

Better connections: **Mail continues to deliver**

December 2014



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Methodology

Mail continues to deliver is part of Australia Post's *Better connections* research series.

These reports are developed using data from various sources, including the Australia Post Consumer Survey. This survey, conducted each quarter, measures attitudes and behaviour of Australians towards different communication channels. Australia Post uses Quality Online Research (QOR) to compose a panel of respondents that best represents the Australian population in terms of age, gender and geographic location.

In December 2014, the Australia Post Consumer Survey looked at how much personally addressed mail and unaddressed mail participants received and read, including examining responses to mail and email from specific industry sectors and types of information. This is based on recall of what has been received in the letterbox or inbox in the previous week.

Respondents who are existing customers of a company or provider were also asked to specify their channel preferences for receiving additional advertising and promotional messages. Respondents define their own eligibility as a "customer" or "not a customer".

The December 2014 data was compared with surveys conducted in November 2013 and July 2014, to identify any trends and changes.



Audience segments

Apart from analysing results according to age, gender, location and employment status, the following audience segments were identified within the total sample group:

| | | | |
|--|--------------|---------------------|--|
|  | Youth | Under 25 years old. | Many university students or part-time workers. |
|--|--------------|---------------------|--|

| | | | |
|---|--------------------|-------------------------------------|-----------------------------------|
|  | Home duties | Most likely to have young children. | Household income: under \$50,000. |
|---|--------------------|-------------------------------------|-----------------------------------|

| | | | |
|--|------------------------------|--------------|---------------------------------------|
|  | Younger professionals | No children. | Household income: \$50,000–\$150,000. |
|--|------------------------------|--------------|---------------------------------------|

| | | | |
|---|----------------------------|--------------------|-------------------------------|
|  | Older professionals | Over 40 years old. | Household income: \$150,000+. |
|---|----------------------------|--------------------|-------------------------------|

| | | | |
|---|-------------------------|--|---------------------------------------|
|  | Younger families | Dual-income household, with children under 10 years. | Household income: \$50,000–\$150,000. |
|---|-------------------------|--|---------------------------------------|

| | | | |
|--|-----------------|--------------------|-----------------------------------|
|  | Retirees | Over 65 years old. | Household income: under \$50,000. |
|--|-----------------|--------------------|-----------------------------------|

| | | | |
|--|-----------------------|---|---------------------------------------|
|  | Older families | Dual-income household, with children over 10 years. | Household income: \$50,000–\$150,000. |
|--|-----------------------|---|---------------------------------------|

Executive summary

Findings of the December 2014 Australia Post Consumer Survey confirm a few patterns that have emerged over the past two years: in a rapidly changing media environment, physical mail continues to deliver urgency and engagement for Australian marketers.

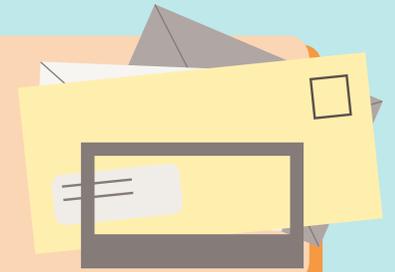
While email is preferred for certain types of messages (such as company requests for information), physical mail is generally still the preferred channel for a range of message types across many industries. Rather than a move from mail to email, the preference for multichannel marketing has grown stronger: the percentage of people who would prefer to receive communications in both physical mail and email format continued to grow this quarter.

In the July 2014 survey, we observed that unaddressed mail volumes experienced seasonal fluctuations. Australians receive more mail in the run-up to Christmas and less mail in the middle of the year. The results of the December 2014 survey confirm this pattern, with unaddressed mail and personally addressed mail volumes matching levels last reported in November 2013. December 2014 results also indicate that personally addressed mail volumes may experience a milder seasonal fluctuation – a trend we will look to confirm in upcoming surveys.

Here are 10 key findings from the December 2014 survey results that Australian marketers will find of interest.

1

Australians received an average of 7.5 pieces of personally addressed mail and 10.8 pieces of unaddressed mail a week.



2

82% of Australians checked their mail daily and 83% read their mail on the same day they received it.



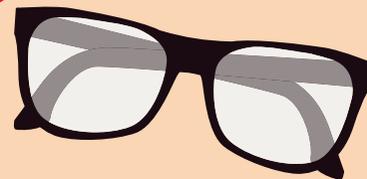
3

The average time taken to open and read mail was 2.9 minutes.



4

99% of Australians opened their mail. 60% also read it thoroughly, and 54% stored it for later reference.



5

Australians wanted to receive magazines, important or sensitive information, brochures and catalogues, detailed information and vouchers or coupons as physical mail.



6

Australians preferred to receive emails for brief information, newsletters, invitations to special events or sales and company requests for information.



7



38% wanted to receive bills and statements as personally addressed mail; 35% preferred email format.

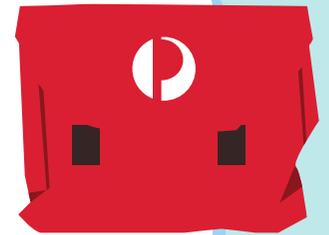
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Around a quarter of Australians would like to receive both mail and email versions of bills and statements, vouchers or coupons, detailed information and invitations to special events or sales.



9

Australians received the most personally addressed mail from financial institutions, utilities companies, government, charities and telecommunication companies.



10

Australians were most likely to read mail from financial institutions, utilities companies, supermarkets, telecommunication companies and government.



Mail findings

Personally addressed mail

Australians received an average of 7.5 pieces of personally addressed mail a week in December 2014, compared with 7.0 pieces in November 2013.

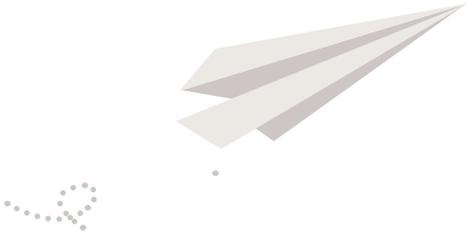
There was also a seasonal fluctuation – the higher number of mail pieces received in December 2014 reflects the start of the Christmas period. In comparison, Australians received a lower average of 6.4 pieces of personally addressed mail in July 2014. This is a pattern we have previously observed with unaddressed mail.

Personally addressed mail received

Base: all Australians

| | | Nov 13 (n=2,449) Mean | Jul 14 (n=2,320) Mean | Dec 14 (n=2,371) Mean |
|---|---|-----------------------------|-----------------------------|-----------------------------|
| Total | + | 7.0 | 6.4 | 7.5 |
| Male | + | 7.4 | 6.7 | 8.3 |
| Female | + | 6.6 | 6.2 | 6.7 |
| 18 to 29 years | + | 4.3 | 4.2 | 6.5 |
| 30 to 39 years | + | 5.8 | 5.6 | 6.8 |
| 40 to 49 years | - | 8.3 | 7.0 | 7.1 |
| 50 to 59 years | + | 7.9 | 7.0 | 8.6 |
| 60 years and over | + | 8.3 | 7.8 | 8.4 |
| Business owner / operator | + | 9.3 | 8.6 | 13.1 |
| Metro | + | 6.9 | 6.3 | 7.7 |
| Regional | | 7.1 | 6.6 | 7.1 |
| House with its own mailbox | + | 7.1 | 6.6 | 7.6 |
| House without a mailbox | + | 6.1 | 5.0 | 7.7 |
| Flat, unit or apartment; mailbox behind a secure door | + | 6.1 | 5.4 | 6.8 |
| Flat, unit or apartment; mailbox accessible by all | - | 8.6 | 7.7 | 7.7 |

Note: Figures highlighted in green indicate a significant increase since November 2013.



Unaddressed mail

Australians received an average of 10.8 pieces of unaddressed mail in December 2014, compared with 10.7 in November 2013, indicating that mail volumes have remained stable year-on-year.

As we observed previously, unaddressed mail is strongly affected by seasonal fluctuations. In July 2014, people reported receiving an average of 8.7 pieces of unaddressed mail.

The mid-year drop in mail volumes provides a great opportunity for your message to stand out and be read.



Unaddressed mail received

Base: all Australians

| | | Nov 13 (n=2,449) Mean | Jul 14 (n=2,320) Mean | Dec 14 (n=2,371) Mean |
|--|---|-----------------------------|-----------------------------|-----------------------------|
| Total | + | 10.7 | 8.7 | 10.8 |
| Male | | 11.3 | 8.9 | 11.3 |
| Female | + | 10.2 | 8.4 | 10.3 |
| 18 to 29 years | + | 8.8 | 5.9 | 9.0 |
| 30 to 39 years | + | 9.2 | 8.0 | 10.6 |
| 40 to 49 years | - | 11.7 | 9.9 | 11.5 |
| 50 to 59 years | - | 12.4 | 9.4 | 11.6 |
| 60 years and over | - | 11.5 | 9.8 | 11.2 |
| Business owner / operator | + | 10.2 | 9.3 | 12.3 |
| Metro | + | 11.3 | 9.0 | 11.7 |
| Regional | - | 9.7 | 8.0 | 8.9 |
| House with its own mailbox | - | 11.9 | 9.5 | 11.6 |
| House without a mailbox | + | 5.5 | 4.9 | 8.6 |
| Flat, unit or apartment; mailbox behind a secure door | + | 9.3 | 7.3 | 9.5 |
| Flat, unit or apartment; mailbox accessible by all | - | 4.1 | 2.5 | 4.0 |

Note: Figures highlighted in green indicate a significant increase since November 2013.

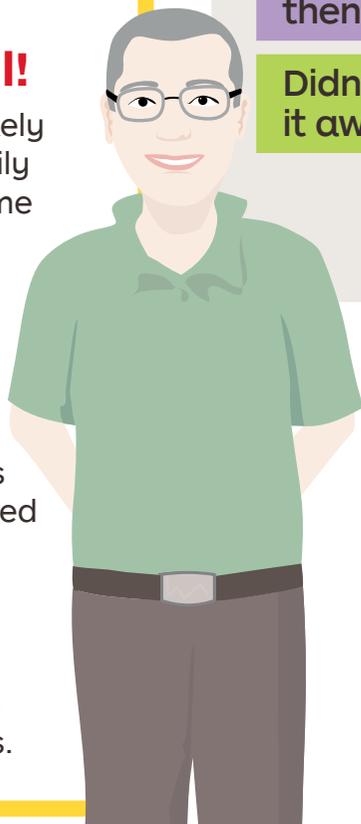
Checking and reading mail

82% of Australians checked their mail daily; and

83% read their mail on the same day they received it.

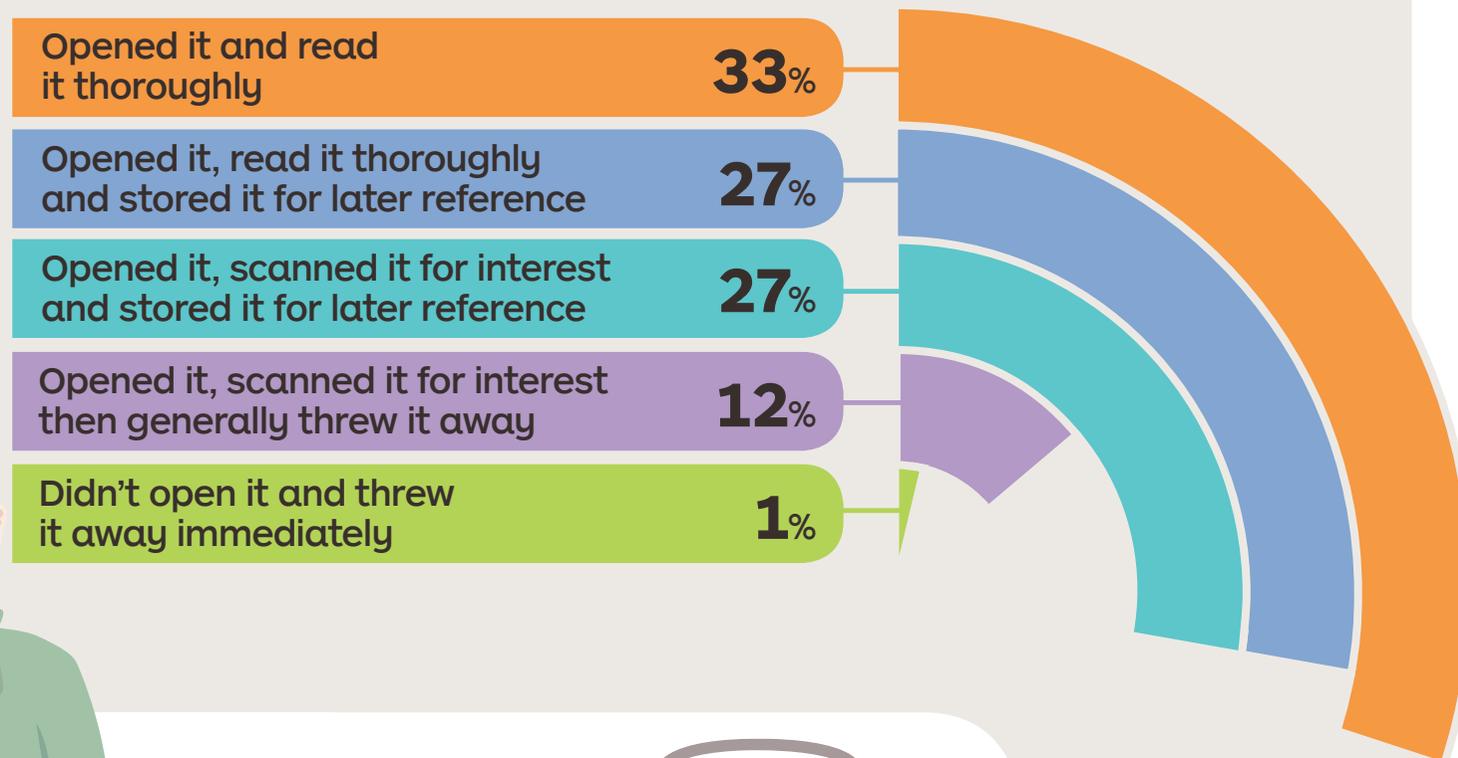
No-one overlooks mail!

Retirees were most likely to check their mail daily and read it on the same day they received it (88% checked the mail and 93% read it that day). While these percentages were lower for youth, around three quarters of this segment checked their mail daily and read it the same day – demonstrating that mail delivers urgency and engagement with Australians of all ages.



Opening and keeping mail

99% of Australians opened their mail, with 54% storing it for later reference.



On average, Australians spent **2.9 minutes** opening and reading their mail in December 2014, the same as in July 2014.



Who's sending and receiving personally addressed mail?

Some audience segments were more likely to have received personally addressed mail from certain industries, in line with their lifestyle and interests.



Older families received more mail from financial institutions, utilities companies and real estate companies.



Older professionals received more mail from financial institutions, utilities companies, real estate companies and local service providers.

Both these segments are likely to live in their own mortgaged or rented home, so it makes sense that they would receive mail from banks, insurers, utilities companies, real estate agencies and other local businesses near the home.



Industries sending personally addressed mail

Australians received the most personally addressed mail from financial institutions, utilities companies, government, charities and telecommunication companies.

| | | Nov 13 (n=2,220) % | Dec 14 (n=2,128) % | Change % |
|---|--|-----------------------|-----------------------|----------|
| 1 | Banks or financial institutions, including credit card and insurance | 54% | 51% | -3% |
| 2 | Utilities companies (electricity, gas or water) | 39% | 38% | -1% |
| 3 | Federal, state or local government | 21% | 32% | 11%* |
| 4 | Charities | 30% | 27% | -3% |
| 5 | Telecommunication companies | 25% | 24% | -1% |

Base: those who received personally addressed mail in the last week.

* The increase in mail from government is likely due to the Victorian state election in late November 2014.



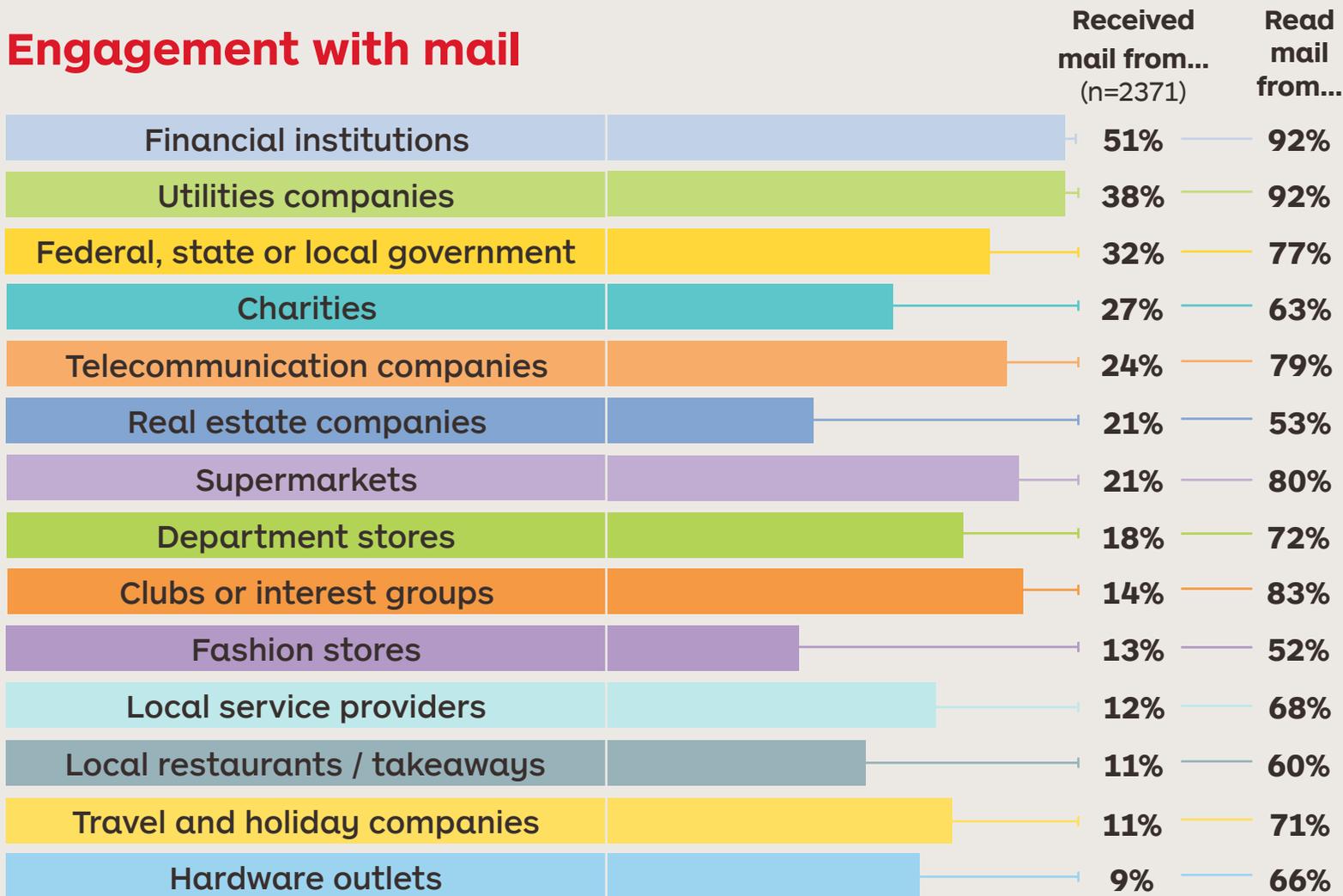
Retirees received more mail from charities, government, telecommunication companies, clubs or interest groups and travel and holiday companies. Retirees are a valued source of charitable donations and also have more leisure time and resources to travel in their retirement.

What do Australians prefer to read?

Physical mail continues to deliver high engagement, making it an attractive marketing and communications channel. Across all sectors, over half of the people who received mail read it. When compared with benchmark email open rates like MailChimp's* 19.72% open rate for insurance emails or 25.69% for government emails, this is a remarkably high response.

* **Source:** <http://mailchimp.com/resources/research/email-marketing-benchmarks/>

Engagement with mail



Although only 14% of Australians received personally addressed mail from clubs or interest groups, 83% read these communications. This reflects the high level of personal interest people have in their own hobbies and sports.

An uncluttered channel

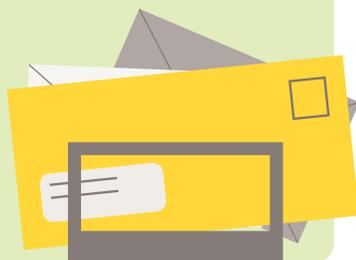
When we compare the industries sending relatively low levels of mail (9–51%, depending on industry) with the high engagement rates these communications achieve (52–92%), it's clear that this channel holds great opportunity for savvy marketers.

Channel preference by message type

While Australians have embraced digital technologies platforms and eCommerce enthusiastically, personally addressed mail is still the preferred format for many types of communications.

Four key observations

- 1 Over 50% of Australians prefer personally addressed mail for magazines, important or sensitive information, and brochures and catalogues.
- 2 Over 50% prefer email format for brief information.
- 3 People still prefer to receive bills and statements in printed mail format.
- 4 Around a quarter of Australians would like to receive bills and statements, vouchers or coupons and detailed information in both mail and email formats.



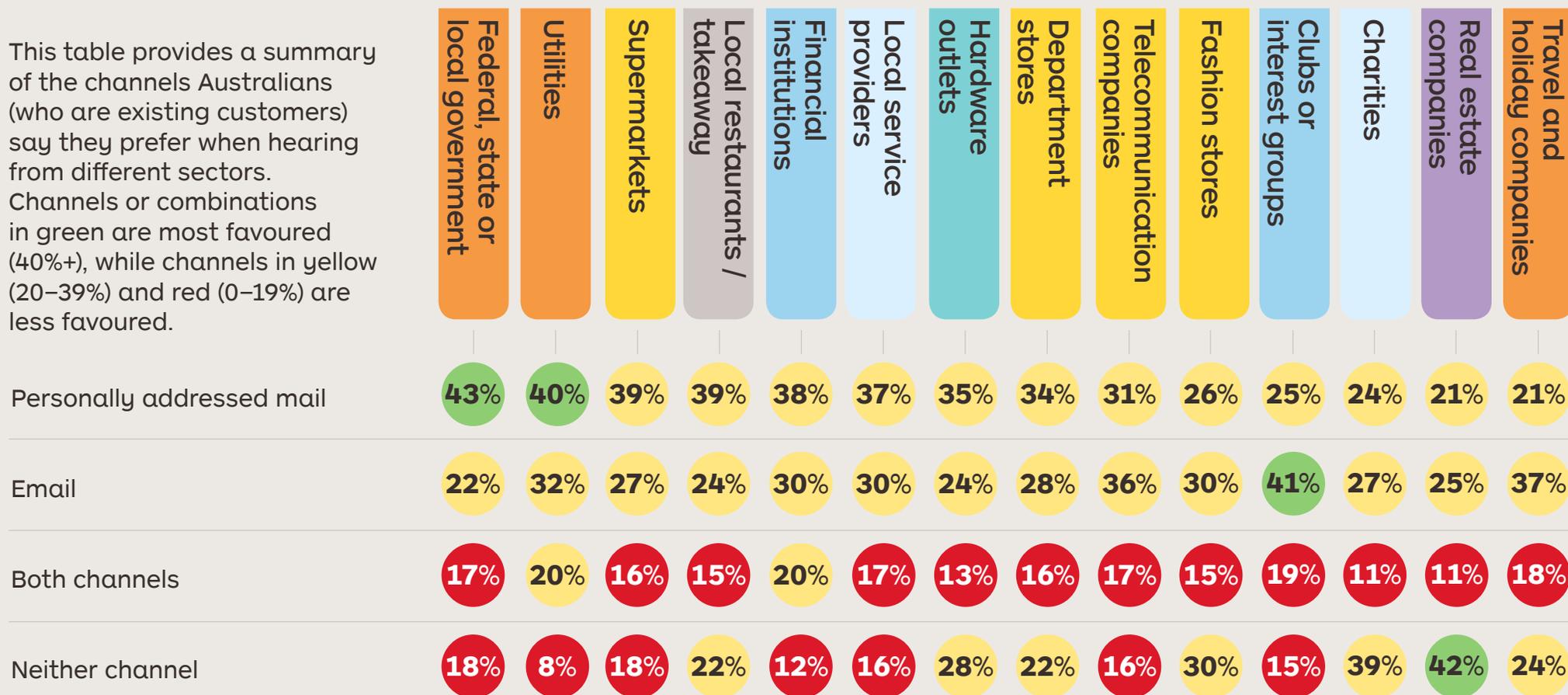
Preferred channels and formats

Percentage of people who prefer to receive communications by mail, email or both channels.

| | | Mail | Email | Both |
|----|--|------|-------|------|
| 1 | Magazines | 59% | 10% | 9% |
| 2 | Important or sensitive information | 54% | 22% | 21% |
| 3 | Brochures and catalogues | 50% | 17% | 15% |
| 4 | Detailed information | 46% | 25% | 24% |
| 5 | Vouchers or coupons | 40% | 26% | 25% |
| 6 | Bills and statements | 38% | 35% | 26% |
| 7 | Brief information | 20% | 53% | 17% |
| 8 | Newsletters | 25% | 45% | 19% |
| 9 | Company requests for information | 29% | 37% | 18% |
| 10 | Invitations to special events or sales | 28% | 36% | 24% |

Channels customers prefer different industries to use

This table provides a summary of the channels Australians (who are existing customers) say they prefer when hearing from different sectors. Channels or combinations in green are most favoured (40%+), while channels in yellow (20–39%) and red (0–19%) are less favoured.



Top 5 personally addressed mail preferences

Existing customers preferred personally addressed mail for advertising and promotional material from:

- 1 Government** (43%)
- 2 Utilities companies** (40%)
- 3 Supermarkets** (39%)
- 4 Local restaurants / takeaways** (39%)
- 5 Financial institutions** (38%)

Top 5 email preferences

Existing customers preferred email for advertising and promotional material from:

- 1 Clubs or interest groups** (41%)
- 2 Travel and holiday companies** (37%)
- 3 Telecommunication companies** (36%)
- 4 Utilities companies** (32%)
- 5 Financial institutions, fashion stores, local service providers** (30%)

Mail continues to deliver is part of Australia Post's *Better connections* series. These reports are released on a quarterly basis and are available to download at: **auspost.com.au/betterconnections**.

The Association for Data-driven Marketing (ADMA) and Australia Post have also conducted additional research on advertising channel preferences in different industries. To find out more about the advertising channels Australians consider most useful, **download your free copies of these industry-specific reports at: auspost.com.au/creatingconnections**.

