

Better connections: **Mail engages young and old**

June 2015



Contents

p2	Methodology
p3	Audience segments
p4-5	Executive summary
p6	Mail findings: personally addressed mail
p7	Mail findings: unaddressed mail
p8	Checking and reading mail
p9	Who's sending and receiving personally addressed mail?
p10	What do Australians prefer to read?
p12	Channel preferences for different messages
p13	Channels customers prefer different industries to use

Methodology

Mail engages young and old 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 June 2015, 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 June 2015 data was compared with surveys conducted in November 2014 and July 2014, to identify any trends and changes.

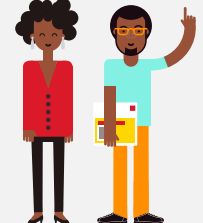


Audience segments

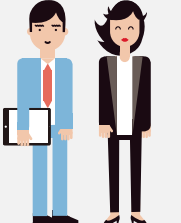
Apart from analysing results according to age, gender, location and employment status, the following audience segments were identified within the total sample group:



Youth	Under 25 years old.	Many university students or part-time workers.
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Home duties	Most likely to have young children.	Household income: under \$50,000.
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Younger professionals	No children.	Household income: \$50,000–\$150,000.
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Older professionals	Over 40 years old.	Household income: \$150,000+.
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Younger families	Dual-income household, with children under 10 years old.	Household income: \$50,000–\$150,000.
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Retirees	Over 65 years old.	Household income: under \$50,000.
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Older families	Dual-income household, with children over 10 years old.	Household income: \$50,000–\$150,000.
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Executive summary

Findings of the June 2015 Australia Post Consumer Survey confirm some 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 message (such as brief information or company requests for information), physical mail is generally still the preferred channel for many message types across many industries.

Rather than a move from mail to email, the preference for multichannel marketing has grown stronger for certain types of messages. The percentage of people who would prefer to receive communications in both physical mail and email format continued to grow this quarter.

In previous reports, we observed that mail volumes experience 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 June 2015 survey confirm this pattern, with unaddressed mail and personally addressed mail volumes matching levels last reported in July 2014.

Here are 12 key findings from the June 2015 survey results that Australian marketers will find of interest.

1

Australians received an average of 6.3 pieces of personally addressed mail and 8.6 pieces of unaddressed mail a week.



2

The youth segment received less personally addressed mail (4.1 pieces) and less unaddressed mail (6.1 pieces) on average than the general population. However they were the group most likely to open mail, scan it for interest and store it for later reference. Youth also had the second-highest readership levels for mail from government (85%) and telecommunication companies (81%).

3

79% of Australians checked their mail daily and 83% read their mail on the same day they received it.



4

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

5

99% of Australians opened their mail. 60% also read it thoroughly, and 53% stored it for later reference.

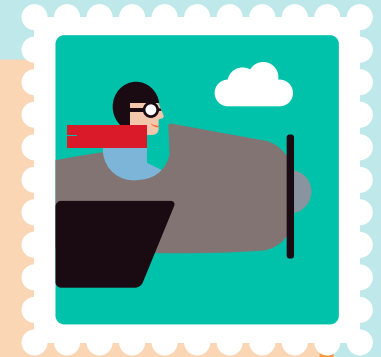
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Australians wanted to receive magazines, important or sensitive information, brochures and catalogues, detailed information and vouchers or coupons as physical mail.



10

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



7

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



11

Australians were most likely to read mail from financial institutions, utilities companies, government, club or interest groups of which they are a member, telecommunication companies and supermarkets.

8

37% wanted to receive bills and statements as personally addressed mail. 36% preferred email format.

12

Around 25% of Australians would like to receive mail and email versions of bills and statements, vouchers or coupons, important or sensitive information, detailed information and invitations to special events or sales.

9

Older families and retirees were the segments most engaged with their mail (most likely to read mail directly addressed to them).

Mail findings

Personally addressed mail

Australians received an average of 6.3 pieces of personally addressed mail per week in June 2015.

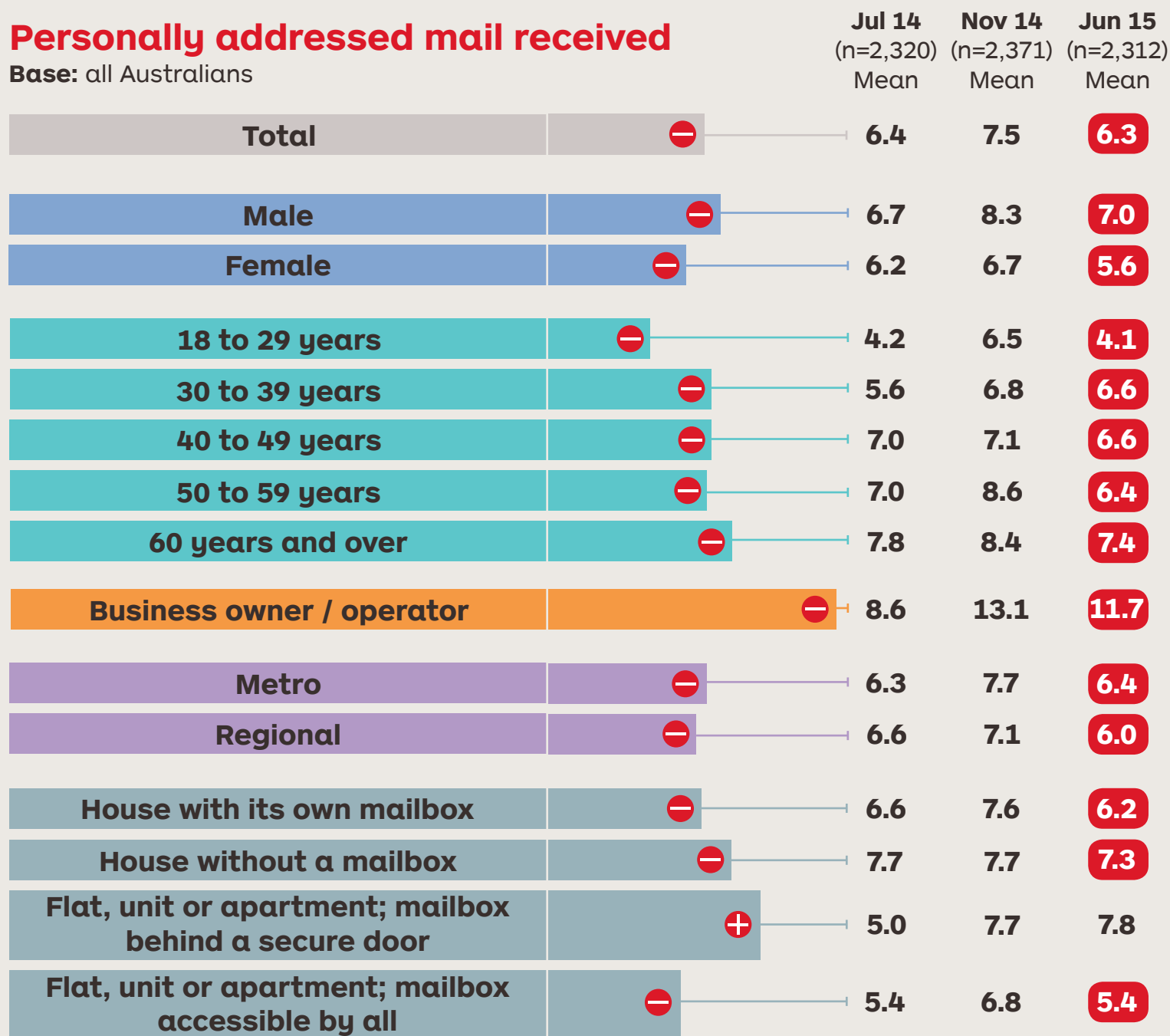
This compares with the July 2014 average figure of 6.4 pieces per week, and is lower than November 2014 (the start of the Christmas period), where people reported receiving an average of 7.5 pieces of personally addressed mail per week. This seasonal fluctuation of mail volumes is a pattern we have observed in previous surveys.

Compared with the same time last year (July 2014), some Australians received more personally addressed mail. These groups included:

- Younger families (from 5.9 to 9.8 pieces)
- Business owners (from 8.6 to 11.7 pieces)
- Those aged 30–39 years (from 5.6 to 6.6 pieces)

Personally addressed mail received

Base: all Australians



Note: Figures highlighted in red indicate a significant decrease since November 2014.

Unaddressed mail

Australians received an average of 8.6 pieces of unaddressed mail in June 2015, compared with 8.7 in July 2014 – so mail volumes have remained stable year-on-year.

As already noted, mail is strongly affected by seasonal fluctuations – hence the higher average figure of 10.8 pieces of unaddressed mail in the lead-up to Christmas 2014.

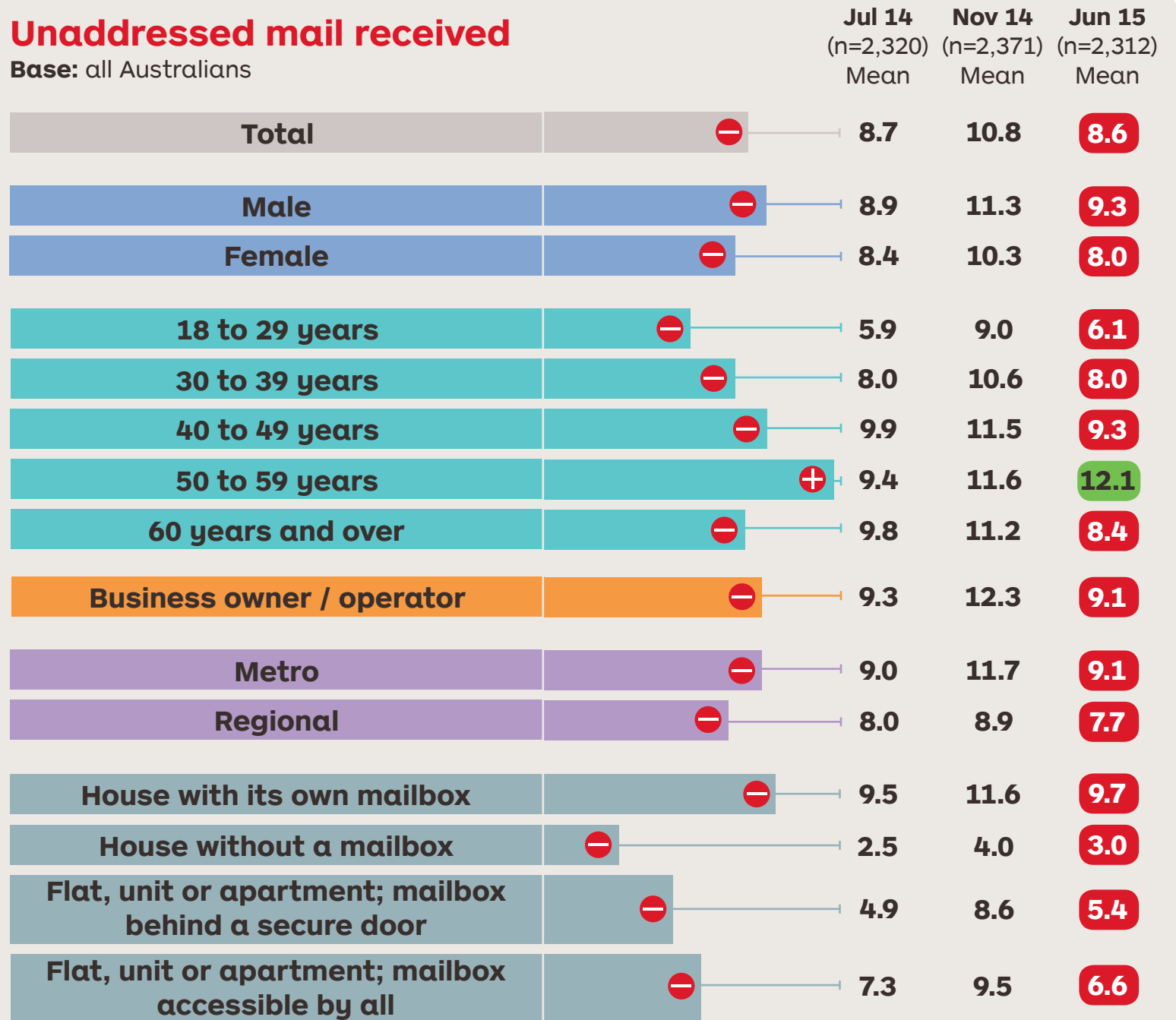
The mid-year drop in mail volumes provides a great opportunity for your message to stand out and be read.

Compared with the same time last year (July 2014), some Australians received more unaddressed mail. These groups included:

- Older families (from 9.8 to 11.1 pieces)
- Younger professionals (from 7.0 to 7.6 pieces)
- Those living in SA / NT (from 8.8 to 13.4 pieces)

Unaddressed mail received

Base: all Australians



Note: Figure highlighted in green indicates a significant increase and figures highlighted in red indicate a significant decrease since November 2014.

Checking and reading mail

79% of Australians checked their mail daily.

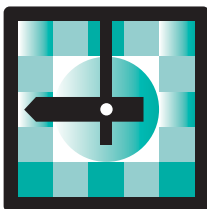
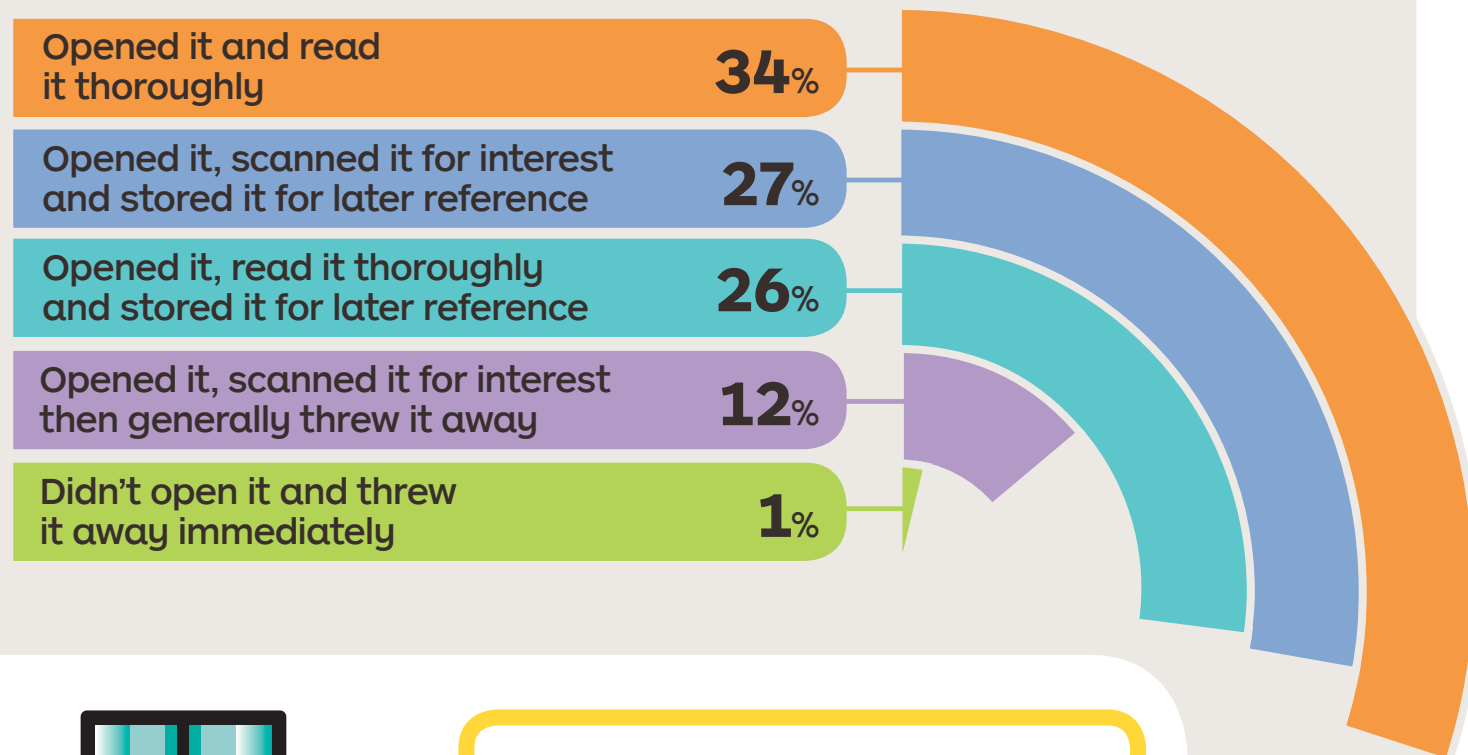
83% read their mail on the same day they received it.

No-one overlooks mail!

Mail has cross-generational appeal. Those aged 60+ years were most likely to check their mail daily (87%) and read it on the same day they received it (94%). While these percentages were lower for youth, more than half 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 53% storing it for later reference.



On average, Australians spent 2.9 minutes opening and reading their mail in June 2015, the same as in November 2014.

Youth chooses when to engage with mail

The youth segment was least thorough with their mail – 26% opened it and read it thoroughly. However, this segment was more likely to open mail, scan it for interest and store it for later reference (32%).



Who's sending and receiving personally addressed mail?

Targeted segments

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 (55%, compared with 47% for all Australians), telecommunication companies (26%, compared with 22% for all Australians) and real estate companies (21%, compared with 17% for all Australians).



Older professionals received more mail from utilities companies (43%, compared with 34% for all Australians) and real estate companies (27%, compared with 17% for all Australians).

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, utilities companies, telecommunication companies and local real estate agencies.

Sectors sending personally addressed mail

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

	Jul 14 (n=2,089) %	Jun 15 (n=2,017) %	Change %
1 Banks or financial institutions, including credit card and insurance	51%	47%	-4%
2 Utilities companies (electricity, gas or water)	39%	34%	-5%
3 Charities	20%	25%	+5%
4 Telecommunication companies	22%	22%	-
5 Federal, state or local government	23%	20%	-3%

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



Retirees received more mail from charities (42%, compared with 25% for all Australians) and clubs or interest groups of which they are a member (17%, compared with 13% for all Australians). Retirees are a valued source of charitable donations and generally have more leisure time to devote to clubs and interest groups.

What do Australians prefer to read?

Physical mail continues to deliver high engagement, making it an attractive marketing and communications channel. Across all industry sectors, more than half of the people who received mail read it. If we compare this with benchmark email open rates like MailChimp's* 19.83% open rate for insurance emails or 26.85% for government emails, this is a remarkably high response.

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

In the financial and utilities industries, **over 90%** of mail recipients read the personally addressed mail they received.

Engagement with mail

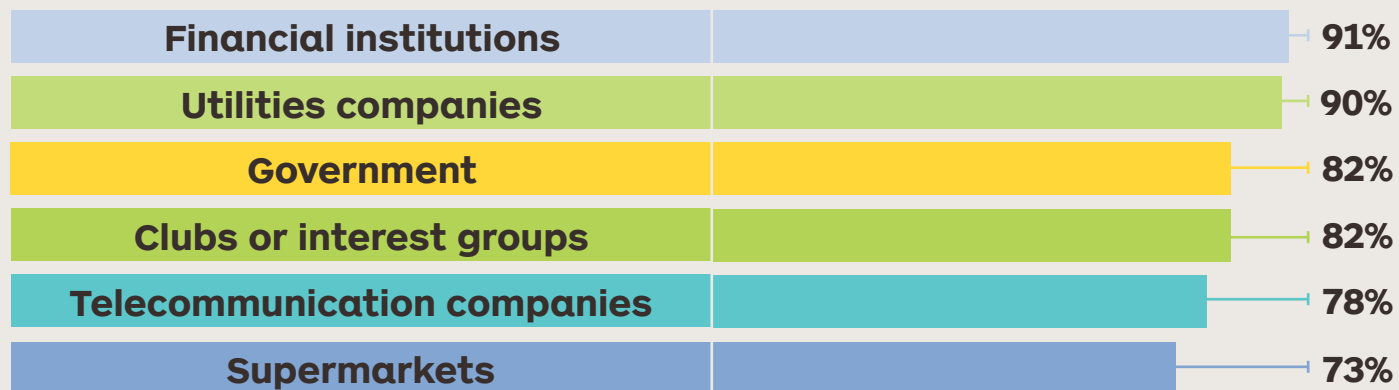
Base: all Australians

	Received mail from... (n=2,312)	Read mail from...
Financial institutions	47%	91%
Utilities companies	34%	90%
Charities	25%	64%
Telecommunication companies	22%	78%
Federal, state or local government	20%	82%
Supermarkets	18%	73%
Real estate companies	17%	52%
Clubs or interest groups	13%	82%
Department stores	12%	69%
Fashion stores	12%	58%
Local service providers	10%	64%
Travel and holiday companies	10%	70%
Local restaurants, takeaways	10%	58%
Hardware outlets	8%	64%



Personally addressed mail

Of those who received personally addressed mail, Australians were most likely to read mail from:



As we've observed previously, people have a high level of interest in their own hobbies and sports. Although only 13% of Australians received personally addressed mail from clubs or interest groups, 82% read these communications. This represents an opportunity for similar organisations to drive engagement through a very effective channel.

An uncluttered channel

When we compare the relatively low levels of mail that companies are sending (8–47%, depending on the industry) with the high readership rates achieved (52–91%), it's clear that mail delivers great cut-through in a cluttered media landscape.

Everyone's engaged by mail

While retirees were the most engaged segment across most industry communications, younger families, older families and youth were also highly engaged with mail. Here, we have highlighted the two most engaged segments for the six industries that had the highest mail readership levels.

- **Financial institutions (91%)** – retirees (97%) and older families (95%)
- **Utilities companies (90%)** – retirees (98%) and older families (94%)
- **Government (82%)** – retirees (91%) and youth (85%)
- **Clubs or interest groups (82%)** – retirees (91%) and older families (86%)
- **Telecommunication companies (78%)** – retirees (86%) and youth (81%)
- **Supermarkets (73%)** – retirees (94%) and younger families (79%)

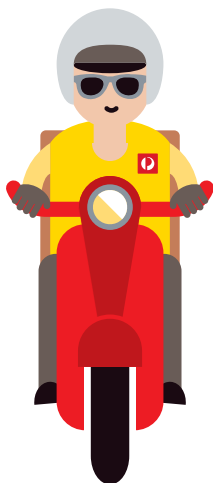


Channel preferences for different messages

Australians still prefer personally addressed mail for many types of communications.

Australians preferred personally addressed mail for:

- 1 Magazines (56%)
- 2 Important or sensitive information (51%)
- 3 Brochures and catalogues (49%)
- 4 Detailed information (46%)
- 5 Vouchers or coupons (39%)
- 6 Bills and statements (37%)



Australians preferred email for:

- 1 Brief information (54%)
- 2 Newsletters (46%)
- 3 Company requests for information (38%)
- 4 Invitations to special events or sales (38%)

Give your customers choices

The percentage of Australians who preferred to receive some communications via both personally addressed mail and email increased once again, continuing a trend observed in previous surveys. Around a quarter of Australians preferred to receive email and personally addressed mail when receiving bills and statements, vouchers or coupons, invitations to special events or sales, detailed information and important or sensitive information. This may be because people prefer reminders on more than one channel for certain important or useful information, such as invitations to special events or sales.

Preferred channels and formats

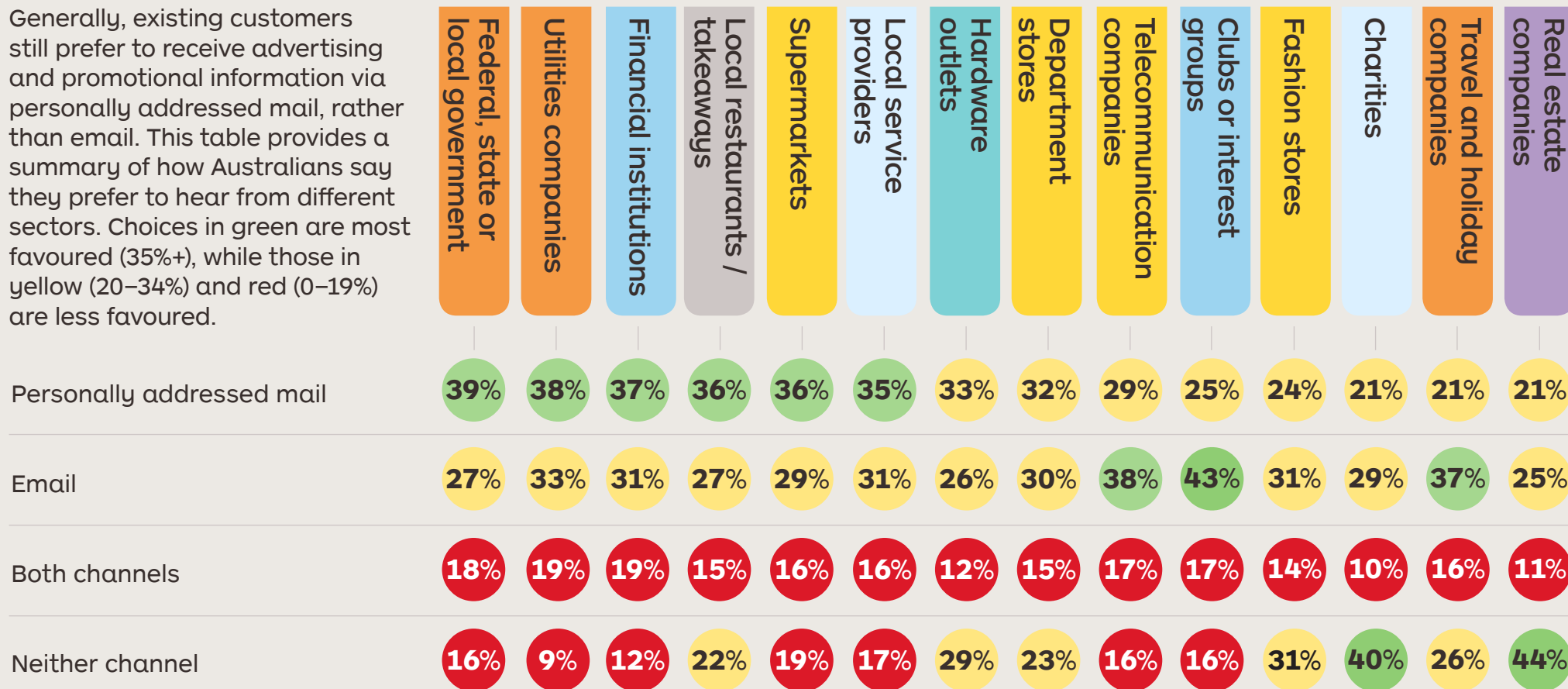
Percentage of people who preferred to receive communications by mail, email or both channels.

		Mail	Email	Both
1	Magazines	56%	10%	10%
2	Important or sensitive information	51%	24%	22%
3	Brochures and catalogues	49%	18%	15%
4	Detailed information	46%	26%	23%
5	Vouchers or coupons	39%	28%	25%
6	Bills and statements	37%	36%	25%
7	Company requests for information	29%	38%	17%
8	Newsletters	26%	46%	16%
9	Invitations to special events or sales	25%	38%	25%
10	Brief information	20%	54%	16%

Note: Figures highlighted in red indicate Australians' preferred channel for different message types.

Channels customers prefer different industries to use

Generally, existing customers still prefer to receive advertising and promotional information via personally addressed mail, rather than email. This table provides a summary of how Australians say they prefer to hear from different sectors. Choices in green are most favoured (35%+), while those in yellow (20–34%) 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** (39%)
- 2 **Utilities companies** (38%)
- 3 **Financial institutions** (37%)
- 4 **Local restaurants / takeaways** (36%)
- 5 **Supermarkets** (36%)

Top 5 email preferences

Existing customers preferred email for advertising and promotional material from:

- 1 **Clubs or interest groups** (43%)
- 2 **Telecommunication companies** (38%)
- 3 **Travel and holiday companies** (37%)
- 4 **Utilities companies** (33%)
- 5 **Fashion stores, financial institutions and local service providers** (all 31%)

Mail engages young and old 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**.

