, 2013
- Royal Mail MarketReach, D loves E, Quadrangle, 2007
- Royal Mail MarketReach, Mail and Digital Part 1, Quadrangle, 2013
- Royal Mail MarketReach, Mail and Digital Part 2, Quadrangle, 2014
- Royal Mail MarketReach, Media Moments Ethnographic Quant, Brass Insight, 2014
- Royal Mail MarketReach, Print Catalogues in a Digital World, Illuminas, 2013
- TGI, Kantar Media, 2013
- Twitter.com, May 2014

We have a team of media experts and data planners who can work with you and your agencies to apply this learning to your business.

Call us on [0800 996 1685](tel:08009961685) to discuss how we can help you optimise your communications or go to royalmail.com/mailandemail to download this report online.

Royal Mail, the cruciform and all marks indicated with ® are registered trade marks of Royal Mail Group Ltd.
Royal Mail Group Ltd 2014. Registered Office: 100 Victoria Embankment, London EC4Y 0HQ.
© Royal Mail Group Ltd 2014. All rights reserved.

