COVID-19, POSTS *and* DIRECT MARKETING

A UPU Direct Marketing Advisory Board (DMAB) report

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Since the outbreak of the COVID-19 pandemic, Posts across the world have been working on the front lines of the public response to the disease. In addition to fulfilling their traditional role as a logistics service provider, in the course of this pandemic, Posts have expanded their social, financial and delivery services to assist governments, support businesses and serve citizens in a way that has helped underscore the resilience, the innovation and the unique value proposition of postal networks both domestically and globally.

Many Posts have continued to operate and provide a range of services against the background of restrictions on the movement of people and the closure of international borders to prevent the spread of the pandemic. Posts have emerged as an essential service and in a positive light in many countries in response to the pandemic. The pandemic has amplified and augmented the two key facets of Posts' value proposition: first, their role as delivery agents of what may be deemed essential services, including communications (mail, including direct mail and parcels) and medicines, as well as social and financial services; and second, their role as custodians of an essential infrastructure composed of tangible (e.g. post offices) and intangible (e.g. local knowledge and trust) assets that enable and expedite the delivery of essential services. More than a new role for Posts, the pandemic has reinvigorated their existing value proposition to governments and citizens.

This augmented value proposition sheds light on the unmatched assets of Posts in pandemic times and beyond:

The near universal reach of the postal network, both domestically (physical network, urban and rural reach) and globally (through the UPU treaty-based ecosystem), and an unmatched last mile delivery logistics capability;

The trust premium enjoyed by Posts with citizens, businesses, communities and governments; and

The local and community knowledge held by Posts.

Posts have also taken the opportunity to roll out innovative products and services to support the response of governments to the pandemic. This is the case of social services, such as the delivery of medicines and medical supplies, and of new electronic and financial services.

IMPACTS ON INTERNATIONAL AND DISRUPTED POSTAL SUPPLY CHAINS

The international light-logistics growth rate calculated by the UPU shows that cross-border exchanges worldwide have dropped by 21% since April 2020, which saw the outbreak of the crisis for all mail classes (letters, parcels and express).

In the specific case of the postal sector, an immediate and striking consequence of COVID-19 has been widespread disruption to international supply chains, resulting from constraints imposed on international transport, in particular aviation, influencing international transport capacity. Another visible impact of the crisis for cross-border postal exchanges has been the increase in the time taken to clear items through Customs, owing to additional inspections of both outbound and inbound items.

GROWTH IN DOMESTIC E-COMMERCE

COVID-19 has massively accelerated the growth of e-commerce, with reported year-on-year total online spending up 77% (Adobe study). Online shopping is also expected to be the new norm in the post-COVID world where the unparalleled growth of e-commerce will certainly disrupt national and international retail frameworks. As observed in most countries, the surge in e-commerce sales has boosted demand for postal services. Across the world, Posts are reporting double-digit growth in e-commerce transactions and delivery through the postal network.

DIRECT MARKETING AND COVID-19

Direct marketing has also been affected by COVID-19, including in relation to the growth in demand for e-commerce. In most markets, direct marketing volumes have decreased since the beginning of the pandemic, in line with global mail trends. However, the pandemic has amplified existing customer behaviour, particularly in terms of people's response to advertising and direct mail. In some important markets, the demand for local and domestic e-commerce and home delivery services has amplified the way customers have engaged with direct mail and boosted the impact of direct mail in driving B to C transactions. As shown by a study led by Royal Mail, with more people at home, direct mail matters more and is driving online transactions more than ever.

In the view of the impact of the pandemic, the Directing Marketing Advisory Board (DMAB) developed this report providing the postal and direct marketing community with a global perspective and analysis on the levels of impact of the pandemic on the direct marketing market and the postal offering in this space. It also focuses on country and industry cases that illustrate the way specific postal operators and direct marketing stakeholders have responded to the pandemic and to the challenges arising therefrom.

This report comprises four chapters:

1. **THE STATUS OF THE DIRECT MARKETING INDUSTRY OF POSTS AND DIRECT MARKETING;**
2. **THE IMPACT FACTORS OF THE COVID-19 PANDEMIC ON THE DIRECT MARKETING INDUSTRY;**
3. **OPPORTUNITIES AND THE WAY FORWARD; AND**
4. **SPECIFIC CASES: THE VIEWS OF POSTAL OPERATORS AND DIRECT MARKETERS ON THE IMPACT OF COVID-19.**

CHAPTER 1

Posts and direct marketing: a global view

DMAB survey analysis

INTRODUCTION

In 2007, the DMAB launched a survey on direct and digital marketing products and services, which was repeated annually until 2014 and biennially from 2017 onwards. The survey consists of 22 yes/no questions, aimed at assessing the direct and digital marketing products and services provided domestically by designated postal operators (DOs). Over the years, an average of 80 DOs have responded to the surveys, with a balanced regional representation.

Based on the surveys conducted since 2007, this chapter provides a high-level analysis of the key trends surrounding the different types of products and services offered by DOs across various regions in the field of direct marketing.

PRODUCTS AND SERVICES PROVIDED BY UPU DESIGNATED OPERATORS

PHYSICAL SERVICES

Addressed direct mail: when the addressee is identified with a name and an address (of a person and/or a company).

Globally, over the 2007–2019 period, there was steady growth in the number of DOs offering an addressed mail service in different countries. The proportion of DOs providing addressed direct mail is high, at between 55% and 100% depending on the region. This shows that addressed direct mail remains a major product for Posts in all regions.

Unaddressed direct mail: when the addressee is not identified with a name. Unaddressed direct mail services might, however, be targeted at a specific region, postcode or letter-carrier route, or to a number of households sharing a similar demographic profile.

Globally, the unaddressed direct mail service remained steady in all regions throughout the 2007–2019 period. Overall, the percentage of DOs offering an unaddressed direct mail service was very high throughout the period, at 80%. The proportion of DOs providing an unaddressed direct mail service in industrialized countries (ICs) maintains the same trend, with 96% in 2007, up to 100% in 2019.

With a high level of return on investment (ROI), the unaddressed direct mail service remains a key activity for DOs. The survey shows that, over the years, the unaddressed direct mail service has played an important part in DOs' products mix, and is perceived by their customers as an easy and efficient way of reaching potential new customers.

Printing services: printing services provided on the postal operator's premises or in partnership with a subsidiary.

Globally, the overall trend constantly increased with an average of 50% of DOs offering printing services to their customers. In ICs, the percentage of DOs stood at 85%, against an average of 50% in other regions. The increasing importance of printing services again confirms the relevance of physical media as a marketing channel for postal operators and their customers.

Social media marketing: marketing through social media sites (Facebook, Twitter, Instagram, LinkedIn).

Globally, social media marketing is offered by a third of the respondent DOs. In ICs, 38% of DOs provide it, against an average of 35% in other regions. However, in the Caribbean and Latin America region, the trend has increased and averaged at 29% in 2019. This type of offering is expected to grow in the future with the rise of the social media footprint in the media mix.

WEB-BASED MARKETING

E-mail marketing: direct communication with targeted customers or prospects using e-mail to obtain a measurable response or transaction.

Globally, the proportion of respondent postal operators offering e-mail marketing increased from 26% in 2017 to 34% in 2019. However, the situation varies from one region to another.

While widely available in ICs, e-mail marketing is less commonly offered in other regions, with an average of over 20% of DOs providing it. One reason for this could be Posts' varying degrees of digital transformation, and the perception of e-mail as a competitor to physical mail.

Display advertising (banners): advertising using ad space on websites to reach a desired target audience. Sites may include web portals, blogs, casual gaming sites, social networks, instant message applications, widgets, RSS feeds, and more. The most common type of display advertising is banner ads.

In 2019, a total of 36% of DOs offered display advertising (banners) as a direct marketing product. In ICs, the average stood at 46% of DOs in 2019, with an average of 31% in other regions. It should, however, be noted that 40% of DOs in the Arab countries offered this service.

PHONE-BASED MARKETING

Mobile/SMS marketing: marketing communications delivered through electronic devices, such as mobile phones.

Globally, offering mobile (SMS) marketing has been an increasing trend among respondent DOs. In ICs, an average of 60% of DOs provide mobile (SMS) marketing services, while the proportion remains relatively low in other regions, at around 40% in the Arab region and 45% in the remaining regions.

SMS marketing has a high ROI as studies show that the average SMS open rate is 98%, which is much higher than for marketing e-mail. A total of 90% of SMS messages are read within three minutes, and 51% of consumers are interested in being able to text with their favourite brands. It should, however, be noted that mobile (SMS) services are sometimes perceived as intrusive and are negatively affected by customers' reluctance to provide their mobile phone numbers. ,

Telemarketing: the practice of marketing by telephone. Inbound telemarketing is when interested customers respond to a mailing or advertisement by phoning the number indicated to place an order or to inquire about the product or service offered. Outbound telemarketing is when a salesperson calls prospects to get them to buy the product or service offered directly by phone.

Globally, telemarketing is offered by a small number of DOs – on average, 11% of respondent DOs since 2007. However, with the proportion standing at 16% in 2019, there has been an increase in the last two years in all regions, especially in the Europe and CIS region and Africa.

CONSULTANCY

Consulting in direct marketing: free or paid-for specialist advice provided to actual or potential users of direct and digital marketing for planning, executing and managing their campaigns.

Globally, the number of DOs offering customers direct marketing consulting services has remained at a high level over the last 12 years. Having increased in all regions, the proportion of DOs providing direct marketing stands at 80% in ICs and 40% worldwide. This rise is particularly prominent in Europe and among ICs, where the numbers doubled over the period surveyed.

Those figures show that postal operators are increasingly considered as key players in the direct marketing value chain, and that they are seen by their customers as a trusted advising partner in order to gain optimal direct marketing results.

ADDRESS-BASED SERVICES

Master address databases (delivery-point databases)

> Internal operational planning: allocation of resources;

> For address correction and verification: the customer is able to verify whether an address (delivery point) exists.

The number of DOs providing master address databases has been steadily increasing since 2007, with an average of 85% of DOs from ICs and 55% in the other regions offering this service over the surveyed period.

Change of address system – system that allows companies and individuals to inform the Post when they move to a new address, so that they can have their mail redirected to the new address.

Over the last 12 years, there was an overall increase in the provision of change-of-address systems for the redirection of mail. It is an important service, offered by 90% of ICs and more than 50% of DOs in other regions. Most DOs provide redirection of mail when people move. While not being solely connected to direct marketing per se, this service has a high value in terms of the quality of data used by Posts to support their direct marketing offering.

Mailing lists (compiled internally by the Post): names and addresses of companies and/or individuals with a common interest, lifestyle, activity or characteristic. These lists are owned by the Post and can be compiled from questionnaires sent to individuals/companies (e.g. lifestyle surveys), or other surveys performed by mail carriers or other agents, or with a combination of data acquired from public or official sources.

Globally, DOs' mailing-list services remain consistently stable, at around 55% of DOs in ICs and 20% in other regions.

INTERNAL ORGANIZATION

Department/division dedicated to direct marketing/advertising mail (product management): special unit or department of the Post dedicated to direct marketing product management (definition of product features, pricing, strategy, etc.) – but not necessarily responsible for sales.

The establishment of a department, division or structure dedicated specifically to direct marketing is a very good indicator of the importance of this line of business for DOs. Since 2007, an increasing number of DOs have created such structures, with the proportion standing at 56% globally. Regionally, in 2019, 69% of DOs in Asia-Pacific, 71% in Africa, and 85% in ICs had a department/division dedicated to direct marketing/advertising mail. The trends shows the business importance of direct marketing as a postal product.

Quality of service control for direct mail items – measurement: the Post measures the quality of service provided for direct mail items (how many days it actually takes between posting and delivery).

Over the last 12 years, there has been a steady growth in the number of DOs that have implemented processes to measure the quality of service provided for direct mail items, with a global average of 66%. In ICs, the percentage rises to 80% of DOs, with a level of 60% for the rest of the world. The success rate of a campaign is very dependent on the return of marketing investment (ROMI). To be able to show clients the accuracy of delivery is a key selling point.

Quality of service control for direct mail items – delivery standard: the Post publishes the delivery standard for direct mail items (expected day or period for delivery of direct mail items).

Setting delivery standards for direct mail has been an increasingly important feature for DOs. On average, over the 2007–2019 period, 77% of respondent DOs set delivery standards globally, with the percentage rising to 85% in ICs. Both standards and quality control are very important, as direct mail is highly time and data quality sensitive – the marketed offer is very often valid for a certain period only.

KEY FINDINGS

As show by the results of the DMAB surveys, two distinct but simultaneous trends in direct marketing have emerged: **horizontal value chain extension and vertical value chain development.**

HORIZONTAL EXPANSION OF POSTAL SOLUTIONS ALONG CUSTOMERS' VALUE CHAIN

As shown by the surveys, traditional physical direct mail is still a core activity for Posts, and contributes to postal volumes and revenues despite the global decrease in letter mail.

An increasing number of Posts worldwide have been adding value to their core distribution services by offering products and services both before and after delivery. These include: consultancy and agency services; data management and list offerings; printing, finishing and lettershop services; response management; logistics and reverse logistics; and customer services. Some of these value-added services, such as data management, have even become core to some Posts, since they facilitate and drive efficient use of the mail channel.

The DMAB survey on direct and digital marketing products and services clearly demonstrates this trend: at least 43% of all Posts now provide mailing list services; 37% possess mapping and profiling capabilities for unaddressed direct mail; 56% offer mail preparation services, such as lettershop and/or printing; and 44% provide a service to manage returns of undeliverable items. Additional services do not necessarily represent significant additional revenue, but they add value to the physical direct mail product. These services are provided in direct competition with other market suppliers in the great majority of countries, industrialized and developing alike.

In the past, direct mail volumes in most countries experienced continual, significant growth, before decreasing towards the end of the last decade, and declining further in recent years. At the same time, spending on digital media has been growing exponentially. Posts should invest and develop new digital-based services, so as to bolster revenues gained through physical streams.

VERTICAL VALUE CHAIN DEVELOPMENT

A second and more recent trend is vertical expansion, which relates to channel diversification through the provision of new solutions that position Posts as direct marketing channels as opposed to simply physical channels.

As shown by the results of the surveys, Posts are increasingly offering other channels besides traditional physical direct mail, ensuring that not only is the mail channel fully integrated into a customer's overall communications mix, but also that there are other ways through which businesses can contact current and potential customers. In this way, Posts provide other direct marketing channels. The survey shows that digital transformation is a reality for Posts in the direct marketing space, with more and more DOs offering e-mail services, web-based marketing services and so on.

In vertical value-chain development, the growth of direct marketing is digital and data-driven. It includes:

> Understanding of how advertisers plan, develop and execute their marketing campaigns;

> Integrated direct mail and digital advertising channels.

As technology advances and communication processes become progressively integrated, and as direct mail is increasingly combined with other media channels in customer marketing campaigns, Posts are changing their role in the media markets and aligning their strategies and activities with customer requirements.

Posts need to understand the role of direct mail in this new environment, and to create innovative solutions to facilitate the integration of mail into advertisers' marketing strategies through offline/online offerings.

In today's multi-channel, integrated media market, the past growth seen in physical mail volumes is unlikely to return; however, that does not mean that there need be a decrease in the importance of postal services. On the contrary, in diversifying and expanding their strategies both horizontally and vertically, Posts can take advantage of the convergence and integration of new media into advertisers' campaigns, adding new value by offering solutions that facilitate the use of several channels, using technology wisely and efficiently to that end.

The available data and analyses show that direct mail and direct marketing have been adversely affected by the decline of physical mail volumes worldwide. However, the growth in e-commerce traffic is perceived by mailers, direct marketers and postal operators as a driver for direct marketing at both the domestic and international level. Direct mail and direct marketing are considered as complementary to the online environment. The integration of various media and marketing channels (whether digital or physical), data management, and knowledge of the client environment all present opportunities for postal operators and mailers in not only the industrialized world, but also in emerging and developing countries.

ANALYSIS OF MAIN FACTORS INFLUENCING DIRECT MARKETING TRENDS OF THE POST

Digital transformation, data revolution and e-commerce development can be identified as the main drivers of the trends observed across the suite of products and services offered by DOs over the period covered by the surveys.

With the global increase in e-commerce transactions and the resulting impact on business-to-business (B2B) and business-to-consumer (B2C) traffic, direct mail and direct marketing have a new role to fulfil in the e-commerce ecosystem. The DMAB surveys have shown the relevance of physical mail and its importance in the direct marketing mix offered by Posts. This relevance has been confirmed by several other studies and research projects, especially in the e-commerce context. For example, International Post Corporation (IPC) commissioned a survey with over 28,000 consumers in 31 countries. A total of 51% of them claimed to have received advertising mail – i.e. paper adverts and catalogues – from e-retailers in the past 12 months (IPC Cross-Border E-Commerce Shopper Survey 2017[1]). In the same study, 44% of those that received advertising mail claimed to have made an online purchase as a result of receiving printed advertising mail or catalogues from e-retailers.

Data is fundamental to the success of direct mail campaigns and the foundation of successful combined physical and digital media campaigns. Advertisers have learned how to work with, and benefit from, data collection and analysis to achieve effective direct mail. Data is also responsible for the growth and success of digital and electronic marketing. Investing in data and information management has been a major innovation in the postal world, often building on previous operational data used for quality distribution of physical mail. To expand horizontally along a customer's value chain, as mentioned above, Posts have been working to acquire and enrich address data and demographic knowledge, which is extremely useful to advertisers for better targeting. Indeed, for vertical expansion into channel diversification, one of the key developments is into digital data management.

DIRECT MARKETING AND THE POST (2007–2019): SNAPSHOT OF MAIN TRENDS

PRODUCT/SERVICES	Global trends from 2007 to 2019	% of DOs offering the products and services in 2019
PHYSICAL PRODUCTS		
Addressed direct mail service	↗	81%
Unaddressed mail service	→	79%
DIGITAL PRODUCTS		
Email marketing	↗	34%
Social media marketing	↗	30%
Mobile/SMS marketing	→	28%
CONSULTING		
Consulting in direct marketing	→	38%
Training for customers	→	31%
ADDRESS		
Master address databases	→	46%
Mailing list brokerage	→	18%
Change of address system	→	54%
PRINTING SERVICE	→	**53%**
DM INTERNAL DEPARTMENT		
Advertising mail	↗	57%
DM items-QS measurements	→	56%
QS Delivery standard	→	53%

CHAPTER 2

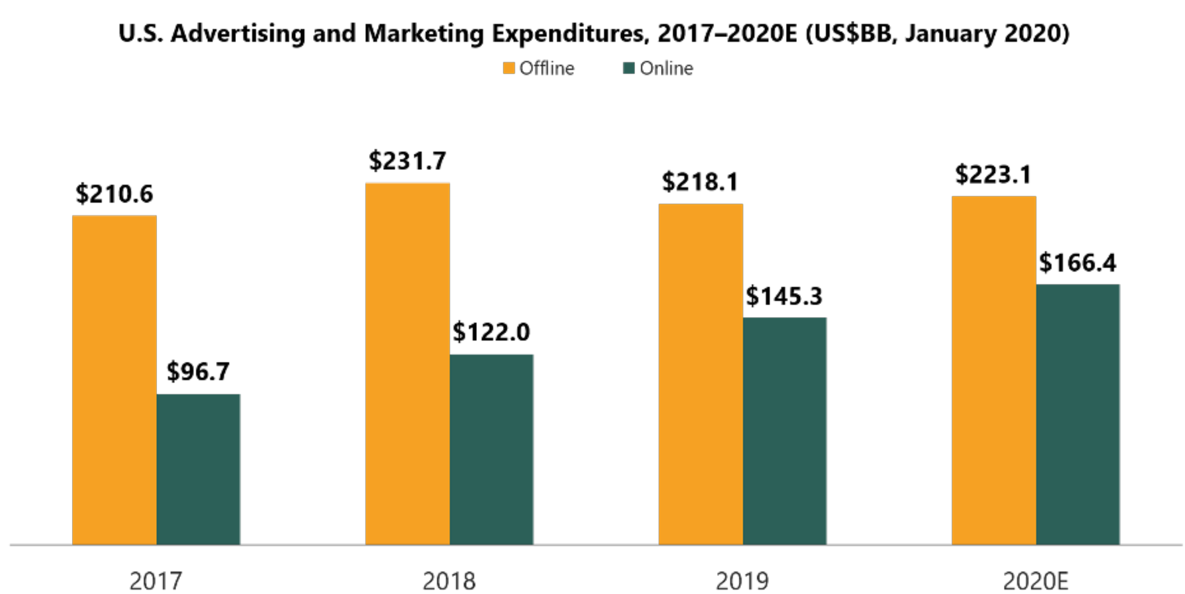
How has the COVID-19 pandemic affected the direct marketing industry?

Prior to the coronavirus crisis, the outlook for growth in direct marketing was decidedly mixed.

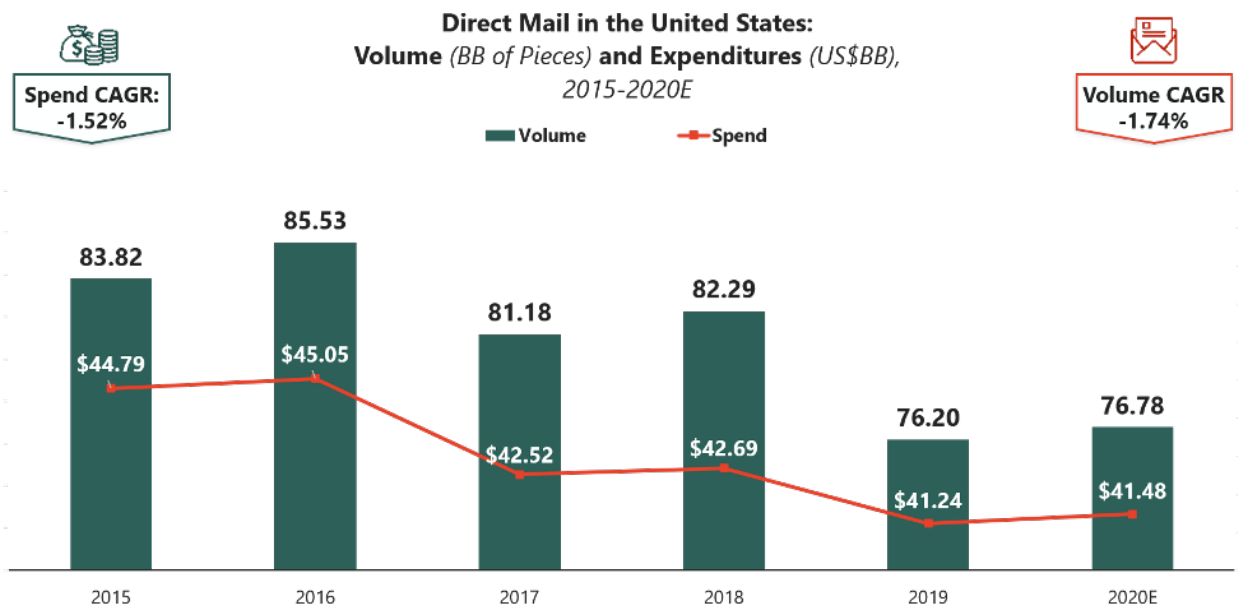
All around the world, direct marketing plays an important role in helping brands promote themselves, engage prospective audiences and reinforce customer relationships that touch a vast array of other channels. Nevertheless, for more than a decade its practitioners have had to contend with a conflicting array of signals about the role of mail and its place in an evolving media mix.

While brands wrestle with the cost and complexity of direct marketing campaigns, as well as the false perceptions in some markets that mail lacks the effectiveness of digital media alternatives, the same marketers are contending with intense competitive pressures and a media ecosystem that bombards its desired customers with non-stop promotional messages. This problem of "clutter" has served to drive widespread interest in mail and other promotional vehicles that attract meaningful attention and deliver relevant messages to target audiences. The fact that direct marketing is so deeply dependent on audience data has also helped reinforce its attractiveness, while helping direct marketers carve out positions of leadership inside organizations that are seeking to capitalize on the potential of "big data" to drive this type of targeted marketing, as well as a host of other functions.

Competition for mail's significant piece of the marketing budget has been growing significantly in recent years. In the United States of America, for example, spending on direct mail has been in a shallow but systemic decline for several years – even while relatively "mature" digital channels (such as search and online display advertising) continue to post annual double-digital spending gains (on a percentage basis). Prior to the COVID-19 pandemic, for example, Winterberry Group projected that all US advertising and marketing expenditures would grow by 7.2% in 2020 (more than double the pace of the economy as a whole, to a total of almost 390 billion USD). Direct mail, by contrast, was expected to grow by just 0.5% over the course of the year.



Source: Winterberry Group
Note: 2020 Direct mail spend/volume estimate was established prior to the COVID-19 crisis



Source: Winterberry Group
Note: 2020 Direct mail spend/volume estimate was established prior to the COVID-19 crisis

The coronavirus crisis has very much reset those estimates (with some outlets projecting that global advertising expenditures would actually decline by more than 7% in 2020 – mirroring, to the negative, the otherwise rosy prognosis from just months earlier). Nevertheless, the long-term trajectory of direct marketing is clear: it remains an important part of the promotional mix, and is vital in support of certain use cases and vertical market applications. Its share of marketer spending is, however, shrinking relative to other data-driven channels.

Crises do not typically affect marketing investments in straightforward ways

Conventional wisdom would seem to suggest that in times of economic difficulty, marketing budgets are among the first to be cut as businesses seek to eliminate unnecessary spending.

The truth is more complex. Since economic downturns affect geographic and vertical markets in different ways, we tend to see responses that vary significantly across media channels. Increasingly, brands – with more data at their disposal, and better tools allowing for insight into the impact that marketing spend has on sales and profit performance – are growing reluctant to simply slash marketing budgets when facing economic adversity. Instead, they tend to adjust their campaign priorities and media mix to protect their entrenched positions and reallocate capital to where it can have the greatest effect.

Over time, that trend has affected the mail channel in opposing ways. On the one hand, it has served to diminish investment in direct mail (since many brands "protect their entrenched positions" by redoubling their efforts around customer retention and loyalty management – much of which has already migrated to e-mail, social media and other similar communication channels). But it has also often reinforced confidence in direct marketing and its contribution to bottom-line results, which are typically far easier to measure (and thus optimize) than other traditional advertising channels. Invariably, direct marketing is also one of the first channels that brands rely upon in re-engaging "business as usual" following an economic downturn. Aggressive brands will look to capitalize on their competitors' absence; upstart brands will look to quickly ramp up the work of new customer acquisition; and still others will look to attract attention among the broadest swath of their customer base as possible.

In virtually every market, COVID-19 has dramatically curtailed direct marketing activity

At the time of writing (October 2020), we are still living in the thick of a human and economic crisis of such profound scale that we cannot yet fully comprehend its breadth and impact, nor the window of time with which we will have to continue managing its repercussions. In the relatively short period that COVID-19 has been with us, though, we can already see significant negative effects in the practice of direct marketing. For example:

In the US, marketing mail volume in the second calendar quarter of 2020 (representing most mail sent to support commercial customer acquisition and brand-awareness efforts) dropped by 36.4% compared to the same quarter in 2019 – from 17.7 billion to 11.2 billion pieces. "First-class mail" faired somewhat better (dropping just 9.2% over the same period).

Elsewhere in the world, results have been directionally consistent (and, in some cases, even more severe). In the United Kingdom in late June, for example, Royal Mail reported that direct mail volumes had fallen 63% on account of the coronavirus crisis when compared to previous periods. And a survey of UK marketers conducted by the Institute for Practitioners of Advertising in July found that more than half of British marketers had slashed marketing budgets between March and June of the year – even while direct mail faired better than most among the list of channels that had were targeted for cuts.

In Canada, Canada Post reported in August that direct marketing revenue had fallen 46.4% in the second quarter compared to the same period in 2019. And even though the coronavirus crisis did spark new e-commerce-driven parcel activity, COVID-19 is seen as driving a net revenue decline of 46 million Canadian dollars (CAD) in the quarter.

The crisis has also altered the mix of communications that marketers are looking to push to the consumer mailbox. As one might expect, the markets that have been hit most directly by the crisis, including brick-and-mortar retail, live entertainment and travel/hospitality, have all cut back dramatically on their promotional programmes. Other verticals, however, have maintained or actually increased their volumes amidst the crisis, with emergent direct-to-consumer brands (which were foremost among up-and-coming direct marketers prior to the onset of coronavirus), insurance and not-for-profit mailers taking centre stage. In the US, where the presidential election and nearly 500 House and Senate races loom large on the calendar, political mailers have also maintained a heavy presence in the mailstream. By contrast, many financial-service mailers have moderated the frequency of their new-customer appeals in the light of the economic difficulties facing many consumers.

Despite a growing optimism among industry circles, a return to direct marketing "normal" – in volumes, revenue or general enthusiasm – is not expected for some time.


Total selling
JAN FEB MAR APR MAY JUN JUL AUG SEP NOV DEC
AU GAS PL SIB
DAT BID PRO QUA
JAN FEB MAR APR MAY JUN JUL
339 223 269 437 934 933 691 801 107 930 374 104
$2 538 889
$875 212
$633 241
$539 047
$331 143
$328 347
$309 448
$261 562
$232 615
$225 105
$217 248
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336265
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214089
212375

THOUGH MANY HAVE LEARNED TO “MANAGE” THE ECONOMIC EFFECTS OF COVID, KEY QUESTIONS REMAIN

Can our economies handle the shock of the “second/third waves” now impacting many nations? How long do they last?

Will the vaccines ultimately deliver results and help reinforce economic confidence? If so, how quickly can they be manufactured and distributed in a way that is safe, equitable and further reinforces confidence? If not, how does that impact the timing and severity of a “long-range” recovery scenario?

Can markets continuing to struggle with Covid learn important lessons from those that have largely contained the pandemic? What kind of ancillary economic impact will be felt by those markets moving to enact stronger safeguards?

CHAPTER 3

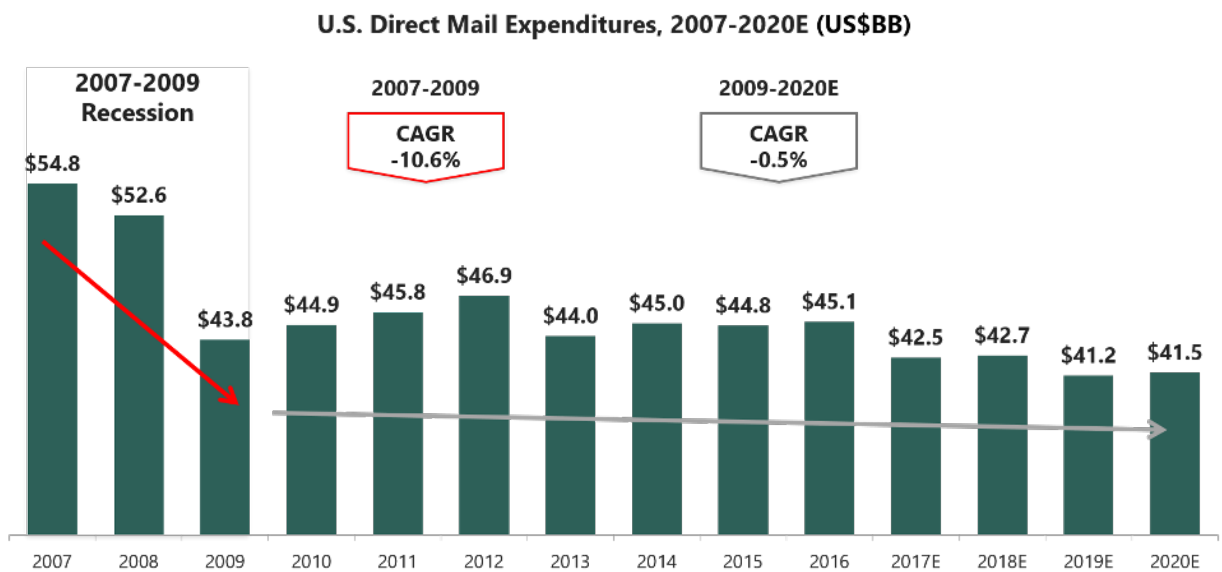
Has COVID-19 presented any opportunities for the reinvention of direct marketing in the years to come?

How should industry stakeholders respond?

What can we learn about the 2008-2009 global economic crisis to inform our response to COVID-19?

Although the challenges ushered in by COVID-19 are unprecedented, history does provide some instruction with respect to how and why they are currently being felt in the market, and how the market can most constructively respond.

To point, the global direct marketing community also encountered significant headwinds in the midst of the 2008-2009 global economic crisis, which sharply affected economies worldwide and drove many observers to predict that the crisis would accelerate marketers' effort to shift their spending away from "traditional" channels, like direct mail, to digital media alternatives that were then emergent.



Source: Winterberry Group
Note: 2020 Direct mail spend/volume estimate was established prior to the COVID-19 crisis

In fact, the global direct marketing industry did endure a significant downturn in brand investment between 2007 and 2010. However, in the US and many other markets, that adversity was not linked to any change in channel preference among end-users. Instead, the economic crisis disproportionately affected those vertical industries, including the real estate, credit cards, mortgage and other consumer lending sectors, which happened to be heavy users of direct mail at the time. With no effective products to market, those brands essentially turned off all marketing efforts across all channels for the better part of a year. And not surprisingly, their eventual economic renaissance brought with it a return to spending on direct mail and similar channels.

Direct marketing recovery will be grounded in the elements that differentiate mail as a promotional channel

We are already seeing similar patterns emerge in this crisis. The brick-and-mortar retail industry, for example, has been hardest hit by the COVID-19 crisis, and its contraction has had a disproportionate impact on the mail channel, given the significant role that catalogues, cross-channel/e-commerce promotions and the unique combination of national, regional and local retail promotions have long held in the media mix.

Ultimately, full recovery will depend on improvement across a vast array of factors connected to public health, economic policy and general consumer welfare, which are typically difficult to measure and even more difficult to control. When these conditions improve, and when retail and other hard-hit businesses regain some momentum, they will need a platform to build brand recognition and engage customer audiences in ways that are relevant but efficient.

That is where direct marketing is positioned to play a powerful role in the future. Amidst a more fractured and dynamic media mix, mail's ability to drive customer acquisition remains unsurpassed, particularly when bringing tailored messages to large audiences is the brand's overarching marketing priority. Helping those brands understand more about that performance, and to attribute a defensible ROI to their direct marketing investment, will be the responsibility facing all participants in the direct marketing value chain going forward.

Posts have an active role to play in the post-COVID-19 economic rebirth, but must be responsive to commercial needs

The world's postal operators have an active role to play in the rebirth of the direct marketing industry, along with printers, mailing houses, agencies, data providers, analytics consultancies, software developers and a range of other suppliers. It will not, however, be enough to simply advocate the use of the mail. These entities must all help their customers make a compelling business case for their investment in direct marketing, showing how and where using the mail can drive performance advantages relative to channels that, say, reach narrower audiences or drive lesser emotional impact.

That will not always be easy, especially as competition and adverse macroeconomic conditions narrow the flexibility that many brands have in experimenting with new and/or particularly expensive marketing media. As usual, brands will demand reliability, predictable delivery windows and continuous product innovation from their direct marketing suppliers, with the nature of that "innovation" varying significantly across markets. Today, we are seeing the most resilient direct marketing industry participants engaging in at least four key activities:

"Scenario planning" various potential economic outcomes;

Reconsidering their product suite, with a plan to streamline focus on high-performance offerings (as well as those that are required by charter or their universal service mandate);

Restructuring for a "new normal" that will be smaller for months – and maybe years – to come; and

Engaging with customers and other stakeholders to hear more about real-world business needs.

Many risk factors remain, but enthusiasm for mail and its role is actually growing

The risk factors facing direct marketers, and the direct marketing industry that services them, are plentiful. COVID-19 is still with us and is likely to remain so for some time. Many markets are struggling with unprecedented socio-political challenges that are affecting economic opportunity, and for the first time, competitive media channels, such as advanced TV, are emerging to challenge the supremacy of direct mail as a platform for driving new customer acquisition.

More than ever before, consumers are likewise rallying behind Posts as forces for national and global communication, equality and interconnectedness. For those up to the task, tapping into that goodwill (as well as the distribution networks and expertise that distinguish postal operators as unparalleled platforms for one-to-one communications) will prove instrumental in re-establishing a healthy and durable foundation for direct marketing's continued health for years to come.


IDEA
TACTICS
KNOWLEDGE
STRATEGY
CHALLENGE
MANAGEMENT
VISION
SUCCESS
PLAN
PROGRESS
GOAL

CHAPTER 4

COVID-19 and direct marketing:

the views of postal operators and stakeholders in the direct marketing value chain

VIETNAM POST ADDRESSING THE POST-COVID-19 SITUATION WITH INNOVATIVE SOLUTIONS

Vision of direct marketing in a post-COVID-19 world: Vietnam Post considers direct marketing as one of the most effective sales marketing channels to support the business plan targets 2021-2025 and vision 2030.

COVID-19 accelerates digital transformation

In the context of limited physical marketing solutions resulting from COVID-19, digital marketing has become the most important tool for pushing up revenues from postal services and attracting different types of customers.

Vietnam Post has used digital marketing channels together with traditional ones (leaflets, posters, roadshow, etc.) during COVID-19, as follows: tele-marketing, marketing via e-mail, search engine marketing, and SMS and social marketing (marketing on social network) to introduce and offer products and services that help reduce direct contact with customers and minimize the spread of COVID-19.

From March to October 2020, Vietnam Post launched 10 marketing campaigns to approach 10 million customers, turning 100,000 potential customers into existing ones. It increased revenue from postal services, financial postal services and distribution communication services, and supported all subsidiaries in marketing and sales activities across the entire postal network.

Direct marketing plays an important role in recovery and how the Post becomes a part of the economic recovery

With direct marketing, leveraging on the advantages of network, labour and IT application solutions, Vietnam Post involves itself in big government plans and projects, and updates and actively cooperates with business partners on IT solutions to renew existing products and services to be ready for government, society and community's connection.

Making use of the current advantages of a large IT applications network (over 20,000 computers connected to the Internet, over 10,000 service points connected online, mail sorting centres equipped with automatic sorting machines, etc.), Vietnam Post has implemented a digital transformation strategy as the basis for deploying many big government projects and plans, including the following: Itrithuc; Vmap; e-government; electronic identification and authentication – PostID; non-cash payment solution; social security and residential database development; and a postal address system covering each household nationwide.

Vietnam Post also actively engages in the development of Viet Nam's national public services portal. Vietnam Post focuses on creating accounts allowing individuals and businesses to access the national public services portal and self-register on PostID first, then to submit relevant documents and dossiers to the post office for verification. In addition, post office staff also introduce and create accounts for customers on the PostID system when they are using postal services at any post office. To increase the number of users, Vietnam Post supports individuals and businesses, especially people in rural and remote areas to access and submit relevant dossiers via this portal at every post office. Vietnam Post also collaborated in integrating Vmap into this portal to create an appropriate basis for attracting more individuals and businesses using public services.

Recently, Vietnam Post has developed Covid-19 Safe Living Map[2]. This system includes utilities on the Vmap Digital Map platform to show the real-time safety situation of epidemic prevention and control in crowded facilities. Vietnam Post is one of the key business units involved in the construction and development of this platform by providing a mapping platform and address information system allowing users to find the exact address and most convenient route to this public facility, even in remote areas. Users can easily share these locations in the community.

Opportunity for Vietnam Post's growth in direct marketing in the context of e-commerce (cross-border direct marketing)

To promote e-commerce development and build a common platform for digital transformation in the postal field, the Government has assigned Vietnam Post the task of developing the postcode platform, Vpostcode, on the national scale[3]. Vietnam Post has already completed this task.

Since the Vpostcode launch ceremony, many individual and business users have accessed Vpostcode.vn to experience functions of this postal address system. Vpostcode not only supports delivery service providers and users in looking up addresses and directions quickly and accurately, but it also brings benefits to e-commerce and logistics businesses by optimizing transportation and delivery.

Small and medium-sized enterprises (SMEs) (insurance, education, retailers, etc.) in Viet Nam use the Post's large network of service points in rural and remote areas. The Post provides frequent daily delivery routes/trips and allows SMEs to market their products and services.

Vietnam Post's delivery services are used to send product samples, coupons and vouchers to every household nationwide.

Vietnam Post's direct mail service is used for the direct marketing of products and sending of catalogues and cover letters/advertisements to customers and residents nationwide.

POSTE ITALIANE – DIRECT MARKETING AND COVID-19

In Italy, direct marketing (DM) is considered a crucial commercial product, which can create value for companies adopting it. In our country, those companies that traditionally preferred to channel their campaigns through the television have transitioned to digital marketing to advertise their products, and have successfully tapped into the numerous advantages provided by DM. DM's specific features, namely adaptability and cost-effectiveness, combined with a widespread good response and a favourable return on investment, have pushed an increasing number of companies to consider this marketing tool as an active component in multichannel campaigns during the past few years. Through DM, any company can build a commercial proposal that is suitable to meet individual customer needs. Poste Italiane has a success story to tell on the matter. It has clearly identified a strong value proposition in choosing DM, which is easy to use, financially affordable, and equipped with a streamlined contracting process.

Statistics indicate that at the beginning of 2020, DM saw an increase in its usage share, compared to other means of communication. This is mostly related to Italian companies' shared need to develop multichannel campaigns, and resorting to DM as their preferred commercial support tool.

Last March, the first lockdown in Italy proved to be a disruptive event with regard to commercial mail, which inevitably caused a remarkable change in the advertising scenario. For organizational and financial reasons, all DM product deliveries were suspended for 40 days. Consequently, any company using DM was forced to modify its communication strategies and to deal with lost income, increased costs, and unexpected expenditures related to cancelling all campaigns in progress.

The sectors that were most affected by the urgent need to change their commercial strategies were the major organized distribution companies, whose business was based on mail orders, as well as fundraising organizations, whose advertising was mostly channelled through DM. In some cases, firms had to reduce their DM campaigns, and in a large number of cases, DM was completely cut out of the budget. In Poste Italiane, business continued as usual and DM continued to be part of the commercial strategy, which simply slowed down, but never stopped.

In the second half of 2020, DM advertising was gradually resumed by means of several initiatives aimed at encouraging its usage. These strategies included extending the trial period for new customers and introducing an extraordinary time extension on affiliation contracts to allow large customers to make up for the shipment of forecast annual volumes. Poste Italiane also launched a partially addressed mail service, an experimental product for the Italian market. It is designed to leverage the DO's logistical network and the efficiency of unaddressed mail campaigns.

Looking ahead, once we are out of the health emergency, DM will surely be promoted again as a leading strategy for old and new customers, and as a winning tool that will expedite the much expected financial recovery.

CHINA POST
DIRECT MAIL DURING COVID-19

In January 2020, the sudden onset of COVID-19 forced China (People's Rep.), with a population of 1.4 billion, to press the pause button, and China Post, which serves all citizens, to suspend postal operations across the country owing to the strict implementation of the Chinese government's epidemic prevention and control policies. However, the postal mission cannot remain stagnant. Faced with this major public health emergency, China Post Group Corporation actively responded to ensure the health and safety of postal workers committed to providing all Chinese citizens with uninterrupted services, highlighting the Chinese postal industry's sense of responsibility. Moreover, in the case of this major pandemic, China Post has shouldered the responsibility of the national team in providing a response through its operations and provision of services.

China Post's direct mail business revenue under COVID-19 in 2020

In the past, when we talked about direct mail, it was mainly referring to letter-post business. New media advertising has developed rapidly over time, and China Post has expanded its letter business into three categories: basic letters, letter media and letter goods (cultural and creative products) – all of which are now part of the Post's direct mail service offering.

Income from basic mail, mail media and mail merchandise (cultural and creative products) business from January to August 2020

The basic letter business totalled 1.86 billion USD, which was a 24% drop on the same period last year. In detail, business letters amounted to 490 million USD, which was a 25.5% reduction on the same period last year. In addition, postcard postage totalled 540 million USD, which was a 14.6% decline on the same period last year. The remaining billing business amounted to 680 million USD, which was a 26% decrease on the same period last year, and unnamed address advertising amounted to 150 million USD, down 37.1% from the same period last year. Letter media revenue totalled 1.45 billion USD, representing an increase of 9% on the same period last year, and revenue from creative products totalled 1.06 billion USD, representing an increase of 73% on the same period last year.

Analysis of basic mail, mail media and mail products (creative products) business

Basic letters currently cover four types of business: business letters, postage postcards, bills and unaddressed advertisements.

Business letter business: Business income continued to decline, mainly for three reasons: first, there was the influence of the Internet and mobile network new media, while the traditional paper media market continued to shrink. Many business-letter customers reduced their use of paper-based publicity as a result; second, owing to the impact of COVID-19, provincial postal companies were unable to physically visit customers to develop new business; and third, in August 2020, the national postal protection network action meant that postage machines could not be used on a daily basis, offline branch offices were unable to organize activities related to postage machines, and online sales channels had to be closed.

Postage postcard business: Owing to the impact of COVID-19, the demand for bulk customization of postcards of travel tickets and scenery has decreased significantly, resulting in a decline in revenue from such business.

Billing business: With the rapid advancement of electronic billing by banks, the traditional paper billing business shrank, resulting in a decline in postal billing revenue in all provinces across the country.

Letter media business: In the control period of COVID-19, provincial postal companies actively developed project marketing, took advantage of the postal letter franchise, and developed online and offline promotion projects such as epidemic prevention, resumption of work and business. Meanwhile, China Post actively promoted the car premium insurance project through live broadcast and other means, resulting in significant revenue growth.

Letter goods (cultural and creative products): The theme "50^{th} Anniversary of the First Sputnik" and other hotspots of social concern, themed and serialized research and development of cultural products, income from cultural and creative products continued to grow. Meanwhile, we tried to promote the marketing of cultural and creative products by means of "live sales". In August, the "Postman" programme was broadcasted three times, with total sales of 210,000 renminbi (RMB).

Overall, the revenue from the traditional basic mail business continued to decline owing to the shrinking market and the impact of COVID-19. However, because of the influence factors, namely online communication and hotspot marketing, the overall revenue of the new mail media and cultural and creative products continued to increase.

China Post's direct mail business development under COVID-19

In January 2020, COVID-19 broke out in Wuhan, China, and spread rapidly across the country with the nationwide movement of people caused by the Spring Festival, an important traditional Chinese event. The Chinese government, respecting the the right to live of every citizen, decided to impose the strictest containment on 1.4 billion people in order to avoid the life-threatening effects of the virus. China Post and all related units in the direct mail industry chain actively explored the development mode under COVID-19, fighting the epidemic in various ways with the idea of helping to stem the epidemic, serving society and generating income, and continued to provide direct mail services by various means.

The fourth China Postcard Cultural and Creative Design Competition. The 2020 design contest was held online, with a special theme "Go Wuhan! Go China!" We were seeking postcard designs conveying warmth and friendship in the face of COVID-19, a major catastrophe that has affected human security around the world, documented by direct mail products.

"I am the master of my own health" collection of hand-drawn illustrations from Guangzhou, Hong Kong, China and Macao, China. Guangzhou Primary and Secondary School Health Promotion Centre and Guangzhou Post Office jointly organized the first "I am my own little master of health" collection of hand-drawn illustrations in Guangzhou, Hong Kong and Macao. The best drawings were selected and made into postcards, which were mailed to primary and secondary school students throughout the city to promote the knowledge of emergency prevention of diseases and to enhance the awareness and ability of minors to protect themselves.

Development of COVID-19 protection leaflets. Through telephone communication, Shaoguan Lechang City Branch of Guangdong Province designed and produced COVID-19 protection leaflets and brochures for the Public Security Bureau of Lechang City and Lechang Prison, generating income of 36,000 RMB and 15,000 RMB, respectively.

China Post direct mail development exploration

Billing business exploration. Shanghai Post designed the "registered appointment" voting project for the credit card centre of the Agricultural Bank of China. In 2019, Shanghai Post's revenue from the registered appointment postal service was 46.929 million RMB. In addition, from January to July 2020, the revenue was 22.835 million RMB. In August 2020, China Post Group and the Agricultural Bank of China signed a "total-to-total registered appointment mailing service" agreement to promote the registered appointment mailing service in postal companies nationwide.

Letter media advertising exploration. China Post and Tencent carried out the advertising cooperation projects "Nearby Push" and "Circle of Friends". During the heavy COVID-19 months (January to March 2020), the Chinese government implemented a strict ''closed" campaign. A management style approach was adopted, and with the exception of medical personnel, government staff and necessary livelihood security personnel related to epidemic protection, all people stayed at home and were not permitted to go out. Consequently, they browsed WeChat friend circle and watched "TikTok" and other popular Chinese video apps, such as "Kuaishou". Short video apps have become a new habit for many people staying at home, and China Post looks for online direct mail advertising development opportunities arising as a result. For instance, "Nearby Push" is a new WeChat friend circle advertising product launched by Tencent in 2020, mainly targeting local small businesses and providing a full set of friends' circle advertising with solutions, mainly offering discounts or coupons. China Post Group cooperated with Tencent and launched the "Nearby Push" mail media advertising service in August, combining the characteristics of postal services.

Cases: Zhejiang Post successfully developed 45 single "near push" business

Success case 1: Wenzhou Post marketing A Chuan fishing village Europe City shop and station shop, targeting push advertising for the 19-49 age group, all gender directional delivery, a total number of views of 330,000, 2500 times the total amount of preferential receive, and a business income of 4,000 RMB.

Success case 2: Yiwu City Mall School is a private boarding school, and this year, through the Yiwu Post friends of the advertising project, 35,000 RMB was generated.

The new era of China Post direct mail development thinking

The rapid development of the Internet, especially mobile Internet, has given birth to the Internet economy, from which all kinds of emerging industries, such as "WeChat circle of friends advertising", "live streaming" and "museum culture and economy", have derived. Key opinion leaders (KOLs), such as "Li Jiaqi, Viya", "the Palace Cultural Creativity" and other phenomenal characters and products, have also entered this digital market.

As a new type of advertising communication method that emerged in the 1990s, China Post direct mail must actively seek a path of sustainable development, to innovate, transform and integrate big data and new media, creating a new type of direct mail in the new era in the face of the walled development of the Internet economy.

Building China Post's direct mail brand. Combined with the development of the technology, building the "China Post Media" brand by putting China Post's mail media business as the centre and combining new media and big data technology to promote the "China Post Media" brand and make it the representative brand of China Post's direct mail in the new era.

Innovative direct mail business. On the basis of traditional direct mail basic-letter business (business letter, postage postcard, bill, no-name address advertisement), China Post will integrate new media, studying the digital transformation of direct mail business, and speed up the digital function transformation of postage postcard and business letters.

Precision marketing. With the goal of increasing customer revenue, we focus on improving precision marketing of direct mail. Based on traditional postal address advertising, we use big data analysis to refine the target group of advertising and accurately deliver commercial letters and unaddressed advertising.

Open-minded development thinking. The UPU has rich postal operation and management experience, and China Post Direct Mail has been holding the principle of development in learning, actively learning the advanced thinking and cases of postal direct mail from different countries. COVID-19 is a major emergency faced by humanity, confirming that only with the concerted efforts of postal unity and cooperation, can humanity better cope with and solve the difficulties caused by the epidemic. We hope that UPU will continue to lead members countries' efforts to deal with the COVID-19 crisis, building neutral online platforms and providing data support services for members' countries to help them expand their cross-border direct mail products and customer base. Under the leadership of the UPU, China Post Direct Mail will continue to explore better ways and means of direct mail development, so that all members' countries can share the achievements of direct mail and promote the continuous development of postal services.

NAMIBIA POST
THE IMPORTANCE OF DIRECT MAIL DURING THE PANDEMIC

Mr Festus Hangula, CEO of Namibia Post (NamPost), asserted that direct marketing could be used to harness the digitalization opportunities created by the COVID-19 pandemic, especially in the face of declining mail volumes. The pandemic has resulted in increased teleworking, home schooling and online shopping, and increased Internet access in general. Consumers are actively forming new purchasing behaviours and brand relationships, thus creating more opportunities for e-commerce and direct marketing. A post-COVID era will continue to propel the digital transformation and reshape the online mindset of consumers.

Direct mail is perhaps the most effective way of reaching consumers and introducing them to a new product or service, and easily complements other forms of marketing.

NamPost sees an opportunity for direct mail, as consumers are spending more time at home. NamPost offers hybrid services with growth potential, including the printing and delivery of direct mail materials, such as leaflets. Indeed, the mailbox offers an ideal path to cut through the clutter and gain the undivided attention of valuable customers and household decision-makers.

In addition, postal direct marketing can play an important role in the country's economic recovery by filling the place of face-to-face marketing, with Posts serving as a direct channel of communication through post boxes.

SMEs' use of the Post to market their products is limited in Namibia, but has been identified as an area of future growth and will be a key element of NamPost's e-commerce strategy. NamPost plans to recoup lost revenue through the launch of discounts for new mailers, limited time offers, and complimentary services for both new and current customers.

U.S. POSTAL SERVICE – IMPACTS OF COVID-19, RESPONSE AND INNOVATION: BRINGING A SENSE OF NORMALCY IN UNCERTAIN TIMES

The past year has been extraordinary for the United States Postal Service® (Postal Service™) — presenting unique challenges, revealing hidden strengths and demonstrating our essential role in the life of the nation and in the lives of the American public. The Postal Service™ provides a vital public service that is a part of this nation's critical infrastructure. To address the unique challenges faced, in March 2020, the Postal Service established a dedicated Coronavirus Disease 2019 (COVID-19) Response Command leadership team that is focusing on employee and customer safety in conjunction with operational and business continuity during this unprecedented pandemic.

During this national emergency, the Postal Service is firmly committed to fulfilling its mission to bind the nation together and serving as a source of constancy and reliability in every community. Our more than 630,000 employees are working to make sure our customers can depend on us. We are on the front lines — delivering needed medicines, supplies, benefit checks, financial statements, and the important correspondence every family counts on. The Postal Service is able to reach 160 million delivery points, 137.5 million of which are households, to share the message of public safety. With more people working from home, our carriers are a trusted reminder of a sense of normalcy, and they are a conduit to consumers' relationships with retailers and businesses.

The Postal Service's Fiscal Year (FY) 2020 financial results were significantly impacted by the COVID-19 pandemic, which increased customer demand for package delivery services while exacerbating ongoing declines in traditional mail services. In addition, the Postal Service's ability to manage its cost structure was challenged due to staffing shortages, transportation shortages, and increased expenditures for personal protective equipment (PPE) and cleaning supplies.

The Postal Service is at the core of the $1.6 trillion U.S. mailing industry that employs more than 7.3 million people. These mail categories brought in most of the Postal Service's operating revenues in 2019 and in 2020 respectively:

	2019	2020
Operating Revenue	**$71.1** billion	**$73.1** billion
First-Class Mail	**$24.4** billion	**$23.8** billion
USPS Marketing Mail	**$16.4** billion	**$13.9** billion
Shipping and Package Services	**$22.7** billion	**$28.5** billion
Periodicals	**$1.2** billon	**$1** billion

Source: USPS Postal Facts

First-Class Mail® and USPS® Marketing Mail continued to provide the majority of the Postal Service's operating revenue in FY 2020. As a percentage of operating revenue, First-Class Mail and USPS Marketing Mail combined represented approximately 51.5 percent of revenue, down from approximately 57 percent for the same period in 2019. Combined First- Class Mail and USPS Marketing Mail volume represented slightly over 90 percent, down from 91.6 percent in FY 2019.

USPS Marketing Mail volume was 75.7 billion in 2019. Consumer and business responses to the COVID-19 pandemic resulted in a surge in package volume, beginning in late March 2020. As a result, FY 2020 Shipping and Packages revenue surpassed those of First-Class Mail for the first time.

The USPS Marketing Mail category is typically used for direct advertising to multiple delivery addresses and may include advertising, newsletters, catalogs, small marketing parcels, and other printed matter. Revenue from Marketing Mail was

$13.9 billion, $2.1 billion below the planned amount, due to lower-than-expected volume, and the vast majority of this shortfall occurred in the second half of FY 2020. In Quarter 3 for example, when compared to same quarter last year, Marketing Mail revenue declined by 37.2 percent and volume declined by 36.4 percent. The declines experienced in FY 2020 were significantly exacerbated by the effects of the COVID-19 pandemic.

For the three months ended December 31, 2020 (i.e., Quarter 1 of FY 2021), Marketing Mail revenue decreased $246 million, or 5.6%, and volume declined 788 million pieces, or 3.9%, compared to the same period last year. For the three months ended December 31, 2020, revenue and volume from political and election mail increased by nearly $400 million and more than 2.3 billion pieces compared to the same period last year, due to the mailings associated with the 2020 general election. If not for the positive impact of political and election mail, Marketing Mail revenue and volume would have decreased by an even greater extent for the three months ended December 31, 2020, reflective of the continuing migration to digital and mobile advertising that has been accelerated by the COVID-19 pandemic.

Looking to FY 2021, USPS Marketing Mail volume is expected to decline by approximately 9.5 billion pieces compared to FY 2020, the remaining decrease primarily due to increased competition from electronic media and the ongoing effect of the pandemic. Marketers continue to leverage technology to better target customers and increase their investment in digital advertising at the expense of hard-copy media, and the pandemic appears to have accelerated this trend. The pandemic had an immediate, significant, negative impact on Marketing Mail volume beginning in mid-March 2020, although volume recovered somewhat later in the year, driven by increased amounts of political and election mail.

Nonetheless, USPS Marketing Mail continues to provide proven value and return on investment. The Postal Service intends to continue efforts to further improve the value of USPS Marketing Mail by enhancing it with innovations such as Informed Delivery®.

As noted, customer usage of postal services continues to shift to substitute products and digital communication, a trend that has been further exacerbated by the COVID-19 pandemic as more businesses have had to operate remotely due to quarantines, shelter-in-place orders, and travel restrictions. However, given the uncertainty of the COVID-19 pandemic, the long-term impact on these shifts is unclear. First-Class Mail, such as the presentment and payment of bills, has been eroded by competition from electronic media, driven by some of our major commercial mailers that actively promote the use of online services. Marketing Mail has recently experienced declines due to mailers' growing use of digital advertising including digital mobile advertising. The volume of our Periodicals service continues to decline as consumers increasingly use electronic media for news and information. Periodicals advertising has also experienced a decline as a result of the move to electronic media.

Shipping and Packages normally experiences its highest volume during our first quarter each year, but in 2020, the surge in electronic commerce (ecommerce) due to the COVID-19 pandemic resulted in much higher Shipping and Packages volume during each of our third and fourth fiscal quarters than during our first quarter. While this surge may subside as the economy reopens, we believe that ecommerce will remain increasingly popular with consumers, which will sustain elevated demand into the future for our Shipping and Packages services compared to prior years. We therefore expect our previous Shipping and Packages seasonal trends to resume after the pandemic fully subsides.

Despite increased uncertainty, the Postal Service continued to proactively target opportunities to grow its business. The Postal Service continued to focus on its customers' needs and has increased its investment in mail and package innovation. The Postal Service anticipates that the volume of First-Class Mail will continue to decline in future years with the ongoing migration to electronic communication and transactional alternatives resulting from technological changes. To address the long-term trend that such changes have had on First-Class Mail revenue and volume, the Postal Service has focused on providing new services and innovations with USPS Marketing Mail. The Postal Service has expanded service offerings, such as Informed Delivery, which enables customers to preview mail and packages scheduled to arrive, as a means of merging digital and physical mail.

Additionally, one of the FY 2020 and FY 2021 Strategic Initiatives is "Accelerate Innovation to Create Mailing Customer Value and Increase Profitability." This initiative seeks to increase revenue, customer satisfaction, and engagement through sales, brand marketing, pricing, product enhancements, and innovations programs that sustain the value of the mailbox, accelerate innovation, and grow Informed Delivery adoption by mailers and households. This will help to improve customer perceptions and the value of the mailbox, accelerate mail innovation, and develop plans to support long-term mail strategies.

The Postal Service's COVID-19 Response Command team's strategic approach has focused on the health and welfare of employees and customers and continuity in the areas of operations, employees, business, and customers. The Command team developed and issued policies, plans, and procedures to ensure continued high-quality service to the public, with employee and customer safety at the forefront. To best serve customers, having the latest information on impacts to service and delivery is critical. The Postal Service implemented a 3x/week communications cadence with industry associations throughout the crisis. The flow of information between the Postal Service and its customers has been key to managing during the pandemic. Critical information for our residential customers, business mailers, and international customers is posted on www.usps.com® under "Business Mailer FAQs", "Small Business Resources", and "International Service Disruptions". The Postal Service also focused on supporting small businesses with outreach to assist with mailing and shipping needs. In addition, the Postal Service timely responded to complaints as an element of the overall Customer Experience.

As part of our COVID-19 response, the Postal Service's Sales and Marketing teams promoted services that provided opportunities for businesses to effectively inform their customers of operating status, operating hours, service changes, and delivery options. Our Sales team introduced Every Door Direct Mail® (EDDM®) as a means to communicate locally for curbside services, takeout, and other important communications to communities. Our Marketing team's efforts showcased the very important message – the Postal Service is here for you.

Another example of the Postal Service's unique positioning and promotion involved enhancing the relevance of political mail. While political mail has been a major source of revenue for the Postal Service, mail is still perceived as outdated by many, contributing to a decline in mail volume across industries. With an aggressive 2020 political mail revenue goal, the Postal Service needed to make political mail relevant to a new, rising generation of political strategists, driving awareness of Postal Service mail innovations and mail's influence on voters. The Postal Service launched a new Postal Service political mail brand campaign during the 2020 election season. The brand campaign allowed the Postal Service to leverage new trends and reach younger, more digitally savvy decision-makers.

The objective was to drive political mail use and establish the Postal Service as a thought leader in political communications. The Postal Service leveraged its trusted brand and expanded it to engage a new generation of campaign managers. With a research-based approach, the Postal Service showed that mail is highly relevant to campaigns and makes a meaningful impact with voters—even the younger generations. This approach involved direct mailings that drove to thought leadership assets, such as the Political Mail Guide that explored different voter types and why mail is impactful to them.

In an overly saturated digital landscape, the Postal Service had the opportunity to differentiate the political mail channel and increase industry authority. Unlike digital, mail provides a personal connection that is often lacking in an omni-channel landscape, especially during the pandemic. Political mail also has a new story to tell because of the innovations and technologies that truly allow for omni-channel integration.

The 2020 political mail brand campaign included four lead generation direct mail pieces; combined they drove a 103x Return on Investment (ROI).

The Political Mail Guide piece drove a 337x ROI.

Retargeted direct mail had a 4.8% response rate.

The Postal Service sold a total of 4.7 billion pieces in political mail volume, a 130% increase over previous general election years.

Through an omni-channel approach, direct mail was responsible for driving 11% of total leads generated and 24% of total revenue.

Direct mail revenue per lead was 4.3x higher than any other channel (other channels were: social, display, search, and email).

Online service offerings available through www.usps.com have also enhanced the customer experience by providing customer-focused applications and services. Included in online services is Informed Delivery, which enables customers to digitally preview mail and manage package delivery. We continue to enhance Informed Delivery so that businesses may incorporate marketing campaigns and reinforce the value of the printed mail piece. During 2020, the Informed Delivery platform increased engagement with additional messaging to its millions of subscribers, and customers were signing up at record rates as mail became even more relevant in their daily lives. The Postal Service's COVID-19 experience has expanded into other areas: for example, the Postal Service has leveraged its network to assist independent grocers and pharmacies in delivering non-perishables and prescriptions.

During the pandemic, the role of mail for marketers and businesses has amplified with changes in consumer behavior and physical separation from one another. In times of crisis, people value and appreciate trusted sources of information and trusted ways to feel more connected to one another. Creating a physical connection through mail, as part of an omni- channel campaign, can deliver a more meaningful customer experience.

As indicated below in slides from our management's virtual presentations during last summer's National Postal Forum (NPF), the Postal Service notes some emerging 2020 COVID-19 trends in how the pandemic has affected mailer behavior. Unique sector challenges are creating opportunity to market using the mail. Small businesses need business rejuvenation to sustain themselves through the pandemic. The Postal Service is confident that the programs and initiatives it has put in place will help small businesses and retailers, and direct mail will help bring results for business mailers.

Source: NPF Virtual 2020 Summer Series (July)

Source: NPF Virtual 2020 Summer Series (July)

Considering the total advertising market, direct mail is forecast to make up 7% and competes with digital advertising spend, of which social media and search categories make up 45% of the overall market. The Postal Service is innovating mail to make it more impactful to increase growth.

Integrative marketing improves many aspects that drive consumer behavior – it is about making connections with consumers more interesting and more engaging to improve response rate. The Postal Service promotes its innovations in direct mail featuring Informed Delivery, promotions and incentives, and through academic outreach to educate on the viability of direct mail in the marketing mix. As of mid-2020, over 100 professors at colleges and universities in the United States were engaged with curriculum content and innovation challenges for over 3000 students.

Business customers are leveraging Informed Delivery to enhance customer communication. Informed Delivery offers business mailers the opportunity to engage users through an integrated mail and digital marketing campaign that generates additional consumer impressions, interactions and insights. Informed Delivery provides eligible consumers with a digital preview of their household's mail every day. Informed Delivery users are engaged, looking at notifications daily. In addition to a printed mail piece, Informed Delivery campaigns are a way to promote timely, customized offerings and calls to action. The digital impression is then reinforced with the physical impression of the mail piece. Informed Delivery offers a huge value to businesses and marketers, and we are committed to spreading the knowledge about proven integrated marketing strategies and techniques that will benefit every business as they work to meet the needs of their customers in a timely manner.

Direct Mail and Informed Delivery together provide Omnichannel Campaigns

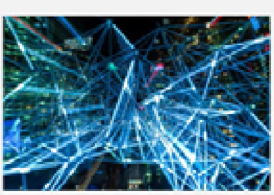
- **Informed Delivery's ride-along and clickable image provide mailer with ability to have call to action and immediate response mechanism**
- **New Informed Delivery features will provide more omnichannel touchpoints:**
  - Delivery notifications
  - Reminders
  - Parcel campaigns
- **Informed Delivery continues its success**
  - Nearly 30MM Informed Delivery users and 57K Campaigns to date
- **And it works…**
  - Last month, Informed Delivery email open rates were 85%
  - 74% of users report they have clicked on campaigns
    - 91% purchased or planned to purchase on viewed campaigns

Source: NPF Virtual 2020 Summer Series (July)

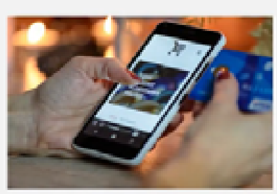
During 2020, the Informed Delivery service piloted Mail Delivery Notification, designed to let consumers know when their mail was delivered. Marketers will be able to embed an ad in the notification. Pilot programs include Package Campaigns to give shippers the same capabilities as mailers, integration of Informed Visibility® features, and Piece-Level Campaigns that will enable marketers to customize messages to individual recipients.

Marketers had new options in 2020. People are using these triggers to go from hard copy to digital. Digital combined with direct mail are showing a 38% higher return on investment (ROI) than digital campaign alone.

Marketers have new options in 2020



Machine Learning and Artificial Intelligence is used to delivery a more personalized message



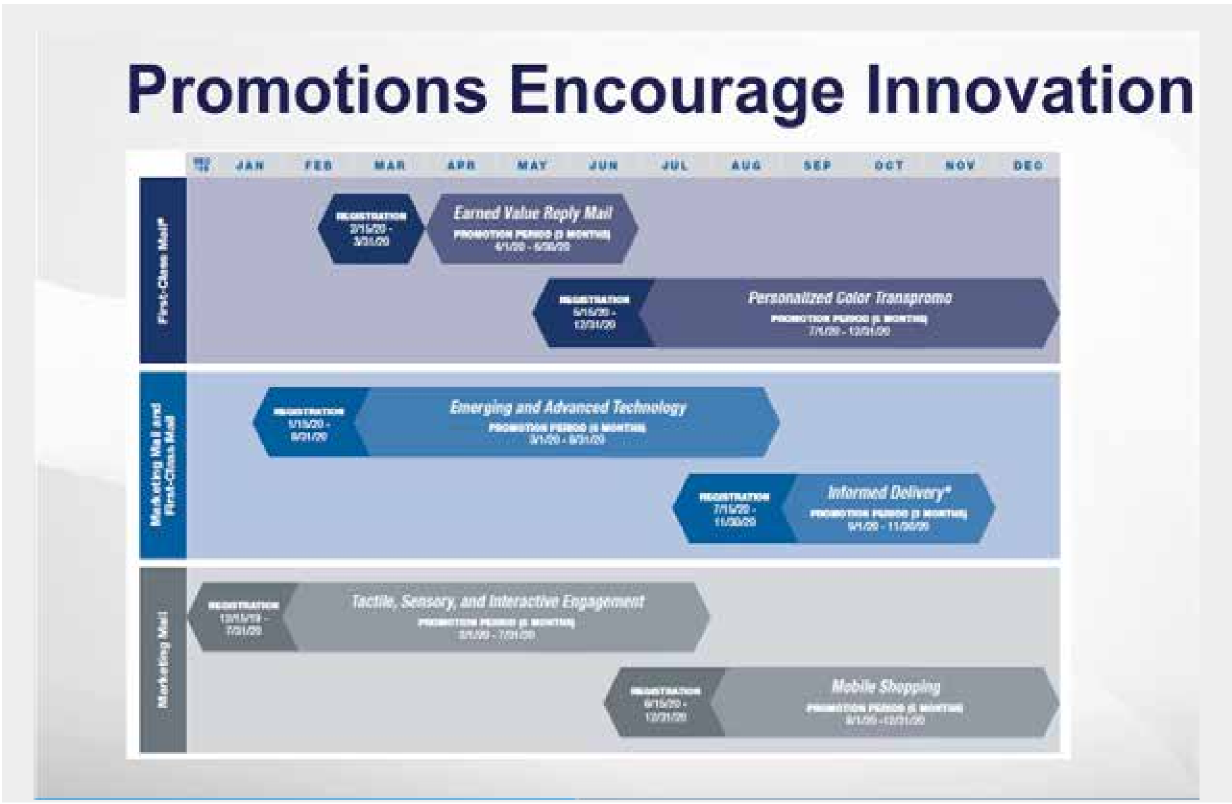
Online marketplaces are starting to penetrate advertising

Digital triggers keep rising*
- QR codes up 14%
- 27% have used Voice commerce
- Augmented Reality growth 38% vs. 2018

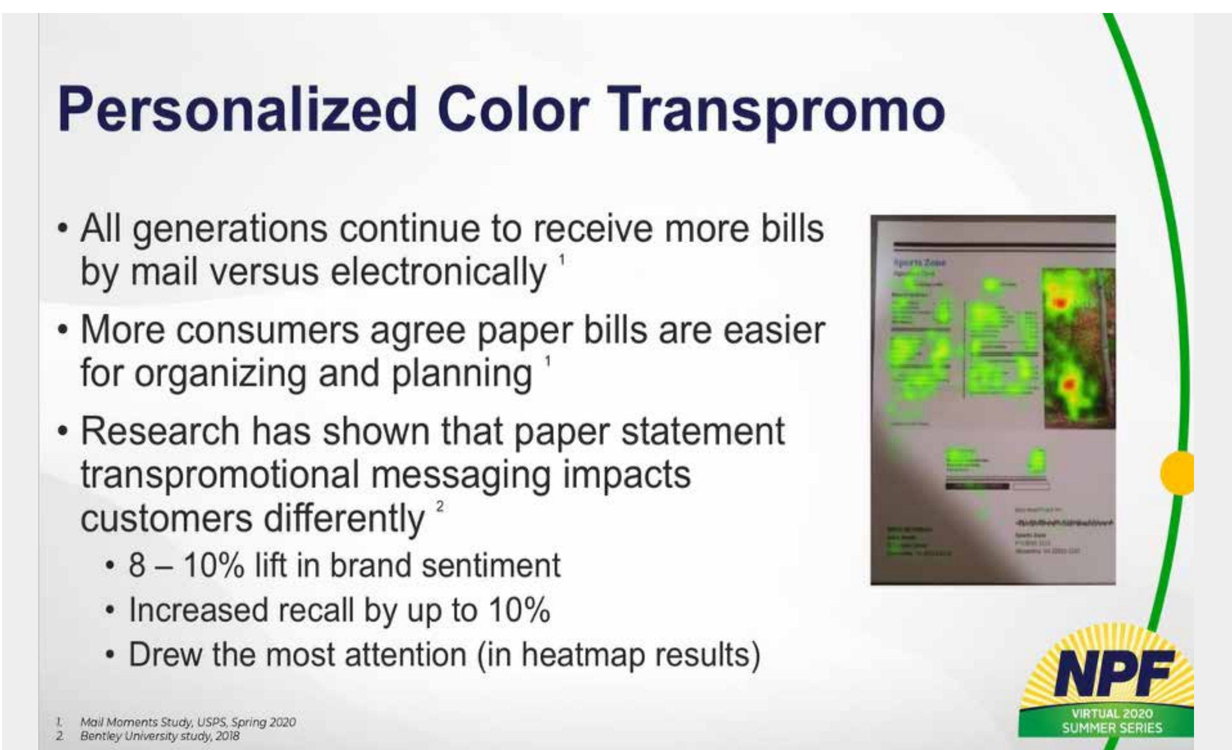
Campaigns with Direct Mail showed 38% higher ROI compared to those without Direct Mail*

Source: NPF Virtual 2020 Summer Series (July)

The Postal Service is encouraging innovation through promotions and incentives for integrating mail with new technology and print techniques such as direct to digital implementation and opportunities to transform statements into a marketing mail piece.



Source: NPF Virtual 2020 Summer Series (July)



Source: NPF Virtual 2020 Summer Series (July)

The Postal Service is leveraging analytics and data-driven decision-making practices for business and service decisions and customer experience. Customers are using and relying on the visibility to manage their mailings. Analytics have been instrumental in ensuring business continuity for the Postal Service during the COVID-19 pandemic.

The Postal Service holds a diverse and growing set of data assets: from nearly 5 billion geospatial breadcrumbs captured daily while servicing 160 million delivery points; to over 2.6 billion digital customer interactions through www.usps.com; to over 142.6 billion mail piece images delivered to approximately 28.9 million Informed Delivery subscribers.

Informed Visibility Mail Tracking & Reporting (IV®-MTR) is a near real-time, single source for all domestic-bound mail and mail aggregate tracking information. For customers, knowing when and where their mail is being delivered – and what is being mailed back to them – adds value to the mail, and mail is an investment. These tools can be used to enhance and measure it.

Finally, the Harris Poll Essential 100 recently ranked the Postal Service #1 in our business response to the COVID-19 pandemic. A representative sample of over 2,000 Americans were asked which companies are the most "essential" to America by ranking their resolve, integrity, responsiveness, and permanence. Our customers see and feel the impact we have made in their lives, and they continue to trust our industry because of our responsiveness and reliability in serving their needs.

Sources: FY 2020 Annual Report to Congress — United States Postal Service; Postal Facts 2019; Postal Facts 2020;

Quarter I, 2021 Report on Form 10-Q - United States Postal Service-22; 2020 Report on Form 10-K United States Postal Service; Report on Form 8K November 13, 2020; Fiscal Year 2021 Integrated Financial Plan - United States Postal Service; National Postal Forum 2020 Summer Series Episodes https://2020summerseries.npf.org/series/previous-sessions/series_summit;

www.usps.com; www.usps.com/business/informed-delivery.htm.

GLOBAL ALLIANCE OF DATA-DRIVEN MARKETING ASSOCIATIONS (GDMA) – DATA-DRIVEN MARKETING ASSOCIATIONS (DMAS) OF THE WORLD SUPPORT THE INDUSTRY TOWARDS THE "NEW NORMAL"

Like any other sector, the data and marketing industry worldwide has been affected by the COVID-19 crisis. The Global Alliance of Data-Driven Marketing Associations (GDMA) provides for DMAs from all regions of the world. In October 2020, it held a virtual meeting at which the impact of the crisis on our industry and how DMAs are responding to it was reviewed.

This article is an opportunity for GDMA to share its key findings.

Going digital

As for everyone else, the lockdown imposed by many countries across the world has forced DMAs to rethink the way in which they engage with their industry at national level. Most DMAs organise events and conferences as a way of keeping their members informed and strengthening the community of marketers. In the United States, the Association of National Advertisers (ANA) turned over 94 committee meetings, 39 one-day conferences and 13 national conferences into virtual format in 2020. It also produced over 100 webinars and dozens of podcasts.

All events had to be turned digital, but replacing a full-day event with a full-day video conference needed to be rethought in order to continue to provide high added-value for participants. Some conferences have been split into web series, or more targeted shorter events. In some countries, this strategy has worked more successfully than in others.

Online events also raise the question of the business model. While many DMAs derive revenue from the organization of events, including sponsorship, not all participants are willing to pay for attending online events, and in some countries, sponsors are still suspicious of the benefits of sponsoring such events. However, DMAs identified opportunities in that area, and where able to drive ideas from countries where the approach taken is working. The mini-series of webinars has been a success with the members of the German DMA (DDV), and Sweden has established a model whereby participants have to pay a small fee to access events organized by the DMA (SWEDMA). However, there was mixed feedback on how to create a revenue stream from online events. Allowing sponsors to use online events for lead generation has also helped generate sponsorship revenues for the UK DMA.

In several countries, companies impacted by the crisis and having to reduce their activities had the opportunity to have employees on furlough. In the Netherlands and the UK, among other countries, there was a strong incentive for companies to invest in employee online learning. DMAs offering education programmes have seen a substantial decrease in classroom style training, but an opportunity to increase their offer in online training.

Providing dedicated services

In such challenging times, DMAs in each country have gone above and beyond to support their industry. All DMAs have enjoyed increased communication with their members. And have developed specific activities to respond to the needs created by the pandemic.

In Canada, the Canadian Marketing Association (CMA) issued COVID-19 related resources for consumers[4] to stay protected when it comes to privacy, fraud and misleading advertising, and publishes regular blogs and resources on keeping up with obligations in these areas on its marketing connected webpage[5]. The DDV in Germany produced many publications, including how to work from home for call centres[6].

The Federation of European Direct and Interactive Marketing (FEDMA), which is based in Brussels and whose mission is to represent the industry towards European Union institutions, launched a survey[7] on the impact of COVID 19 on the industry, and held a webinar in May about the situation in various EU countries. It has also centralized available studies and resources on its website[8].

In the UK, the DMA has a section dedicated to coronavirus and how the organization can help the industry. To be even more accurate, the DMA launched a survey[9] to better understand the support the industry is seeking.

In Argentina, AMDIA is focusing its public affairs efforts on a new “work from home” piece of legislation developed in the context of the lockdown, which will significantly affect the data and marketing industry.

Some DMAs, such as in France with the SNCD, or in the UK, helped their members with administrative processes, such as how to apply to government schemes and recovery packages.

This increase in communication and dedicated services has allowed many DMAs to establish their leadership in the market. In some countries, the DMA has the opportunity to act as an intermediary with the government, such as the DMA in the UK, which organizes regular meetings with government departments, thus ensuring that the industry’s voice is heard, while having as much visibility as possible on the governmental decision ahead. FEDMA addressed a letter[10] to the European Commission, both on the impact of the pandemic on our industry as well as on data’s role in the economic recovery.

DMAs seized the opportunity to conduct a study on the economic impact of the COVID-19 pandemic, such as its impact on marketing budgets (in Finland)[11], the use of data in the COVID-19 crisis (in France)[12], or a report on how COVID-19 changes the business operations of DDV members permanently (in Germany)[13], providing DMA members with information on the economic situation, how to benefit from government loans, and companies’ obligations (health and safety measures).

Fulfilling our mission

It may seem obvious, but the last GDMA meeting demonstrated that the most important action a DMA can do in such times of crisis, is to continue to fulfil its mission of helping the industry.

During the three days of GDMA sessions in November 2020, representatives from all over the world continuously demonstrated how they are able to carry on delivering on their objectives, despite the challenging times. While ensuring the support of their members in this time of need, DMAs continue to address issues such as new legislative challenges, answering government and public authorities’ consultations to ensure the voice of the industry remains prominent, monitor government enquiries such as the review of customer loyalty schemes in Australia, or the digital advertising services enquiry in Australia, the reform of the Personal Information Protection and Electronic Documents Act (PIPEDA) in Canada, the newly adopted Protection of Personal Information Act (POPIA) in South Africa, or the implementation of the General Data Protection Regulation (GDPR) in Europe.

If anything, 2020 is a continued demonstration of the importance of data in today's and tomorrow's world. The data and marketing industry plays a crucial role in helping marketers to effectively communicate reliable information and services to individuals increasingly seeking to navigate these difficult times, and to stay safe and healthy. And with data comes Data goes hand-in-hand with data protection and privacy, and DMAs across the world are making tremendous efforts in developing ethical rules for our industry in order to sustain consumer trust. During the GDMA sessions, no fewer than seven DMAs from all parts of the world shared new initiatives on the development of national and regional codes of conduct, certification mechanisms, and privacy training initiatives to help the industry handle data responsibly.

Looking ahead

Along with the rest of the global economy, the data and marketing industry is struggling with the economic crisis as spending on advertising is heavily impacted. Nonetheless, our industry plays a crucial role in helping marketers to effectively communicate reliable information and services to individuals increasingly seeking to navigate these difficult times and to stay safe and healthy.

DMAs all agree that 2020 is a turning point. The pandemic is likely to leave a substantial mark on how society lives, works, travels and consumes, and no "going back to normal" should be expected. Reaching the right audience in this context is particularly important for small and medium-sized enterprises, which are trying to survive in a highly competitive environment.

Embracing these rapid changes, DMAs have already engaged discussion on what the world of tomorrow will look like, the ever-increasing role of data, and the opportunities data will generate for innovation and business. Privacy, data protection and consumer trust are keys to the sustainability of the data and marketing industry and are the core of DMAs' expertise. In addition, issues such as social challenges and environmental concerns will also play an increasing role in the coming years, and thus must be part of the GDMA's discussions in order to be integrated in our industry's long-term vision.

"While COVID-19 has severely impacted the world's economies, the data and marketing industry has stood ready to boost businesses in their digital transformation, and in maintaining their relationship with customers in these times of lockdowns and confinements. DMAs have been instrumental in supporting the industry in their respective countries. Grasping the changes and opportunities ahead, the GDMA is ensuring that the data and marketing industry will be able to seize all opportunities the new normal will hold." (Martin Nitsche, President, GDMA)

THE PERSPECTIVES OF THE GLOBAL ENVELOPE ALLIANCE (GEA) - IMPACT OF COVID-19 ON THE CURRENT AND FUTURE ENVELOPE BUSINESS AND SPECIFICALLY MARKETING MAIL

How do you see the impacts of the pandemic on the postal business at large and the envelop industry and direct mail in particular?

We see that the COVID-19 pandemic promotes digital substitution: home office, home school and e-commerce are all currently necessary, and they are all digital. Enterprises turn from invoicing by letter mail to PDF-invoicing. As part of cost saving, advertising expenditures are reduced (in total and/or by switching to digital media).

Mail is still a key source of revenue for Posts, but is no longer the largest revenue source in many countries. Transactional mail is continuing to decline, and marketing mail is declining even more. We need a recovery. Envelopes and letter mail are complementary.

> E-commerce is now driving a change in packaging and mail formats

Retailers are now adept at quick order and delivery. The "doorstep" has become the new battleground as consumers want their purchases delivered at home or the office, but many DOs prefer delivery into "parcel boxes". Posts seem to be focusing on global supply management and merging mail and parcel businesses.

We are seeing the biggest declines in marketing mail. Our concern is that the marketing budget will be/has been transferred from marketing mail to digital media and may not come back in the future. Nothing says, however, that this is the end for the envelope manufacturing industry; it is, perhaps, the end of the beginning.

The Post is in transition towards a global delivery company with parcels over mail. Direct mail is coming back. First-class mail is falling. Process integration is the name of the game. Hybrid converters are emerging.

What is the situation of the envelope manufacturing industry?

There are fewer envelope companies. More envelope companies are making more than envelopes. Many are multifaceted production organizations. They are printers, packagers, form/label companies, and office products suppliers, since the home office has become a booming industry for office products. Envelope machinery footprints have changed. They have become smaller and more intelligent. It is more of an inspector/operator driven machine with a great deal of technology. Some 75% of e-commerce shipments weigh below 2 kilogrammes. We are in the middle of a lightweight packaging revolution.

The envelope industry in North America

60 converters.

138 billion in sales volume as of 2020, 1.83 billion USD in sales.

Sales are on a long slow recovery from the pandemic.

Raw materials will be in tight supply.

The envelope industry in Japan

Japan has five envelope manufacturers of some size and a few more small companies.

Japan reports its data differently. In Europe and the US data are researched by the envelope associations, while in Japan the data are provided by Japan Post. For the first half of 2020, a decline of 7.5% of total mail was recorded.

The envelope industry in Europe

In Europe, the big four have now become the big three, with many smaller companies. The pyramid is narrowing at the top and broadening at the bottom.

Europe has seen a 19% decline in envelope volumes first half-year over first half-year 2020, according to the European Federation of Envelope Manufacturers (FEPE), whose data represents 85% of the envelope market in Europe.

In the first quarter of 2020, the market declined by 1.7 billion envelopes in Europe, and in the second quarter by another 2.9 billion.

Looking at these numbers on a quarter-over-quarter basis and comparing them to the first quarter of 2019, the first quarter saw a 13.1% decline and the second quarter a 25.7% decline.

How do you see the future in the context of the pandemic? Where do we go from here?

We are all declining at the same rate, but our markets are heavily influenced by COVID-19 and digital substitution. We hope to come out of this downturn by next spring, but things will be different.

We must focus on selling to value; volume is going to be hard to reckon with. We will emerge, we will prosper again, but we must reflect on and learn from the current period.

The envelope manufacturing industry will continue its adjustment of the capacities and its market consolidation. Digital equipment will make more headway in the industry, and most plants will become fully digital over the next five years. We will shift from a volume-based business proposition to one based on value-added. We will all make more than envelopes and become more diversified over the next five years.

What recommendations do you make to your members?

Stay close to the national Post. The UPU and International Postal Corporation (IPC) will be important and be in contact with the Global Envelope Alliance.

We must devote time and attention to intelligent products as we look to become a more significant part of the marketing channel.

Digital technologies, such as augmented reality, near-field communication (NFC) and the Internet of Things (IoT), will be central to our value proposition.

We will continue to make standard envelopes, but it will be more challenging to make a living from them.

We need to learn from one another and grow our global platform.

How do you see the collaboration between the UPU DMAB and the envelope industry going forward?

Again, envelopes and letter mail are complementary. The Posts are defining the guidelines. Therefore, the strategies of the UPU members set the priorities for the envelope industry worldwide. We see DMAB as an important platform for learning from the Posts how they plan to operate in the future. Will marketing letter mail remain in the business focus of D?

This is obviously a major concern for our members.

KEY TAKEAWAYS:

- DIRECT MARKETING AND THE WHOLE VALUE CHAIN HAVE BEEN AFFECTED BY THE CRISIS BUT ARE PLAYING A ROLE IN THE NATIONAL AND LOCAL ECONOMY;
- DIRECT MARKETING REMAINS AN IMPORTANT BUSINESS LINE FOR POSTS;
- INNOVATION AND DATA WILL BE KEY COMPONENTS IN THE POST-COVID-19 DIRECT MARKETING REALITY;
- THE PANDEMIC HAS ACCELERATED THE NEED FOR INCREASED OFFLINE AND ONLINE INTEGRATION IN DIRECT MARKETING;
- DIRECT MARKETING WILL PLAY AN IMPORTANT ROLE IN THE POST-COVID-19 ECONOMIC RECOVERY AND WILL SUPPORT THE GROWTH OF SMES;
- DIRECT MARKETING WILL CONTINUE TO PLAY A CRUCIAL ROLE IN HELPING MARKETERS TO EFFECTIVELY PROVIDE RELIABLE INFORMATION AND SERVICES TO INDIVIDUALS AND COMPANIES.

About the Direct Marketing Advisory Board (DMAB)

The Direct Marketing Advisory Board (DMAB) was created in 1995 as the first UPU body to formally include members from the private sector. It comprises designated operators (postal members) and private-sector companies and associations (non-postal members).

DMAB MISSION

The mission of the DMAB is to foster the growth of direct marketing through the Post by positioning designated operators as important direct marketing channels and contributing to economic and market expansion by increasing market knowledge and developing the expertise of stakeholders at all levels.

Membership value proposition

The DMAB provides its members with training, research, communications and networking opportunities to promote and support postal direct marketing activities and preserve the value and volume of mail.

Publications

The Direct and Digital Marketing Guide for Developing and Least Developed Countries is designed to help designated operators of UPU member countries develop their direct and digital marketing services. It is free to download[14] from the UPU DMAB website.

Projects

Direct Marketing Postal Platform – The postal solution for successful cross-border direct marketing campaigns.

DMapp.post

Newsletters and LinkedIn group

Newsletter: Four issues have been published yearly since 1999, with more than 1,200 recipients.

LinkedIn: The UPU – Postal Direct Marketing Group, which has more than 300 members, is available at www.linkedin.com/groups/7457750/.

Workshops and events

The Innovation Talk series of interactive webinars was created in 2020, focusing on data-driven marketing. With up to 200 participants, the sessions have demonstrated the value of the DMAB and the relevance of direct marketing in the digital era.

24 workshops held in 22 countries with more than 1,000 participants from 1997 to 2019

24 presentations delivered at direct marketing events from 2004 to 2019

34 mini-conferences held in Berne on various themes from 1995 to 2019

Universal Postal Union – Direct Marketing Advisory Board (DMAB)

UPU Direct Marketing Advisory Board: www.upu.int/en/Universal-Postal-Union/About-UPU/Cooperatives-boards/Direct-Marketing-Advisory-Board

Direct Marketing: www.upu.int/en/Postal-Solutions/Programmes-Services/Direct-Marketing

Contact: directmail@upu.int

Direct Marketing Advisory Board (DMAB) members

Barid Media
بريد ميديا

Correios

CHINA DIRECT MAIL ASSOCIATION

GEMADEC
Information Technology Innovator

GLOBAL ENVELOPE ALLIANCE
GEA
Preserving the Value & Volume of Mail Worldwide

شرکت ملی پست

POSTA
KENYA
Touching lives

Slovenská POŠTA

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www.postalstockexchange.com

Posteitaliane

Post Office

South Africa

Ratans LLC

Digital Transformation

البريد السعودي

Saudi Post

UNITED STATES

POSTAL SERVICE

Endnotes

1 www.ipc.be/services/market-research/cross-border-shoppersurvey

2 antoancovid.vn

3 https://vpostcode.vn

4 https://www.the-cma.org/consumers/Protect-Yourself-during-COVID-19

5 https://www.the-cma.org/regulatory/marketing-connected

6 https://pegase.upu.int/Workspace/Users/upu.prosserm/Umfrage deckt viele Vorteile der Homeoffice Arbeit in Call-Centern auf

7 https://www.fedma.org/2020/03/fedma-launches-a-survey-to-understand-the-impact-of-the-covid-19-outbreak-on-the-data-marketing-industry-in-europe/

8 https://www.fedma.org/2020/04/fedma-centralises-national-information-on-the-impact-of-covid-19-on-the-data-marketing-industry/

9 https://dma.org.uk/research/dma-coronavirus-survey-tell-us-how-the-dma-can-help-you

10 https://www.fedma.org/wp-content/uploads/2020/05/20200514-Data-marketing-industry-and-covid-19.pdf

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12 https://services.message-business.com/v3/front/contents/2/695/43695/Files/De l'utilisation de la DATA en crise Covid.pdf

13 https://www.ddv.de/corona-veraendert-den-geschaeftsbetrieb-der-ddv-mitglieder-nachhaltig.html

14 https://www.upu.int/UPU/media/upu/publications/guideForDevelopingAndLeastDevelopedCountriesEn.pdf

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