

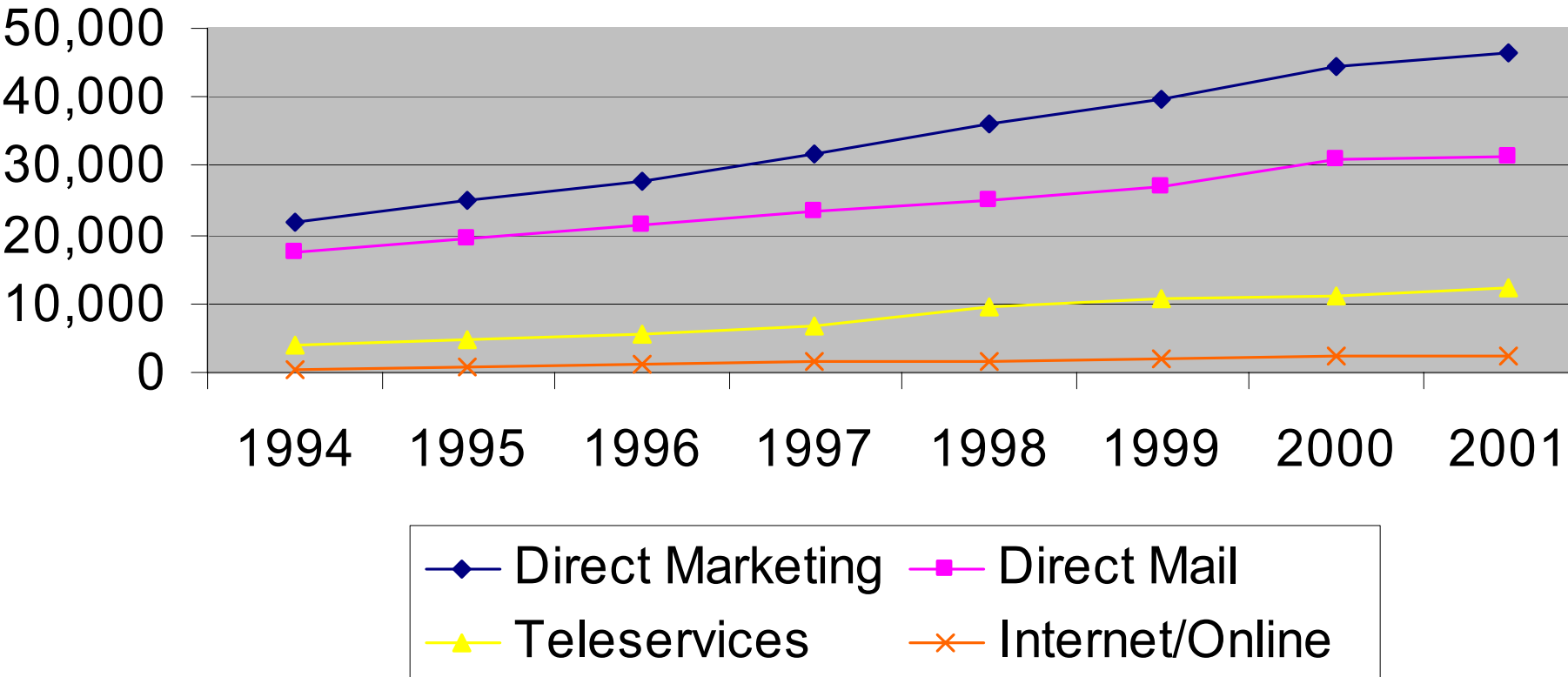
Symposium on Postcodes  
ComReg, Dublin, 24 November 2003

**Direct Mail & Postcodes –**  
**The Customers' Perspective**

by Alastair Tempest  
Director General  
Federation of European Direct Marketing



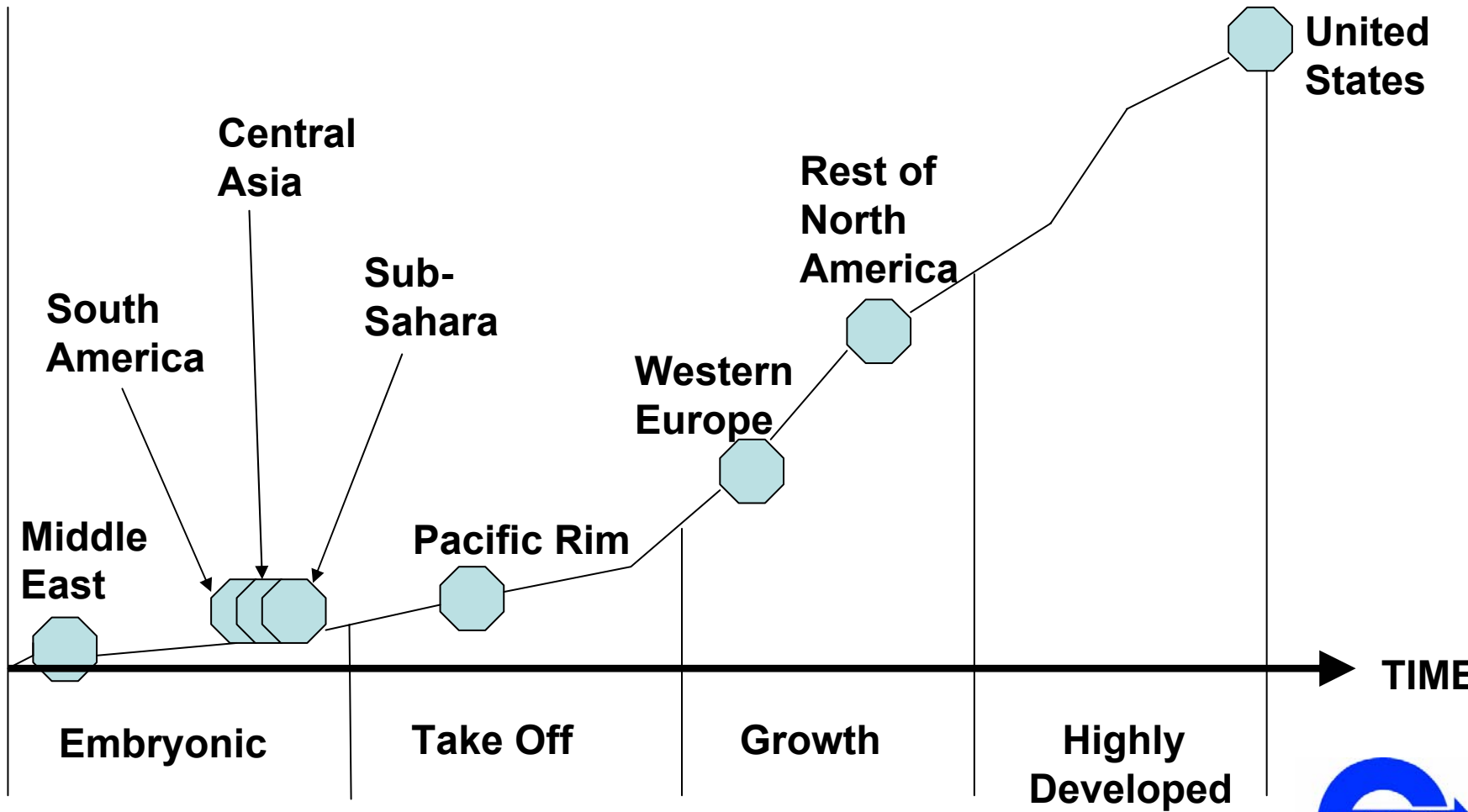
# European DM Spend in Euro million



Source: FEDMA 2002 Survey on Direct and Interactive Marketing Activities in Europe



# Current State of Direct Mail Development



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



# Potential DM Estimates by Region 2005

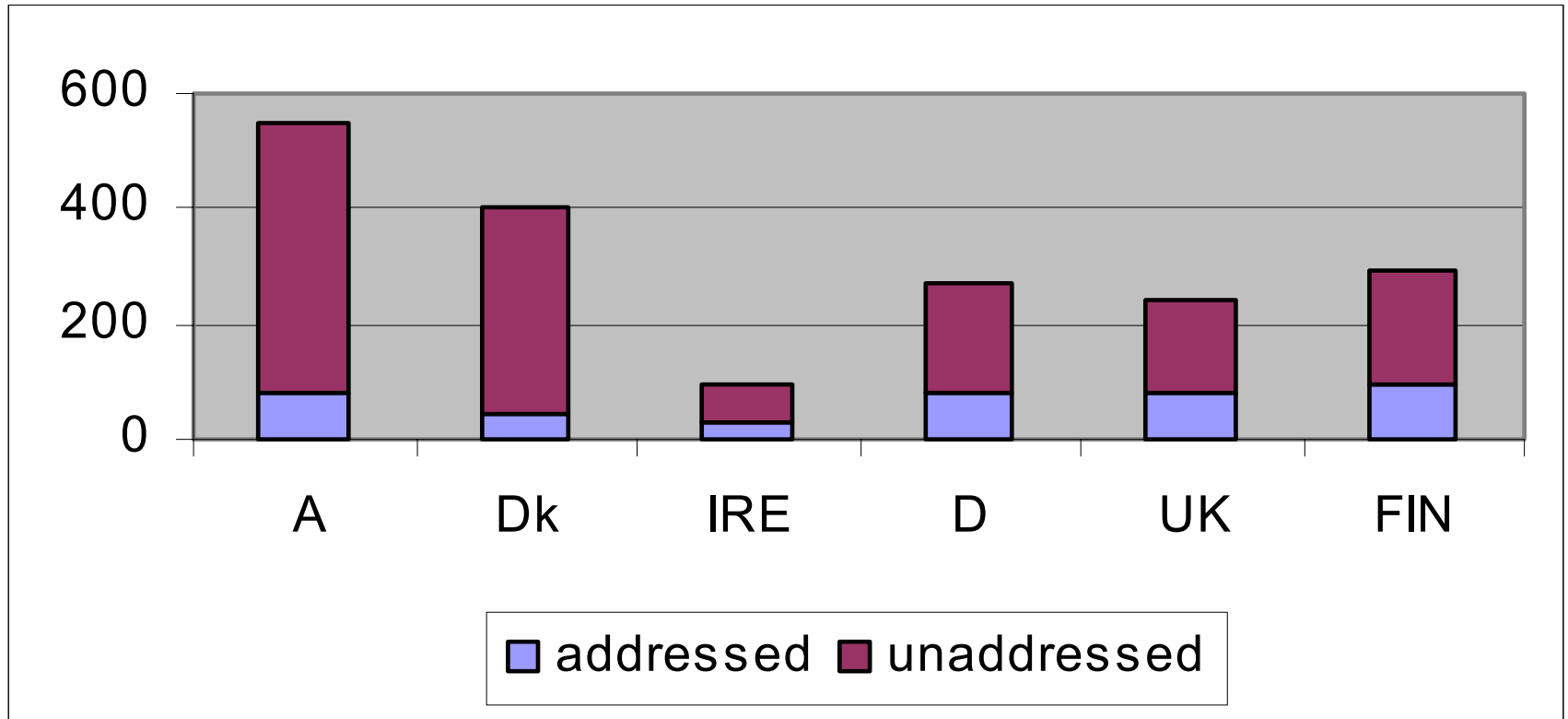
<u>Region</u>	<u>Employment</u>	<u>Expenditures</u>	<u>Sales</u>
	<u>(Millions)</u>	<u>(Billions)</u>	<u>(Billions)</u>
North America	22.0	\$161.5	\$1,261.0
Western Europe	21.6	\$158.1	\$1,234.4
Pacific Rim	19.0	\$138.8	\$1,084.2
Middle East and Asian Subcontinent	3.8	\$27.5	\$215.0
South America	2.9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

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



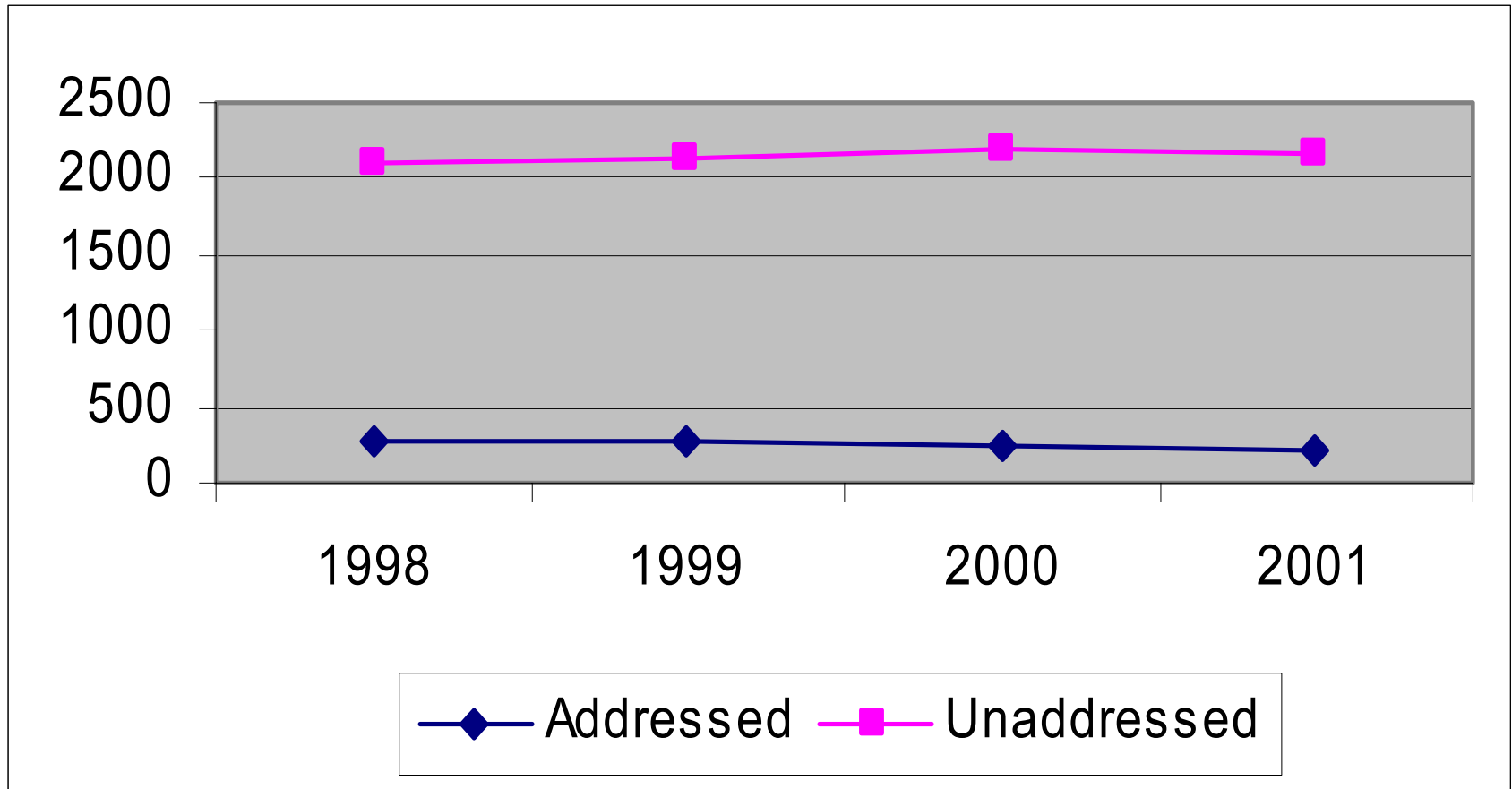
# Mail volume per capita

Millions of items



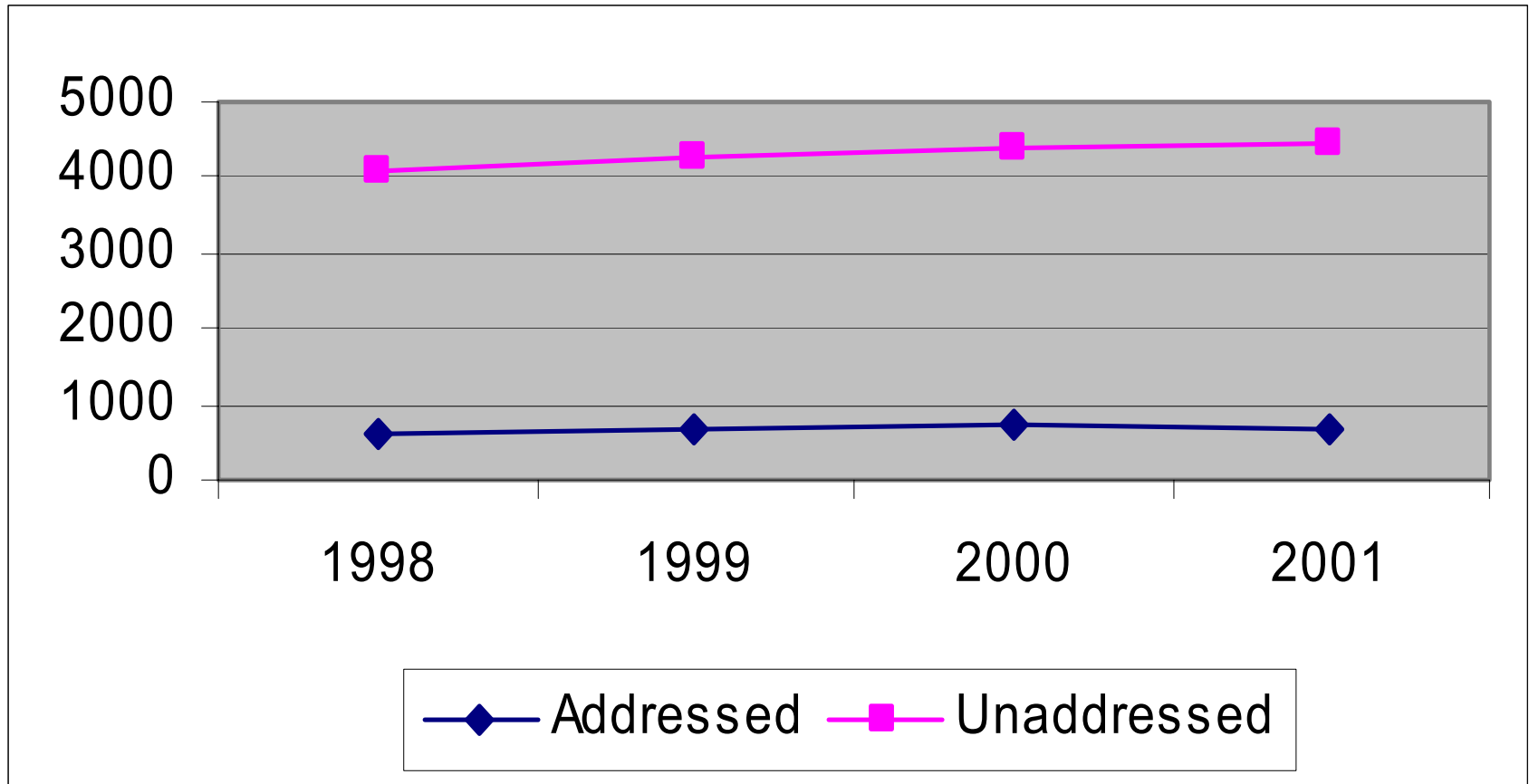
# Denmark – only has postcodes at street level for 2 cities

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
<b>Postcode system</b>	<b>0.333</b>	<b>Better postcode systems help build mail volumes</b>
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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