



**Australia
Post
Consumer
Survey
Mail Findings**

July 2012





Methodology

The Australia Post Consumer Survey measures consumer attitudes and behaviours of interest to Australia Post, particularly mail (letters), parcels and retail. The Australia Post Consumer Survey Mail Findings is an extract of insights from the mail (letters) area of the survey.

Participants

One thousand Australians are surveyed online each quarter. Australia Post utilise Quality Online Research (QOR) to compose a panel of respondents best representing the Australian population in terms of age, gender and location.

Survey

The mail section of the survey looks at how much mail participants receive and read specific to various industry sectors and types of information. This is based on recall of what has been received in the letterbox in the previous week. In addition, respondents are asked to specify their preferences for receiving advertising and promotional messages and transactional (essential) mail across various industry sectors and transaction types. Preferences for advertising and promotional messages were differentiated between when an existing customer of an organisation, and when no previous relationship exists. Respondents defined their own eligibility as a 'customer' or 'not a customer'.

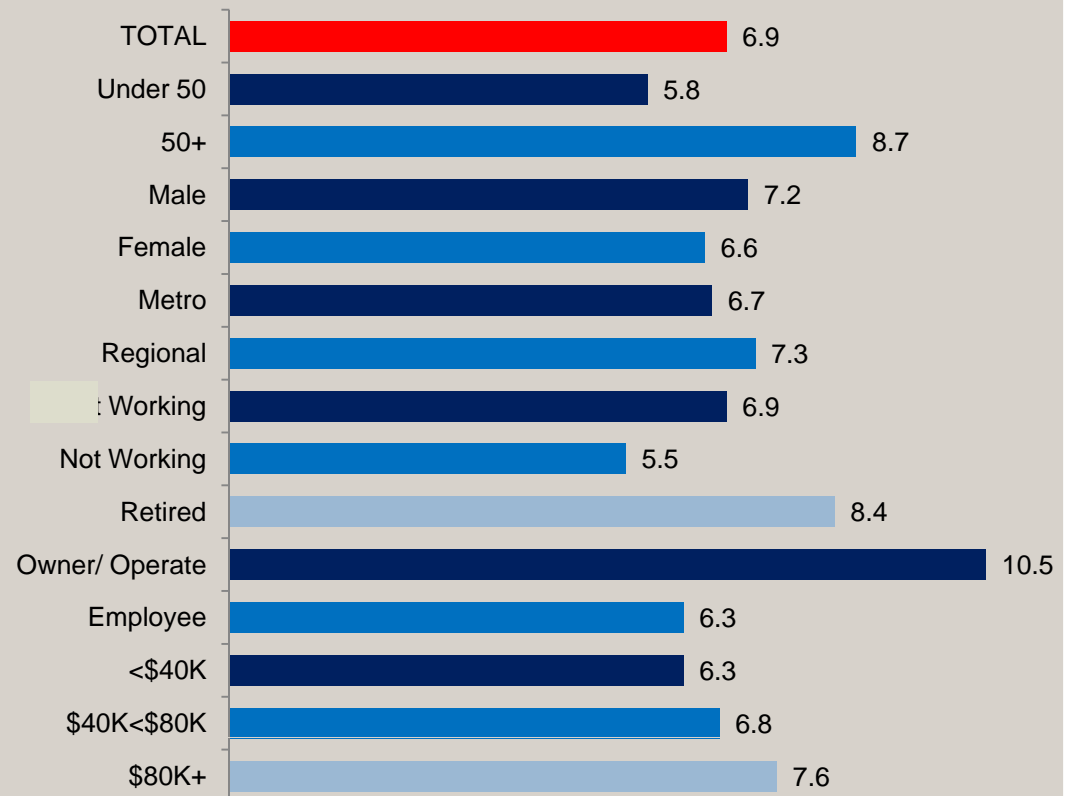


The letterbox remains an uncluttered medium

How many pieces of mail would you have had delivered in the last week that was personally addressed to you?

The average Australian recalls receiving 6.9 items personally addressed to them in the one week. This is down slightly from 7.4 the previous quarter.

When you think about the multitude of messages consumers are exposed to every day via email, television, daily newspaper, magazines and outdoor billboards, the letterbox is really a medium with great potential if you want your message to stand out from the clutter.





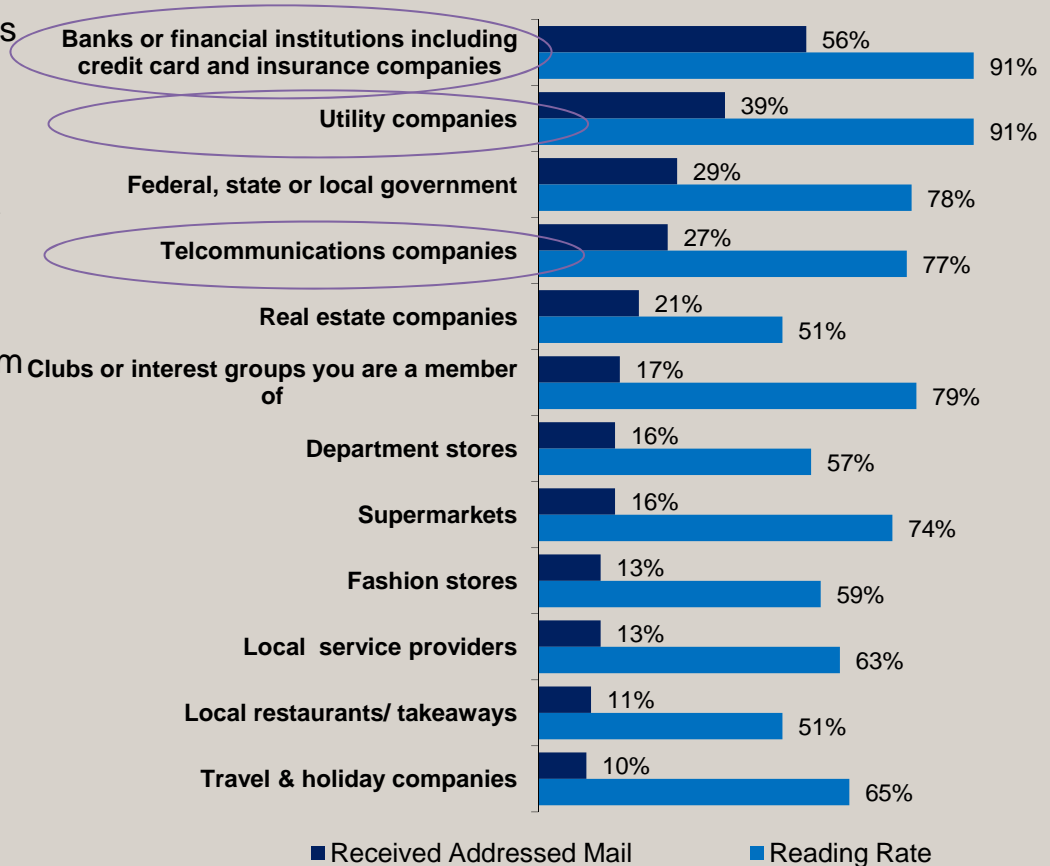
While mail volumes have declined there is still high readership

How many pieces of mail would you have had delivered in the last week that was personally addressed to you from, and did you read this mail ?

While respondents reported receiving less addressed mail across all categories this quarter, readership rates primarily increased across federal/state/local government (up 4%) and travel & holiday companies (up 4%).

Most addressed mail received comes from banks, utilities, telcos and government departments, demonstrating that the majority is transactional in nature ie. bills, statements, service messages.

This creates endless opportunity for organisations to send advertising and promotional messages across many sectors including travel & holiday companies, local restaurants and fashion stores and supermarkets.



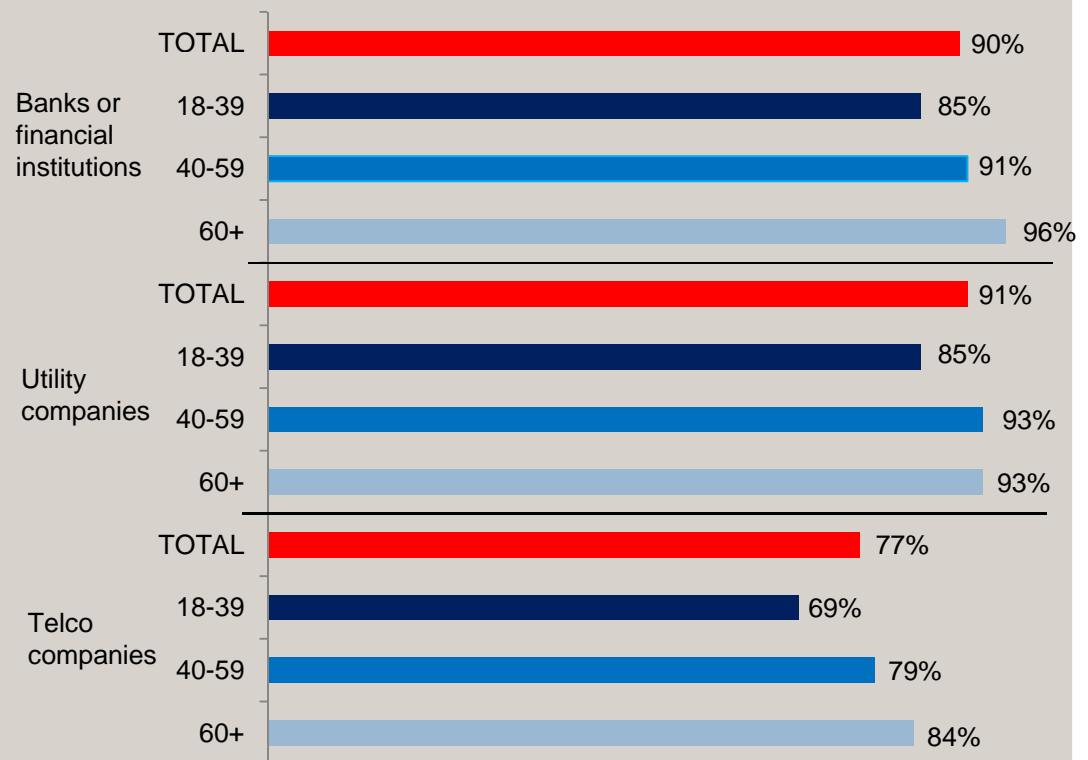


High readership exists with the younger generation

Did you read this mail you received last week from ... ?

Contrary to what we might think, those under 39 have high readership levels of addressed mail. While it's not surprising that older groups have the highest readership levels, it is important to note that over eight in 10 people aged between 18-39 read mail received from banks and utility companies, while seven in 10 people do the same for mail from telecommunications companies.

While we might think the younger generation are tech savvy and only consuming high volumes of digital media, they are still highly receptive to receiving personally addressed mail.



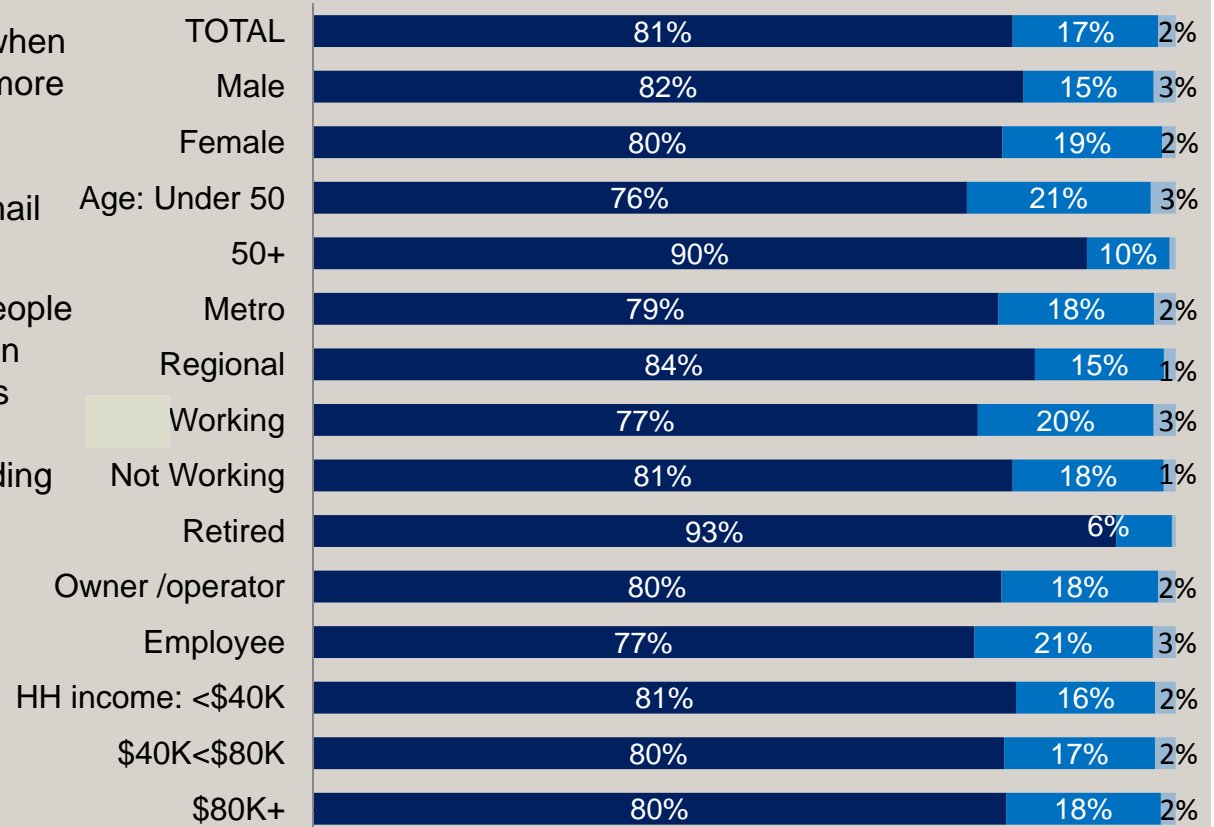


Read primarily on the day mail is received

On average when do you usually read your mail?

Because consumers choose when they open their mail they are more likely to be engaged than with messages sent through other channels - they interact with mail when they want to.

The fact that the majority of people (81 per cent) open their mail on the day it's received, illustrates that people are genuinely interested in opening and reading their mail. This is particularly prevalent for older people including retirees.



■ The day I receive it ■ Some the day I receive it and the rest at a later date ■ All at a later date



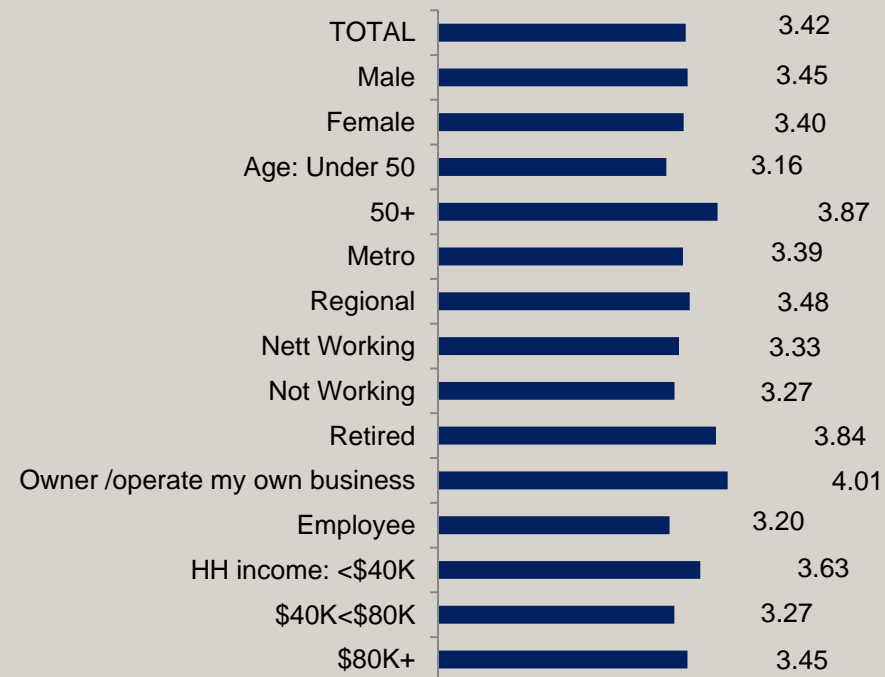
Significant time spent reading the mail demonstrates high levels of engagement

On average how long does it take you to open and read the mail you have delivered daily?

The average time spent opening and reading mail is 3.42 minutes, which is up from 3.25 minutes last quarter. This is further evidence to suggest that while mail volumes have declined, engagement remains high.

This engagement is predominately higher for those aged 50 +, retirees and business owners / operators who spend up to 4.01 minutes reading their daily mail.

When you think about the limited time people consciously spend consuming advertising through other media this is a significant amount of time to be solely focused on a companies message.





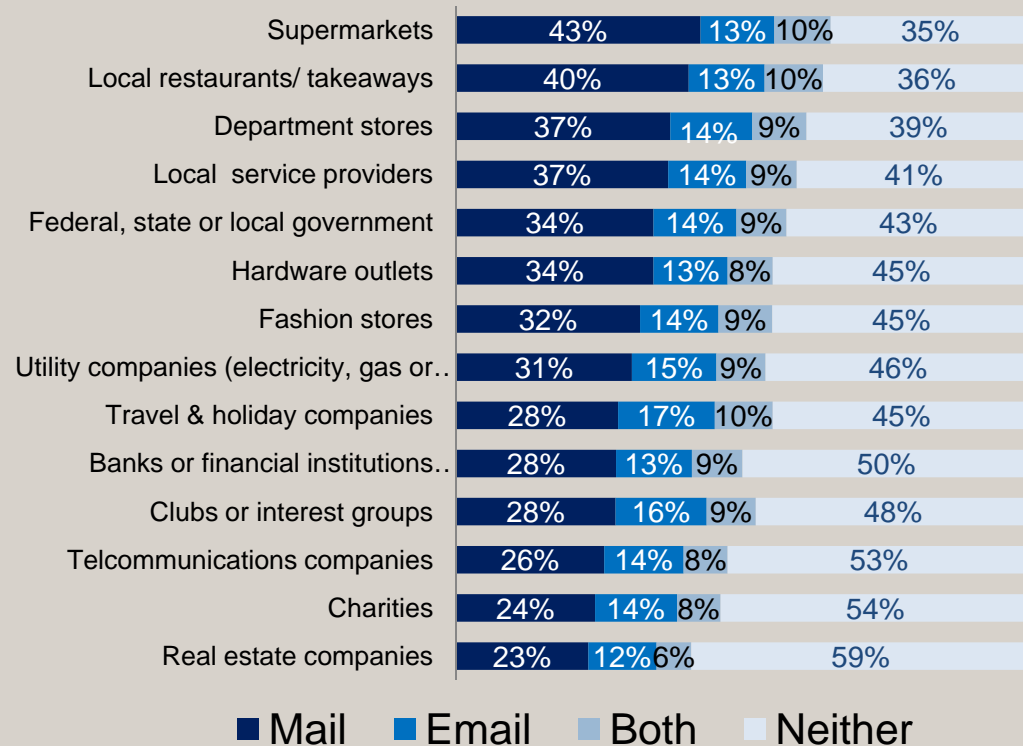
Consumers prefer to receive advertising and promotional messages by mail

How would you prefer to receive advertising and promotional information from the following institutions when you are not a customer of theirs?

While mail remains the preferred channel for receiving advertising and promotional messages when not an existing customer, mail preferences have declined over the last quarter, whilst email preference has grown.

Most visible declines were across local restaurants/ takeaways, department stores and hardware outlets which were all down three per cent. Email preference increased by five per cent across department stores, hardware outlets, fashion stores and clubs/interest groups.

Despite these marginal movements the letterbox remains an uncluttered medium with high readership rates, it's the preferred method to receive advertising and promotions from companies that people do not already deal with.





Consumer preference vary according to the type of information being sent

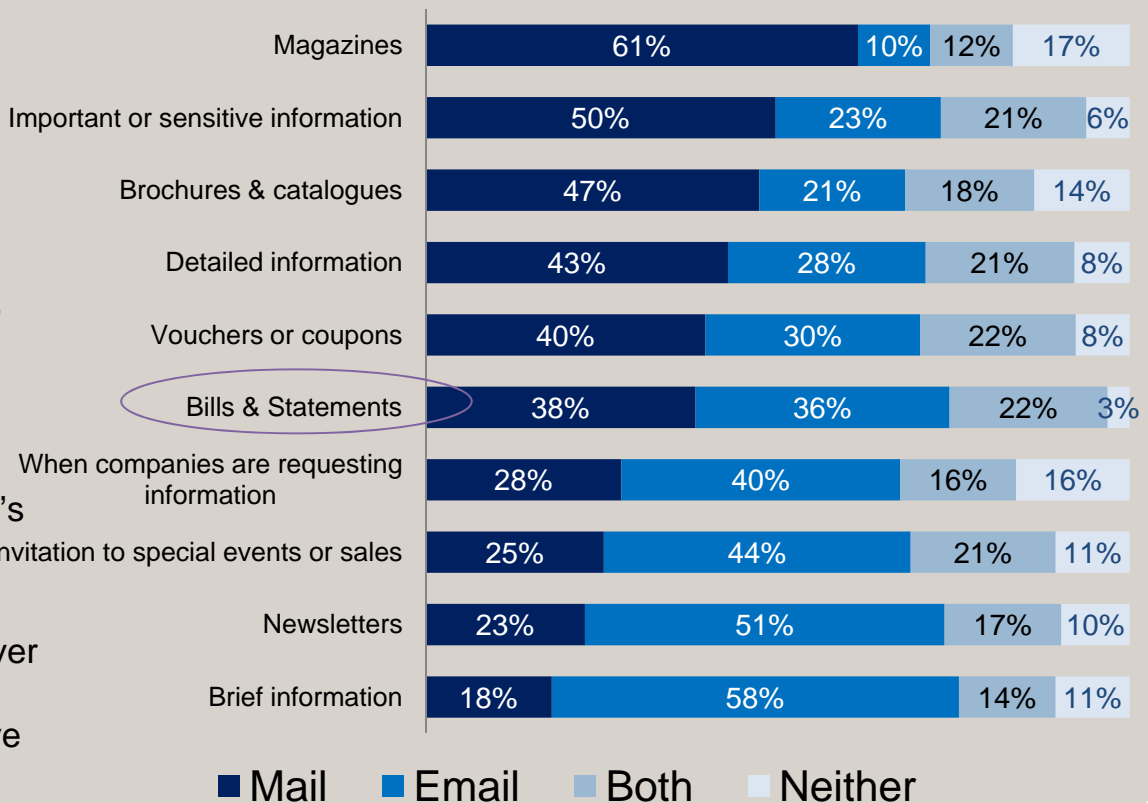
How would you prefer to receive the following types of information?

It is evident that consumers place trust in the mail channel, preferring to receive sensitive and detailed information including bills and statements via this method.

For valued items such as (subscriber) magazines or a catalogue, mail is the preferred channel for delivery.

Email is the preferred channel for newsletters, invitations, when the information being received is brief, or when information has to be provided back to a company. This demonstrates the speed to action ability of email, however indicates that email only holds the audience's attention for a short time.

As in the sector analysis preferences for email increased over the last quarter for all information types (except important or sensitive information).



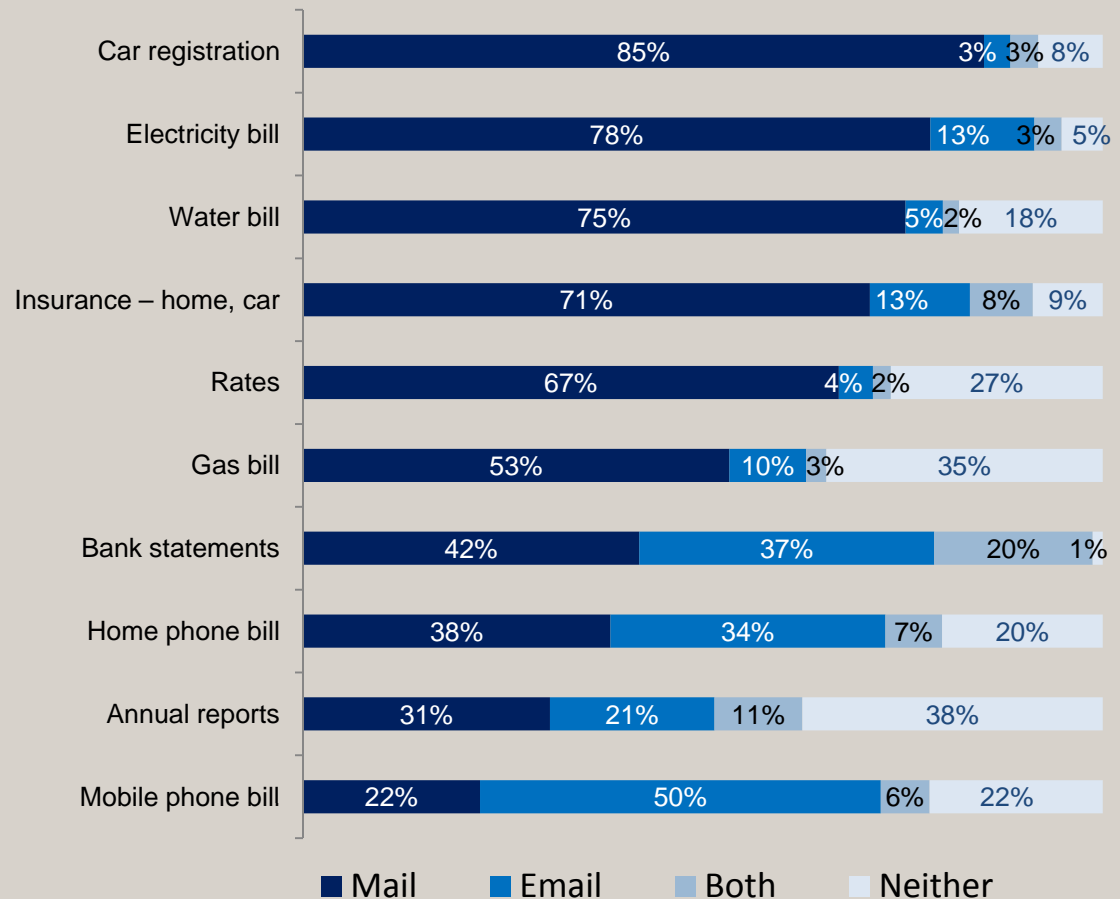


Mail is the most used medium when sending transactional communications

How do you currently receive the following types of information?

Mail continues to be the most used media for sending transactional mail across all information types, with the exception of mobile phone bills.

Eighty-five per cent of car registration renewals are received by mail, demonstrating the tactical nature of mail in its ability to provide the customer with a registration sticker to affix to their car.





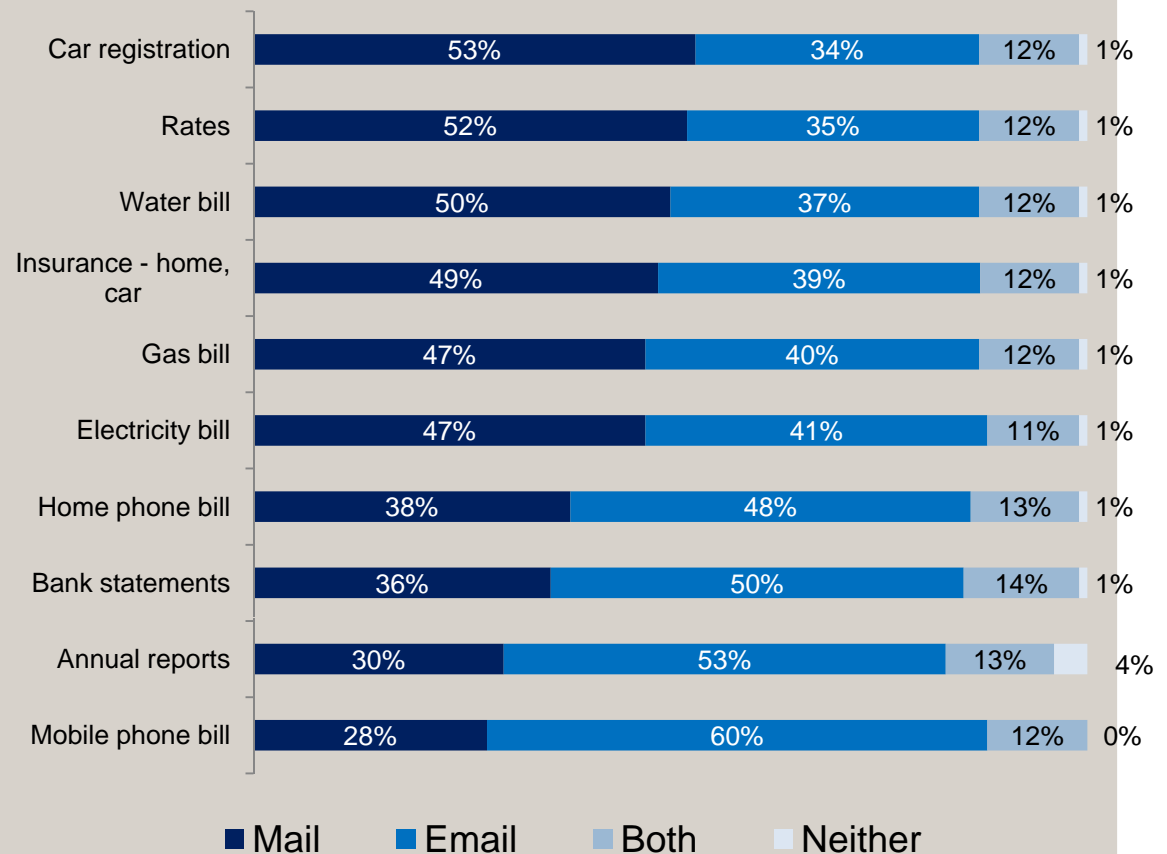
Consumer preference for receiving transactional communications is varied

How would you prefer to receive the following types of information?

While mail is the most used medium when sending transactional mail, consumers have indicated that their preference for receiving these communications varies according to the type of bill or statement.

Mail is preferred for utilities – water (50 per cent), gas (47 per cent) and electricity bills, as well as insurance (49 per cent) car registration (53 per cent) and rates (52 per cent).

Information that is normally received more frequently is preferred to be received by email – bank statements (50 per cent), mobile phone bill (60 per cent) and home phone bill (48 per cent).





There's no surprises when it comes to the older generation

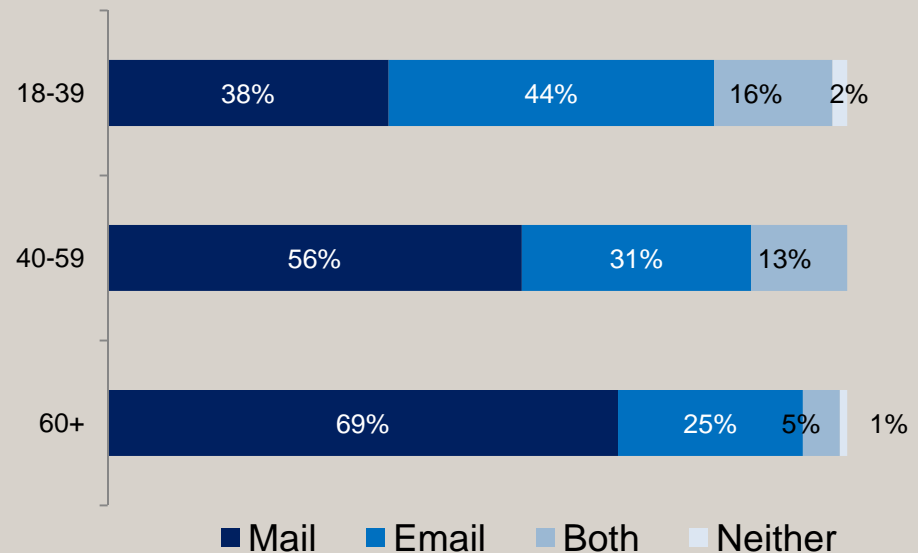
**How would you prefer to receive the following types of information?
(Listed on the previous slide)**

While 18-39 years olds have moved towards a preference for receiving transactional information by email, those 40+ continue to prefer to receive a physical copy of these items via mail.

The older the person, the more inclined they are to prefer to receive this information by mail.

This is evidence that the older generation believe mail is a trusted medium and physical representation of these documents is still of value.

Whilst 18-39 years olds say they prefer to receive email for transactional information, they are still reading mail as highlighted earlier in slide 5.





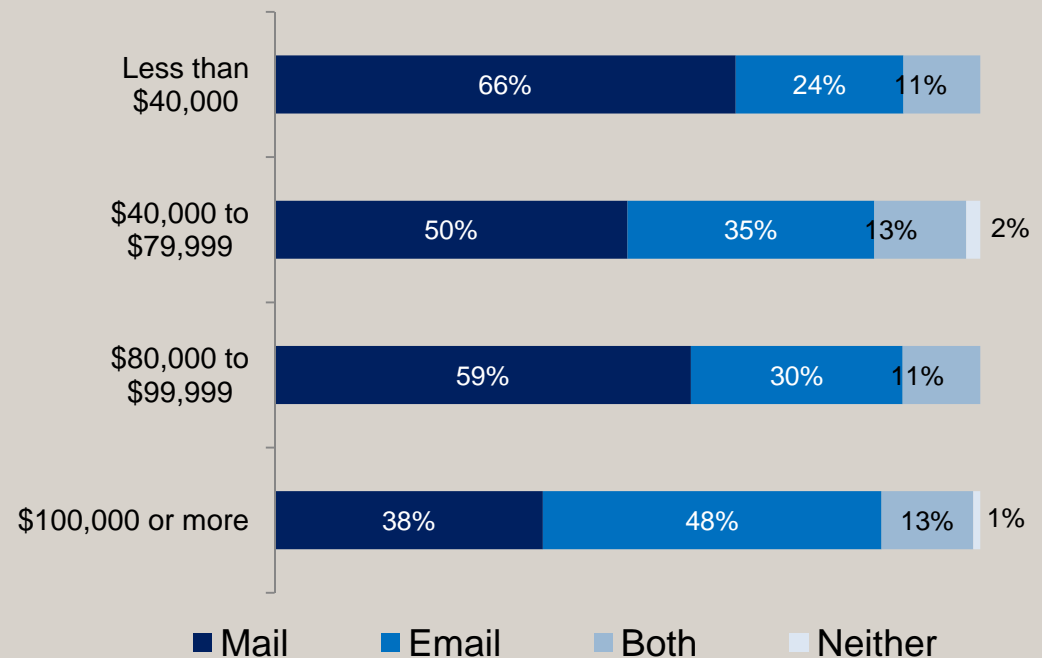
Household income has a relationship with preference for transactional communications

How would you prefer to receive the following types of information?

Low income earners have a preference for receiving transactional information by mail (66 per cent), whilst the highest income earners prefer email (48 per cent).

These figures are consistent with those for employment status, where the unemployed preferred mail (62 per cent) over email (27 per cent).

Low income earners generally have tighter budgets which could explain the need for physical copies of their bills to manage finances and make payments over the counter, rather than the internet.





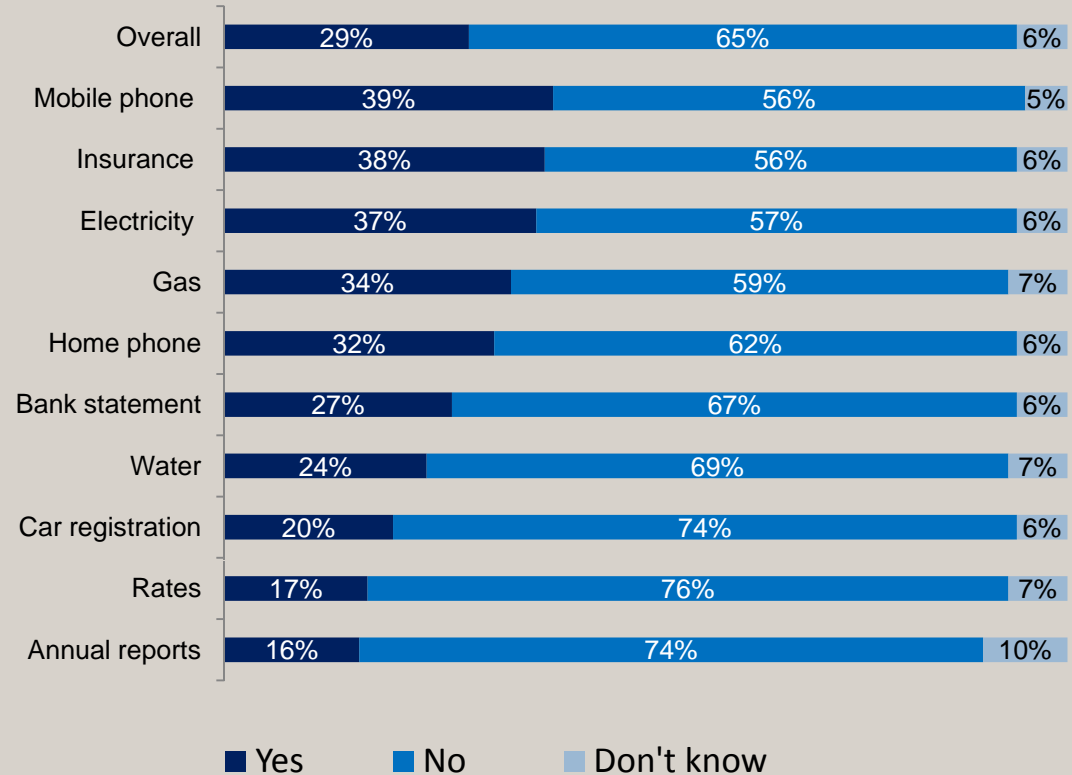
Advertising on transactional communications get noticed

Do you notice advertising and promotional offers on the following types of information?

Just under one third (29 per cent) of advertising messages on transactional communications are noticed.

This is even higher across mobile phone bills (39 per cent), insurance bills (38 per cent), electricity bills (37 per cent), gas bills (34 per cent) and home phone bills (32 per cent).

With one in three people noticing these messages it makes sense to utilise the real estate on a bill or statement to turn it from a cost into a possible revenue generator.





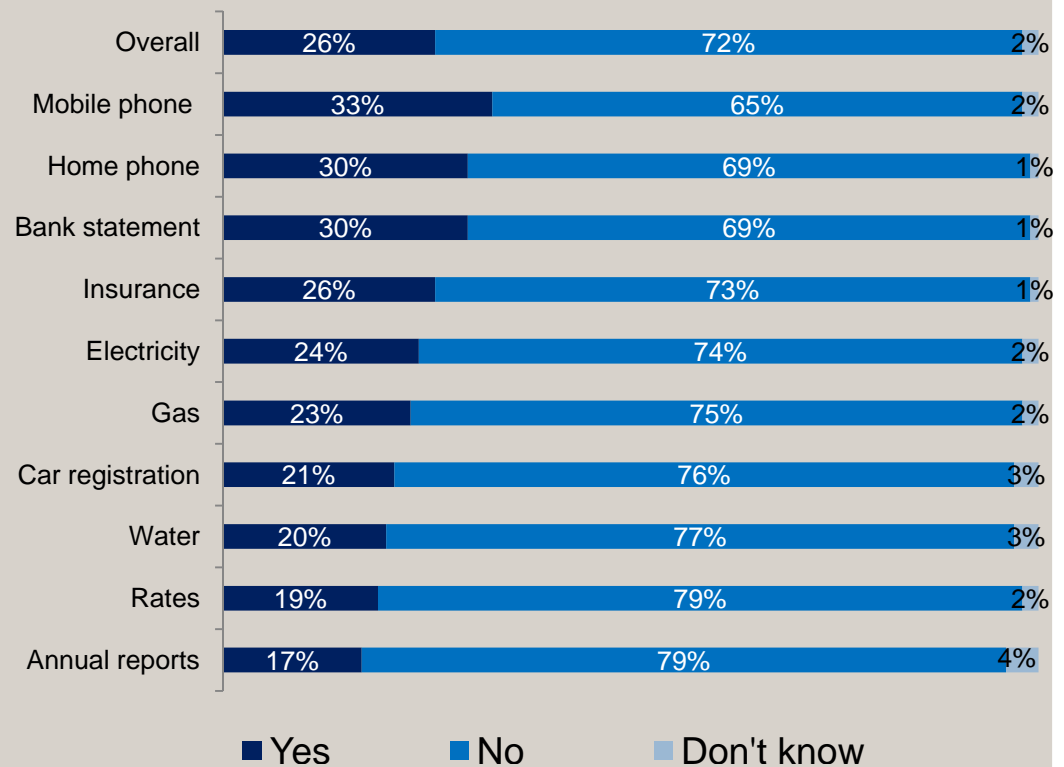
And is acted upon by one in four people

Have you ever responded to one of these offers on the following types of information?

Just over a quarter of all respondents had responded to an offer seen on a transactional communication.

This is even higher across mobile phone bills (35 per cent), home phone bills (30 per cent) and bank statements (30 per cent).

These types of communications may have higher rates as telco companies typically cross-sell internet, home and mobile services, while banks actively cross-sell credit card, loans and insurance products to their savings account holders.

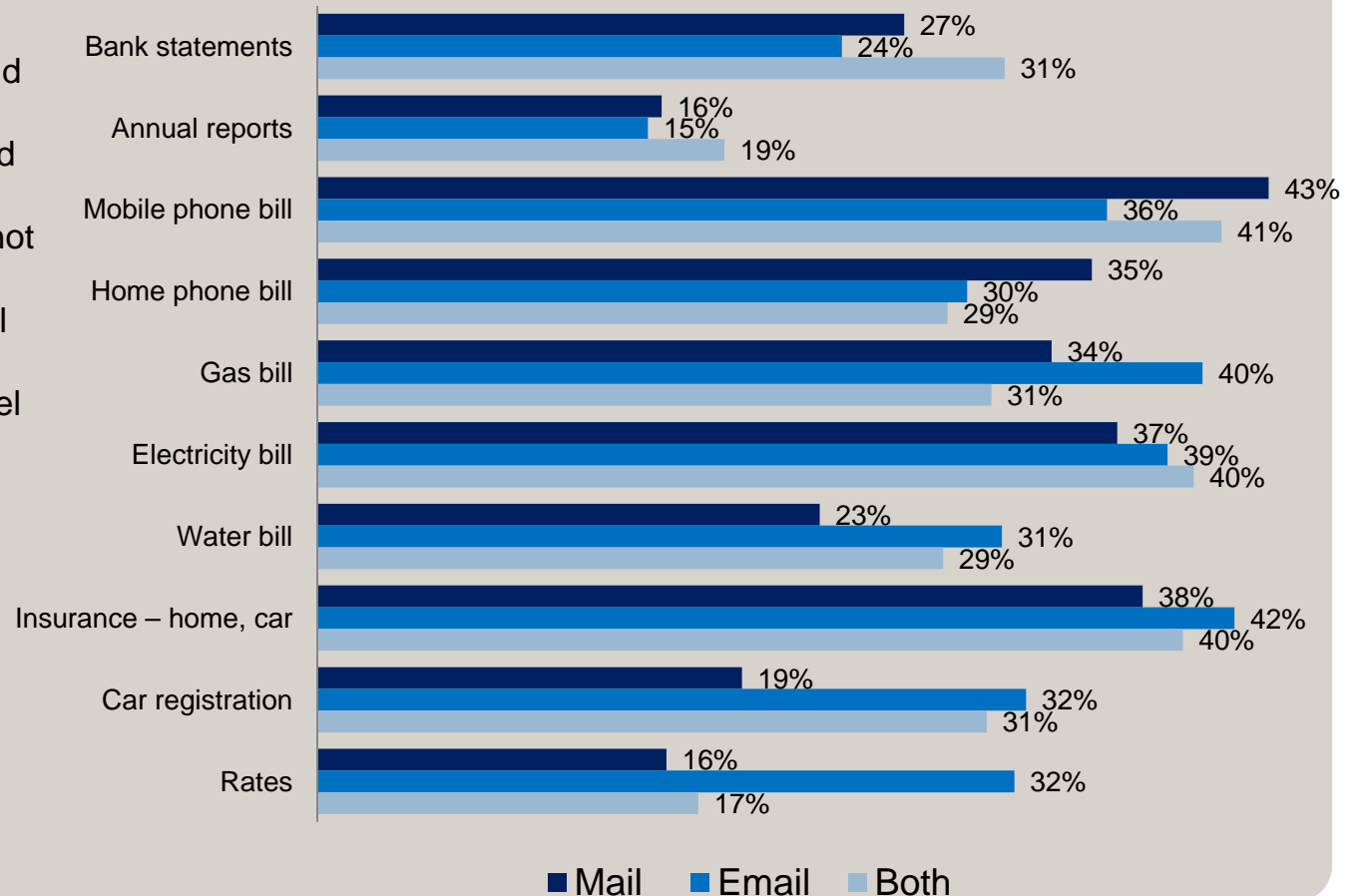




Any differences in noticing advertising and promotions when the different billing channels are considered?

Do you notice advertising and promotional offers on the following types of information?

People say they have noticed promotions and advertising no matter what method was used to send the billing information. There is not a consistent pattern across the different bill and communication types on which channel has more advertising recalled.





A number of consumers would welcome more frequent transactional communications

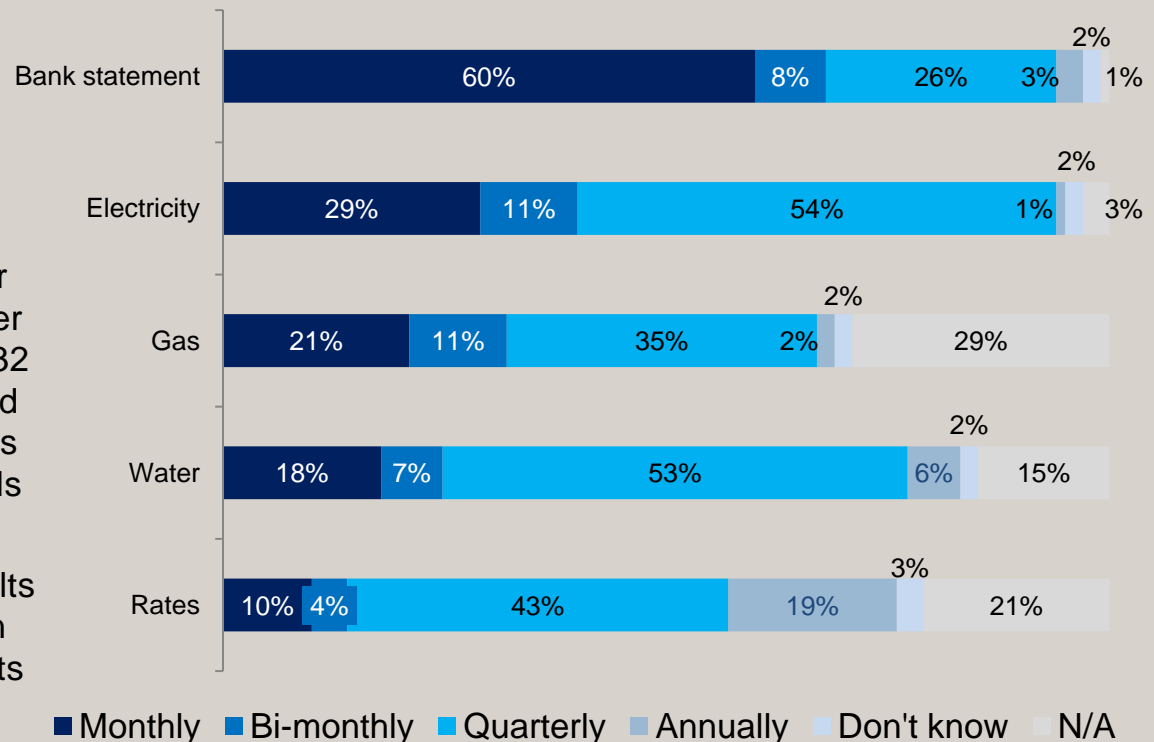
What is your preferred frequency for receiving the following type of information?

While the majority of respondents were happy to continue to receive these communications quarterly, those receiving bank statements had a clear preference for receiving them monthly (60 per cent).

Equally, consumers would welcome increased frequency for receiving bills from utilities. 40 per cent of electricity bill recipients, 32 per cent of gas bill recipients and 25 per cent of water bill recipients would all like to receive these bills monthly or bi-monthly.

Increased frequency of bills results in smaller bill amounts which can help people manage their budgets more effectively.

Bills / statements typically received quarterly





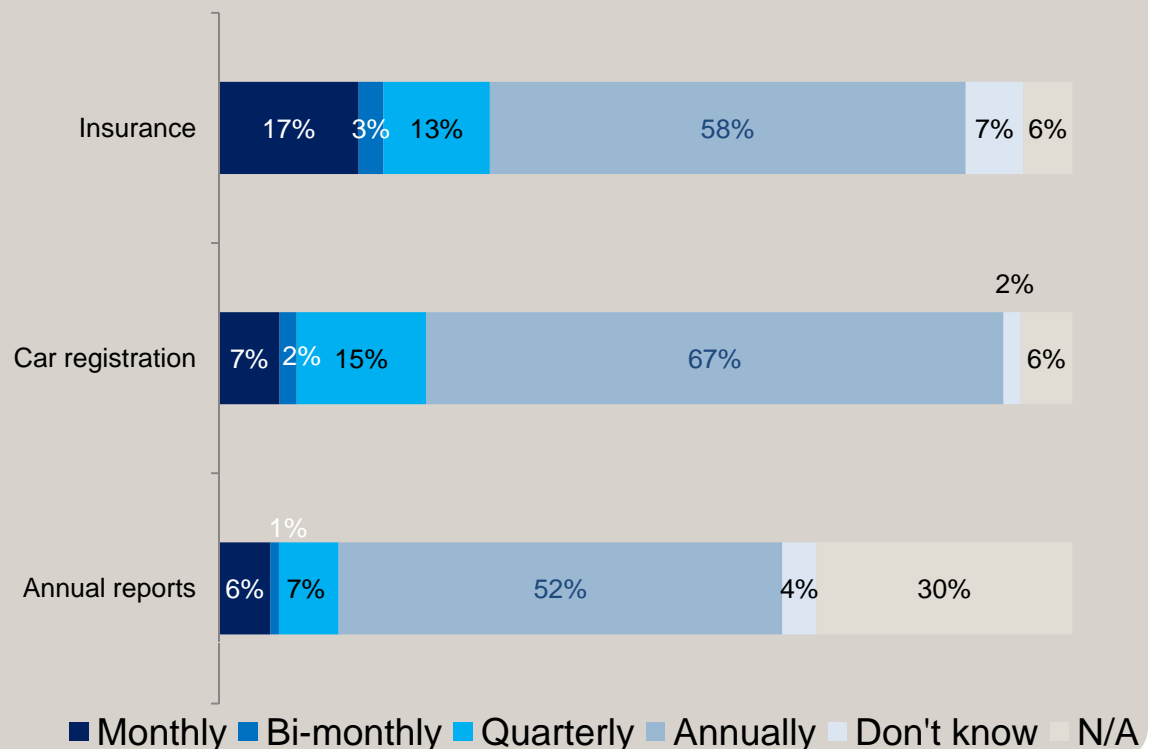
A number of consumers would welcome more frequent transactional communications

What is your preferred frequency for receiving the following type of information?

While the majority of respondents were happy to continue to receive these communications annually, approximately one in three (33 per cent) would welcome increased frequency for receiving insurance bills, while just under one in four (22 per cent) would appreciate more frequent car registration bills.

Again, increased frequency of these bills would result in smaller bill amounts which may help people manage their budgets more effectively.

Bills / statements typically received annually



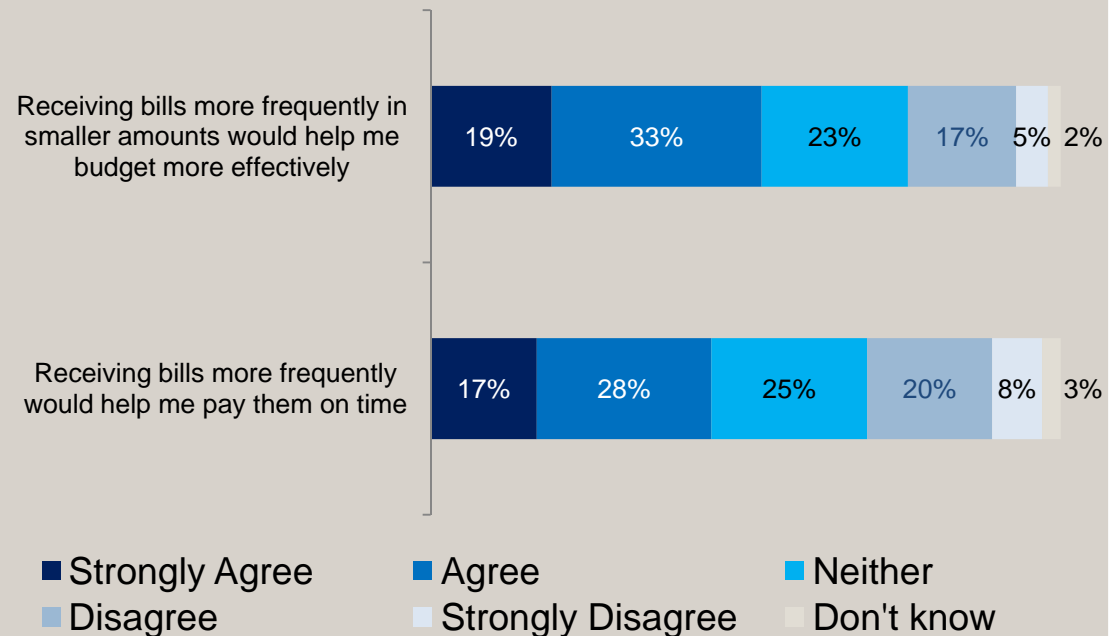


More frequent transactional communications can help consumers and suppliers cash flow

What is your preferred frequency for receiving the following type of information?

Fifty-two per cent of respondents believe receiving bills more frequently in smaller amounts will help them budget more effectively, and 45 per cent agree that receiving bills more frequently will help them pay them on time.

This means smaller bills more frequently will not only assist consumers to manage their money, but will assist suppliers cash flow by ensuring that bills are paid on time and limiting the amount of bad debtors they have.





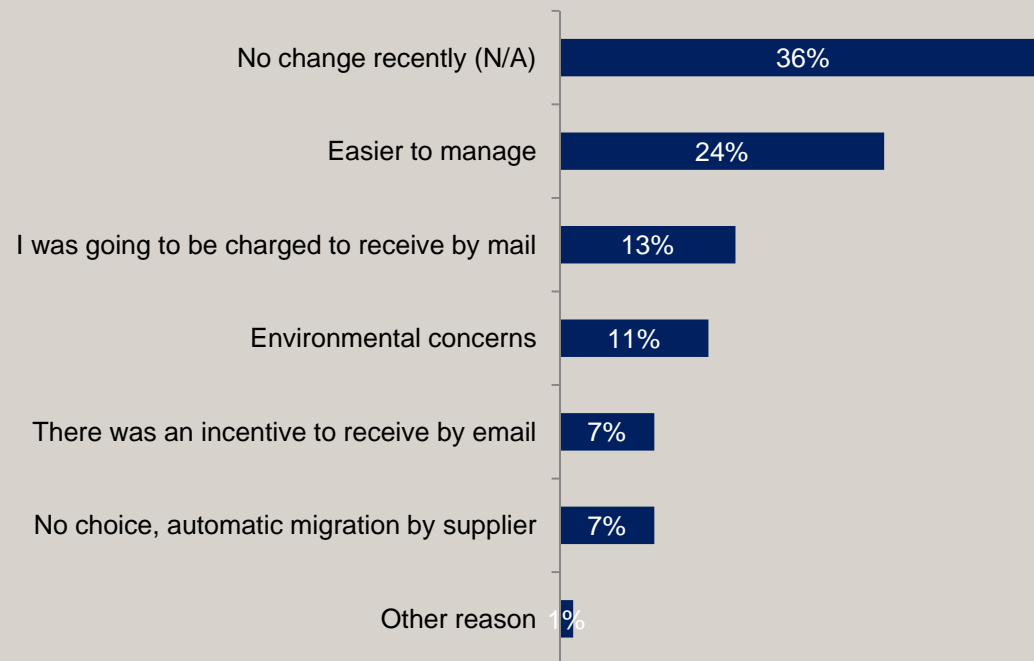
Convenience is the primary motivator for receiving transactional communications by email

If you've recently changed from receiving any of your bills and statement from mail to email, what was the primary reason for the change?

Contrary to what we might think about consumers being led by environmental concerns, the primary reason for switching to receiving bills and statements by email is easier management (24 per cent).

Twenty per cent of respondents were forced into changing to email due to impending charges for receiving mail (13 per cent) and having no choice (7 per cent), while only 11 per cent did so because of environmental reasons.

Over one in three (36 per cent) have not changed from mail to email recently.





Consumers demand choice when it comes to receiving transactional communications

How much do you agree or disagree with the following statements about billing?

Seventy-six per cent of people agree that they would prefer to have the option of receiving their bills and statements by email or mail, and 71 per cent would prefer to do business with a company that gave them this choice.

These attitudes highlight the importance of providing choice, rather than forcing consumers into switching by charging them or giving no choice at all.

Providing choice will ultimately keep customers happy and could prevent them from switching to a provider that offers more flexibility.

