

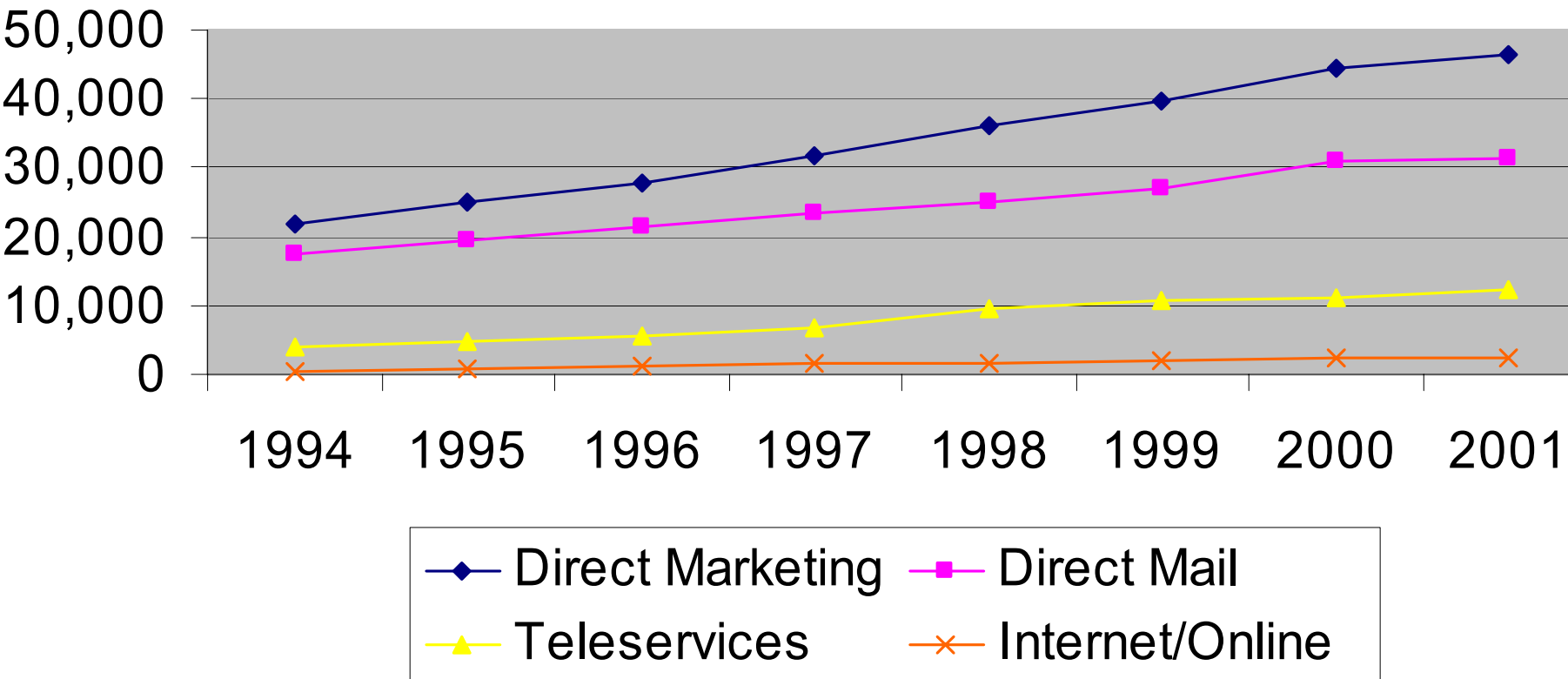
Symposium on Postcodes
ComReg, Dublin, 24 November 2003

Direct Mail & Postcodes –
The Customers' Perspective

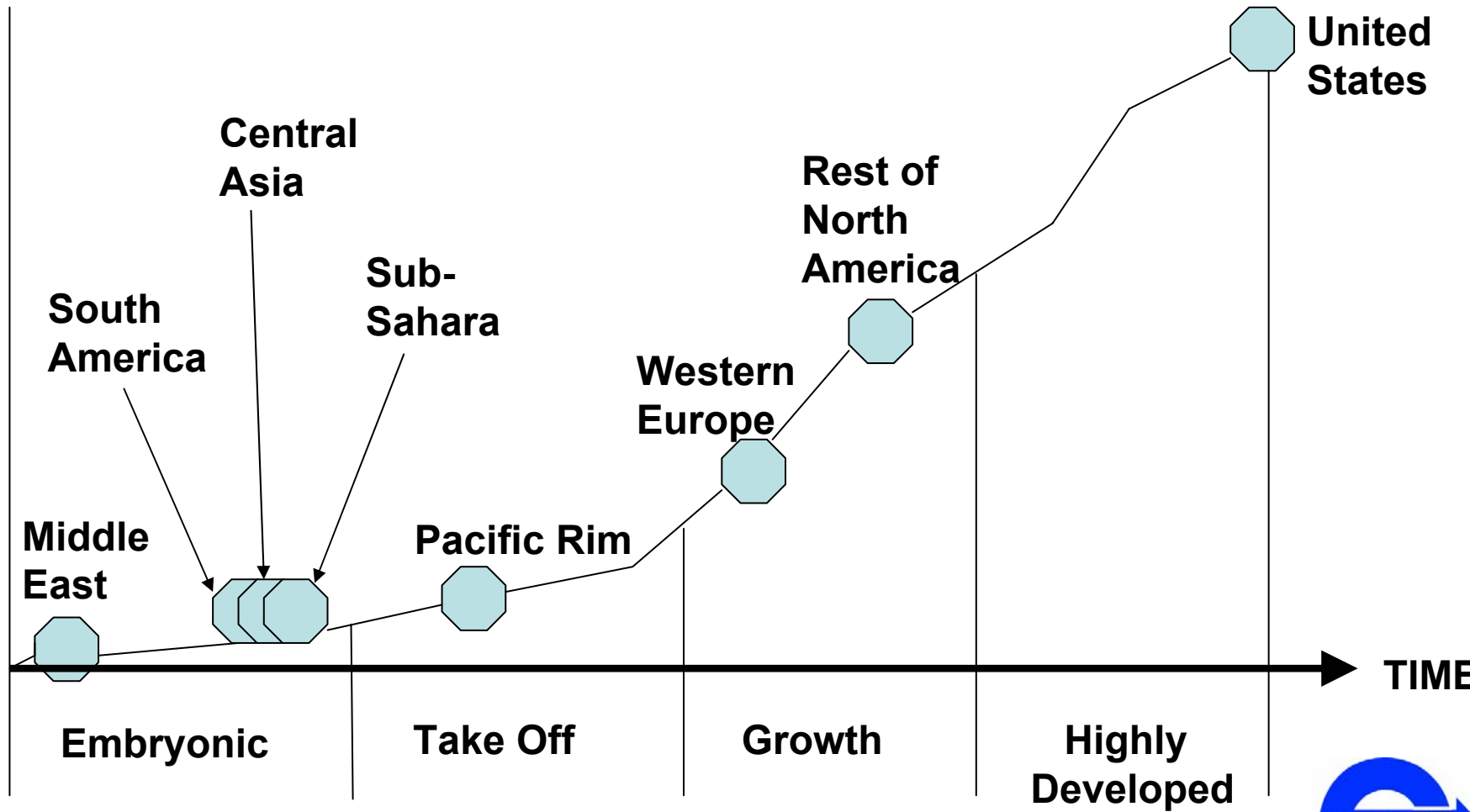
by Alastair Tempest
Director General
Federation of European Direct Marketing



European DM Spend in Euro million



Current State of Direct Mail Development



Source: Study done for the IIPU by Arthur D. Little



Potential DM Estimates by Region 2005

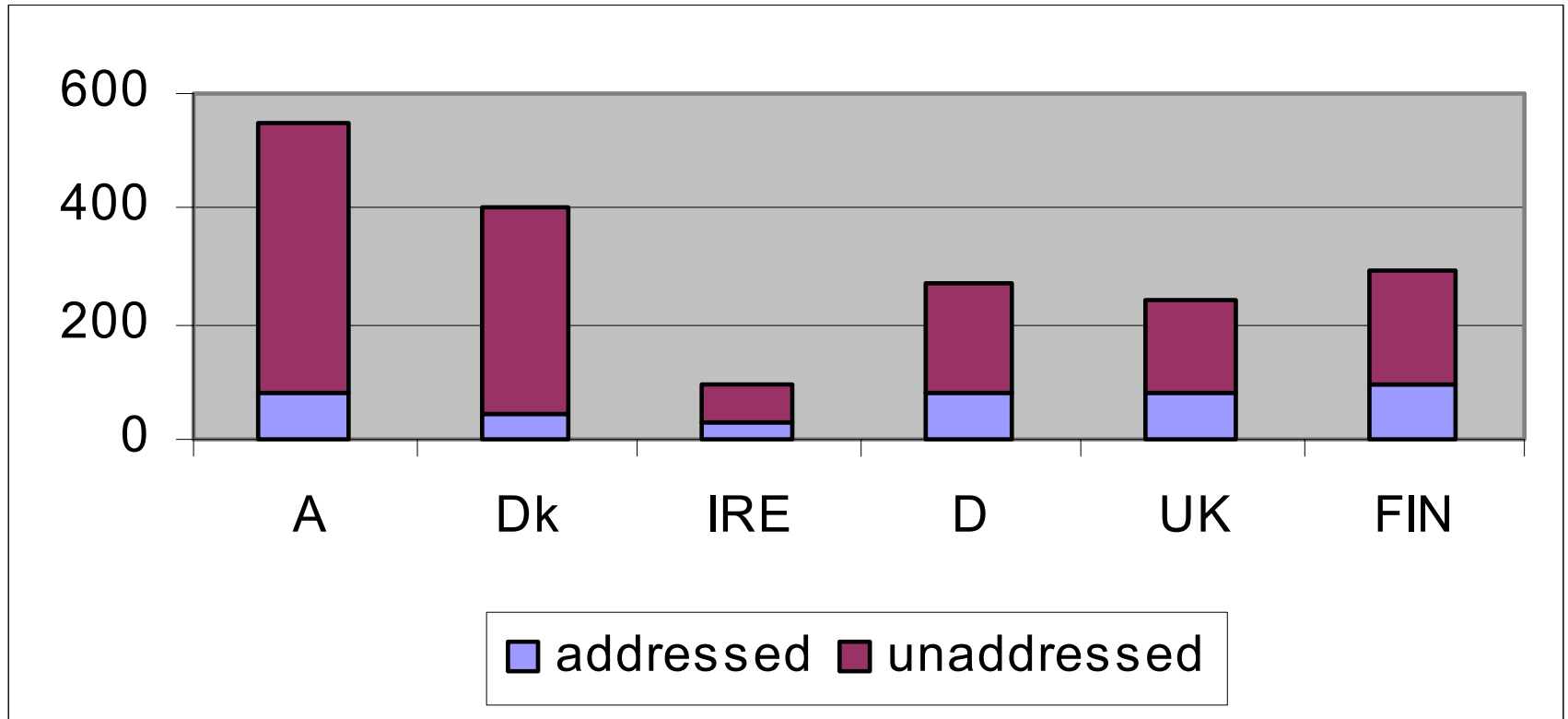
<u>Region</u>	<u>Employment</u>	<u>Expenditures</u>	<u>Sales</u>
	<u>(Millions)</u>	<u>(Billions)</u>	<u>(Billions)</u>
North America	22.0	\$161.5	\$1,261.0
Western Europe	21.6	\$158.1	\$1,234.4
Pacific Rim	19.0	\$138.8	\$1,084.2
Middle East and Asian Subcontinent	3.8	\$27.5	\$215.0
South America	2.9	\$21.1	\$165.2
E. Europe/Central.Asia	2.4	\$17.8	\$139.4
Sub-Sahara	0.9	\$6.4	\$50.1
TOTAL	72.6	\$531.2	\$4,149.3

Source: Study done for the UPU by Arthur D. Little



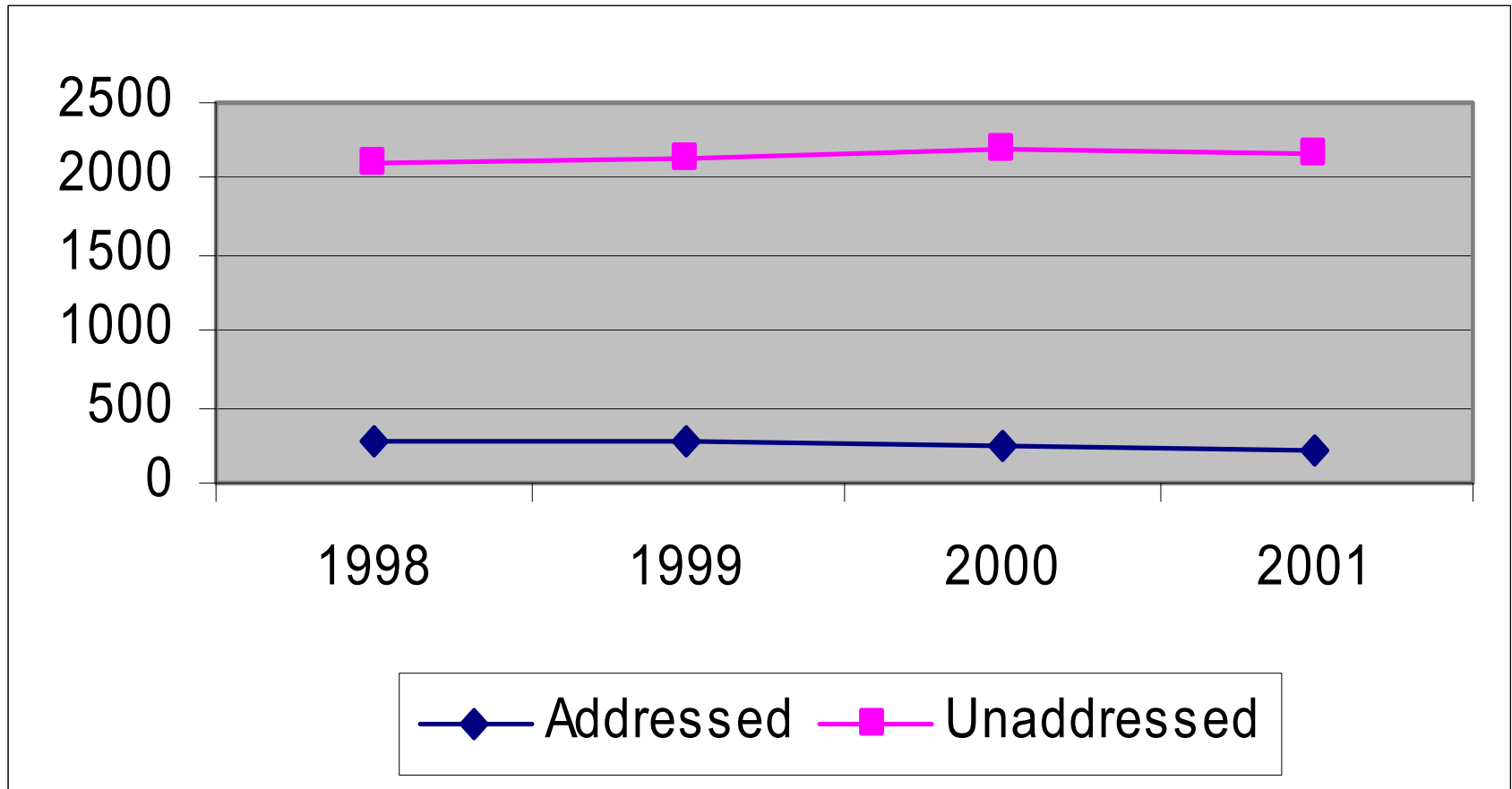
Mail volume per capita

Millions of items



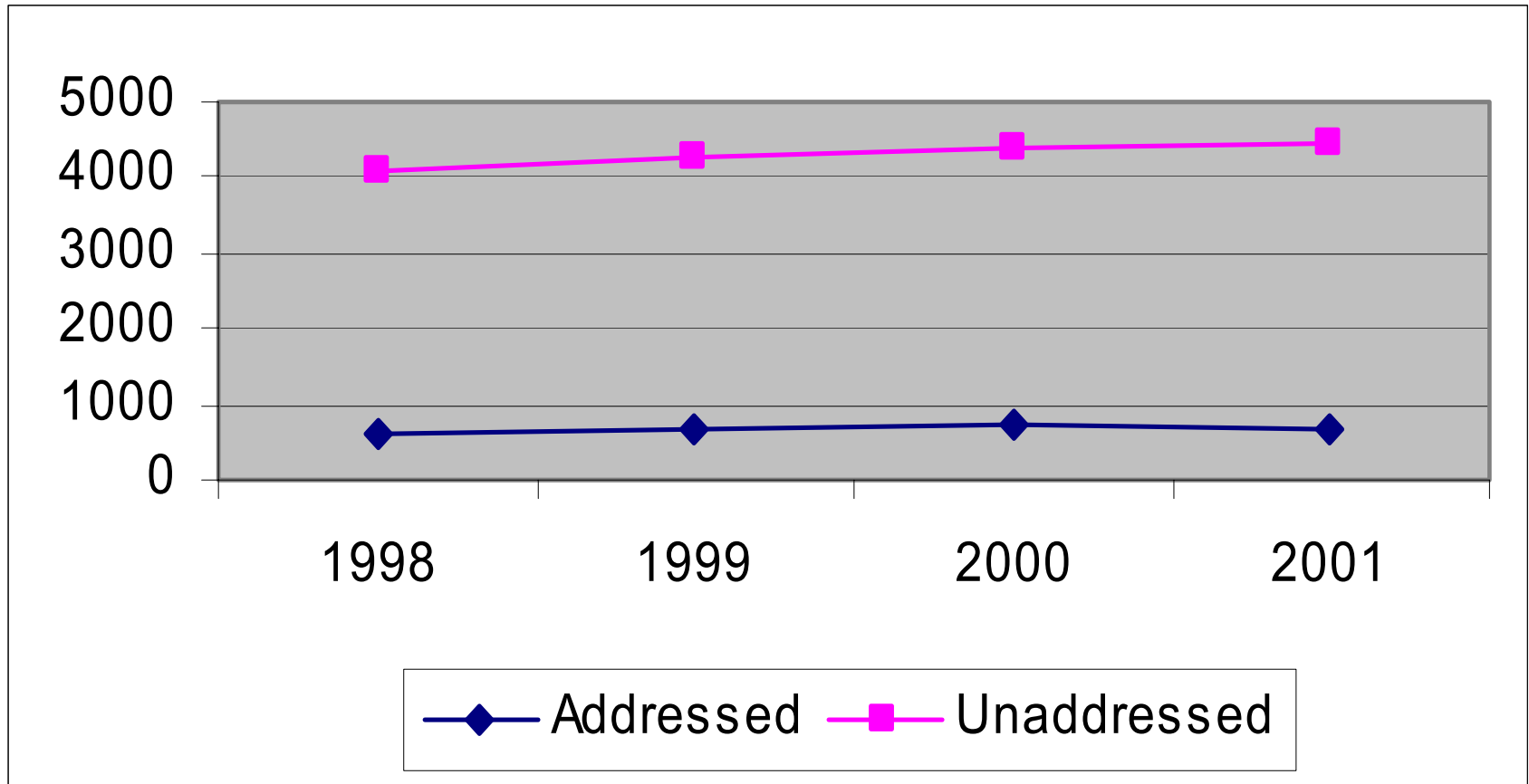
Denmark – only has postcodes at street level for 2 cities

Millions of items



Austria – incomplete postcodes for 30 towns/cities

Millions of items





WARNING !!!



Ireland's postal services may be used less and less in the coming years

- Ireland has a much higher percentage of young people (under 14) than any other country in the EU – **they don't use mail to communicate.**
- Ireland has a much lower percentage of older people (over 65) than any other country in the EU – **they do use mail to communicate.**

Postcodes are essential to Direct Mail:-

- To improve efficiency of automated letter sort for customer as well as Postal Operator;
- To help fine-tune marketing demographics and ensure proper data use;
- To cross-reference (e.g. find addresses fast);
- To avoid confusion with addresses (e.g. how many Blackrocks are there in Ireland, or Newtowns in the UK?);
- Efficiency for complaint handling;
-etc.

Correlation Analysis

	<u>Correlation with Mail Volumes</u>	<u>Relationship</u>
Size of total advertising market	0.323	Larger market = lower mail volume
Postcode system	0.333	Better postcode systems help build mail volumes
Literacy rate	0.416	Higher literacy = higher mail volumes
Postal infrastructure	0.51	Better quality postal services build mail volumes
Address structure	0.521	Better address structures help build mail volumes
Availability of lists	0.736	More data = more mail

IDMA's Proposed text

“A postcode system available (at minimum cost in an accessible computerised format) to bulk mailers and other companies to reduce their postage costs by presorting and producing mail with cleaned databases (i.e. valid addressed and no duplicates) will ensure ease of delivery of postal items by An Post and increase quality of service”.

Source: Irish Direct Marketing Association



Thank you for listening!

**We are your voice in Brussels -
join us to protect your interests!**

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