

20 October 2015



Mr Robert Wright  
Australian Competition and Consumer Commission  
GPO Box 520  
MELBOURNE VIC 3001

Postal & Telecommunications  
Branch of Victoria  
Division of the CEPU

PO Box 1052  
North Melbourne  
Victoria 3051

Ph: (03) 9600 9100

Fax: (03) 9600 9133

Web Site: [www.cwuvic.asn.au](http://www.cwuvic.asn.au)

Email: [office@vicpt.cepu.asn.au](mailto:office@vicpt.cepu.asn.au)

Dear Mr Wright.

Please find attached our submission to the ACCC on the proposed Australia Post price increases that the ACCC are currently assessing.

The Victorian Branch of the Communications Division of the CEPU (CWU) represents approximately 5000 Australia Post workers in Victoria.

Our submission also includes 3 extra attachments

- 1) Australia Post Mail Consumer Survey
- 2) Australia Institute Report commissioned by the CWU national office
- 3) ACIL Allen report into the size and scope of Australia's Mailing Industry commissioned by Employer Industry representatives and Mailing Industry Unions

We sought and were granted an extension of time last week to enable an examination of Australia Post's Annual Report that was not tabled in Parliament until late last week.

Please do not hesitate to contact me if you need clarification or further information on any specific issues.

Yours sincerely

A handwritten signature in black ink, appearing to read "Leroy Lazaro". Below the signature, the letters "FOR" are written in blue ink.

Leroy Lazaro  
Secretary

**Communication Workers Union**  
**Postal & Telecommunications Branch Victoria**

## Submission to the ACCC on Australia Post’s proposal to increase prices

### Executive Summary

1. The CWU Victoria oppose an “all-in-one-go” price increase. Such a price increase will inevitably accelerate the decline in mail volumes and lead to large job losses in the Australia Post workforce and more broadly amongst the 130,000+ employees working in the industry. The CWU are not opposed to a modest increase in the BPR with further increases phased in over a suitable time period (3-5 years). This would deliver badly needed certainty for the industry and both extra revenue for Australia Post and extra revenue for the LPO network. This approach would also allow the development of an Industry plan coupled with promotional campaigns. It will help to ensure that Australia Post plays a role as an active and willing participant in the development of such a plan and campaigns in conjunction with the wider industry. An “all at once” price rise is a large impost on business especially small businesses and the community.
2. The following tables show the slowing down of the current service and proposed price increases for that slowed service. Australia Post’s proposal doubles the price for what was the previous CSO delivery standards.

**Table 1 – Comparison of current ordinary letter timetable with new priority and regular delivery timetables**

Letters delivered	Business days to deliver			
	Current timetable	New priority timetable	Australia Post’s proposed new regular timetable	Australia Post’s amended performance standards
<b>Within same state</b>				
Within same city, town or metro area	1	1	3	3
Between metro and country areas	2	2	4	4
Between country areas	2	2	4	4
<b>Between States</b>				
Between capital cities	2	2	4	5
Between capital cities and country areas	3	3	5	6
Between country areas	4	4	6	7

Source: Regulatory impact statement for Australian Postal Corporation (Performance Standards) Amendment (Speed of Mail Delivery) Regulation 2015, p. 22;

**Table 2 – Prices ordinary letters for slower delivery service.**

Letter service	Current Price (current ordinary timetable)	Proposed Price (new regular slower timetable)
Small letter (BPR)	\$0.70	\$1.00
Large letter up to 125g	\$1.40	\$2.00
Large letter over 125g up to 250g	\$2.10	\$3.00

3. Our submission to the ACCC on the Australia Post proposed increase to the basic postage rate 2015 covers a number of areas:
  - The effect on mail volumes now and in the longer term
  - Australia Post's costings and effect of any price increases on future revenue
  - Issues for the wider Industry
  - Customer attitudes

### **Mail Volumes and future forecasts**

4. Despite recent media comments by the CEO of Australia Post that Mail is in "terminal and structural decline", Australia Post's own surveys suggest otherwise.
5. The most recent survey "**Better connections: Mail engages young and old**" (*attachment 1*) **Makes a number of key points:**
  - I. *"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."*
  - II. *"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".*
  - III. *"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,"*
6. Figures on mail volumes are problematic. It is important to note that the figures quoted in the media relate to small addressed stamped letters. Election mail (NSW, QLD, VIC elections) is excluded. Unaddressed mail and Express items are on the increase. Volumes for most business mail was down by approx. 6% in 2014/2015 however this needs to be put in the context of some categories of business mail having price hikes of up to 40% since ACCC oversight was removed by government in 2011.
7. Australia Post's submission to the ACCC is largely silent about these price hikes and we do not believe that the price elasticity submissions deal with this adequately. Australia Post's CEO constantly talking down the future of mail, has we believe, also had a detrimental effect on mail volumes and has certainly caused much consternation in the wider Mailing Industry, that employs over 130,000 Australians.
8. Transactional mailers (utilities, Telcos etc.) are starting to realise the benefits of transactional mail as a form of promotional mail and are increasingly using the transactional mail channel to diversify their business, thus stimulating economic activity.
9. Last year's Boston Consulting Group (BCG) Report stated that overall mail volume decline would be between 8-11% per year and Australia Post forecasted an even greater decline. The fact that mail volume declines were less (at 7.27% for the reserved mail service

2014/2015, Australia Post Annual Report) than what both organisations have forecasted as a minimum decline, in an environment of price rises and continuing public statements by Australia Post on the future of mail, is testament to the resilience of the traditional mail service.

10. However proposed price hikes in both the BPR and business mail of a minimum of 43% overnight, together with the delayed delivery standards, we believe will lead to greater volume declines than would otherwise happen. We are urging the ACCC to take a measured and cautious approach and while we are not opposed to a modest rise in the BPR, a phased introduction coupled with a strategic industry plan is necessary.
11. The CWU commissioned the Australia Institute to review the BCG report and the Australia Institute challenges a number of key assertions in the BCG report (**attachment 2**).
12. The myGov agenda has already had an effect on mail volumes but the volumes that have migrated are the “low hanging fruit” and we do not believe that the initiative will have the drastic effect on the mail volumes that Australia Post assert in their submission for a number of reasons:
  - Many of those who receive Government correspondence on a regular basis are those who will actually opt to remain in the traditional mail service these include senior citizens, disabled pensioners, the unemployed etc.
  - Surveys indicate that the majority of Australians who wish to be contacted by digital means only, have already moved into the digital space.
  - The number of people who want to receive correspondence via the traditional mail service is actually increasing. (Source <http://auspost.com.au/media/documents/aus-post-consumer-survey-mail-findings-aug-2013.pdf>)
  - Many who are in receipt of Government correspondence are not in a financial position to equip themselves with the computer hardware and software, printers and connection costs, etc to move into the digital space, even if they wished to do so.

#### **Australia Post’s costings and effects of any price increases on revenue**

13. Australia Post’s submission to the ACCC contains a number of tables that deal with revenue and volumes up until 2016/17 and that show the projected effects of the proposed changes from 4<sup>th</sup> January 2016.
14. On pages 56/57 proposed price increases of a minimum of 43% are outlined. The tables on pages 58 and 65 do not seem to correctly reflect the effect of the minimum 43% increase rising to a maximum of 100% increase in both stamped mail and business mail even after taking into account projected mail volume declines.

#### **Industry issues**

15. The Mailing industry in conjunction with key stake holders have commissioned a report into the size and scope of the Mailing industry in Australia. The report conducted by ACIL Allen (**see attachment 3**) shows industry employment in excess of 130,000 jobs with 50,000+ of these jobs in regional Australia and \$14.1 Billion in Gross Value Added was generated by the Mailing Industry last year. The recent Senate Inquiry into Australia Post made a number of recommendations one of which was the establishment of an Industry round table that would examine the opportunities and challenges facing the industry. After significant pressure from both Government, the opposition, minor parties and independents, Australia

Post finally sat down at the table after over a year. A positive outcome from the first meeting was agreement that more needed to be done to support the Mailing industry and traditional mail service and we are hopeful that Australia Post will be refocusing on promoting and supporting the traditional Mail service. A modest increase in the price of mail with a staged approach to further increases coupled with protections from price gouging for business mail would enable any promotional campaigns to have greater success and while mail volumes may well continue to decline the rate of the decline could be kept stable.

16. The Industry believes that 8 price increases to bulk business mail since 2011 have had a detrimental effect on mail volumes despite the price elasticity arguments. With the economic future looking very uncertain the fear is that potential price gouging in an area that has no ACCC oversight, by an Australia Post that is looking for a quick fix to the bottom line could decimate the wider industry.
17. Assertions have been made that major mailers such as Banks and Telcos have actually been subsidised by Australia Post. In reality Australia Post recover costs on a number of categories of Business mail and even make a profit on some categories. Mail houses have made substantial investments over the years in equipment and infrastructure that greatly reduces the processing of the mail once it is received by Australia Post. It could well be argued that for certain categories of mail that it is Australia Post who are been subsidised by such investment. Unfortunately since ACCC oversight was removed for the vast majority of mail (85%) in 2011 there has been no examination of the numbers in the different categories and we believe this area needs to be reviewed in detail.
18. Small business, the largest employer in Australia and the engine room of the economy are facing increased postage costs of 100% to continue to receive the same service they currently receive today. Many tradespeople, accountants, real estate agents, schools, rural solicitors, councils, etc rely on their correspondence being received and acted upon in a timely fashion. Small business, in regional Australia in particular, will suffer most from a double hit that will see service standards go from 4-11 days in the worst case, if they are unable to pay increased postage costs of 100%. The second class service will still see increased postage costs of over 43%.
19. We are well aware of the plight of some Licenced Post Offices (LPO's). A number in regional and rural Australia are struggling due to an outdated payment structure that is tied to the BPR. We believe that the payment system needs to be reviewed and brought into the 21<sup>st</sup> century, with a focus on those in the regions. Some work has been done to address the outdated payments for the handling of parcels but a systematic review needs to be adopted and it is unfortunate that Australia Post has linked the continuation of these payments for parcel handling to the slashing of mail services and massive price increases which has left rural and regional LPO's with no choice but to either support these measures or remain silent. Many LPO's are also mixed businesses where the Postal services they provide only make up a small proportion of their income and are more about bringing in foot traffic for the other parts of their business.
20. Stamp price rises in recent years have exceeded the CPI increases. From 50c in 2003 to 70c in 2014 (a rise of 40%) the BPR has exceeded the CPI by approx. 5% and from 55c in 2008 to 70c in 2014 (a rise of 27%) has exceeded the CPI by approx. 10%. There is no doubt the ACCC will receive a number of supportive submissions from LPO owners. It must be noted

however that some LPO's in metro Australia are multi million dollar businesses that are doing very well indeed and for these, any rise in the BPR is not even needed. It could be described as a tale of two networks. It is also an unfortunate fact that some people have just paid too much for a post office licence and it would be very unfair to make every other small business owner in Australia and the wider industry in general pay the proposed price increases of up to 100% to bail out those with inadequate business acumen.

21. A one-time "sugar hit" in the form of price increases to the BPR of over 43% will not fix the payment issues in the medium to long term for some LPO's in regional and rural Australia and if the price elasticity assertions are flawed they could actually make things worse if mail volumes spiral downwards. Public statements by Australia Post such as "the terminal decline of mail" have had a detrimental effect on the value of these small businesses. Australia Post have also in a number of cases actively poached customers from LPO's.
22. The number of LPO's and locations has remained static over the past 20 years and there have been no moves to rationalise the LPO footprint in that time. Some of the new growth suburbs have inadequate Postal services while some established areas have LPO's within 500 metres of each other. Many LPO owners are extremely frustrated by the lack of any plan for rationalisation. In Brunswick in Melbourne for instance there are a total of 10 LPO's for a population of approx. 22,000. For those LPO's in metro areas that may not be viable due to greater supply than required for the population numbers, a licence buyback plan should be considered and could do far more to aid those remaining, than price increases that will hasten mail volume declines.

## Summary

23. The Australia Post 2014/2015 Annual Report clearly shows that there is no major crisis.  
  
Mr Fahour delivered the first loss in Australia Post's history since corporatisation in 1989. When the Annual Report is examined however it looks possible that a different 'bottom-line' could have been delivered with different policies and efficient management.  
  
We note that total revenue was stable at \$6.4 billion. The nett assets of the Group grew \$1,763 million to \$1,912 million i.e. 8.5%. Total cash investment last year was \$350 million.
24. The loss was declared to be \$222 million, **but this loss included a provision of \$190 million for redundancies over the next 3 years which are yet to be identified and spent.** The financial performance of the Group was also affected by asset write-offs and impairments of \$214 million.
25. The mail services business had a decline of only 1.7% in revenue. Employee payments, a major part of the fixed network costs, were down by \$80 million. It must also be noted that the redundancy provision, will greatly reduce costs further over time. While revenue was down by 0.5% in the reserved service area, expenditure was down by 2% and is trending in the desired direction.
26. The proposed price increases put at risk thousands of Australia Post jobs and tens of thousands of wider industry jobs. The Australia Post network has evolved over 206 years to deal with Australia's tyranny of distance. It is a difficult but vital task to maintain a "last mile delivery" network in a country as vast and sparsely populated as Australia. At different times there has been a need to cross subsidise within Australia Post whether it be metro reserved

service subsidising rural reserved service, or the retail or parcel network subsidising the reserved services, the network depends on all components working in conjunction. It makes no sense to try to artificially split the components up.

27. It makes no sense to artificially depress the volume of letters through rapid price rises. Keeping as many items (letters and parcels) in the “baskets” of posties, the trucks of the drivers and in through the retail shops makes it easier to maintain the large Network that the Australian community and business rely upon. Over time the issues faced by Australia Post have become far more complex due to both online retailing and digital disruption. The complexity of these intertwining issues is yet another reason for the ACCC to take a measured and conservative approach at this time with a further review annually or bi-annually when the promotion/support campaigns proposed for the mailing industry have had time to take effect.

**Communication Workers Union  
Postal & Telecommunications Branch Victoria**

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

June 2015





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## 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.


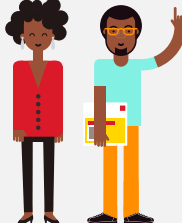
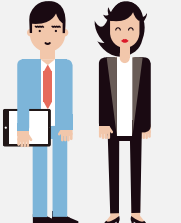




Respondents who are existing customers of a company or provider were also asked to specify their channel preferences for receiving additional advertising and promotional messages. Respondents define their own eligibility as a "customer" or "not a customer".

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:

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

# 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.

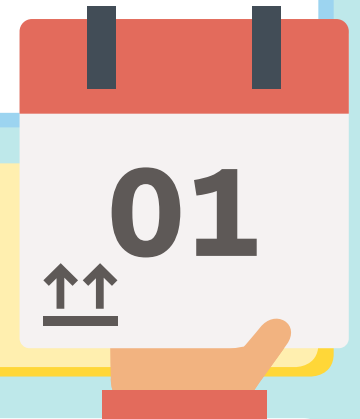


2

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.

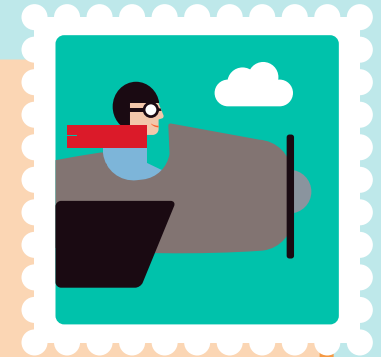
6

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.

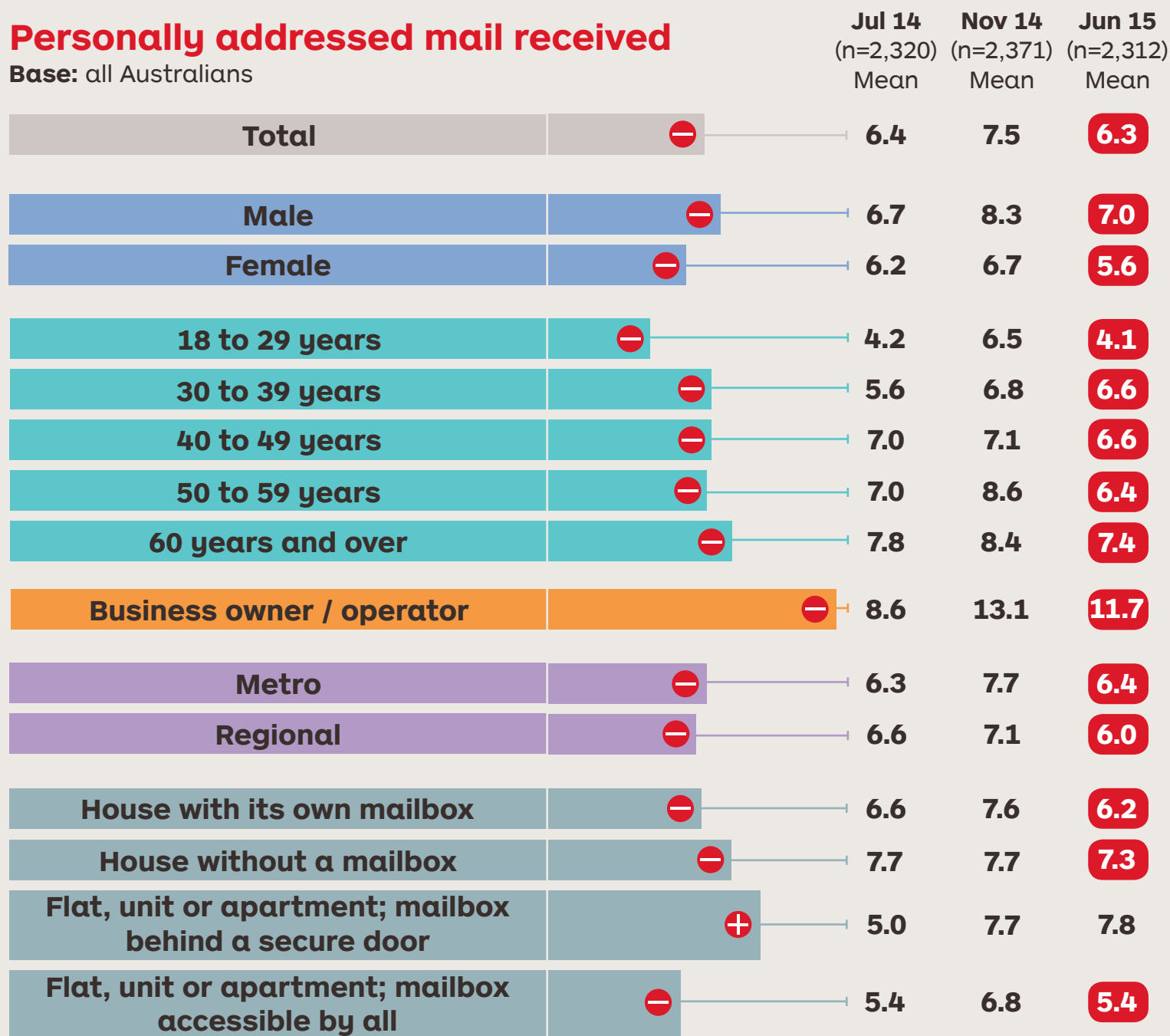
This compares with the July 2014 average figure of 6.4 pieces per week, and is lower than November 2014 (the start of the Christmas period), where people reported receiving an average of 7.5 pieces of personally addressed mail per week. This seasonal fluctuation of mail volumes is a pattern we have observed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

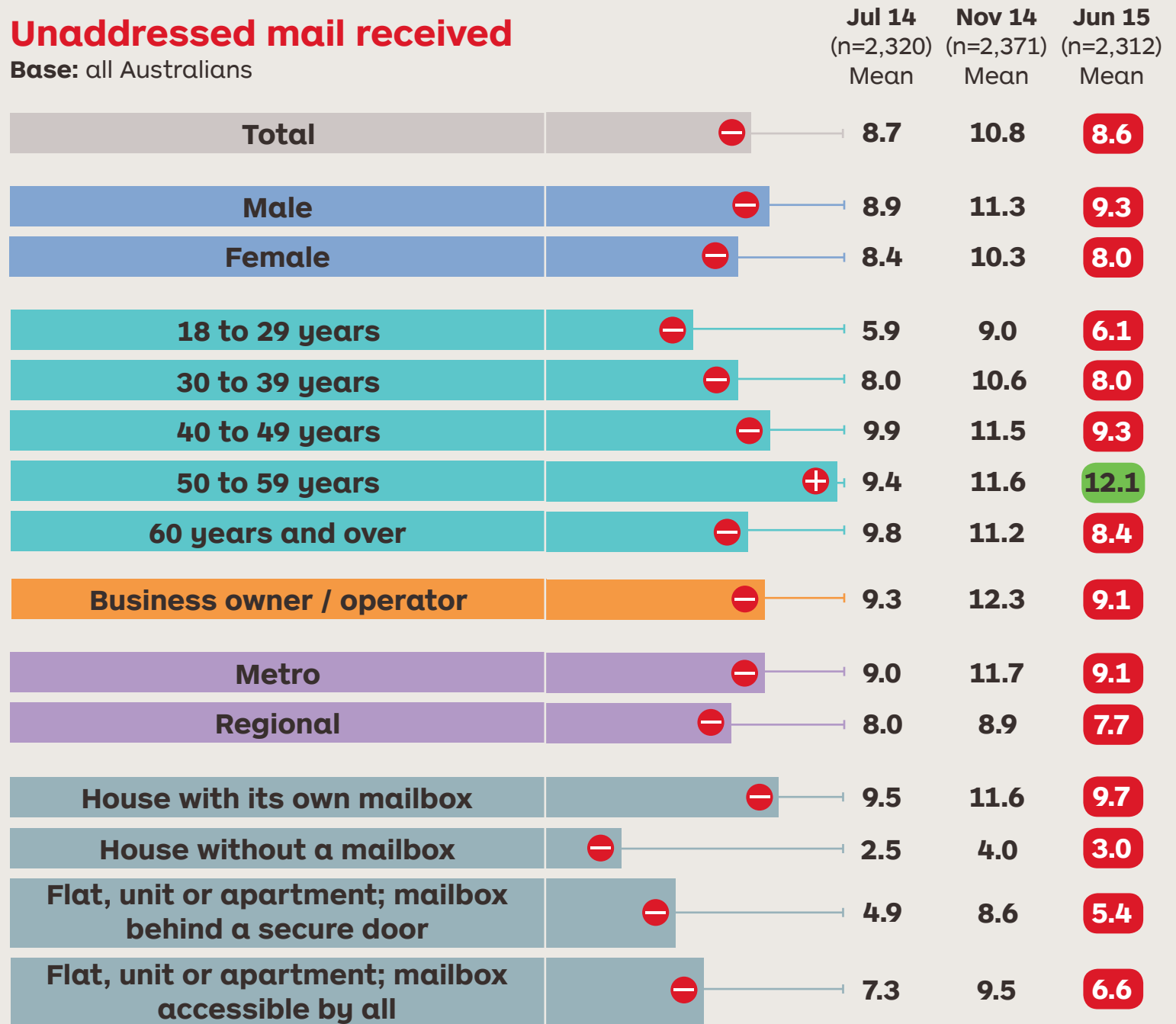
**The mid-year drop in mail volumes provides a great opportunity for your message to stand out and be read.**

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.

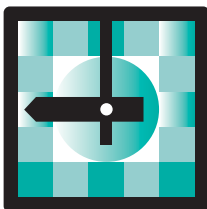
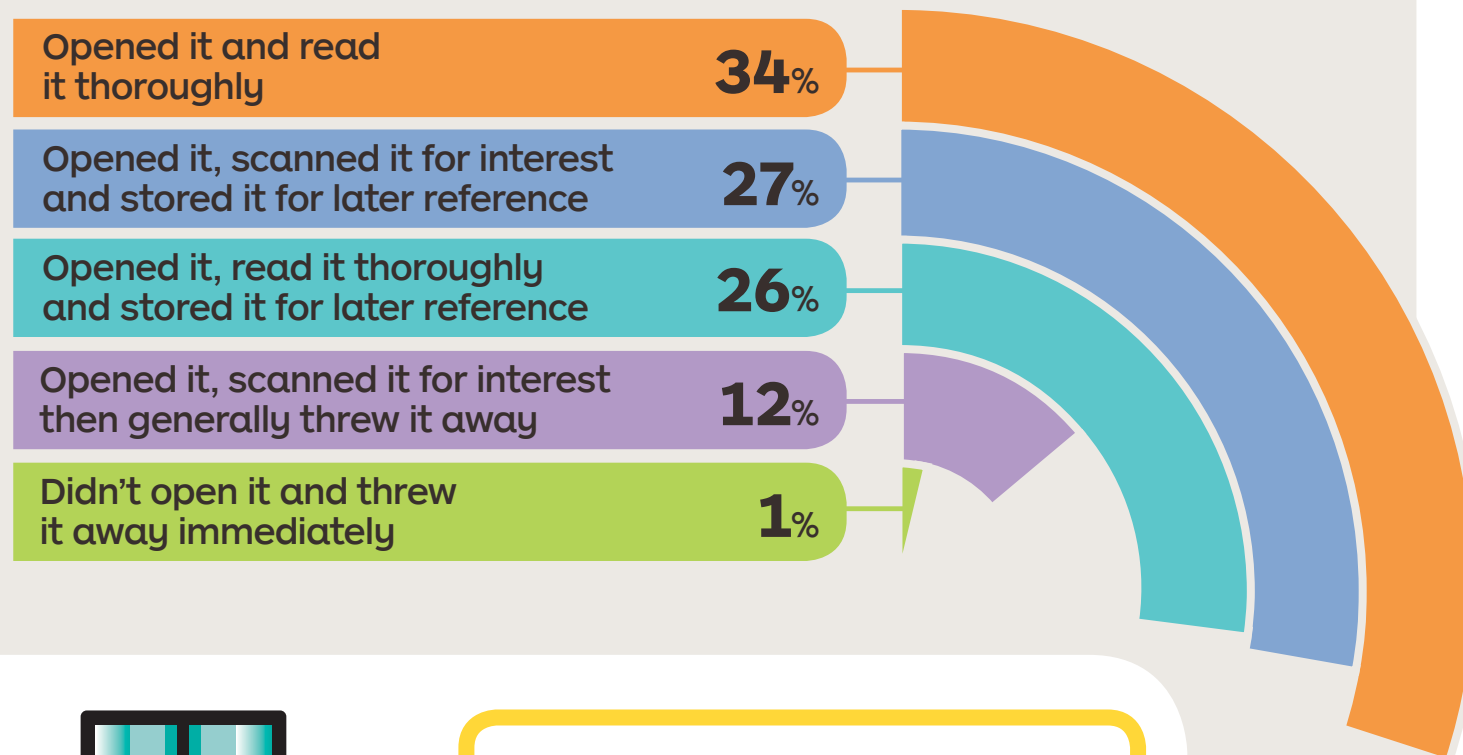
**83%** read their mail on the same day they received it.

## 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?

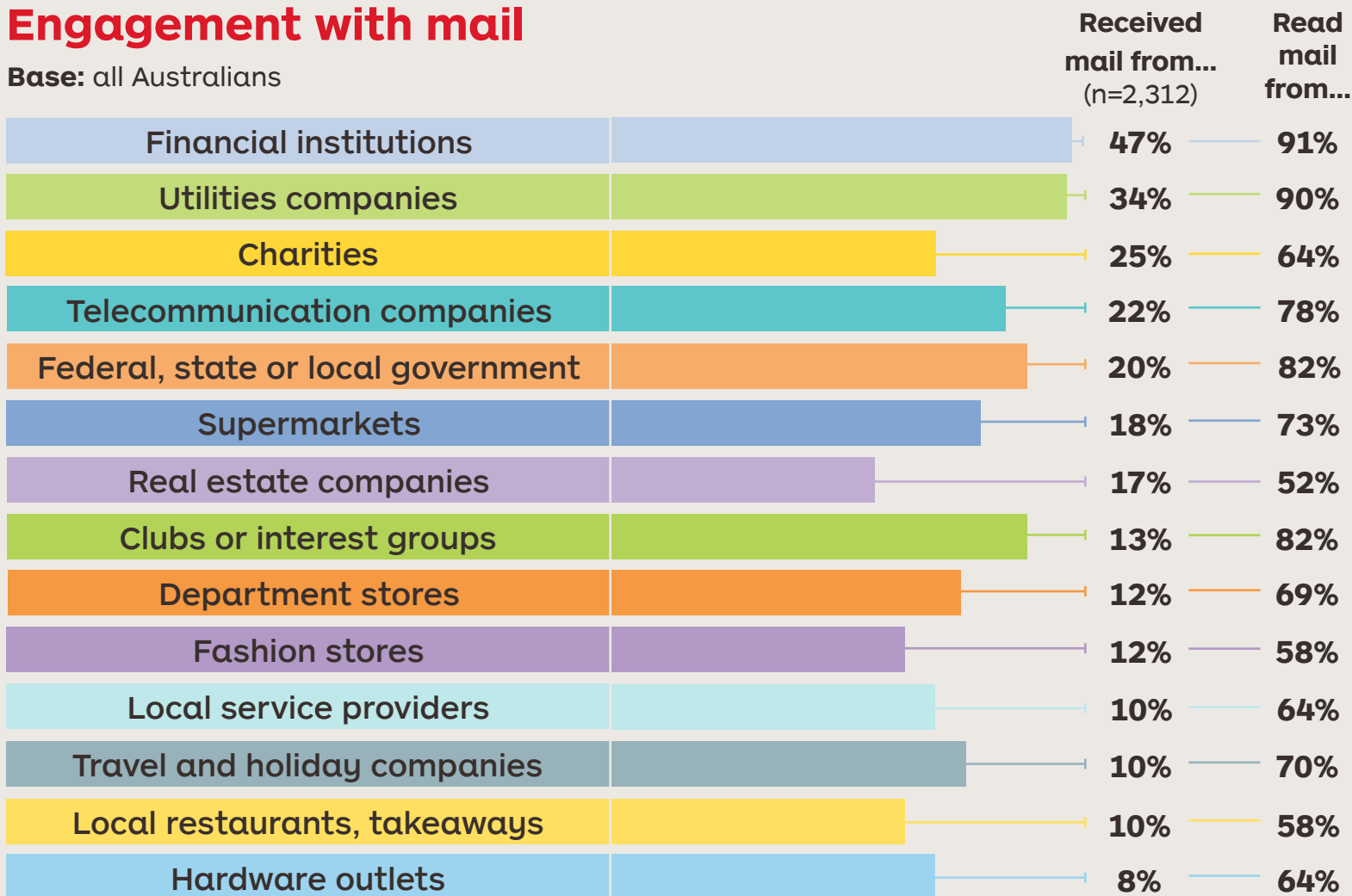
Physical mail continues to deliver high engagement, making it an attractive marketing and communications channel. Across all industry sectors, more than half of the people who received mail read it. If we compare this with benchmark email open rates like MailChimp's\* 19.83% open rate for insurance emails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

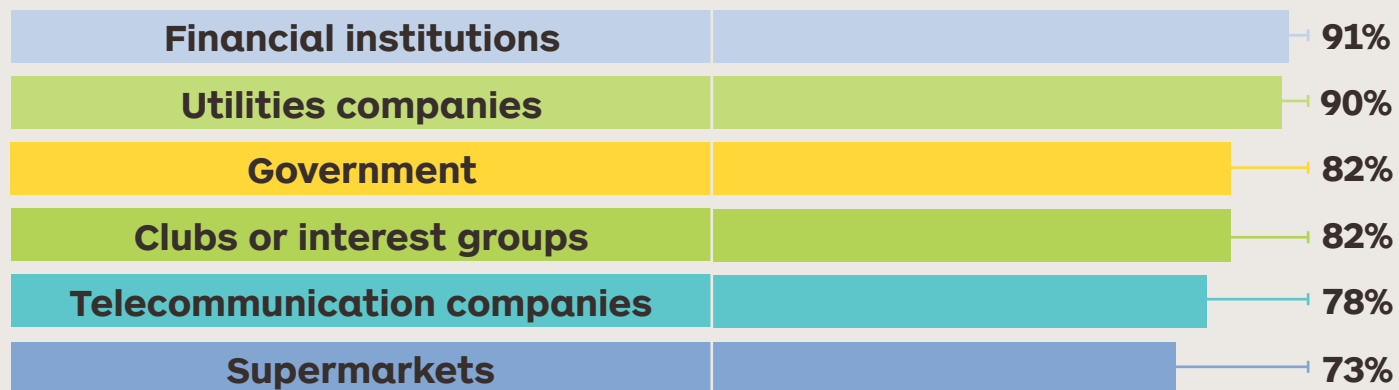
## Engagement with mail

Base: all Australians



## 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%)

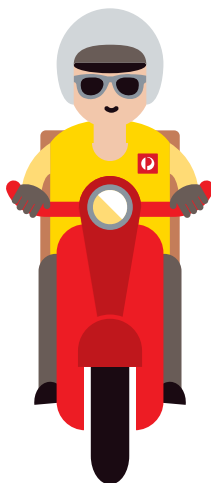


# Channel preferences for different messages

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

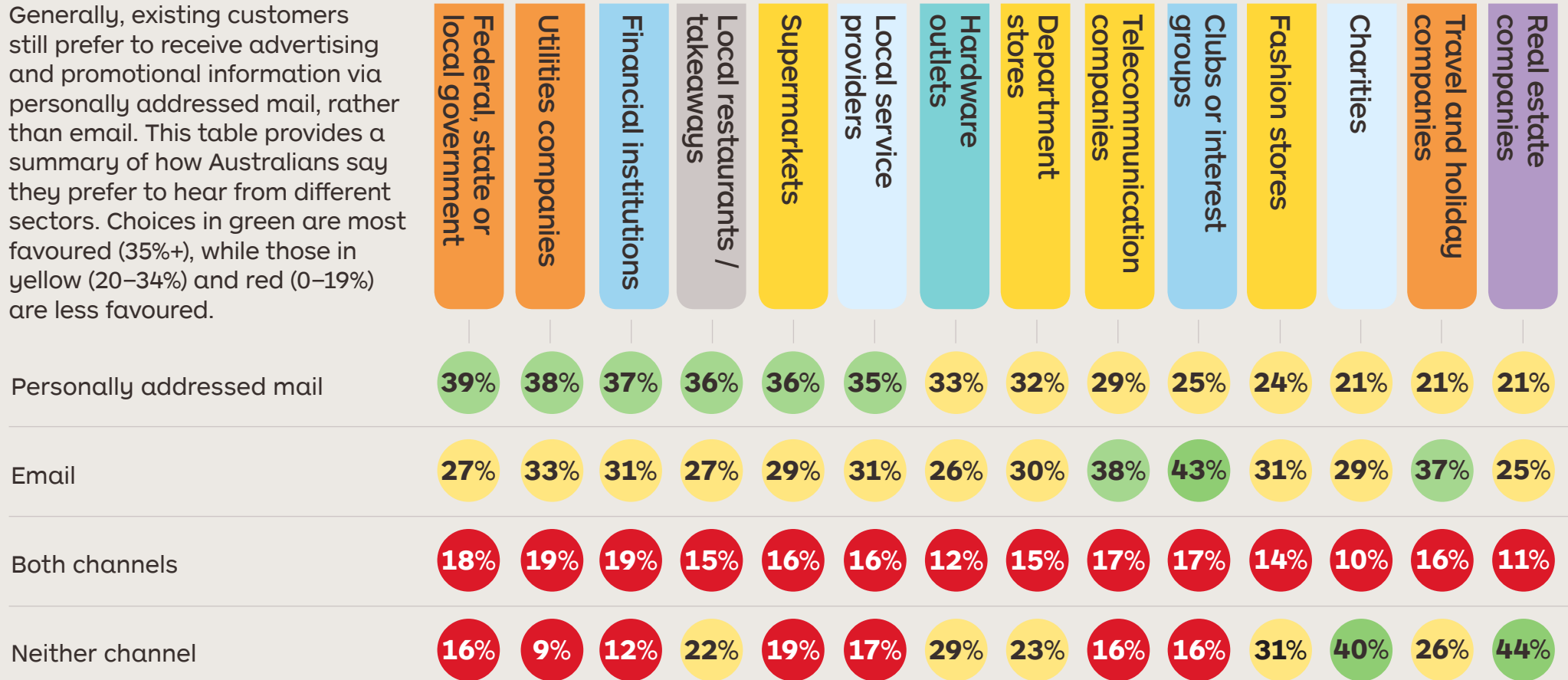
Percentage of people who preferred to receive communications by mail, email or both channels.

		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](https://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](https://auspost.com.au/creatingconnections)**.

