



Federation of European Direct
and Interactive Marketing

Competition in Postal Services: A Return to Senders?
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Change of Address: What are the issues?

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**Federation of European Direct
and Interactive Marketing**

PROMOTE

PROTECT

INFORM



Change of Address, Returned Mail, “Nixes”

Why is it increasingly important?

- Environmental pressures – consumers do not like to receive mail for people who no longer live at an address;
- Costs and Targeting – DM is costly & advertisers are trying to target better;
- Legal requirement to keep databases up to date (EU Data Protection Directive).



Business to Consumer and Business to Business

- Consumers move/change name/pass on approximately once every eight years (differs per country)
- Business addresses, and especially positions in business change much faster (e.g. average Marketing Manager moves every 18 months!)

Moved away six years ago!

Nous avons un envoi pour vous! La Poste vous propose plusieurs solutions pour obtenir celui-ci (voir verso)

Ce 05/05/2008, votre facteur WILLIAM s'est présenté chez vous avec un RECOMMANDE INTERNAT. ENTRANT

Celui-ci sera à votre disposition à partir du 06/05/2008 h _____ jusqu'au 20/05/2008 au bureau de :

Wij hebben een zending voor u! De Post biedt u verschillende mogelijkheden om ze te ontvangen (zie keerzijde)

Op 05/05/2008 belde de postbode WILLIAM met een INTERNAT. AANGETEKEND INKOMEND bij u aan.

Die zending ligt vanaf 06/05/2008 u _____ tot en met 20/05/2008 in het kantoor van :

RUE ST-LAMBERT - ST-LAMBERTUSSTR R-ST-LAMBERT ST-LAMBERTUSSTR, 139, 1200 Woluwe-Saint-Lambert - R-ST-LAMBERT ST-

Lundi/Maandag	Mardi/Dinsdag	Mercredi/Woensdag	Jeudi/Donderdag	Vendredi/Vrijdag	Samedi/Zaterdag
09:00 - 00:00	09:00 - 00:00	09:00 - 00:00	09:00 - 00:00	09:00 - 00:00	09:00 - 12:00
00:00 - 18:00	00:00 - 18:00	00:00 - 18:00	00:00 - 18:00	00:00 - 18:00	00:00 - 00:00

☎ 027702215



N° de l'envoi: RR349290099ES

Nr van de zending



RR349290099ES

Signature/Handtekening: _____

Date - Datum: _____

Nom: _____

Naam: _____

Prénom: _____

Voornaam: _____

N° de procuration - Nummer volmacht: _____

Nummer IK: _____

Destinataire - Geadresseerde:

Duchaine Anne

Hof Ten Berge 69

TOTAL: 0,00 € Taxe: 0,00 €

TOTAAL Taks

Expéditeur - Afzender: COD: 0,00 €

Conservez ce numéro si vous optez pour un transfert ou une représentation (voir verso)

Hou dit nummer bij als u kiest voor een doorzending of een tweede aanbieding (zie keerzijde)



Case Study – Swedish furniture B2B mailing (2007)

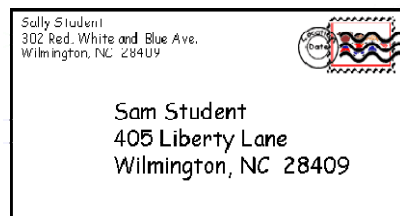
- 120,000 B2B mailings
- 20% returned
- 25% other errors in addresses

55,000 letters lost @ 1€ each!



The Issues: not just Change of Address (CoA)

Step 1



National Post

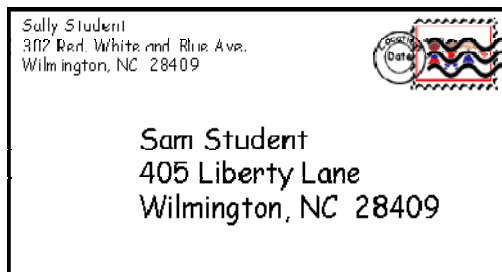
Alternative
Carrier





Not at this address

Step 2



CoA – the householder
changes and
re-mails
- the Postal operator has
a CoA file and redirects

No CoA
or householder returns mail because he doesn't want it
– to step 3



Return to sender, number unknown

Step 3

- Letter is returned to sender. Sender corrects database (and recycles paper!)
- Letter is scanned by Postal Operator who notes in database, and informs sender
- Letter cannot be returned



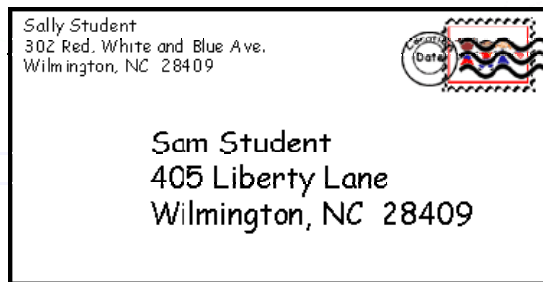
Return to sender Addresses



- Required by some postal operators
- For International Mail



Return to sender – if you can -example-



Consolidator
in country A



Downstream
access country B



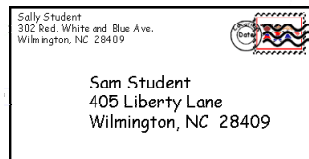
Goes to Postal Operator
in Country A



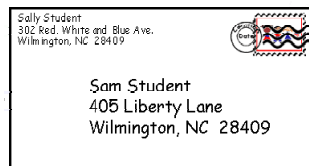
Returned to Postal
Operator



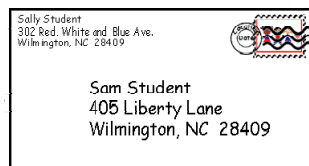
The Finances of Returns across Frontiers



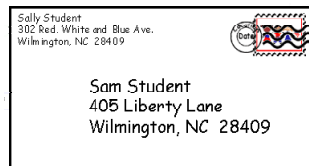
- From country A to B



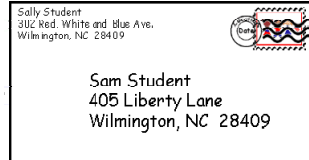
- Postal rate x (includes terminal dues, y)



Country A takes $x - y$



Country B takes y (terminal dues)



Letter returned. Cost of return – terminal dues received = loss to country B

Letter returned. Cost of return – amount kept for collection = loss for Country A



The Issues

- Does a CoA exist in every Postal Operator?
- Can that be used by other operators or by direct mailers?
- What about returns – who pays, who is responsible
- Cross frontier problems



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The CoA files

CoA Business model mover pays for a
limited period

And then...?

HYPOTHTICAL MAILER TO 16 COUNTRIES - COA COSTS

		Address	Min	Total		6%	Match			
		quantity	Charge	Charges	# of matches		Charges in		Grand Total	
							USD		Per Piece	
Austria		5000	\$ 524.40	\$ 563.73	300	\$	663.00		\$ 1,226.73	\$ 0.25
Australia		5000	\$ 392.00	\$ 392.00	300	\$	212.00		\$ 604.00	\$ 0.12
Belgium		5000	\$1,179.90	\$ 1,179.90	300	\$	-		\$ 1,179.90	\$ 0.24
Canada**		5000	\$ 450.00	\$ 472.50	300	\$	-		\$ 472.50	\$ 0.09
Czech Republi		5000	\$ 458.85	\$ 655.50	300	\$	234.00		\$ 889.50	\$ 0.18
Denmark		5000	\$ 310.36	\$ 310.36	300	\$	36.00		\$ 346.36	\$ 0.07
France		5000	\$1,311.00	\$ 1,311.00	300	\$	300.00		\$ 1,611.00	\$ 0.32
Germany		5000	\$ 655.50	\$ 655.50	300	\$	624.00		\$ 1,279.50	\$ 0.26
Netherlands		5000	\$2,294.25	\$ 2,294.25	300	\$	916.00		\$ 3,210.25	\$ 0.64
Norway		5000	\$ 886.75	\$ 886.75	300	\$	99.00		\$ 985.75	\$ 0.20
Poland		5000	\$ 712.74	\$ 750.07	300	\$	61.00		\$ 811.07	\$ 0.16
Slovak Repub		5000	\$ 458.85	\$ 960.00	300	\$	234.00		\$ 1,194.00	\$ 0.24
Sweden		5000	\$ 487.71	\$ 487.71	300	\$	66.00		\$ 553.71	\$ 0.11
Switzerland		5000	\$ 287.28	\$ 328.32	300	\$	-		\$ 328.32	\$ 0.07
UK		5000	\$ 679.00	\$ 712.95	300	\$	407.00		\$ 1,119.95	\$ 0.22
US**		5000	\$ 350.00	\$ 367.50	300	\$	-		\$ 367.50	\$ 0.07
Total		80000		\$ 12,328.05	4500		\$ 3,852.00		\$ 16,180.05	\$ 0.20

1 Delivery point and address verification are frequently additional charges

2 Some Posts charge for file conversion.

3 Some Posts charge for run time.



Change of Address>Returns: Conclusions

- Need for users
- Importance of cost (balance between effectiveness and tariffs)
- National → also cross-border
- UPU planning CoA
- Regulators essential to ensure postal operators do cooperate on CoA and Returns



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Thank you for listening!

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