

# Building Customer Relationships

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World Mail and Express Conference  
Munich Germany  
8 May 2009

Robert Donderwinkel  
Managing Director  
European Envelope Manufacturers

# Tools and Techniques for Staying Afloat

## *Building & Customer Relationships.*

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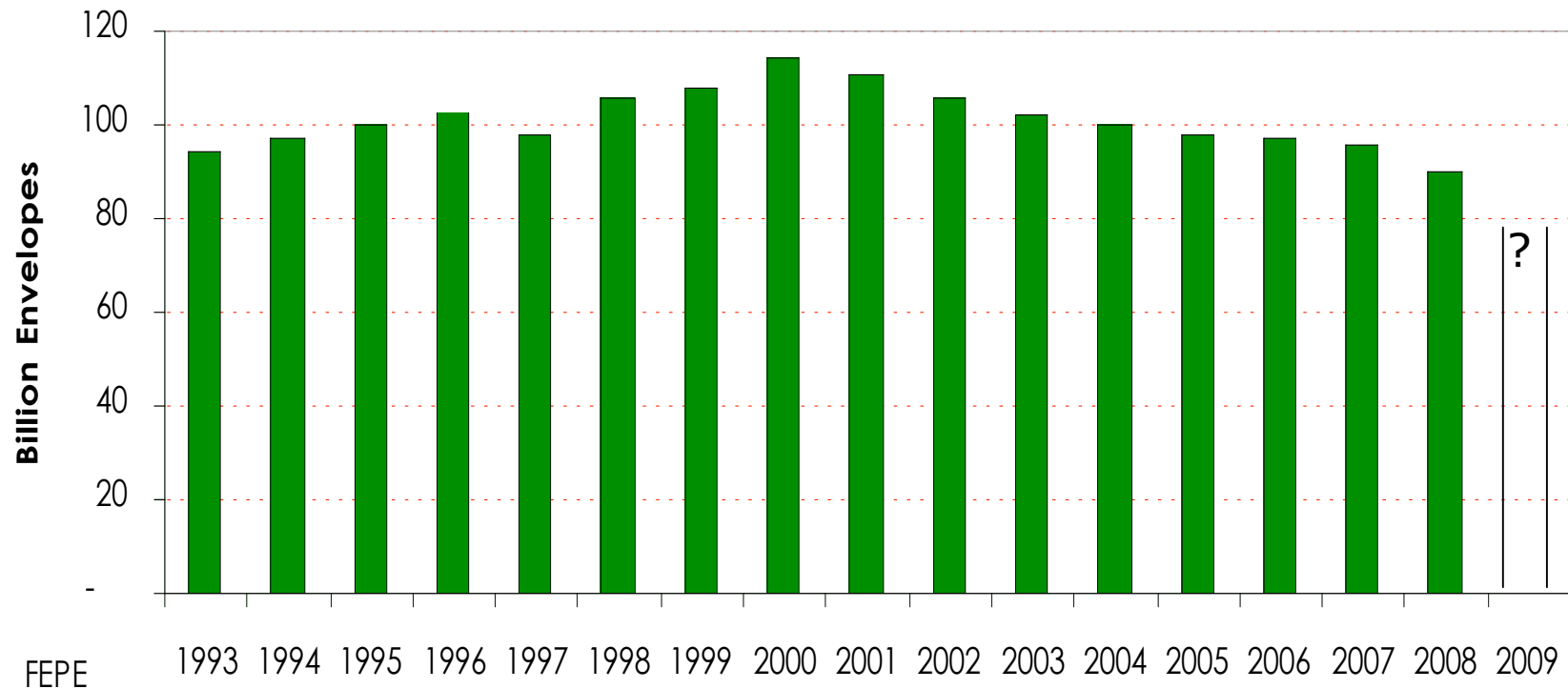
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# FEPE aisbl

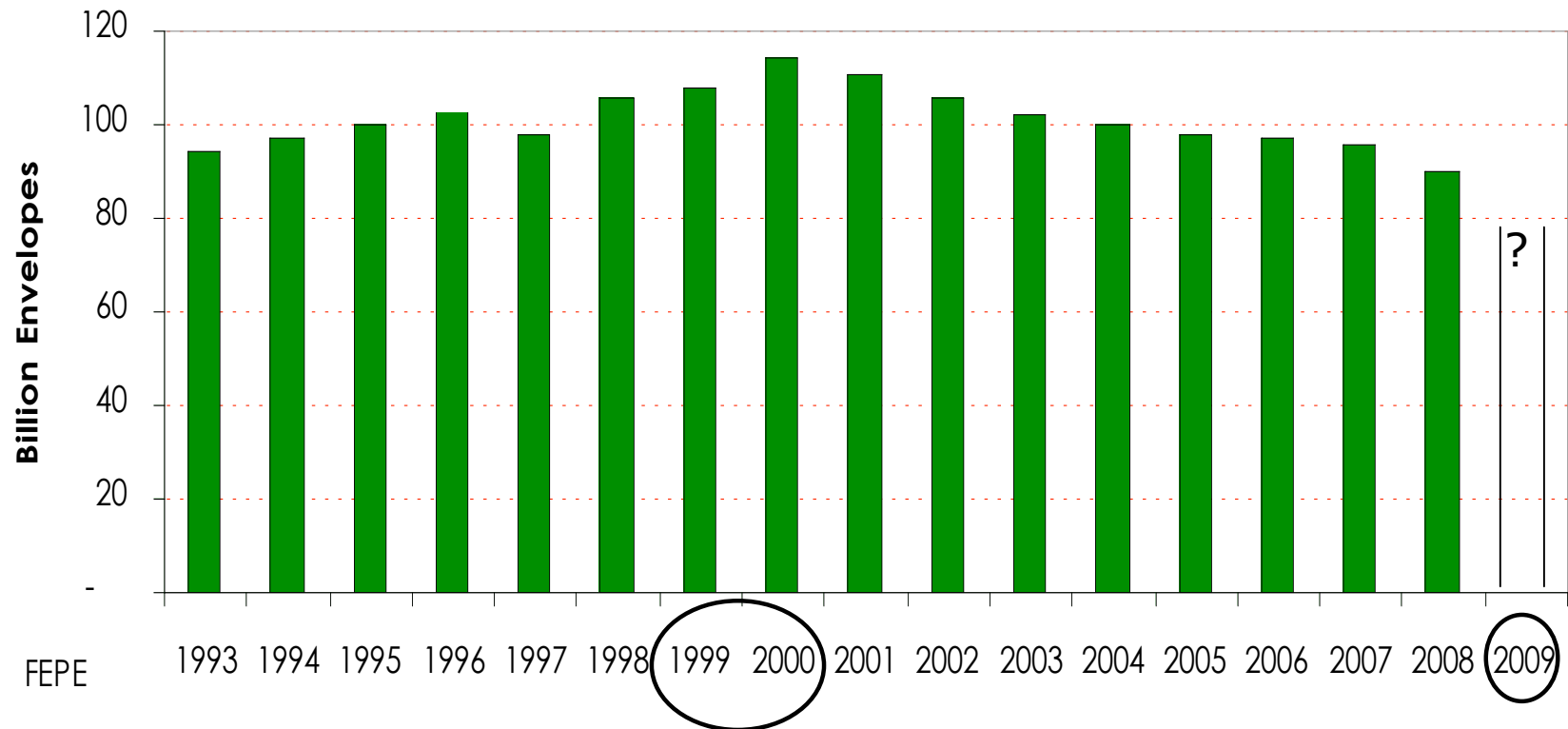
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- European Envelope Manufacturers Assn
- First established in 1957
- Represents >85% of the industry
  - Five international companies comprise 70% of the industry by volume
  - Facilities are located throughout Europe
- Based in Brussels since 2007
  - Represent the political interests of the European industry
  - Support demand for the product
- Industry:
  - Sales of 2B EUR per annum
  - 100B units delivered per year in Europe BUT...

# Facing a decade of decline



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The last years of real increase!!

Certainly not higher than 2008

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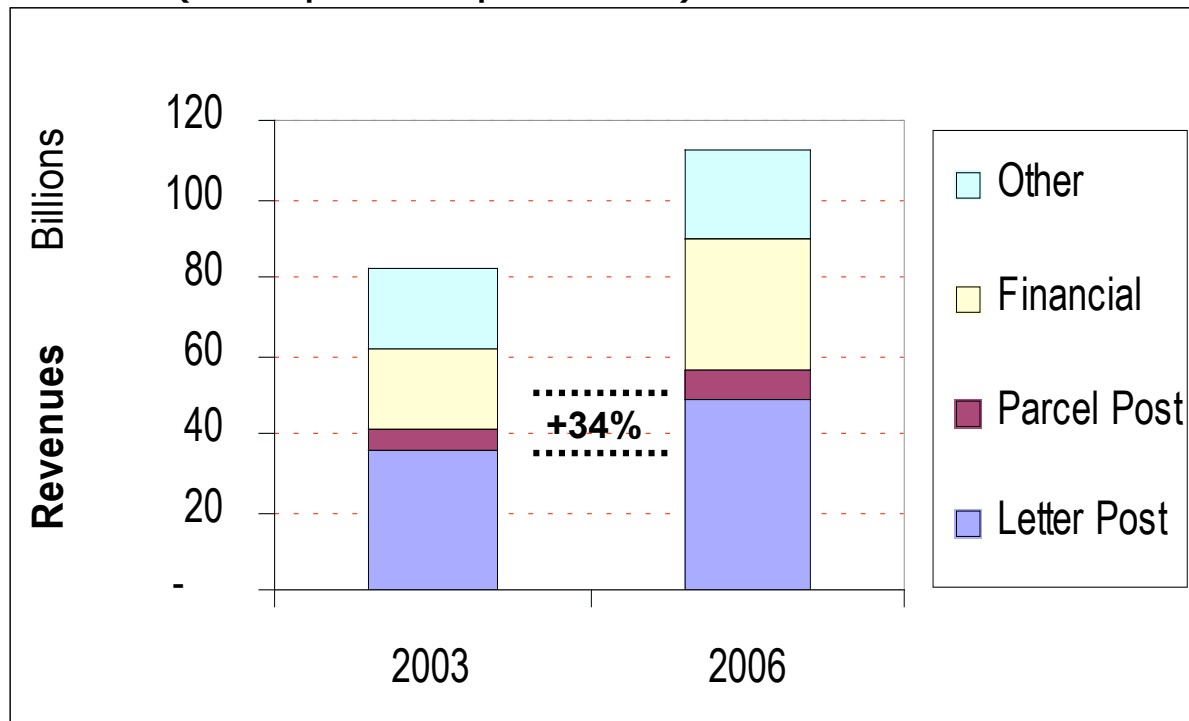
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# A valid business reason?



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- 2007/2008 TNT: > 65% of operating profits
- 2007 DP DHL: >90% of EBIT
- From UPU (European Operators):



# Tools and Techniques for Staying Afloat

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- **Building our Industry**
- Maintaining Customer Relationships

# Building our Industry

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## It's all about Working Together

- Two Current Examples

 Printsells and Print Power

-  European Mail Industry Platform (EMIP)
- Facts of Our Industry

# “Print sells” - Campaign

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Target audience:

400,000 Direct Mail specialists

9 western European countries

Advertising, web site,

5 mailings to each DM specialist

→ Campaign recognition 23%

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Total cost of approx  
5.0 million EUR

# Print Power - phase II

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**Print sells. Absolutely...**

# Print Power

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...but it does so much more.

# Print Power Proposition

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- **Wherever there is civilization, print is just around the corner**
- **The power of print is unrivalled.**
- **It's far more likely that Larry Page or Steve Jobs will trust their memoirs to paper rather than to bring them in a vodcast on YouTube.**

*Audiovisual media has impact on the spot but it is very ephemeral.*



# Print Power - Sustainability

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## + Motivators (=the assets)

- the impact of print
- the directness of print
- it triggers the imagination
- etc...

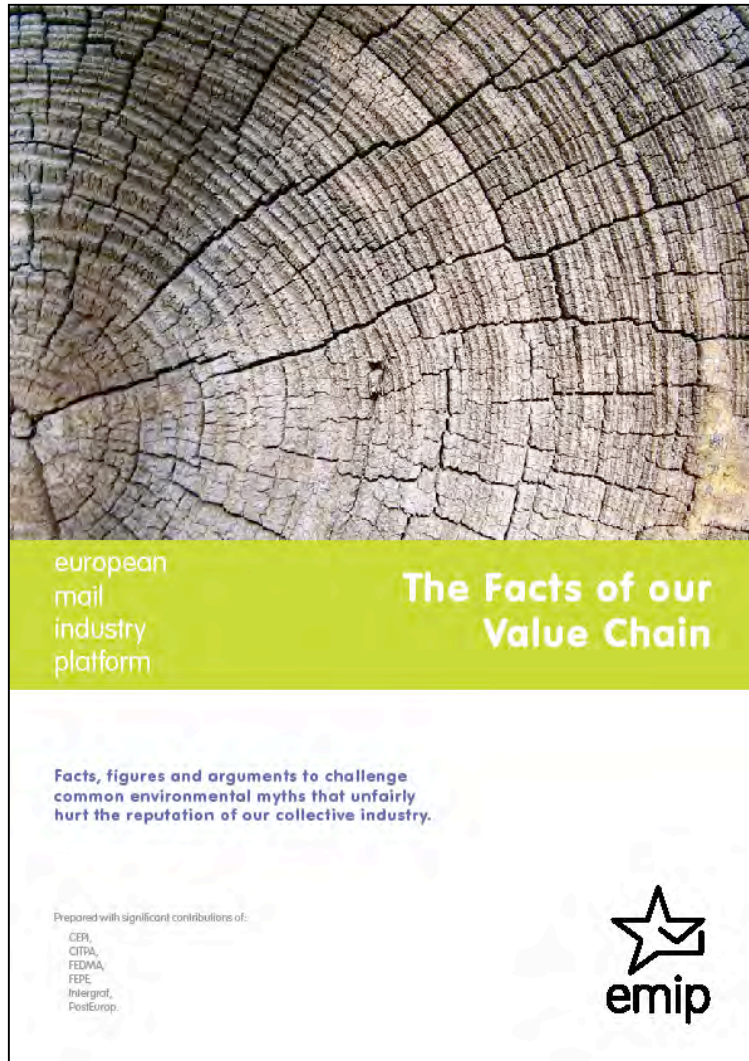
## - Demotivators (=the barriers)

- the environmental issues

The basic rule:

***First get them motivated, then get rid of the demotivators***

# EMIP FACT PACK



INTERGRAF



# Quick Facts: Top 10 Facts

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**Forests are not being destroyed to produce paper-mail.**



**The paper industry rarely cuts trees for the production of paper.**



**The paper industry does not have a big carbon footprint.**



**The paper industry does not consume immense quantities of fossil fuels.**



**Mail comprises 0.1% of the total household CO2 emissions.**



**Paper used in communications should not end up in landfill.**

# Quick Facts: Top 10 Facts *cont'd*

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7. **Paper is recycled more than any other packaging material.**



**There is no such thing as 'junk mail'.**



**The Postal network is guaranteed to reach 100% of registered European citizens.**



**Electronic communications are not more environmentally friendly than paper based communications.**

**...AND WE ARE ALL INVESTING TO MAKE FURTHER REDUCTIONS...**

# IT Comments

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- Does not attempt to destroy technological solutions..... but aims to balance the debate:
  - IT comprises 2% of global CO2 emissions.  
*...and McKinsey expect the energy needs of IT to increase 60% in the EU by 2020.*
  - *The CO2 emissions from a PC are estimated at about 400-500kg of CO2 per annum vs an EU average of 14kg from paper-based DM*
- It is important that complete and comparative environmental lifecycle studies are undertaken BEFORE conclusions are made that can negatively affect any one industry..... and its reputation.

# Tools and Techniques for Staying Afloat

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- Building our Industry
- **Maintaining Customer Relationships**

# Maintaining Customer Relationships

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- Who are the customers
- What do they want
- What don't they want

# Who are the Customers

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- B2B 25%
- B2C 65%
- C2C /C2B 10%

# Who are the Customers

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- |            |     |
|------------|-----|
| ○ B2B      | 25% |
| ○ B2C      | 65% |
| ○ C2C /C2B | 10% |

**With 90% of the volumes**

**'Businesses are our customers'**

# What do they want

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- Customer Retention and Growth
  - Regular communication with existing customers and potential customers
- Require a proven delivery network
  - Post delivers to 100% of households in Europe
  - High probability of being read (>70%) if addressed –*especially if transaction piece*
- High Response Rates

# Customer Requirements

Mail remains a preferred media...

POSTCOMM 

Attribute	Mail	email
Gives me a better impression of the company	53%	8%
More professional means of communication	49%	14%
Likely to grab my attention	47%	19%
It makes me feel more valued	43%	7%
I am more likely to do something as a result	43%	17%
Better for confirmation/follow-up messages	20%	64%
Better at communicating brief messages	6%	82%

# What don't they want

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- To miss out on any opportunities
  - Postal network increasingly challenged by alternative mediums – especially virtual media.
  - We must give customers the confidence to use our product – not an excuse to try or invest in alternatives

# We must eliminate negativity

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- *Mail is declining by 4% per annum*
  - Peter Bakker, CEO TNT at the EU Commission 'Postal Day' 2008
- *Mail is declining by 2% per annum and will continue to decline*
  - Adam Crozier, CEO Royal Mail at the 'Future of UK Postal Services 2008'

# Conclusion

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- The value chain must **work together**
- The industry must be **more positive** if we want to retain our customer base.

Thank You