

Understanding and using postal services in a liberalised market

Graham Cooper, Managing Director
Lesley Harris, Sales Director

A Perfect Pitch, 22nd April 2008



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Agenda

- Background to liberalisation
- Solutions available
- What **ONEPOST** does
- Case studies
- Summary



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Background to liberalisation: Postal market overview

- In the UK, 80+ million letters are handled each day
- Over 40% of direct mail expenditure goes towards postage
- Following a 350 year monopoly the postal market was liberalised on 1st January 2006 offering choice to businesses for the first time
- 19 licensed operators now provide alternative solutions for collecting, sorting and delivering mail
- Since August 2006, PiP may be adding to your costs
- Royal Mail price increases April 2008



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Background to liberalisation: Current licence holders

- Citipost AMP
- Document Outsourcing
- DHL Global Mail
- DX
- FedEx UK
- Intercity Communications
- LDS Cambridge
- Lynx Mail
- Racer
- Royal Mail
- Royale Research Ltd
- Securicor
- SMS
- Secured Mail
- Target Express
- The Mailing House Group
- TNT Mail
- UK Mail
- Zip mail



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Solutions available

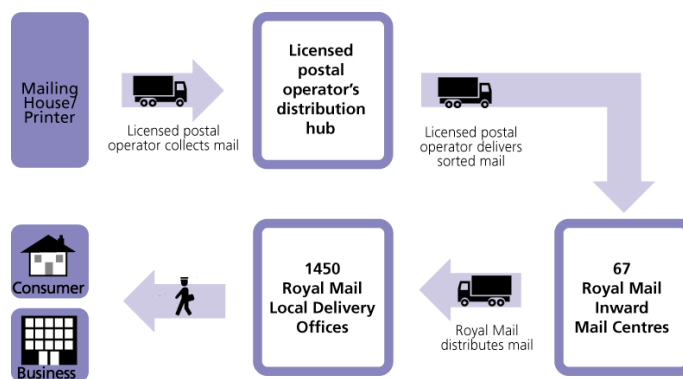
- Downstream Access
- Zonal pricing
- End to End
- Unsorted mail



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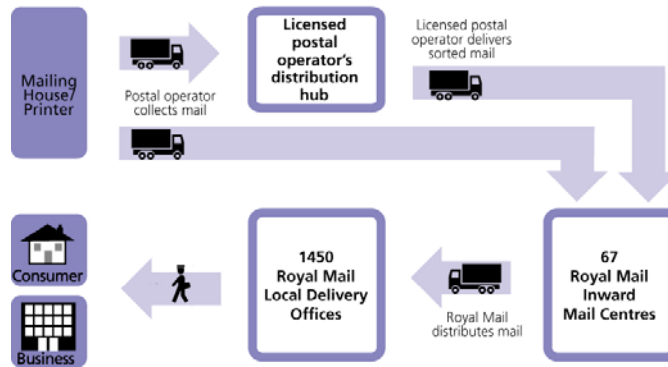
Solutions available: Understanding Downstream Access



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Solutions available: Understanding Downstream Access



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Solutions available: Zonal Pricing

5 zones

- Zone A – Commercial Centre
- Zone B – Urban
- Zone C – Suburban
- Zone D – Rural
- Zone E – Deep Rural



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Solutions available: End to End

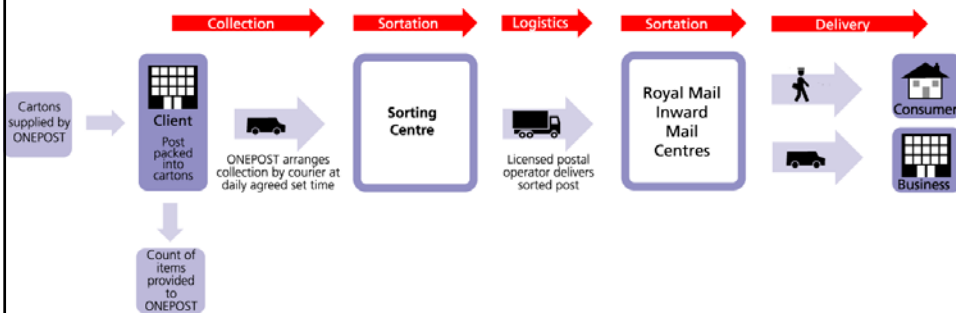
- 1 million business addresses
- One stop delivery providers
- 1 /2 day delivery
- Stringent checks in place to ensure quality of service
- Number of deliverable addresses set to grow



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Solutions available: Unsorted mail



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Confused?

- Understanding how the deregulated market works is the first step to being able to access it efficiently
- Alongside opportunity and choices inevitably comes confusion
- Specific understanding of the charity marketplace

One stop solution: **ONEPOST**



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ONEPOST

- Established in 2005
- Wealth of industry expertise

- Not a mailing house or carrier
- Independently owned

- Currently handling 10 millions items+ per month

- Members of DMA, IDM, BPIF, Catalogue Exchange
- ISO: 9001-2000 accredited



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What we do: How we work

- **ONEPOST** software holds up-to-date details of operator prices and services
- A data audit matches a mailing file to the best blend of carriers for the lowest postage costs
- One size doesn't fit all
- Full postal management service including data sorting, manifest and label outputs, production briefing and carrier management
- Experience with working with major charities



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What we do: Key factors

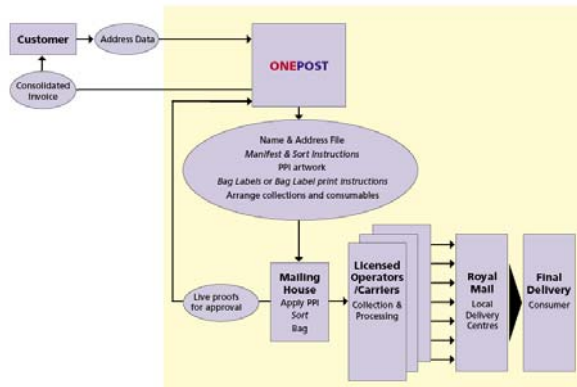
- Price
- Service requirements
- Weight
- Format
- B2B / B2C
- Fall to earth



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What we do: Process management (DSA)



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What we do: Added value services

- Mail monitoring
- Data sourcing / cleansing
- Returns management



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What we do: Data cleansing

Key facts

- The World Trade Center is still being inundated with post more than 6 years after the twin towers were destroyed
- More than £180m is lost every year as a result of using out of date business data
- 47% of consumers are put off from responding to offers that interest them if their name and / or address details are incorrect
- 1.2m addresses change on the postcode file each year
- Over £95m is wasted annually as a result of mailing deceased individuals

- PAF (Postcode Address File)
- MPS (Mailing Preference Service)
- Bereavement Register
- NCOA (National Change of Address)
- GAS (Goneaway Suppression)



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What we do: Some clients



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Case study: The National Trust

- Operate over a number of business areas including
 - Membership
 - Donations
 - Legacies
- Use a variety of agencies and suppliers
- Mixture of pack volumes, weights, sizes, versions; sorted and unsorted, UK and international



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Case study: The National Trust

Membership

C5 membership renewal pack sent out to all members on a monthly basis

Split by cash payers and direct debit payers

Nominated day delivery is key for cash flow management

Volumes vary, by month, from 120,000 – 240,000

Sorted and unsorted solution

Monthly saving £12,000 against similar Mailsort 2 service



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Case study: The National Trust

Donations

C5 pack – 2 versions (Welsh and English)

Ad hoc basis – approx 15 appeals per annum

Volume c245,000

ONEPOST saving per mailing £2,000 against Mailsort 3 1400



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Case study: Charity x

Continuous mailings throughout the year

Mainly letters

Typical mailing 500,000 items

ONEPOST saving £5,500 against Mailsort 3



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The future

- BERR Review – Relaxation or tightening of competition
- Zonal Pricing for retail products
- Hand delivery to consumer addresses
- New products eg 5 day economy
- New license holders



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Summary

- Opportunities to save money, improve quality of service and define delivery
- Ever changing market with new products and initiatives
- ONEPOST keeping charities updated with information and opportunities



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THANK YOU



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