# THIS TIME IT'S PERSONAL

## DISCOVER HOW VALUED MAIL CAN DRIVE VALUE FOR ADVERTISERS

SEPTEMBER 2015

Royal Mail MarketReach

MAILMEN
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# EXECUTIVE SUMMARY

In order to help advertisers make the most of mail, we set out to build an in-depth understanding of what consumers most appreciated about mail they found useful and/or interesting. We commissioned Quadrangle, an independent research agency, to conduct both qualitative and quantitative research among 3,000 nationally representative consumers.

The objective of the research was to understand the characteristics of mail that consumers found valuable. A key part of this exercise was to find out if and how the mail that consumers valued also drove value for the organisation that sent it – in other words the notion of reciprocity or 'value exchange'.

We looked at six sectors where mail is a key part of the media mix: financial services, utilities and telecoms, public sector, charity, travel and tourism, and retail.

We discovered that mail items valued by consumers could come from any sector, and be of any type – from a statement or bill to a catalogue, brochure or magazine.

Familiarity was a factor: 85% of our 3,000 respondents in the quantitative stage chose an item that came from an existing supplier or relationship.

Why? The essence of consumer valued mail is personal relevance.

Mail from current suppliers benefits from a personal connection between the recipient and the brand or organisation, often driven by data-derived information and insight. Acquisition mail can be relevant and thus valued too; but also needs to deliver the right message at the right time.

Mail that consumers value speaks to them – not at them – about things they care about. It could be information about an upcoming holiday or reminding someone to attend an appointment. In short, it is focused first and foremost on the recipient – not the sender.

We looked in depth at what made an item valued; what it told a customer, what it made them think, feel, and do. It was clear that mail valued by consumers across all sectors and mail types had certain key characteristics:

- It had substantive information that kept them up to date (83% of respondents said this), told them something new (65%), and explained what, if anything, they needed to do (64%).

- It made them consider – or reconsider – their current perceptions about the brand or product and its relevance to them. Sometimes it inspired them to think about using them/buying from them (58%). But often it changed their perception of the organisation that sent it – keeping the organisation top of mind (60%), reminding them of it (60%), or inspiring them to think more positively about it (57%).
- It created real feelings: some internal (e.g. better informed: 66%); some directly transactional (tempted by the product or service: 48%); and some that related to the relationship between them and the sender.

  For example, 48% of respondents said valued mail made them feel that the organisation understood what they were interested in or what was relevant to them. This highlighted the importance to the consumer of the brand or organisation recognising and remembering them as an individual, not an audience.

Perhaps most importantly, we discovered that mail valued by consumers drove actions that created commercial value for the advertiser. By analysing the relationships between the components of valued mail, we discovered that:

- Feelings were strongly associated with actions.
- The greater the number of feelings expressed, the more likely a recipient was to have done something.

We discovered that four particular feelings – 'Special', 'Excited', 'Rewarded' and 'Brought back a happy memory' – often correlated with each other and were particularly important in driving actions.

The actions taken in response to valued mail obviously included direct response – the traditional role of direct mail. But our research shows clearly that a host of other, less obvious, actions are also inspired by mail that is useful and/or interesting.

Respondents said the items they selected inspired them to search for more information, visit sites (both physical and virtual), discuss the contents (both online and off), and plan for future purchases.

Much of this commercial value is invisible to traditional direct response measurement tools. Therefore, because mail drives a wealth of indirect response, a significant amount of the value generated needs to be tracked in a different way.

So our evidence-based conclusion is that in the fragmented media world of today, valued mail maintains and builds brands – both for the recipient and others as well as through word of mouth – generating commercial value far greater than its direct response.

Thus, to maximise mail's commercial impact, advertisers and their agencies should both make provision for this longer-term value when they develop media plans and look to measure its impact.

We hope the findings in this report demonstrate clearly that, by creating mail that consumers value, advertisers and their agencies in turn can create commercial value.

# INTRODUCTION

So… what was in your post this morning? What did it look, feel or smell like? Who sorted it and where is it now? Did it surprise you, make you happy, or were you relieved to receive that letter you were waiting for? What made you connect with some mail and discard everything else?

Over the last couple of years at Royal Mail MarketReach we've been preoccupied with these questions.

We recently launched The Private Life of Mail[1], an unprecedented look at what happens after mail enters the home. That report explored what happens to mail from the perspective of its impact on the 'home', 'heart', 'head' and 'wallet' of consumers.

The insights from this research made it clear that the potency of mail as a medium is far deeper and more powerful than previously imagined. And the insight from all our findings proves the power of mail and its unique place in today's multi-media world.

It's easy to think that the media world has gone digital. But there are many different ways to reach people and it's knowing why and how to use each one that really matters.

Mail is physical, it has authority, it's emotionally engaging, it complements other media and enhances sales performance. But perhaps, above all, it both facilitates and inspires all aspects of people's lives from banking to holidays.

And that level of influence with consumers is what makes mail so valuable for companies. Mail engages consumers through a range of messages, everything from explaining benefits and promoting products to providing offers and delivering new information.

And ultimately it delivers the most important benefit of all, driving consumers to take action which creates brand value.

We've seen from all our qualitative and quantitative work that what's valued in the post reflects what's going on in someone's world, right now. It represents all aspects of people's everyday lives from friends and family, work, education, health, leisure, finance and home.

1. Source: Royal Mail MarketReach, The Private Life of Mail, 2014.

> It's all in phases of your life isn't it? If there's something particularly on your mind at a particular time. For example, we've had some stuff that's come through from Saga and pension stuff.
> Jill, Age 55+[2]

Our post is therefore a personalised goody bag full of surprises: it may hold a message from a loved one; a welcome pack we've been waiting for; an invitation to an event; vouchers from the supermarket; a holiday brochure we've ordered; an offer from a broadband provider; or that bill we might be dreading.

All can provoke different feelings, from reward and excitement to shock and concern.

In The Private Life of Mail[3] we explained that people value something they can see and touch 24% more highly than something they can only see. A neuroscience study from the same report showed that mail had a much more powerful impact on the key commercial measures of engagement, emotional intensity and long-term memory encoding than either email or TV.

Critically, it is these neuroscience metrics that have some of the strongest and most well-documented connections to the overall effectiveness of advertising campaigns.

But we also know that not all mail is as effective. What defines a 'useful and/or interesting piece' of mail? Are certain types of mail always going to be valued? What sectors can – or can't – deliver mail that consumers see as valuable?

Most importantly, does mail valued by consumers create value for the companies that send it?

To answer these questions we have conducted a programme of research, the results of which are reported here.

2. Source: Royal Mail MarketReach, Ethnographic Quant, Trinity McQueen, 2014.
3. Source: Royal Mail MarketReach, The Private Life of Mail, 2014.

# OUR APPROACH

To answer these questions we needed to understand the way mail is evaluated, and what characteristics generated the strong actions and reactions we've seen.

Our approach to understanding the connection between mail's function and the reaction it engenders started from an important, if obvious, observation: that advertising, through whatever medium it is transmitted, is simply not something most consumers think about very much.

This means that if you ask people to talk about the advertising they get, their reactions to it won't be particularly strong – indeed, because we all like to think of ourselves as not being susceptible to its influence, they may tend to conceal their responses.

We know though, from our own research such as The Private Life of Mail[4], that mail in general is a part of people's lives, and that they can have strong feelings about it. So we were confident that at least some of the mail they received would have importance to them and would be thought of as having real value in their lives.

We wanted to understand what kind of mail that was, how they identified it and what it was about it that made it important to them.

## FORMING OUR WORLD VIEW

### Phase 1: Qualitative Research

The Private Life of Mail had told us very clearly that a single piece of mail could stimulate a rich and diverse rational and emotional interaction with its recipients.

So in our first stage of this research, we used six group discussions (following up with many of the respondents via in-home interviews and mail diaries) to enrich our insights and develop a 'taxonomy' – a collection of words, phrases and definitions that describes mail from a consumer perspective.

Our methodology included asking consumers to define 'good' and 'bad' mail both in general and in reference to specific items we provided and/or they brought in.

From this, we generated a framework of the key components that constituted valued mail, and a list of phrases that respondents used in their valuation process.

4. Source: Royal Mail MarketReach, The Private Life of Mail, 2014.

# TESTING OUR WORLD VIEW

## Phase 2: Quantitative Research

The second phase of research used our initial insights and parameters to test our hypotheses in a robust manner – a quantitative research survey conducted online with 3,000 nationally representative respondents that provided statistically robust findings from which we could draw more definitive conclusions.

In our survey we asked respondents to identify up to three pieces of mail they found useful and/or interesting, and then focused on one of those items.

We asked them to allocate their mail to one from our long list of sectors, which we then grouped as follows:

- Financial Services
- Utilities/Telecoms
- Public Sector
- Retail
- Travel and Tourism
- Charities

They were asked to define the type of mail item they were talking about (e.g. statement, catalogue, newsletter, etc.).

After gathering an understanding about the respondents themselves and their relationships with the brand which sent the chosen item, we used the terminology generated by the qualitative research to understand:

1. What the item told them.
2. What it made them think.
3. What it made them feel.
4. What it made them do.

From this, we were able to map out the profile of a piece of valued mail both in general and within specific sectors.

The research was conducted by Quadrangle, with fieldwork for both the qualitative and quantitative elements conducted in 2014.

# WHAT KIND OF MAIL DO CONSUMERS VALUE?

We might presume that mail valued by consumers would primarily be from fun, exciting sectors: be entertaining and 'creative' and offer items of reward like coupons or discounts.

On the flipside therefore, could transactional or other mail sent by 'low-interest' sectors be seen as useful and/or interesting?

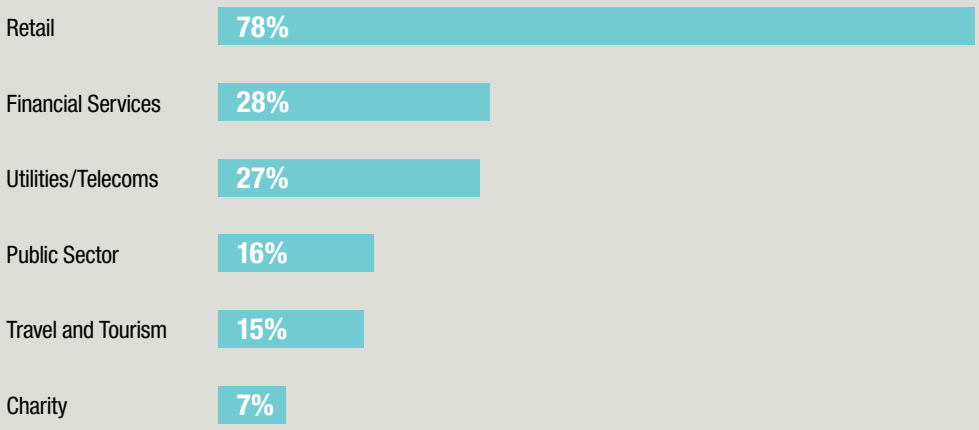
We found clear evidence that every type of mail from every type of sector could be seen as of value.

## ANY SECTOR CAN SEND MAIL THAT IS VALUED

When we asked respondents to describe up to three items of mail they saw as useful and/or interesting, they chose mail from 102 brands from our six sectors: charities, financial services, retailers, public sector, utilities and telecoms, and travel and tourism.

### Retail dominates, but any category can send mail that's valued

**Q: Thinking about the mail that you have found useful and/or interesting, which 3 would you select as being the most useful or interesting?**




Base: 3,000. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

Retail tops the list – perhaps because of catalogues, coupons and special offers – but the table also confirms what we found in our qualitative research. Mail from any category or brand could be defined as useful and/or interesting.

I felt happy and reassured to get this final statement saying I'd paid off my loan.
Nadia, 16-34

I got a reminder for the NHS tests I've got coming up. They do a wonderful job. It's there for you.
Jack, 55+

As the first water bill at a new property, it enabled me to budget my water costs for the year.
Andrew, 35-54

We have been planning a 'winter sun' break for some while, and the letter contained the last piece in the jigsaw.
Jill, 55+

I am dependent upon my State Pension in order to be able to afford to live. I cannot think of anything more useful or interesting for me than that.
Stuart, 55+

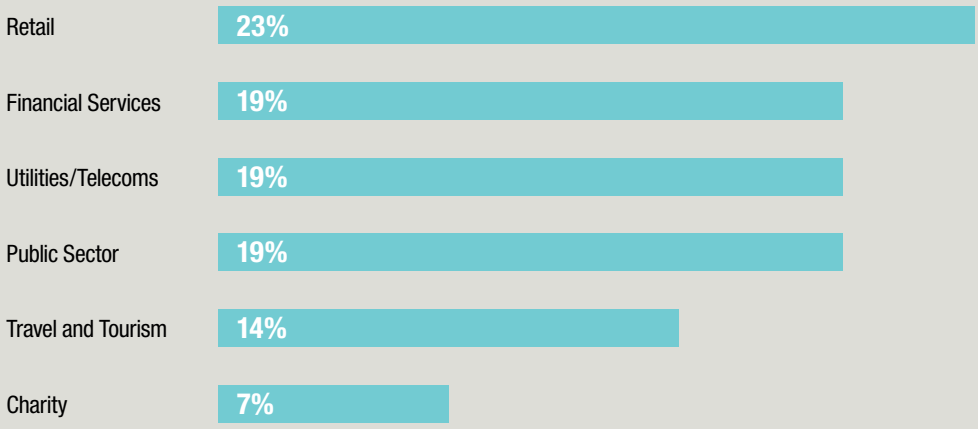
It informed me about what would be on in the coming weeks that may be of interest to me and gave me a voucher for money off my next visit.
Danielle, 16-34[5]

5. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

We then chose one of the items they presented. The selection was made to ensure we had significant samples in each of the sectors we wanted to explore, so that we could truly understand valued mail in each category. Our in-depth investigation was segmented as follows:

### Valued mail assessed by respondents by sector

**Q: We would now like to ask you questions about the one piece of mail from… that you found useful and/or interesting.**



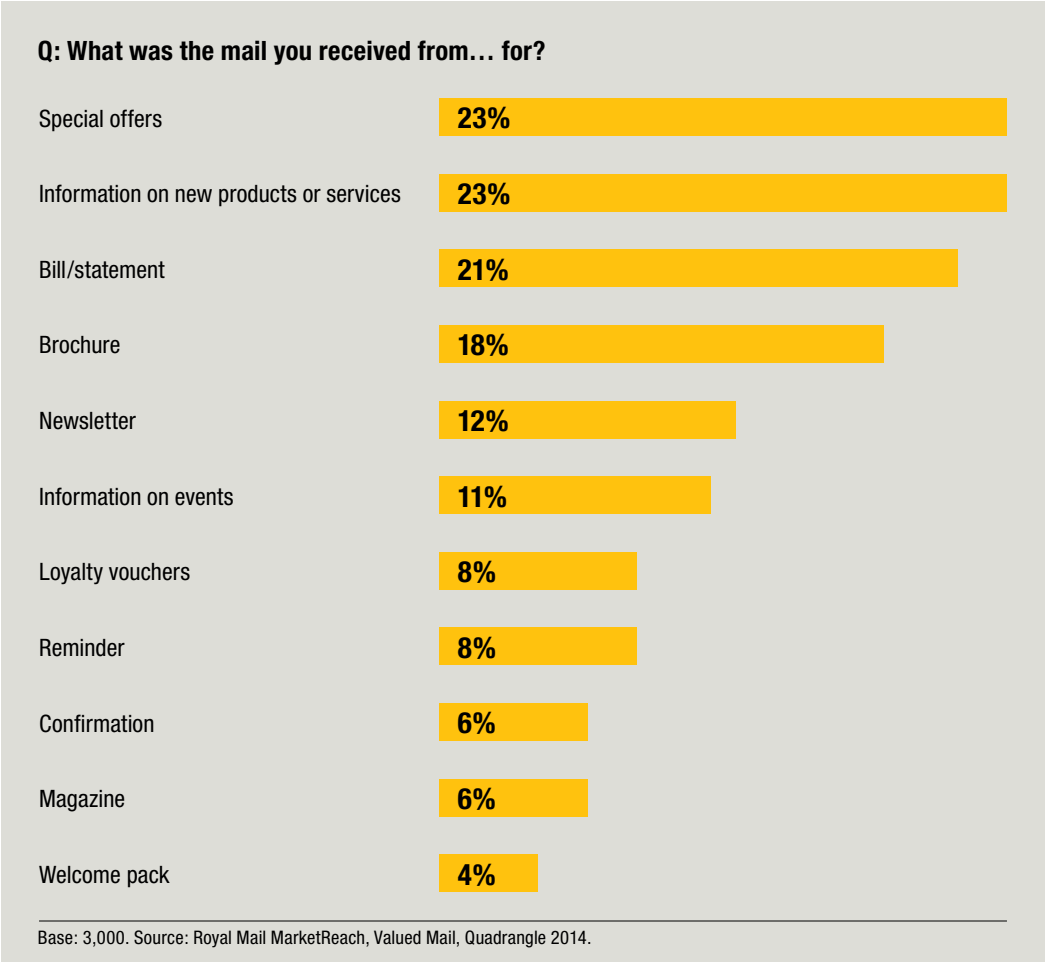

Base: 3,000. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

## ANY TYPE OF MAIL CAN BE VALUED

We asked respondents to define the type of mail, using a list we provided. The terminology was created using insights from the qualitative research.

Mail seen as useful and/or interesting covered all types of mailings, not just glossy brochures or loyalty vouchers. Statements, reminders, confirmations and simple updates were also chosen by many as representing what they found useful and/or interesting from the mail they selected.

## Value can be found in every type of mail




The verbatim statements from both the qualitative and quantitative stages support this.

> Mothercare sent me a card telling me there's a new store opening in Romford with a map which made me really happy as it's a lot nearer for me. Really useful to have as I will go there.
> Nadia, 16-34

> Statement about our 1st bill and what we receive.
> Danielle, 16-34

> It was my itinerary for my forthcoming holiday.
> Jill, 55+

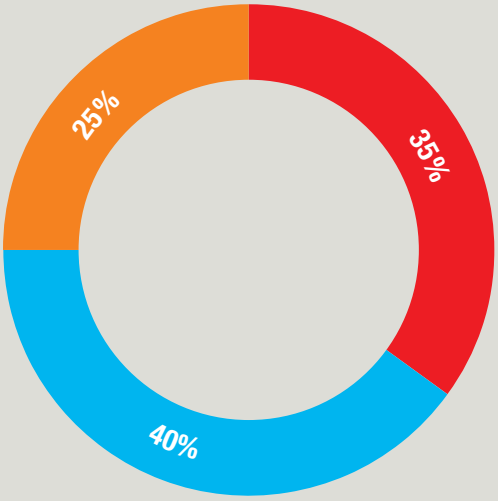
> It had all the phone numbers most used for the Council and also had dates and times of places of events and markets taking place in and around Sunderland plus news on what some of the residents have been getting up to and awarded things for.
> Yasmin, 35-54[6]

6. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

In the qualitative research we also saw that each of these mail types could contain a mix of material. For example, a transactional mailing – not usually a major concern of marketing departments – often combined account information with advertising elements. The quantitative research showed that this was indeed the case. We asked those who were discussing mail from financial services and utilities/telecoms about the content of their valued mail and found that account service information was clearly appreciated.

## 40% of valued mailings combined information and advertising

**Q: Were any of the contents of this mail (including any inserts) advertising for products and services, was it purely information about an existing service, or was it both?**




- Contained only account information
- Contained a combination of account information and advertising
- Contained only advertising

Base: 1,119 all those answering in the Financial Services, Utilities/Telecoms sectors.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

We can deduce that by combining the two, the recipients felt that the advertising incorporated in the item was more relevant to them: it came with their personal account information, after all.

By communicating with them as individuals and providing them with personal information that kept them up to date, it seemed to open the recipients' minds to assessing the marketing material more fully.

Conversely, advertising on its own – which accounted for only 25% of the valued items – may have been less likely to acknowledge them as individuals or recognise their existing relationship. This may have simply not sparked the engagement or relevance that the items with more factual personal information created.

## A CURRENT RELATIONSHIP MAKES A DIFFERENCE

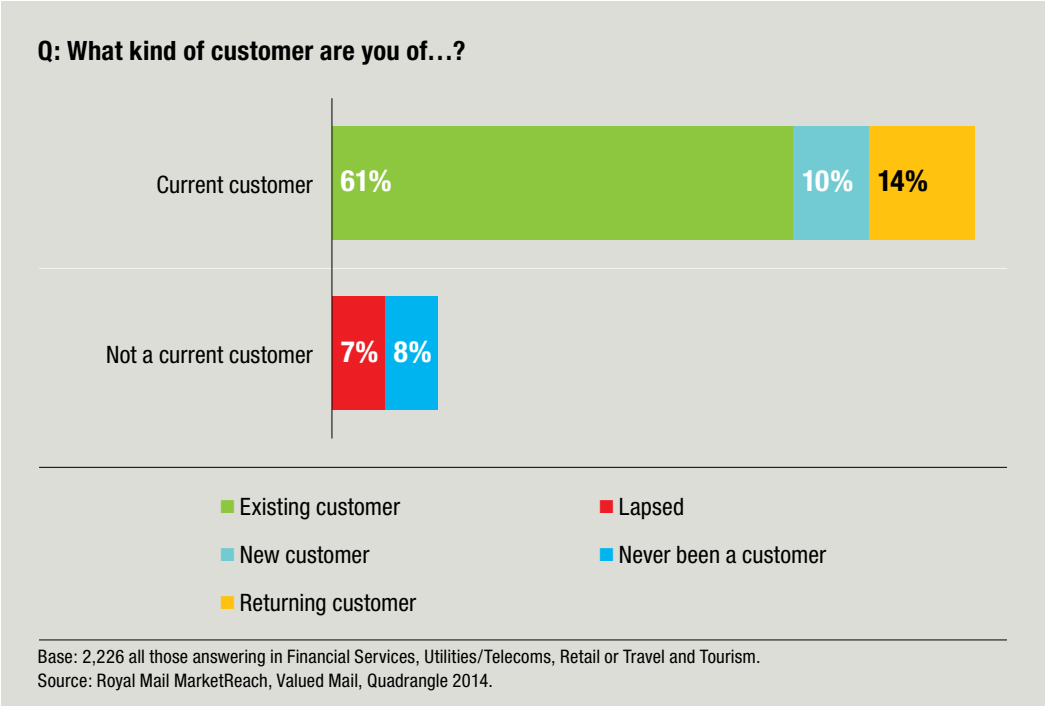
There was an important factor that did seem to prescribe the consumers' perceptions of what valued mail might be: the relationship between the recipient and the brand or organisation that sent the item.

Regardless of type of mail or sector, the mail defined as valued was highly likely to be from brands with which respondents had a current relationship.

In total, 85% of the useful and/or interesting pieces of mail that were selected by respondents were from brands with which the individual currently had a relationship. Only 8% of respondents had never been a customer of the advertiser who sent the mail that they found useful and/or interesting.[7]

7: Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014. Question: What kind of customer are you of…? Base: 2,226 all those answering in Financial Services, Utilities/Telecoms, Retail or Travel and Tourism.

## Mail that people value is most likely to be from brands they are a customer of




Base: 2,226 all those answering in Financial Services, Utilities/Telecoms, Retail or Travel and Tourism.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

Being a current customer enhanced the potential for a mail item to be valued. This may reflect the fact that they are sent mail that maintains the relationship, or it may simply reflect their general satisfaction in their choice.

> I got an eye test reminder from Specsavers. I've made an appointment for tomorrow. I feel I'm maintaining my health. It's to my benefit. In my small world it's good.
> Andrew, 35-54
>
> It was great to receive our tickets for the Mickey Flanagan concert in Manchester. The post also contained details of other artists we are interested in along with details of the Christmas markets.
> Jack, 55+
>
> It told me what was in all of my bank accounts and where all my money had been spent and what money was coming in to all my accounts.
> Nadia, 16-34
>
> Gave a great breakdown of my bill and informed me of ways to enhance my service.
> Stuart, 55+
>
> I always look forward to receiving this magazine because it is about my main interest and I look forward to hearing news about many friends.
> Yasmin, 55+[8]

8. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

But deductively a great strength of mail to current customers is that it can be directly informed by insight derived from behavioural data. This means it's more personally relevant.

Of course, acquisition mail was identified as useful and/or interesting. But because relevance is the foundation on which consumers value their mail, it either needs to be guided by powerful modelling tools or simply be 'lucky'.

Recruiting new customers by mail can be cost-effective at low percentages. Indications opposite show that prospects (never been customers or have lapsed) represent 15% of the total, so this proportion of consumers choosing acquisition mail as especially useful and/or interesting is significant.

Great creative work will help – but the item will only be truly useful and/or interesting if it happens to catch the eye of someone who is ready and able to appreciate the message it contains.

> It's really colourful and had great impact. There's a letter, recipes, calendar which I've kept and some vouchers. It's made me change my eating habits – I don't eat so many chocolate bars, I eat more brown bread and dried fruit.
> Eddie, 55+

> Kate and the Poppy charity pack – 'Usually throw in the bin but this felt thick. As it's a personal story about a father losing his son in Afghanistan it was very touching – my dad was in the army. There's a small remembrance cross in the pack which you could put in the garden or you can sign and send it back. There's an option to donate but it's more about awareness – reminded me to buy a poppy. Also tells me there is a field of remembrance in Swindon. It felt like a lot of effort has gone into it. Not just a leaflet and a letter.
> Danielle, 16-34[9]

9. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

## CONCLUSIONS

- Mail valued by consumers is not limited to a particular type or sector. Every piece of mail sent has the potential to have personal relevance, which is the benchmark consumers use to assess value.
- Mail which includes information about a recipient's account or interactions with a brand or organisation has unique opportunities because it contains information that is by definition personal.
- Mail valued by recipients was much more likely to come from organisations with which the recipient already has a relationship. By definition, customer mailings start with a greater opportunity for personal relevance compared to mail aimed at new customers.
- Acquisition mail can be valued if it delivers personal relevance, either by successful targeting or chance.

## LET'S GET PRACTICAL

- Consider having the marketing department involved in all types of mail sent to customers – not just the glossy, marketing-led material – to ensure gaining the best possible returns from communications.
- Assess and refine mail items that convey account information; they can be highly valued, and a platform for additional messages.
- Show how you see customers as individuals by making your mail personal and relevant. Mail that does this will create both short- and longer-term value.
- Mail to acquire new customers is a proven cost-effective channel. Like mail to customers, mail to prospects needs to be personally relevant to be valued. With the wealth of targeting tools now available – including lifestyle and transactional databases as well as profiling tools – brands have the opportunity to send personally relevant mail to prospects.

# “WE HAVE MILLIONS OF CUSTOMERS AND I STILL SIT DOWN WITH EACH AND EVERY ONE.”

**Alasdair Stewart – Marketing and Communications Director, AXA Insurance**

# WHAT MAKES MAIL VALUED?

> **"Nothing is so powerful as an insight into human nature… what compulsions drive a man, what instincts dominate his action… if you know these things about a man you can touch him at the core of his being."**
>
> **Bill Bernbach (1911 – 1982), a Creative Director and founder of international advertising agency Doyle Dane Bernbach**

From both stages of research it was clear that the underlying factor behind all mail valued by consumers was that it was personally relevant.

## MEET FOUR OF OUR MAIL DIARISTS

**Nadia is aged 16-34. She lives in Essex, has a new baby, is on maternity leave and is just about to move house.**

The mail that she's found most useful and/or interesting comes from Mothercare, Boots, Pampers, Douglas Allen estate agents, Furniture Village and Think Loughton, a local newsletter.

**Jack is 55+, lives in Nottingham and is a retired engineer.**

The mail he's found most useful and/or interesting comes from the NHS, Nottingham local history magazine, Masonic Benevolent Trust, Hastings Car insurance, Jaguar and the Western Front Association.

**Andrew, aged 35-54, is a husband who works full time and the father of a four-year-old.**

His useful and/or interesting mail came from Sky, British Gas, Santander, EDF Energy and Specsavers.

**Meera is 35-54. She lives in London, has grown-up kids, is a foster carer and teaches English to foreign students.**

Her useful and/or interesting mail came from Westminster Council fostering department, Westminster University, Saga car insurance, Sky Go, Asos and the local bingo hall she goes to with her friends.

The mail these four found useful and/or interesting was all highly personal to their life stage, lifestyle and interests.

It connected to them on a personal level because they either already had a relationship with the brand (e.g. Boots Advantage card), had sent off for information and were therefore expecting it (e.g. information on fostering), or they received mail that came out of the blue but was timely and relevant (e.g. a brochure from Furniture Village at the point of moving house).

In short, customer-centric mail that focuses on their needs or interests is most likely to be valued.

Each of the four categories above can be deconstructed into hundreds of component parts. We used the qualitative research to help us develop the most appropriate taxonomy for evaluating mail.

### ‘Know’

The ‘know’ component refers to the practical, rational information that respondents explicitly took out of the item. Typically these are facts, but they also include instructions – such as how, or when, to do something.

### ‘Think’

The ‘think’ component is comprised of the ways we process this information in the context of our own world. Information is considered, compared with what we previously knew, and as a result, our beliefs are reinforced or we ‘change our mind.’

We often believe that this process is the result of conscious consideration, although psychologists and behavioural scientists have extensive proof that much of the process is more intuitive than overt.

### ‘Feel’

The ‘feel’ components we found most useful for this research were generally collections rather than unique or ‘pure’ emotions. Our experience is that when describing what they feel (or felt), people use terminology that illustrates the complexity of real life.

‘Pure’ emotions are an important tool in framing their source in the same way that a colour wheel is useful in understanding that purple is the combination of red and blue. But just as we experience purple as a single colour rather than its components, we often experience feelings in combinations.

### ‘Do’

The ‘do’ components were as described by our consumers in the qualitative research. Some were actions that were quite clearly what we would describe as ‘direct response’.

But many ‘do’ activities may be surprising to those who think that this is the only commercial value that mail generates. We saw evidence of both brand building and brand-engagement behaviours that have traditionally not been measured.

The following sections explore the role of each of these components in valued mail, how they work alone and how they interact.

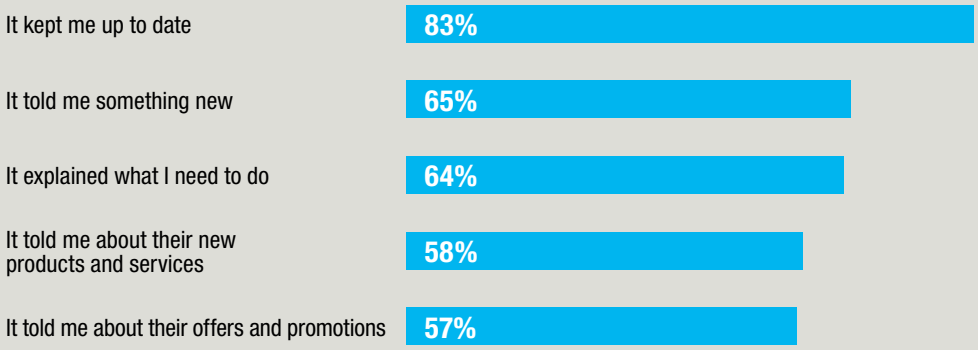
# KNOW – VALUED MAIL HAS SOMETHING TO SAY

> **"If you have nothing to say, don't say it."**
>
> **Mark Twain**

All of us know the feeling of being told the same story again and again. Even if it is being told by someone we love, hearing 'old news' is seldom going to inspire us. Consumers look to marketing messages to tell them something they find interesting and/or useful.

## Valued mail has something important to say

**Q: What was it that this mail from… told you that you found useful and/or interesting?**




Base: 3,000. Multiple answers allowed. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

In short, valued mail has a point; it has something new, relevant or important to say.

That might be a simple fact: how much money or how many loyalty points you have in your account, or the price reduction on a particular product.

But it could also be a simple set of instructions: a clear, easy-to-understand guide like an instruction manual that tells you how or when to do something.

> Really simple, easy bit of mail, don't get loads of Ts&Cs or five bits of paper telling me different things. Just says your card's expired, here's your new card. Relief not having to do something – an extra chore.
> Nadia, 16-34

> Interesting, because it was a confirmation that the holiday we requested was available.
> Stuart, 55+

> The vouchers were for money off coupons and I was going shopping to Morrisons soon.
> Tyrone, 16-34

> It offered reduced subscription for six months of an 18-month contract, which was far cheaper than our current supplier.
> Meera, 35-54[10]

The importance of information content was not limited to a particular mail type. As the chart below shows, almost all the items were seen by 70% or more of our respondents as delivering relevant information; and many had this level of support across a number of key types of information.

## Every type of mail can deliver valuable information

**Q: What was it that this valued piece of mail told you that you found useful and/or interesting? Those items that had higher than 70% agreeing.**

| | Kept me up to date | Told me something new |
|---|---|---|
| Welcome pack | ✔ | ✔ |
| New product or service | ✔ | ✔ |
| Newsletter/bulletin | ✔ | ✔ |
| Magazine | ✔ | ✔ |
| Brochure/catalogue | ✔ | ✔ |
| Information about events | ✔ | ✔ |
| Special offers | ✔ | ✔ |
| Loyalty vouchers | ✔ | |
| Confirmation | ✔ | |
| Statements or bills | ✔ | |

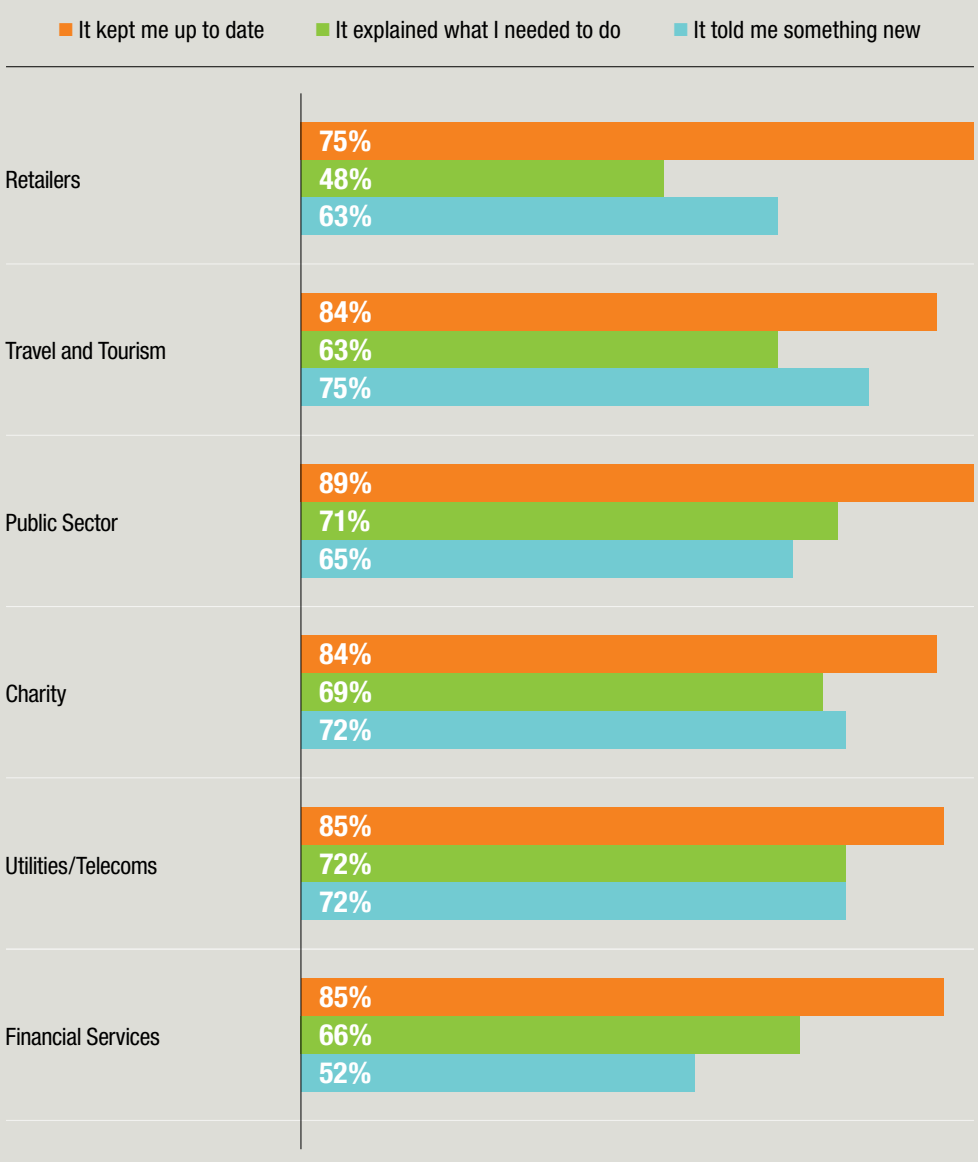
Base: Multiple answers allowed. 127 all those receiving welcome packs: 679 Information about new products or service, 369 Newsletters or bulletins, 175 Magazines, 537 Brochure/catalogue, 324 Information about events, 695 Special offers, 235 Loyalty vouchers, 174 Confirmation, 647 Statements/bills. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

10. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

As indicated by the chart below, the large proportion of people saying that the item 'kept me up to date' may partially reflect the inclusion of information from statements or bills. But with substantial numbers of people saying this about items focused on new products and services, newsletters and bulletins and magazines, it is likely that the response indicates the desire for people to be 'in the know' generally about issues, organisations, or sectors they are engaged with. Mail has a key role in delivering useful and/or interesting information.

## All sectors can provide valuable information by mail

**Q: What was it that this mail from… told you that you found useful and/or interesting?**




Base: Retail 677, Travel and Tourism 430, Public Sector 557, Charity 217, Utilities/Telecoms 559, Financial Services, 560.
Multiple answers allowed. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

The large number of people saying their valued piece of mail 'kept me up to date' across all sectors – including, for example, charities, where there is little likelihood that they are referencing a bill or statement – indicates again that news itself can be relevant even if it is not strictly personal information. For example, a donor to a developing world charity may find a newsletter describing the organisation's work relevant, even if it doesn't account directly for how their money was spent.

> I have always hated the idea of cruises, being trapped on a ship with people I do not want to spend time with. But the brochure on Mediterranean cruises, I found interesting because it took in so many of the places that I still want to visit.
> Jill, 55+
>
> It reminded me to pay a forgotten bill.
> Eddie, 35-54
>
> It drew my attention to an alternative, I might find interesting, when I renew my car insurance in a few weeks' time.
> Stefan, 55+
>
> It relates to my change of status from receipt of Invalidity Benefit and Independent Living benefits to a new form of benefit in response to the survey I completed in order to apply for continued support. This was very important for me since it dictates whether and how much benefit I will receive in future. I depend on this benefit because I have a number of disabilities and health problems that preclude me from finding employment. It was a piece of mail I had been waiting for so I had been scanning all my mail in order not to miss it.
> Jack, 55+
>
> It was a good offer and very clearly laid out. Also it was relevant to me at the time as I was looking to sort out television and broadband packages.
> Tyrone, 16-34[11]

These quotes show how, across a variety of sectors, valued mail delivered information that consumers appreciated. This was equally true for both current customers and prospects, suggesting that in order to be valued by a recipient of any kind, mail should deliver facts that are relevant, credible and persuasive.

11. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

## THINK – VALUED MAIL INSPIRES CONSIDERATION

Being told something that you did not know before may be interesting. We know consumers value it as long as it is relevant to them. If it's not, you can't bluff them into finding it interesting.

But mail can also drive thinking or consideration. We saw that valued mail inspired consumers to engage with the messaging, and part of that was 'consideration': in other words, thinking about what the new information meant for them and their world view.

Using the statements we developed from the qualitative research, we asked respondents to tell us what the item made them think.

### Valued mail drives consideration and salience for a brand

The responses in the chart above show that for over half our respondents, valued mail improved brand or product salience, consideration and/or engagement. Given the data, it's clear that some items inspired two or more of these.

At 57%, the proportion of the respondents who said that the mail they found interesting made them think more positively about the sender is high too.

These factors – often measured when using broadcast advertising or collected when conducting Transactional Net Promoter Score research after service interactions – are known to have value to brands.

Collectively then, we can say significant numbers of recipients stated that what they found valuable in the mail triggered thoughts that generated value to the advertisers over and above any direct response ROI.

But our experience suggests that these factors are seldom considered – much less measured – when calculating the commercial value of mail.

This research suggests that the total value of useful and/or interesting mail may be poorly understood. Moreover, if standard A/B testing is based purely on immediate direct response – rather than life-time value or these softer, longer-term measures – the packs that 'win' in the short-term may 'lose' in the long-term.

Looking deeper, the chart opposite shows that thinking responses could come from any type of mail.

But when we look at the strongest responses (>65% of people saying that this type of mail makes them think something) we see that the thinking most directly associated with brand metrics primarily (and unsurprisingly) comes from mail types that are more likely to feature a level of brand content.

**"WE FIND MANY HOME IMPROVEMENT PROJECTS START IN THE HALLWAY."**

**Karen Gray – Director of Brand & Marketing Communications, Homebase**

### Many types of mail can drive brand metrics

**Q: And what did this mail from… make you think? More than 65% said it…**

| | Kept [the sender's] products and services top of mind | Reminded me about the brand or company | Made me think about using them/ buying from them |
|---|---|---|---|
| Welcome pack | ✔ | | |
| New product or service | ✔ | ✔ | ✔ |
| Newsletter/bulletin | ✔ | ✔ | |
| Magazine | ✔ | ✔ | |
| Brochure/catalogue | ✔ | ✔ | ✔ |
| Events | ✔ | | |
| Special offers | ✔ | ✔ | ✔ |
| Loyalty vouchers | ✔ | ✔ | ✔ |

Base: Multiple answers allowed. 127 all those receiving welcome packs: 679 information about new products or service, 369 newsletters or bulletins, 175 magazines, 324 information about events, 695 special offers, 235 loyalty vouchers, 207 reminders, 647 bills/statements.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

The chart above also suggests that many types of mail, including those designed primarily to drive immediate actions, also function to build brand dimensions (regardless of any action taken). So loyalty vouchers, special offers and discounts can create brand salience for many, but so can a catalogue – or information about a new product or service (people love new news).

The Private Life of Mail[12] research told us about the subconscious effects that mail could have. Together with this research, it suggests that mail has a larger role than we might have suspected for brand building. At the same time, there are indications it can do this while also driving more sales-focused behaviours.

## FEEL – FROM HEAD TO HEART

Valued mail inspires feelings, as the findings overleaf show. Note, though, that they record the feelings respondents took out of the items of mail, not necessarily the words, phrases or visuals that were used in its execution.

For example, the fact that a valued item of mail makes the recipient feel that the sender 'understands what I'm interested in' or 'what is relevant to me', should not be seen to imply that this phrase or anything like it was written in the copy.

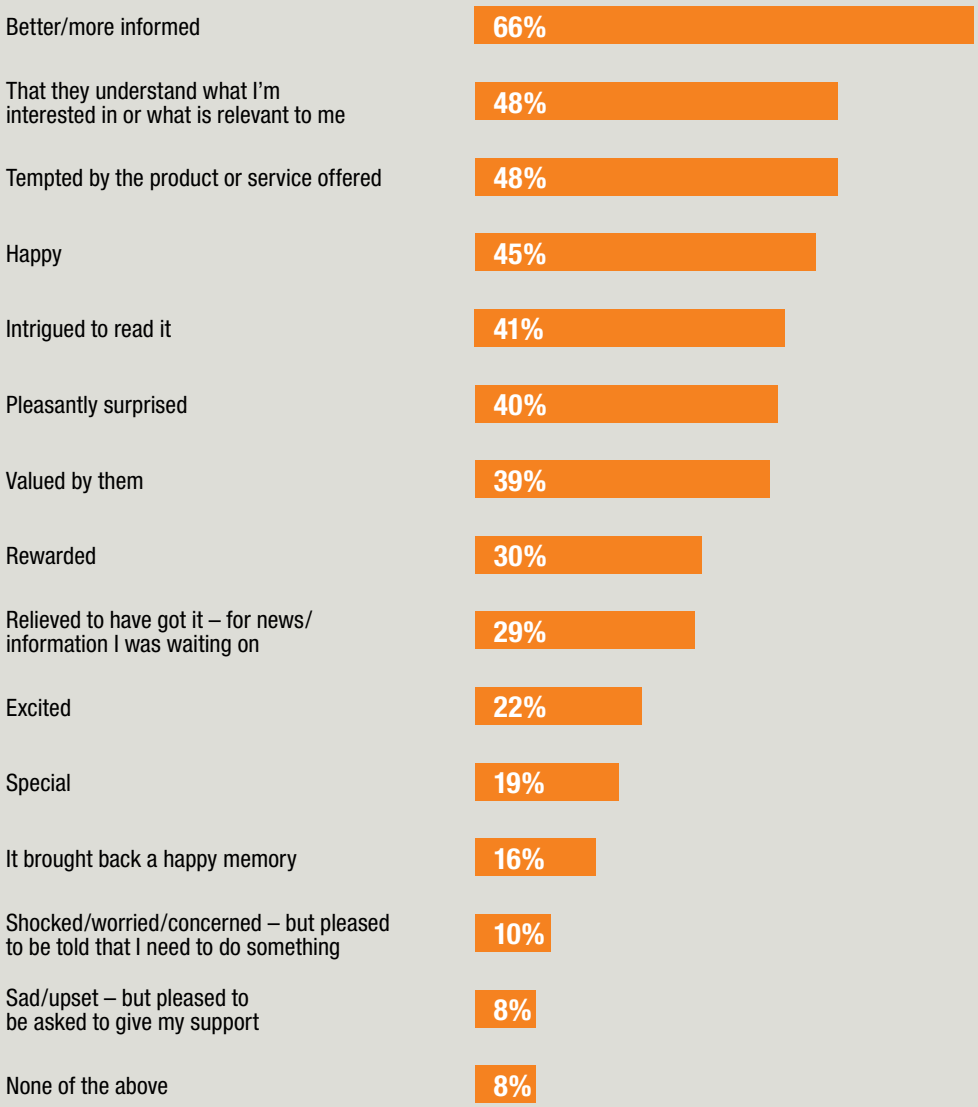
12. Source: Royal Mail MarketReach, The Private Life of Mail, 2014.

If a recipient said the item made them 'happy', this does not mean that the item featured warm colours and pictures of smiling people.

This matters when we're thinking about feelings like 'special', or 'valued by them'. Telling someone they are special or valued – even face to face – may not create these feelings in response.

## The feelings valued mail evokes

**Q: How did this mail from… make you feel when you received it?**




Base: 3,000. Multiple answers allowed. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

Mail clearly drives a breadth of emotional responses. Yet one stands out: two thirds of respondents said their valued piece of mail made them feel better informed.

### ‘Better/more informed’ scored top across almost every type of mail

**Q: How did this mail from… make you feel when you received it?**

| | Better/more informed |
|---|---|
| Events | 81% |
| Newsletter/bulletin | 80% |
| New product/service | 74% |
| Welcome pack | 74% |
| Confirmations | 74% |
| Reminder | 70% |
| Brochure/catalogue | 70% |
| Statements/bills | 66% |

Base: All considering specific mail type. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

It was only when we examined types of mail that had as their primary function to communicate a specific offer or reward that other types of feeling responses noted by more respondents surfaced – and often only just:

### Special offers and discounts

76% of respondents assessing items of this type selected ‘tempted by the product or service’ while feeling ‘better/more informed’ was chosen by only 61%, putting it in second place.

### Loyalty and vouchers

People responding to items of this type put numerous feelings ahead of ‘better/more informed’ (56%), including ‘rewarded’ (78%), ‘happy’ (66%) and ‘pleasantly surprised’ (65%).

The feeling of being 'better/more informed' was also the highest scoring response in four of the six sectors we explored.

### Four sectors scored highest at making people feel 'better/more informed'

**Q: How did this mail from… make you feel when you received it?**

| | Better/more informed |
|---|---|
| Public Sector | 77% |
| Charities | 76% |
| Utilities/Telecoms | 70% |
| Financial Services | 63% |

Base: 557 answering in Public Service, 217 Charities, 561 Utilities/Telecoms, 560 Financial Services.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

In the other sectors, it either 'tied for first' or came in a very close second.

### Travel and Tourism

'Better/more informed' and 'tempted by the product or service offered' were both selected by 73% of respondents.[13]

### Retail

The most commonly selected feeling was 'tempted by the product or service, at 51% – dropping 'better/more informed' into second place with only 50% selecting it.[13]

It is clear that the statement 'better/more informed' represents the essence of the role valued mail plays for most consumers.

We can deduce that the emotions that underlie feeling 'better informed' include reassurance, belonging, confidence or relief.

It is clear that telling people something may be rational but if it is also relevant, it creates a rich emotional landscape.

This may seem counterintuitive, but in an age where we are bombarded with messages, the ability to 'catch' and process relevant, personal information and consider it can be emotionally rewarding.

13. Source: Question: How did this mail from… make you feel when you received it? Base: 432 Travel and Tourism, 678 Retail.

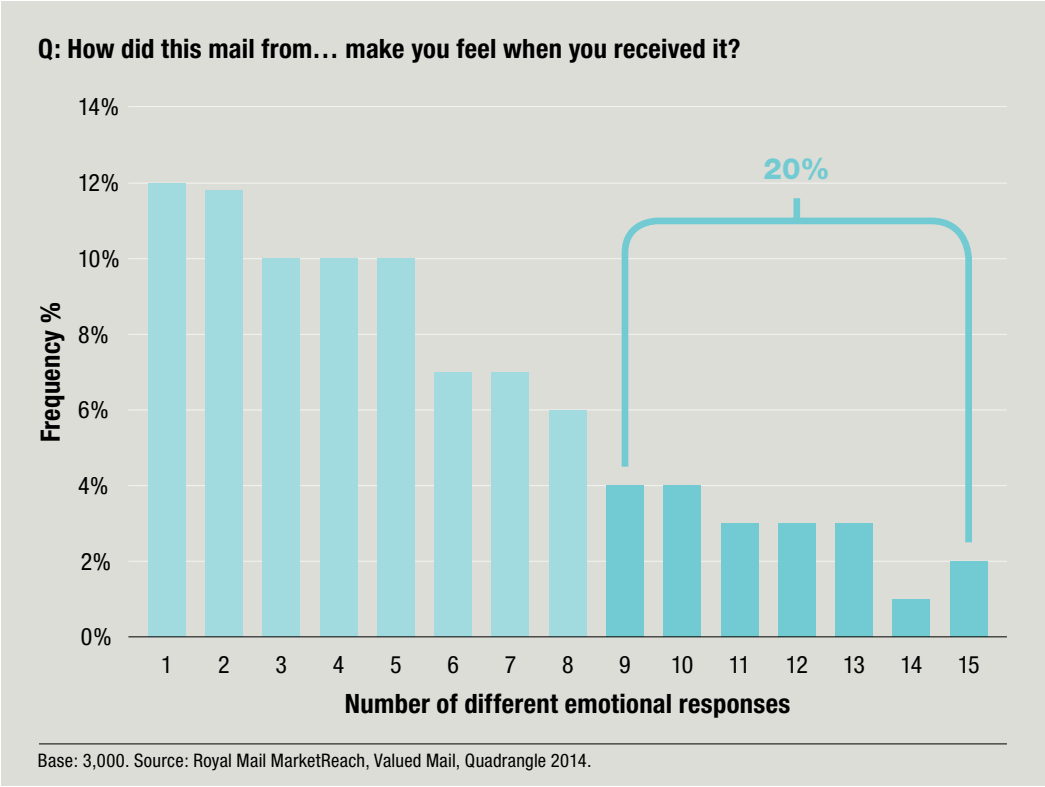
An item of mail that simply, clearly and effectively tells its recipient what they need to know helps them sort the wheat from the chaff. By doing so it provides two benefits: the opportunity to act quickly and effectively; and no wasted effort taking in and considering irrelevant material.

Because the questions allowed for multiple responses, we also looked at two trends: the number of feelings associated with any item; and the relationship between the feelings indicated and the actions taken.

Our analysis indicated that valued mail does not always inspire a wide number of associated feelings. More than half of items had four or fewer feelings statements ticked.

But it was also the case that some valued mail items triggered a much wider range of feelings. You can see this in the chart below, where 20% of the items assessed had between nine and 15 feelings statements associated with them.

## A fifth of valued mail triggered nine or more feelings




Base: 3,000. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

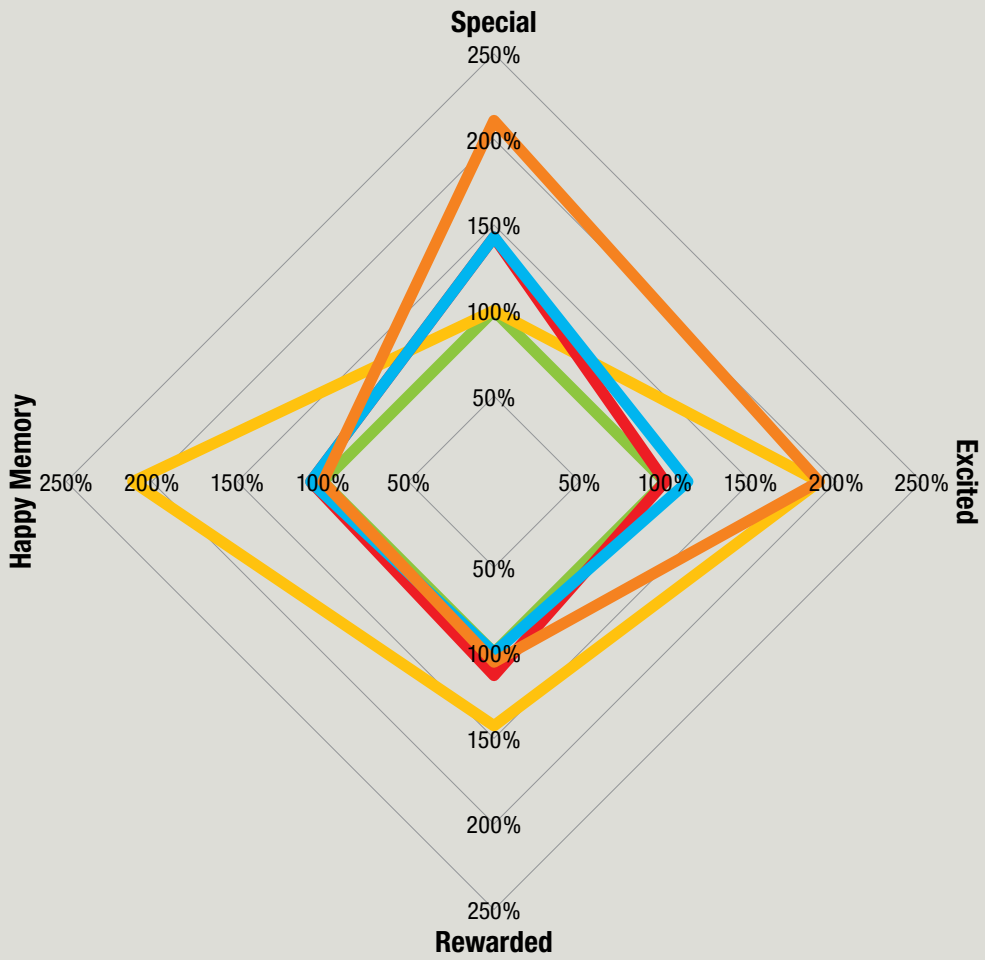
Out of all the feelings we looked at, we found four that were particularly closely connected:

- A sense of feeling special.
- A sense of excitement.
- A sense of being rewarded.
- The experience of bringing back a happy memory.

For all of these, if a respondent felt one, he/she was more than twice as likely to have felt any of the others, as shown by the indices. For example, someone who ticked 'special', was 195% more likely than the average across all respondents to also report the mail item made them feel 'excited', 149% more likely to say they felt 'rewarded', and 211% more likely than the survey as a whole to say that the mail 'inspired', them to remember a happy event.

## A key cluster of feelings

**Q: And how did mail from… make you feel?**




Base: 560 Special, 904 Rewarded, 662 Excited, 464 Happy memory. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

Pertinently, this interconnected set of feelings was the one we would expect to see on the receipt of something of value – such as a gift.

It chimes with our previous research, The Private Life of Mail[14]. We talked there about the endowment effect – the discovery by psychologists that when people physically handle something they gain a sense of ownership over it, and as a consequence tend to value it more.

We also saw in our tactility and ethnography research that people often talked about the mail they got from companies using these terms.

This collection of four feelings was common among our respondents: 44% felt at least one of them about the mail they valued. They were also just as likely to feel any of these in response to a functional item – like a bill or statement – as they were to any other type of mail.

This reiterates the importance of treating every type of mail as a potentially important brand experience: you can never assume that the mail you're sending isn't going to affect the attitudes and relationship consumers have with your brand.

## DO – FROM HEART TO HAND

We can classify the 'know', 'think' and 'feel' responses to valued mail as 'nice to know'.

But when they create a 'do' response they become 'need to know' for marketers.

The Private Life of Mail[14] highlighted that a major component of mail's power is its ability to drive consideration and response. We've seen how mail flows through a household being filtered, passed around, discussed, displayed and filed in diverse ways.

Thus a single piece of mail can represent multiple opportunities for people to engage with a brand, reminding them of it, raising consideration and driving short- and long-term responses.

14. Source: Royal Mail MarketReach, The Private Life of Mail, 2014.

To test whether mail valued by consumers created direct and indirect commercial value for the sender, we needed to explore the nature and scale.

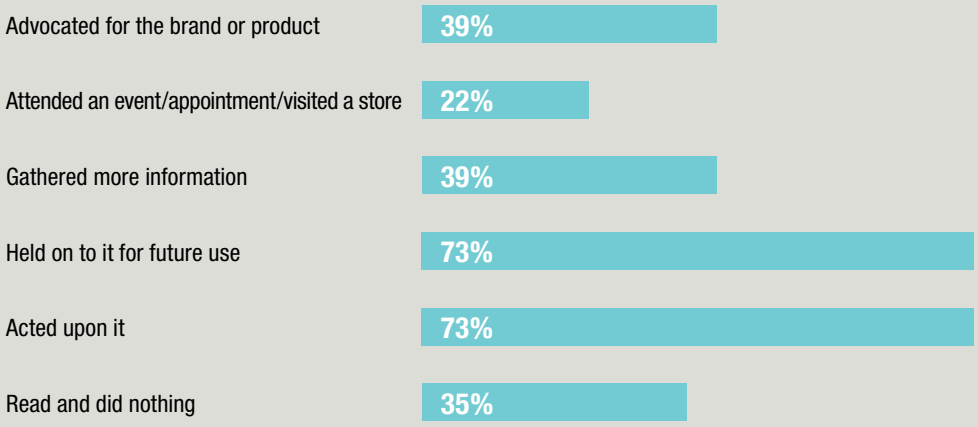
We presented our respondents with a wide range of specific actions they could take in response to valued mail, and allowed them to chose as many as were appropriate.

34% of respondents indicated they 'Did nothing – I didn't need to take any action'; similarly 35% said they 'Read it – but did nothing else'. Given the findings below, there is likely to be a substantial overlap in these responses.

However, a substantial number took one or more actions that created direct and indirect commercial value or opportunity for the advertiser. At a consolidated level, the actions they took were as follows.

## Mail drives actions

**Q: What did you do as a result of getting mail from… ?**

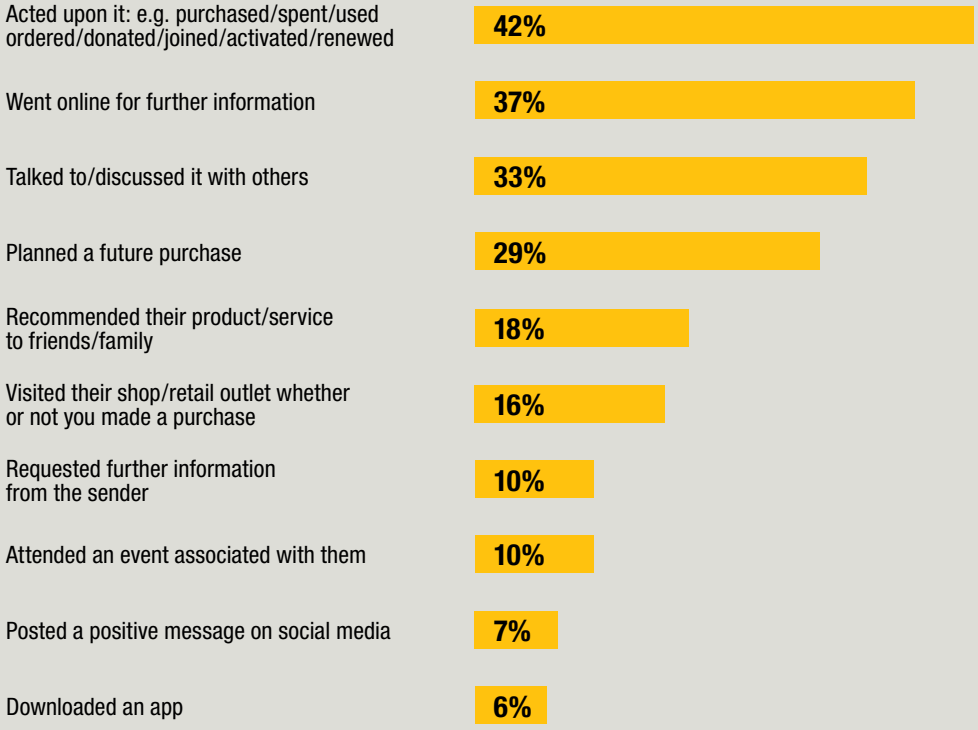



Base: 3,000. Multiple answers allowed. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

To understand the level and type of potential overlap, we drilled down into the specific statements to uncover exactly what they did.

## Mail drives actions both offline and online

**Q: And what did you do as a result of getting this mail from… ?**




Base: 3,000. Multiple answers allowed. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

For many traditional direct marketers, the fact that 42% of respondents said they acted in some direct fashion may be surprising; this level of immediate response to most campaigns (other than loyalty vouchers) would be phenomenal.

Two questions emerge. One, is this an indication of what mail can achieve if it is valued? Or two, is it a question of how we measure its impact? Or perhaps both?

Many of these actions would have occurred using channels or processes that were not immediately and solely identifiable as being created by an item of mail. People may have purchased or donated anonymously, for example, or visited a store, and their personal data could not be recorded, much less tracked back to a piece of mail.

As for the other actions, a few organisations might be able to match the customers who received mail and those that downloaded an app, requested information directly, or posted positive messages on social media.

But many may not yet be able to do this, much less calculate the proportion of ultimate brand value that should be awarded to the mail item, whether it was part of an integrated campaign or not.

And many of these valuable 'buzz-marketing' actions – recommending the brand, organisation, product or service to family and friends or discussing it offline with others – are highly unlikely to be considered as a response to an item of mail, much less measured in any way.

Without those measurements and the calculation of their commercial value, many organisations may not understand the total commercial worth of valued mail.

In our analysis we explored the relationship between what recipients said valued mail told them, what it made them think and feel and ultimately what they did. What became clear is that people who recorded feeling something – anything – were more likely to act than those who did not.

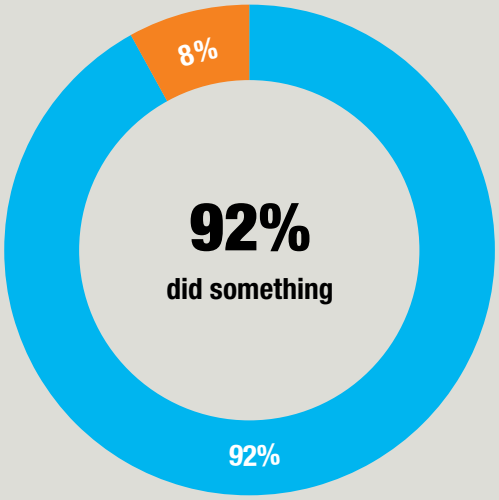
**"IT'S A GREAT WAY TO GET CUSTOMERS FROM THEIR LOUNGE TO THE DEPARTURE LOUNGE."**

**Peter Duffy – Group Commercial Director, easyJet**

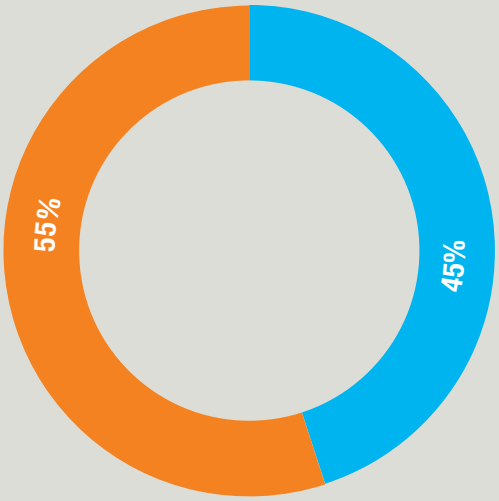
## Mail that makes people feel something makes them do something

**Q: And what did you do as a result of getting this mail from… ?**

**Of those people who felt something**




**Of those people who felt nothing**




Did something

Did nothing

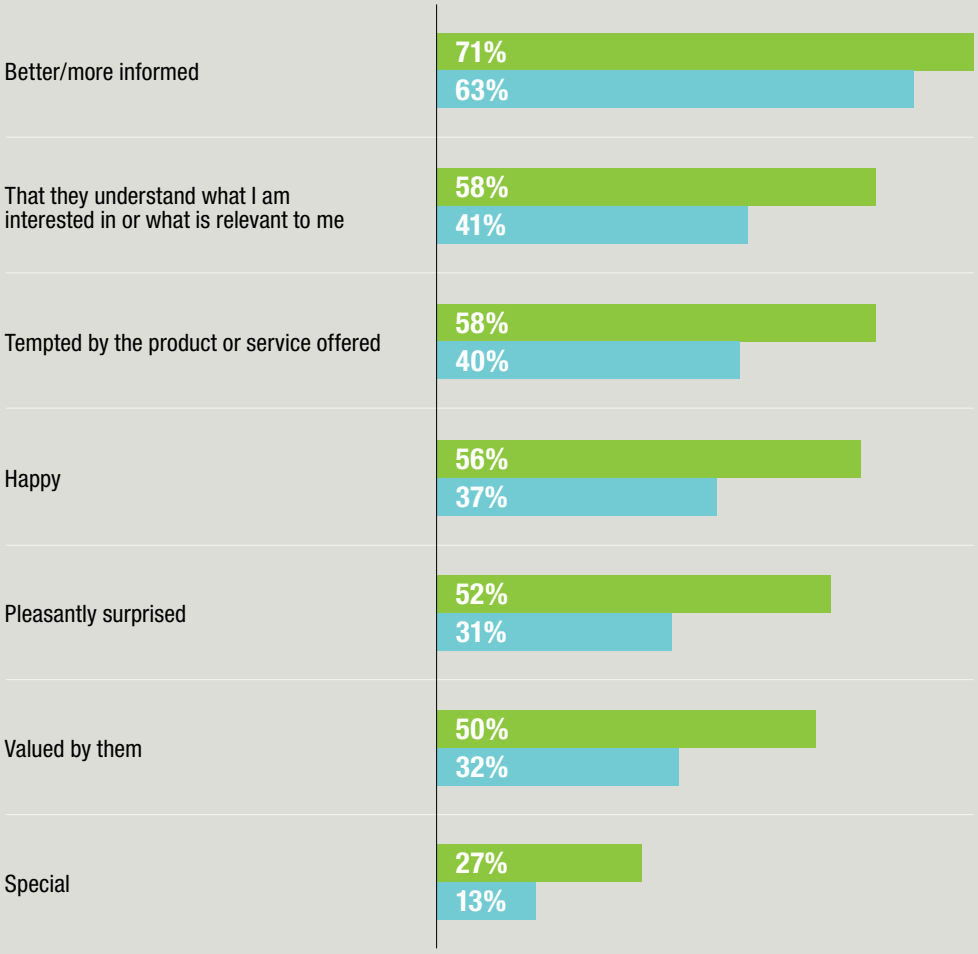
Base: Felt something 2,757, Felt nothing 263. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

This correlation is quite clear: mail that makes you feel something makes you do something. Even valued mail that did not generate any feelings delivered a great deal of action (45%).

We then examined which feelings appeared to be most important in driving actions. Comparing the feelings of respondents who took action to those who didn't, we can see which feelings are more prominent in those who took action.

## The feelings that correlated with direct action

**Q: How did this mail from… make you feel when you received it?**




Base: 1,247 acted directly upon it, 1,753 did not act directly upon it. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

'Special' was highly linked to those who took action but is hard to deliver. It is certainly worth investing in trying to deliver the power of making someone feel special.

It's important to recognise that to make a recipient feel 'special' requires that a wealth of 'know' and 'think' components be communicated as well. It's also likely that making recipients feel 'special' also inspires other feelings such as 'excitement'.

> It helps me plan/dream of holidays. Helps me have something nice to look forward to.
> Nadia 16-34

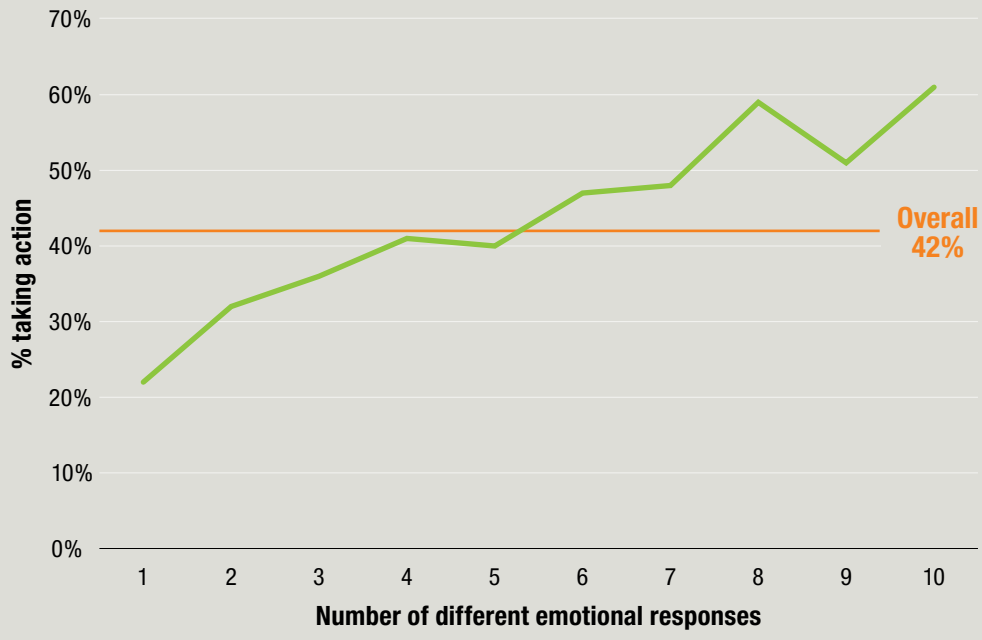
Given this hypothesis, we explored the responses to the feelings statements as a group, rather than individually. This process showed clearly that the total number of feelings associated with any valued item – rather than any individual feeling – was the key to understanding the relationship between feelings and actions.

The chart below shows that the greater number of feelings associated with any item, the greater the number of actions taken.

### More feelings, more propensity for action

**Q: And what did you do as a result of getting this mail from… ?**

**Q: How did this mail from… make you feel when you received it?**

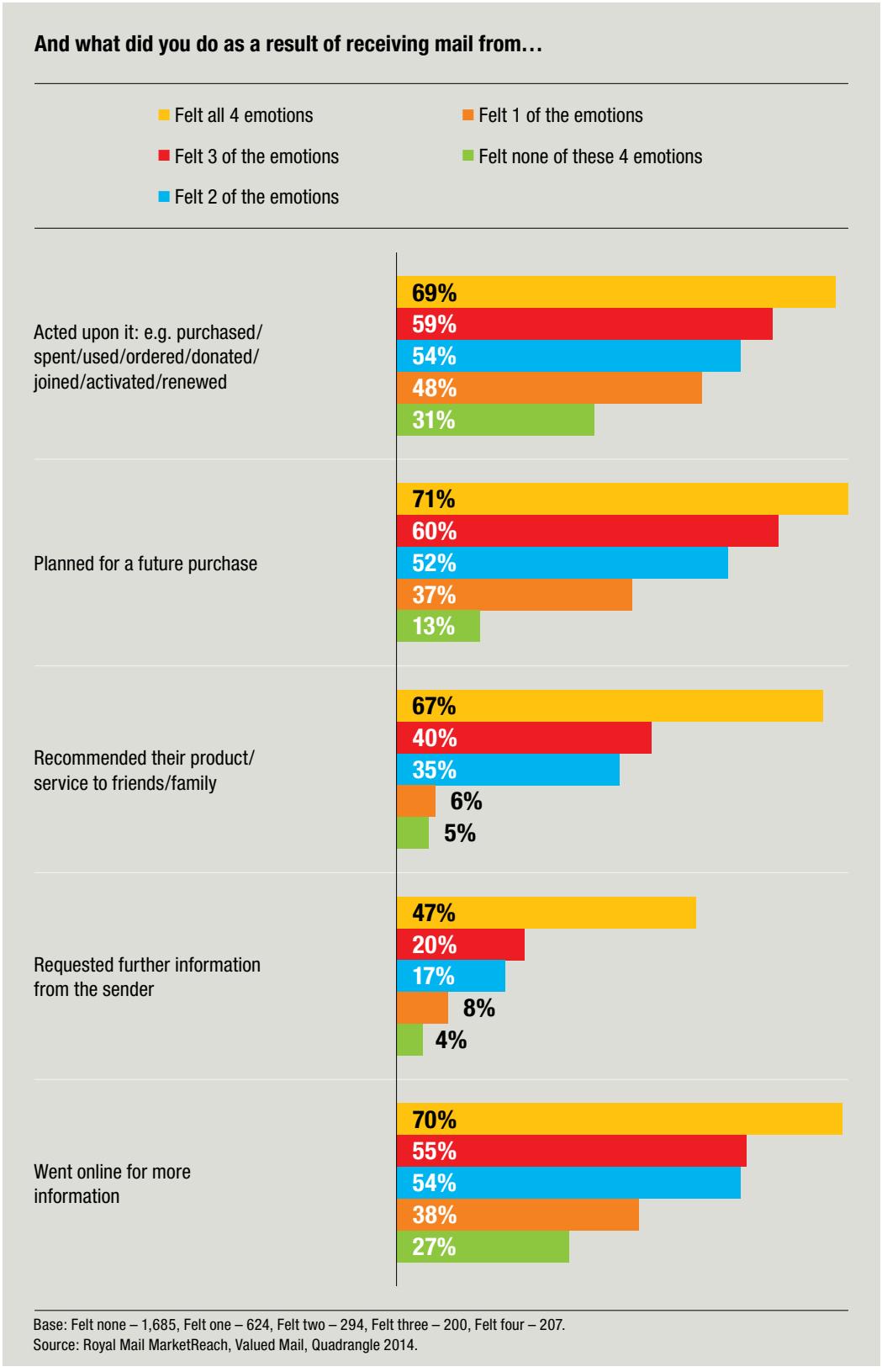



Base: 3,000. Multiple answers allowed. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

So, while consumers can value mail that inspires only a limited number of feelings, valued mail that creates many feelings is more likely to trigger actions of commercial value.

We then combined our analysis of the volume of feelings with our understanding of the importance of the four interlinked feelings (surprise/excitement/reward/happy memory). This allowed us to see that while 'more is better' generally, more of these four responses are even better still.

## The impact of feeling ‘special’, ‘excited’, ‘rewarded’ or ‘happy memories.’




Base: Felt none – 1,685, Felt one – 624, Felt two – 294, Felt three – 200, Felt four – 207.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

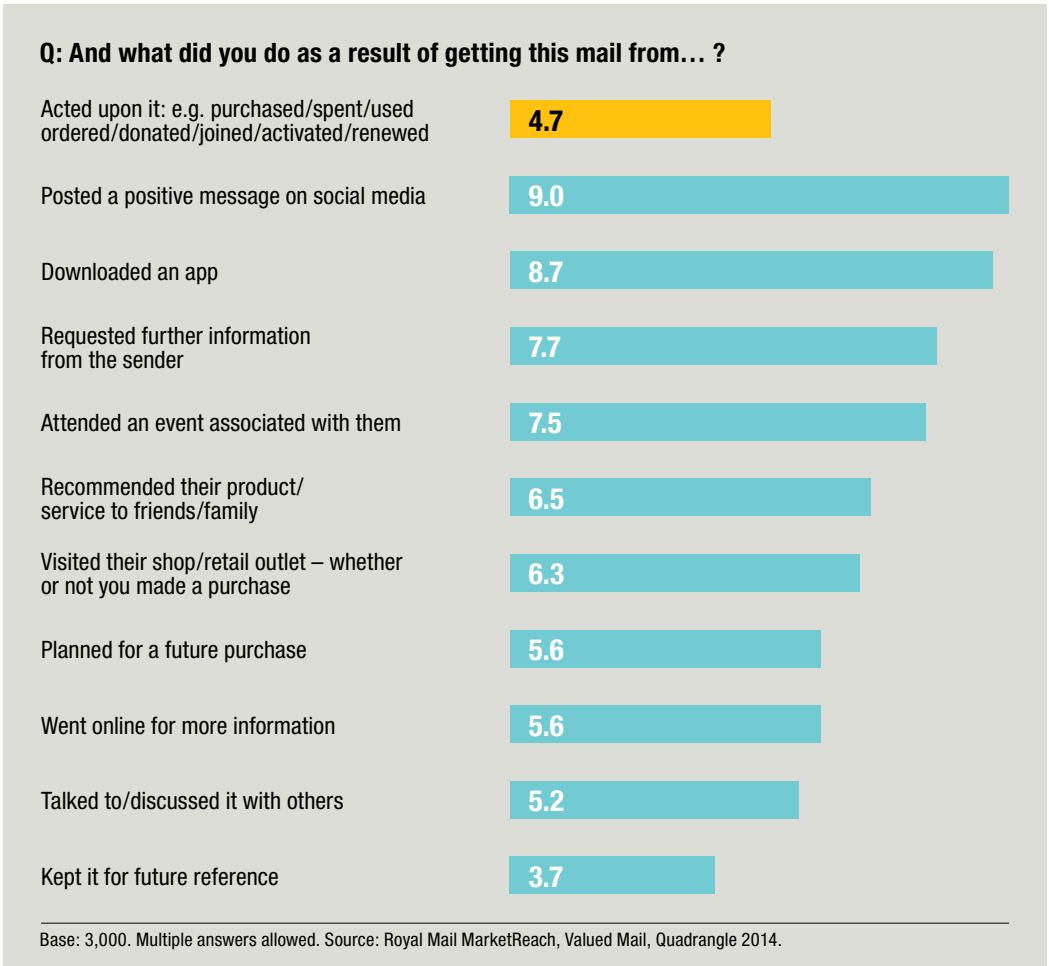
But the story gets even more interesting.

When we looked at the individual actions taken, it was clear that there was a great deal of overlap. Statistically, many people had taken more than one action. In order to better understand this, we also examined the relationship between actions and other actions to understand the association. We discovered a fairly remarkable story.

People who took a positive, direct action were likely to take a total of 4.7 actions in total. And respondents who posted a positive message on social media were likely to have made a total of nine separate actions.

The chart below shows the average number of actions subsequently taken after the first.

## Actions happen in combination, not isolation




At its simplest level this chart reaffirms the multitude of actions taken after receiving valued mail.

With closer examination it indicates that while someone who responds directly is likely to take 4.7 actions, someone who asks for additional information takes 7.7 – meaning that the total value over time of that responder may be much higher than the direct responder.

As for people who post a positive message on a social media site… they are the most action-oriented of our sample of 3,000 respondents. In time, therefore, it may be possible to estimate the real worth of valued mail across all its potential commercial areas by using only one identifiable touchpoint.

But for the moment, it's simply fair to say that mail valued by consumers creates commercial benefit.

### Surprise! Mail engages young people

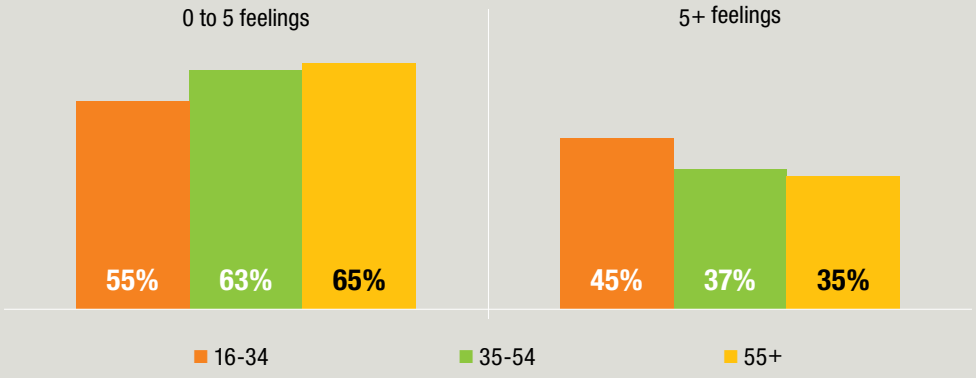
We searched the data to see if there were any definitive differences between respondents based on age.

Here's the surprise: 16-34 year-olds had the most enthusiastic response to the mail they valued.

It's easy to assume they would be apathetic about traditional mail. But this age group is in fact more likely to feel an emotional response to mail than the other groups. They claimed to feel rewarded, valued, surprised and even happy about mail from all the sectors, and consistently showed the widest level of emotional response to mail they found useful and/or interesting.

### Mail evokes more feelings for 16-34s than for any other age group

**Q: How did this mail from… make you feel when you received it?**




Base: 768 16-34, 1,241 35-54, 991 55+. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

Quite clearly, in the digital world of younger consumers, mail has unique qualities that are highly valued.

## CONCLUSIONS

- Mail valued by consumers across all sectors and mail types has four key characteristics:
  - It has substantive, relevant and important information about the brand and their situation.
  - It makes consumers consider their current perceptions about the brand or product and its relevance to them.
  - It creates real feelings about the product and the relationship with the advertiser.
  - Most importantly, mail valued by consumers makes them do things – things that create commercial value for the advertiser.
- Valued mail has a point; it has something to say. So mail should be clear, focused and relevant.
- Mail that people value makes them think differently about an advertiser and its products or services. And thinking engages them – with the brand, and their relationship with it.
- Mail has a strong brand building role. Every mail message is an opportunity to talk to people about your brand and how they want to connect with it. As the saying goes, it's a way to put your brand in their hand.
- Mail that works makes people feel – a lot. While much mail looks rational and literal on the surface, valued mail creates many feelings, including rewarded, special, excited, generating happy memories, and more.
- The more feelings people have towards a piece of mail, the greater the number of actions they are likely to take. All mail creates the opportunity to build commercial value.
- But the opposite is also true – mail that doesn't drive feelings is less likely to drive action.
- Mail excels at direct response – and so much more. Valued mail drives a variety of actions, getting consumers to explore and share your brand online, offline and with others. Advertisers can help maximise these responses by making it easy to engage; with apps, web addresses, phone numbers and suggestions of what to do next.
- Mail gets read and kept. It delivers almost universal cut-through and high levels of ongoing impact.[15]
- Mail's ability to deliver relevant information in a personal and tangible way makes it a uniquely important and trusted media. Information is power, and information delivered via mail, so people can touch, feel, save and refer back to it, is highly valued.

15. Source: Royal Mail MarketReach, The Private Life of Mail, 2014.

## LET'S GET PRACTICAL

- Remember you are telling a story, and provide enough information to convince your audience your message is for them and too important to miss. Sometimes that requires every creative tool available, but sometimes it's simple and clean – the facts and nothing but the facts.
- Include messages that make your audience reconsider who you are or what you offer. If you make them think, they are more likely to engage with you and develop a relationship.
- Stimulating feelings – particularly specialness, excitement, happy memories or reward – will help create more actions. But the way in which you do that will probably not be by saying these things directly to them.
- Use mail to target younger audiences where appropriate for your brand. Mail valued by younger people stimulates even more feelings on average than with older groups.
- Valued mail encourages recipients to respond both directly and indirectly. Develop ways of measuring the response above and beyond the traditional direct response metrics.

# “MY FAVOURITE DIGITAL PLATFORM IS THE DOORMAT.”

**Jess Butcher – CMO and Co-Founder, Blippar**

# MEASURING THE IMPACT OF VALUED MAIL

In our report The Private Life of Mail[16], we provide extensive evidence-based analysis of the positive commercial value of mail, particularly in integrated campaigns.

This research, part of which included a meta-analysis of client cases using econometrics, shows that mail is highly effective at delivering ROI, performing not just in terms of sales and direct response but also on a number of other metrics, including incremental reach, efficient growth of market share, brand switching and cost per new customer acquisition.[16]

In the past it has been simple to assign commercial value generated to mail campaigns. By analysing costs, response rates, and average value of response – either immediate, or the value of the initial response/respondent over time – a straightforward return on investment (ROI) could be established. Previously this was a core benefit of mail, and a differentiator against other media. The direct marketing industry prided itself on the measurability of direct mail against all other channels.

As the media landscape is now more complex and digital than ever before, with advertisers running multi-media plans as the norm, attribution of direct or indirect action to specific channels has become more complicated.

How, for example, has mail contributed to indirect but immediate response – a visit to a website, uplift in sales in retail locations or incremental income? But the issue goes much wider than this: what are the brand effects generated by mail? As independent advertising effectiveness consultants Peter Field and Les Binet noted in their review of The Private Life of Mail[16] research:

> **"Direct response analysis over-estimates direct effects and totally neglects indirect effects."**
>
> **Source: 'The future of direct mail',**
> **Les Binet and Peter Field, Adweek, March 2015**

16. Source: Royal Mail MarketReach, The Private Life of Mail, 2014.

So, if the market is recognising the need for a new paradigm for measuring the value of mail, and the research we've just presented clearly highlights the wide and varied ways mail drives consumer experience and behaviour, how should we be looking at evaluating mail going forward?

## 1. EXTENDED VALUE

The ability to measure the direct impact of mail is well developed. But our research shows that mail also has a longer-term impact. Mail is considered and retained for purchases that are planned for the future. Sometimes this is for a specific date, such as insurance renewal; often it's for an unspecified time, for example, when we decide the time is right to buy a new sofa.

**29% of the respondents said that the mail they valued helped them plan a future purchase.**[17]

Over time then, as we become more proficient at linking the longer-term impact of mail, we should be able to track the role of mail in creating an eventual sale.

## 2. INTEGRATED ACTIONS

Some immediate actions are harder to measure.

**37% of the respondents said they went online for further information.**[17]

If their activity did not include going to the advertiser's website where they were registered, but to other locations such as aggregators or review sites, their response might be harder to attribute. The same goes for mail recipients who visited a shop or an event but did not have their data collected. They might not be recognised as having responded to a mailing.

But this research suggests that the incremental value of these actions needs to be considered: it makes sense to ensure we track mail such that its ultimate role in driving an eventual purchase can be fully evaluated.

17. Base: 3,000. Question: And what did you do as a result of getting this mail from… ? Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

## 3. BRAND BUILDING

This research helps us understand the full role valued mail plays in generating emotional and rational actions that build brands and their value.

It shows that mail shares a number of characteristics with more traditional above-the-line media: the ability to evoke strong emotions and feelings that influence how a consumer thinks about a brand.

Critically, the research shows that mail that may not ask consumers to respond to anything – a statement or a newsletter – has a brand building effect. So how can this be assessed? Part of this can be measured by researching how valued mail effects brand salience.

**We saw earlier that mail valued by customers reminded them about the brand (60%), kept the brand top of mind (60%), made them think about buying (58%) and made them think more positively about the brand (57%).**[18]

Part can also be measured by researching brand engagement. Of the respondents, 48% said valued mail made them feel that the advertiser understood 'what I am interested in' or 'what is relevant to me.'

And yet more could be discovered through research if recipients are asked about who they talked to about the mail piece. A third of the respondents said they talked to others about their valued piece of mail, and 18% said they recommended the advertiser to family members or friends.[19]

## 4. ATTRIBUTION AND ECONOMETRICS

We believe that many brands, even with econometric modelling, are finding precise attribution of channel and effect difficult to track or model.

This makes media planning overall, and the justification of each channel, harder to evaluate. The cross-channel impact identified in this research reinforces what we have shown in previous research:

**As a direct result of receiving mail, 92% of consumers have undertaken some digital activity and 54% have engaged in social media.'**[20]

18. Base: 3,000. Question: And what did this mail from… make you think? Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.
19. Base: 3,000. Question: And what did you do as a result of getting this mail from… ? Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.
20. Source: Royal Mail MarketReach, It's all about Mail and Email, 2014

What we know is that mail has a significant impact on the consumer and the brand, and the media multiplier effects of other channels can clearly be seen.

Our vision for the future has to be a measurable way of accurately attributing how mail adds commercial value as part of an integrated overall campaign.

The Private Life of Mail detailed mail being shared and kept and/or displayed in the home. The extra reach and opportunities to see in the home, over time, should be acknowledged and incorporated into measurement. An average of 23% of mail is shared within a household,[21] leading to additional individuals reached. 80% of adults have kept some mail sent in the past four weeks.[22] People kept mail, on average, 17 days.[21] In fact, 39% of people have a dedicated display area for mail. All of this means the mail is being revisited and seen again.

Additional research calculating the value of personal recommendation, and the development of algorithms based on the interactions between different actions, could be employed to measure the real commercial value of mail valued by consumers.

What we know for sure is that it is a great deal more than its direct response.

All of this suggests that developing a full understanding of the role of mail will require new and more innovative measurement solutions.

Some of them are underway with advances in econometrics and new techniques for attributing ROI in multi-media campaigns. But what is clear is that mail's multi-dimensional role for brand building and value creation demands new multi-dimensional measures.

Until those new measures are in widespread use, we hope the insights provided throughout this report can help advertisers make sure that each and every item of mail they send out creates consumer value and ultimately brand value.

21. Source: Royal Mail MarketReach, Ethnographic Quant, Trinity McQueen, 2014.
22. Source: TGI, Kantar Media, 2014.

# A CLOSER LOOK AT SIX KEY SECTORS

## OVERVIEW

We designed our research programme to be large and flexible enough to look in depth at valued mail from six different sectors:

- Financial Services
- Travel and Tourism
- Retail
- Utilities/Telecoms
- Public Sector
- Charities

Given that the typical content, tone, type and propositions of mail from these sectors are so different, we expected to see a similarly wide range of characteristics of valued mail.

In the event, the differences were smaller than we imagined. In all sectors, valued mail was personally relevant, and had similar characteristics: it had something important to say, it made people think about the organisation, it sparked feelings, and it led to a multiplicity of actions.

But there are a number of sector specific differences that are worth highlighting, and which we show below.

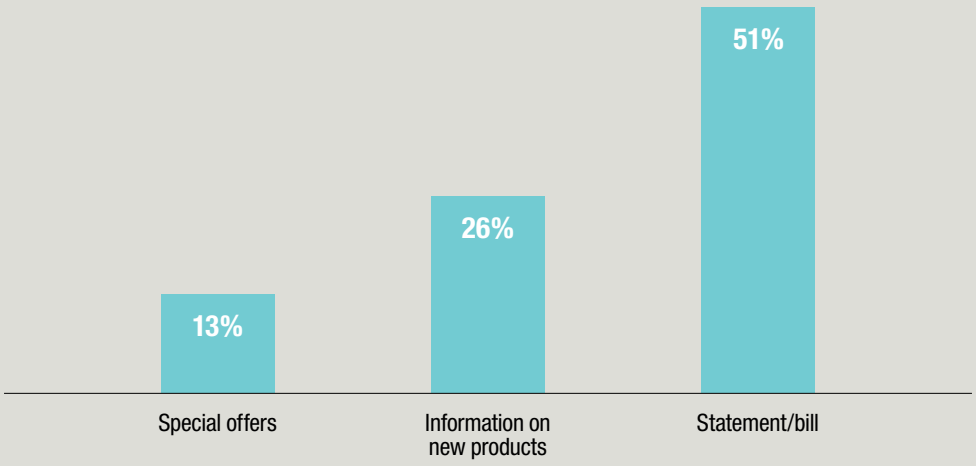
## FINANCIAL SERVICES

We should not be surprised that the mail most commonly valued in this sector is what we would consider transactional – bills and statements. After all, that's the kind of mail people expect from their financial services provider – 65% of people say that they find mailed bills and statements valuable, while 58% say they'd feel less in control of their lives if they didn't get important information by post.[23]

### What consumers value in Financial Services mail

**Q: What was the mail you received from… for?**

**Most commonly picked types by those asked about the most valued/interesting piece in the Financial Services sector**




Base: 560 all answering in Financial Services sector. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

> It told me what was in all my bank accounts and where all my money had been spent and what money was coming in to all my accounts.
> Danielle, 16-34

We've already seen, though, that advertising mail can be made even more effective when accompanied by personal and relevant information – and this is certainly true in the financial services sector, where the monthly statement is by definition personal and relevant, and represents a regular chance to connect with customers.

23. Source: IPA Touchpoints 5, 2014.

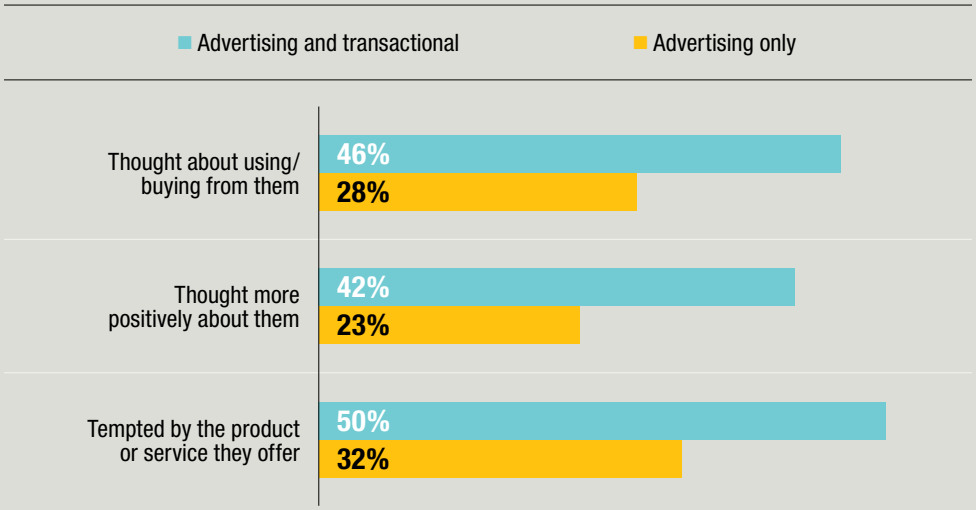
On key measures relating to brand relationship and action, advertising that arrived as a component of valued transactional mail was significantly more effective than advertising alone.

## Combined advertising and transactional mail creates value for many

**Q: How did this mail from… make you feel when you received it?**

**Q: And what did this mail from… make you think?**

**Reactions to valued Financial Services sector mail by those receiving advertising, or a mix of transactional and advertising, content**




Base: 560 all answering in Financial Services sector. Base: 113 for advertising only, 213 for mix of advertising and transactional.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

It's possible that the addition of account information is what creates a sense of personal contact and relevance – its inclusion reminds the recipient that they're hearing from someone who knows them.

> It offered the chance to switch to another account and offered a special loan rate.
> Stefan, 55+
>
> It showed me how to get the most out of my bank account I had just opened.
> Amelie, 16-34

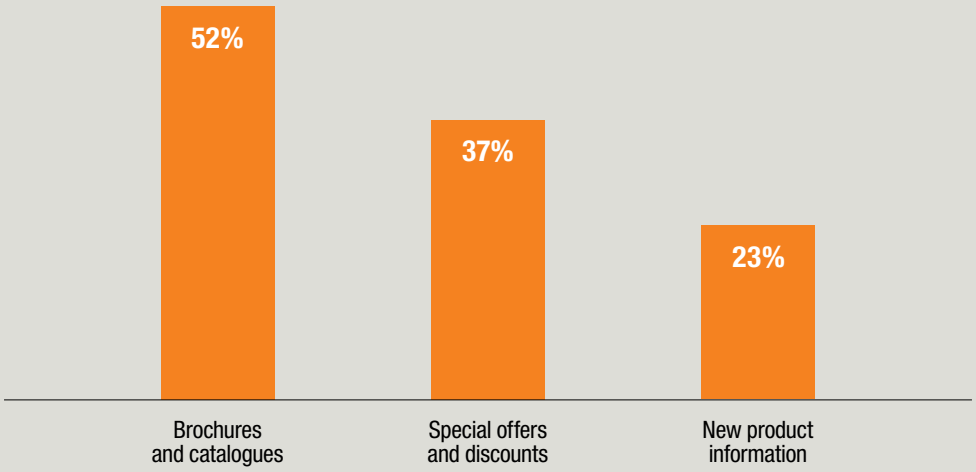
# TRAVEL AND TOURISM

Brochures and catalogues were items most likely to be chosen as useful and interesting in this category, confirming that this workhorse remains a core component of mailings in this sector. Special offers and product information are also prominent, suggesting that the long-term nature of travel decision-making requires different forms of marketing at different times in the purchase journey.

## Consumers value travel brochures

**Q: What was the mail you received from… for?**

**Favoured items from those selecting travel and tourism mail as most interesting/valued**




Base: 432 all answering in Travel and Tourism sector. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

## Thanks for the memories

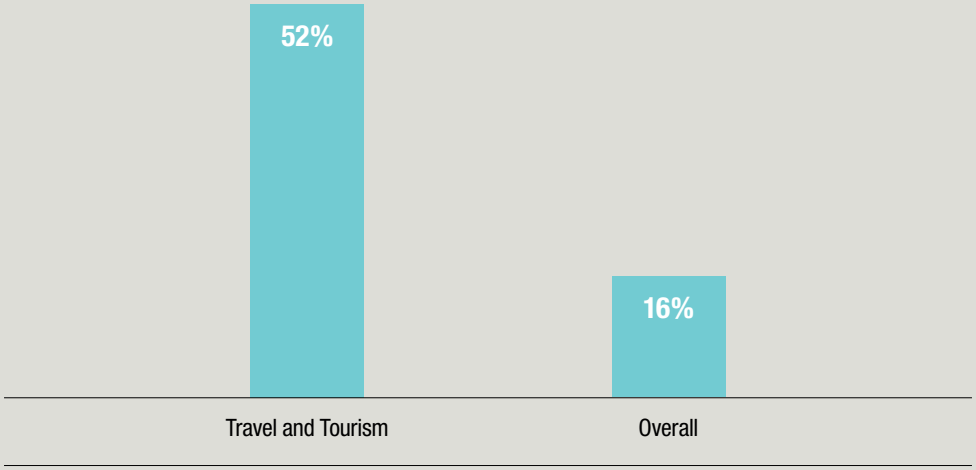
We shouldn't be surprised that this is a sector where nostalgia is a significant driver of value. In general, those valuing mail from the travel and tourism sector are nearly four times more likely to say that the mail they received 'brought back a happy memory'. Understandably, this is rare in other sectors.

> Have cruised with them before. Haven't really thought about 2014 yet so looked through to see what they have on offer and will come back to it after Christmas when I am thinking about holidays and where I would like to visit or to do on my holiday.
> Jack, 35-54

## Travel and tourism mail can deliver 'happy memories'

**Q: How did this mail from… make you feel when you received it?**

**Percentage saying that items from particular sectors 'brought back a happy memory'**




Base: 432 all answering in Travel and Tourism sector, 3,000 overall. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

## Age and travel

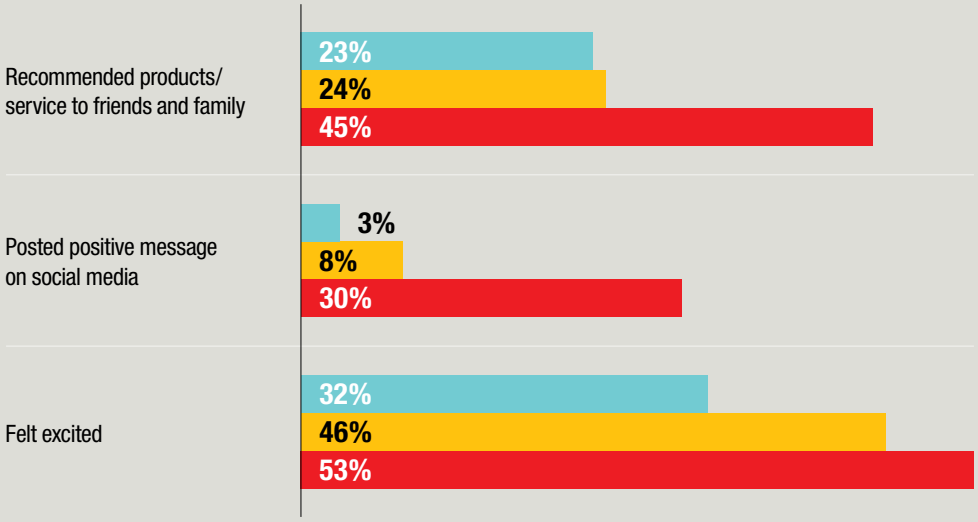
As we can see in the charts opposite, this is clearly a sector in which age plays an important part in the actions which arise from valued mail.

For young people (16-34), mail is most valued as inspiration. The travel mail they selected was exciting, and inspired them to share it both online and with family and friends.

## Travel mail excites 16-34 year-olds

**Q: How did this mail from… make you feel when you received it?**

**Q: And what did this mail from… make you think?**




Base: 560 all answering in Travel and Tourism sector. 88 16-34, 157 35-54, 185 55+.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

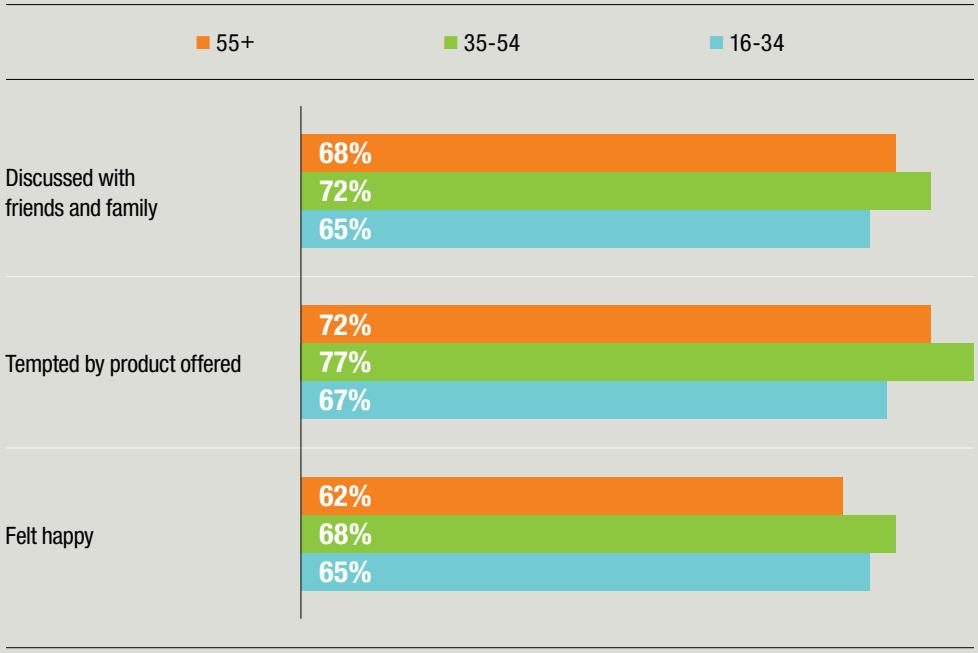
Those aged 35-54 reported feeling happiest overall with the travel mail they value. Despite being less likely than younger people to act directly (26% vs. 43% for 35-54 versus 16-34 year olds), they tend to feel the most tempted by travel mail.

Their tendency to discuss it with friends and family probably reflects their family focused holidays.

### Travel mail tempts 35-54 year-olds

**Q: How did this mail from… make you feel when you received it?**

**Q: And what did this mail from… make you think?**




Base: 560 all answering in Travel and Tourism sector. 88 16-34, 157 35-54, 185 55+.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

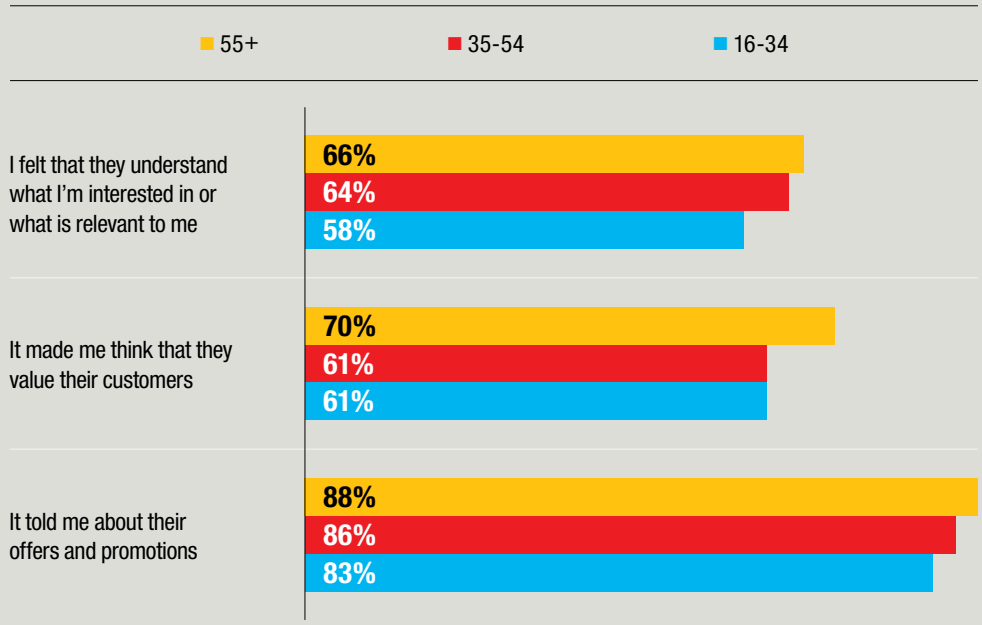
Those aged over 55 respond rather differently – they're not so emotional about travel mail, in that they are the least likely of all age groups to have had an emotional response to travel mail beyond 'better/more informed'. They do value personal connection, though – travel mail to this group is best when it confers a sense of relevance. They're also the group most pleased by the possibility of value or a bargain.

Like younger respondents, most of the over-55s appreciated the offers and promotions communicated regardless of the type of mail it came from. But they were slightly more likely to appreciate the advertiser who sent the item; perhaps because they had a better relationship created by a longer engagement.

## Travel mail helps older people feel better informed

**Q: How did this mail from… make you feel when you received it?**

**Q: And what did this mail from… make you think?**




Base: 560 all answering in Travel and Tourism sector. 88 16-34, 157 35-54, 185 55+.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

# RETAIL

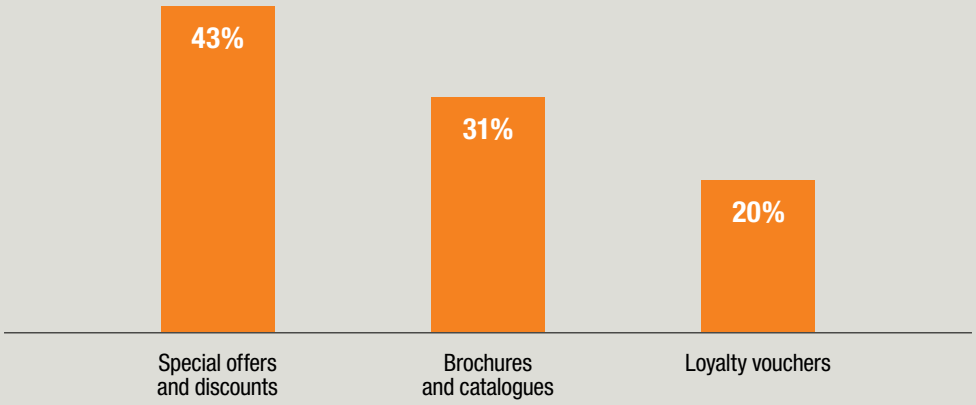
Of the six sectors from which our respondents could choose interesting or valued mail, retail was the most selected.

A wide variety of items were valued by recipients in this sector, but in the main our survey respondents were most likely to choose mail that offered value – special offers and discounts were the most popular, as expected, and loyalty vouchers attracted 20% of responses. Brochures, including catalogues, were also popular.

## Consumers value mail with money-saving offers

**Q: What was the mail you received from… for?**

**Most valued/interesting items chosen in the retail sector**




Base: 678 all answering in Retail sector. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

## Valued mail drives people online and to take action

Given the growing proportion of retail transactions that take place on the internet, it's interesting to explore the impact of mail that drove people online, and in particular drove them to act directly.

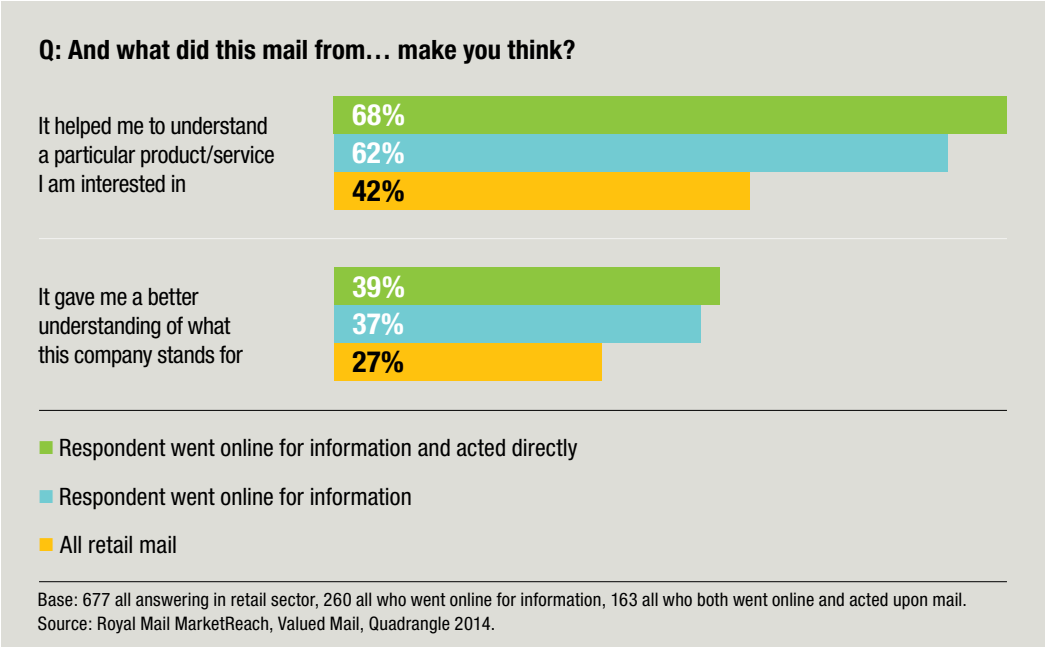
Almost four in ten (39%) of those who talked about retail mail as their most interesting and/or useful item were inspired to go online for more information about the advertiser.

Those who did (24% of the retail sample as a whole, but 63% of those who went online) also took some sort of direct action related to the sender. So the positive link between mail, online activity and action is quite clear.

Given this context, we explored the characteristics of valued retail mail that drove online activity which resulted in a direct action as well, and found there were three things that stood out about mail that was successful in this area.

The first was that it was more likely than retail mail overall to have left people feeling that they knew more about a particular product or service and about the company in general.

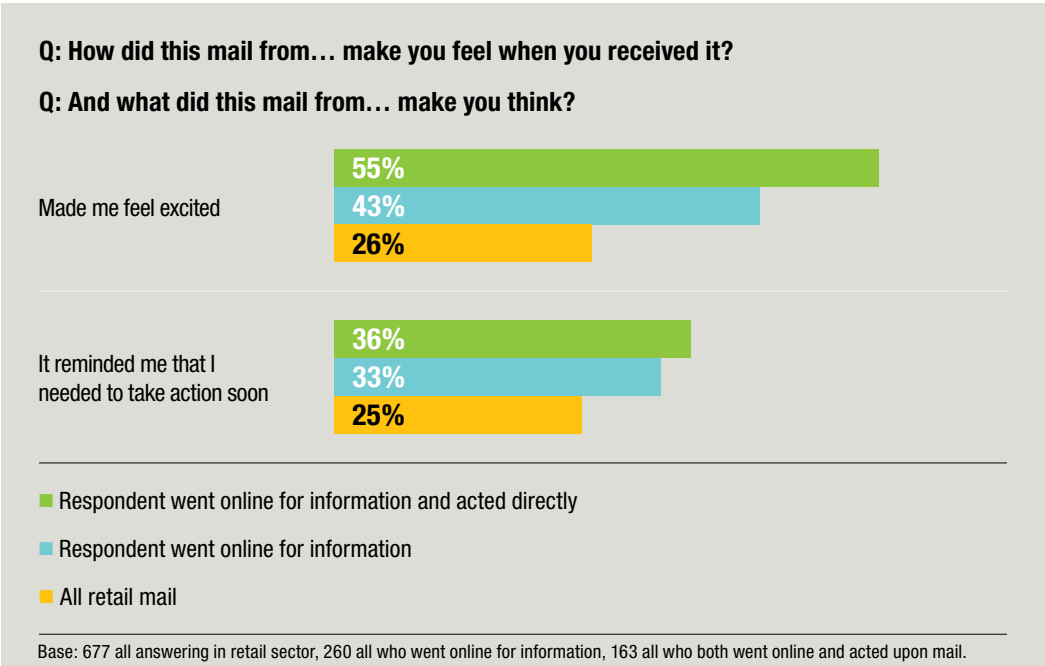
## Successful retail mail informs




Base: 677 all answering in retail sector, 260 all who went online for information, 163 all who both went online and acted upon mail.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

The second was that it conveyed a sense of urgency. Those who went online and acted directly were more likely to say their mail item made them think they needed to act soon, and were also more likely to report feeling excited by it.

## Valued retail mail that created urgency drove digital activity




Base: 677 all answering in retail sector, 260 all who went online for information, 163 all who both went online and acted upon mail.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

The third was that it drove action beyond immediate purchase. Not only did they act immediately, but they were much more likely to talk to friends and relatives, and also plan for future purchases.

### Digital activity correlates with long-term value

Base: 677 all answering in retail sector, 260 all who went online for information, 163 all who both went online and acted upon mail.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

Pulling this together, it seems likely that the best mail for driving online hits a 'sweet spot' between informational and emotional content, and it's likely that such mail will be driving value beyond the immediate purchase in both the short- and long-term.

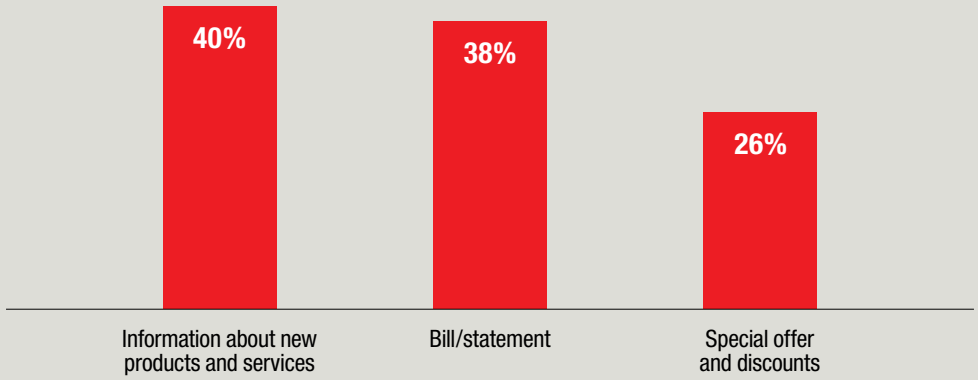
## UTILITIES AND TELECOMS

As with financial services, we might expect transactional mail to be the most valued type of mail in these sectors. In fact in this sector, it's just about equal with 'information about new products and services'.

Given the breadth of products (phone, web, television and different energy types and tariffs) in this sector, and the ever-increasing messaging encouraging consumers to review and find better/best deals in this sector, recipients of utilities and telecoms mail are clearly more open to more marketing-led communications.

## Recipients value both account information and marketing-led messages

**Q: What was the mail you received from… for?**




Base: 551 all answering in Utilities/Telecoms sector. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

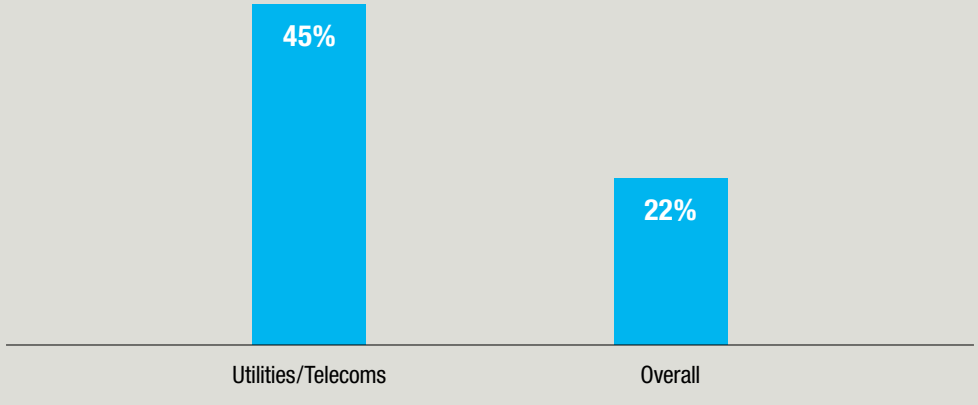
Deductively, the constant roll-out of new products and services in the telecoms sector may be the driver that makes marketing mail particularly relevant in this sample. New technology, bundles, or tariff structures mean substantive differences arise quite often. Messaging from complementary products or companies can often generate interest and benefits.

For example, when a mobile phone manufacturer offers a new handset and promotes it using extensive marketing campaigns, consumers may be more likely to value marketing messages from their network provider announcing the availability of the new technology to their customers. Conversely, respondents in this sample also valued mail that simply reassured them that the products or services they had were up to date.

## People like mail that reassures

**Q: Thinking about this list, what was it that this mail from… told you that you found useful and/or interesting?**

**Percentage of those valuing mail in the Utilities/Telecoms sector who said that the mail 'told me that I do not need to do anything, but that my services/products are still current'**




Base: 551 all answering in Utilities/Telecoms sector. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

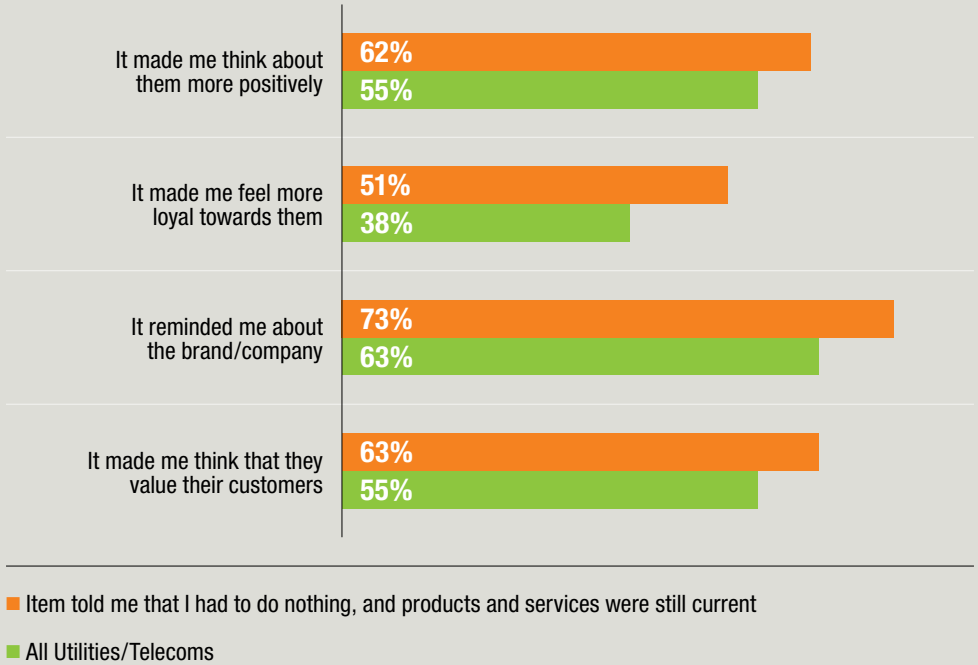
This is likely to be because customers are aware that energy tariffs and telecoms packages can change rapidly, and they should be reviewing their packages and tariffs regularly to avoid paying over the odds.

If a supplier assures them that their current service is 'still current', this may reduce any guilt at not shopping around more actively.

In any case, this type of mail clearly has a positive impact on the perception of the brand, as the chart below shows. Recipients who valued this message from their utilities or telecoms provider reported thinking more positively about the brand, believing it valued and understood its customers, and felt more loyal as a result.

## No action required mail from Utilities/Telecoms supports brand engagement

**Q: And what did this mail from… make you think?**




Base: 561 all those answering in Utilities/Telecoms sector overall, 251 those who said the mail told them they did not need to do anything.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

This suggests that mail is the ideal medium for reminding customers of what a great service they're getting – and thereby generating measurable long-term value.

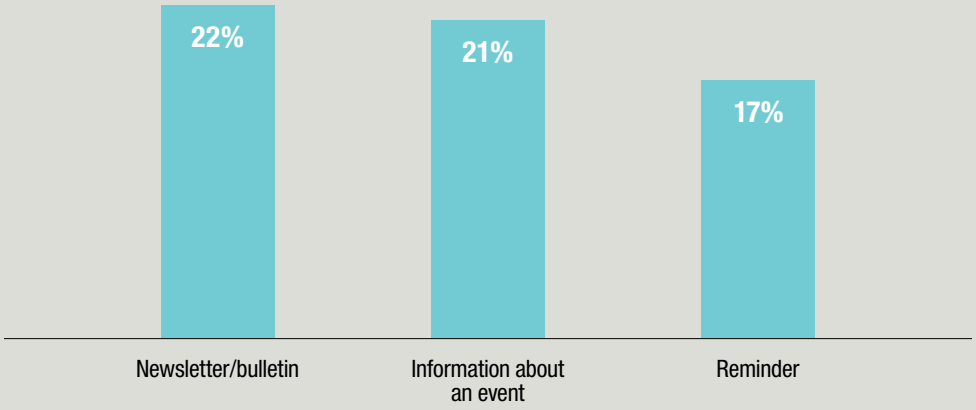
# PUBLIC SECTOR

Mail valued in this sector consisted, as we would expect, of items that were purely informative in nature, with approximately equal proportions of newsletters/bulletins, event information and reminders.

### Public Sector mail: information is valued

**Q: What was the mail you received from… for?**

**Most valued/interesting items chosen in the Public Sector**




Base: 577 all answering Public Sector. Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

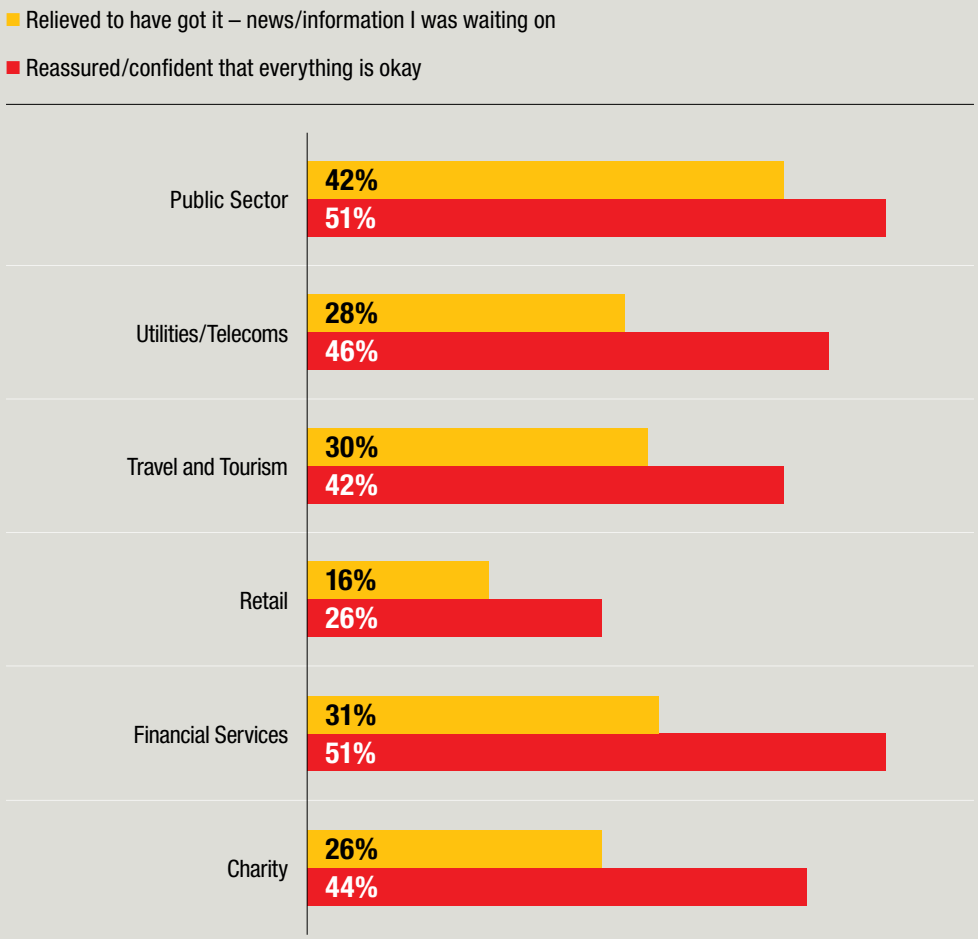
This is a sector where people have a very strong desire for reassurance and relief – people clearly prefer the communications from the public sector or their local institutions to let them know that everything is running smoothly.

> The letter is my award notice for benefits payment and is necessary to produce to access other services, e.g. dental etc. It also gives me full detail of the payments that will be made to my bank.
> Vincent, 55+
>
> Well, it was an important specialist appointment that I had waited a month for.
> Jill, 55+

## Providing relief/reassurance matters

**Q: How did this mail from… make you feel when you received it?**

**Percentage saying that items from particular sectors engendered relief/reassurance**

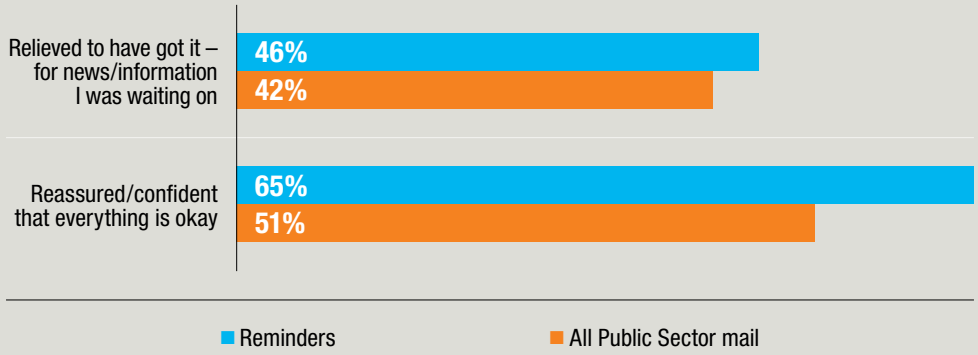



Base: 557 all answering in the Public Sector, 217 Charities, 561 Utilities/Telecoms, 560 Financial Services, 678 Retail, 432 Travel and Tourism.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

> Letter to invite me to have my children vaccinated for flu. I did not request it so was pleased to find out about this service and subsequently followed it up and had them vaccinated.
> Meera, 35-54

## Reminder mail reassures and relieves

**Q: How did this mail from… make you feel when you received it?**

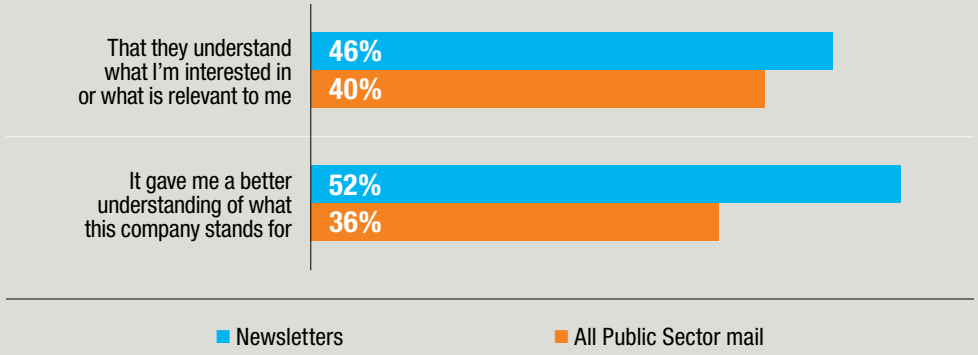



Base: 557 all answering in the Public Sector overall. Reaction of mail recipients in the Public Sector feeling relieved/reassured to all mail types (557) and to reminders (97). Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

Newsletters perform a rather different role. Unsurprisingly, they're particularly good at keeping people up to date on necessary information, but they also seem to be making a more personal connection – communicating the values of the organisation and making the recipient feel that they are being understood.

## Newsletters provide a surprisingly personal touch

**Q: And what did this mail from… make you think?**




Base: 557 all answering in the Public Sector overall. Reactions of people valuing mail in the Public Sector for all mail types (557) and to newsletters (124). Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

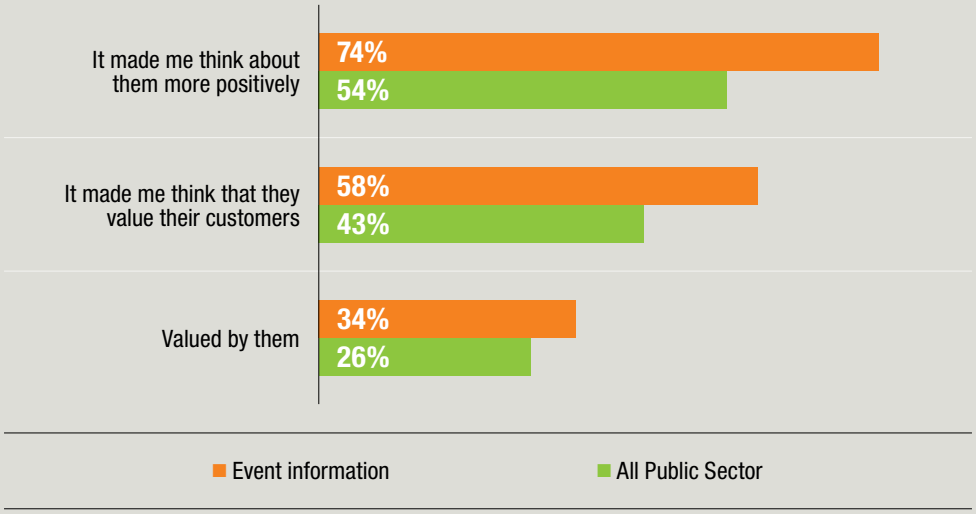
> It had all the phone numbers most used for the council also had dates and times places of events and markets taking place in and around Sunderland plus news on what some of the residents had been getting up to and awarded things for.
> Carol, 35-54

It's information about events, however, where the real emotional impact appears. It seems that being invited to directly participate in a civic event generates a much greater sense of being actually valued by the organisation sending the mail, and generating positive attitudes as a result.

> Giving details of meetings for our neighbourhood police and giving feedback on latest action taken by them. Also dates for forthcoming fund raising events in the local area. Special offers on goods used for re-cycling and gardening.
> Yasmin, 55+
>
> It gave news of what was happening in my community and also a social events calendar: i.e. fireworks display November 5th.
> Jill, 55+

## Event information mail resonates

**Q: How did this mail from… make you feel when you received it?**




Base: 557 all answering in the Public Sector overall, 124 all in sector who received information regarding an event.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

## CHARITIES

Comparatively few of our respondents (7%) chose an item sent by charities as having been the mail they'd found most useful and/or interesting over the past 12 months. This smaller sample size meant that comparing the characteristics of different types of mail within this segment (at a statistically significant level) proved difficult.

Moreover, the valued items of mail identified by respondents in this sample seemed to perform a wider range of tasks; items classified as newsletters, for example, seemed to include fundraising requests, information about events and more.

But whatever type of mail they selected, there were a few key characteristics of the mail they valued that were specific to charities. For example, 46% of respondents said their valued piece of mail made them feel 'sad/upset – but pleased to be asked to give my support' – perhaps unsurprising in this category.

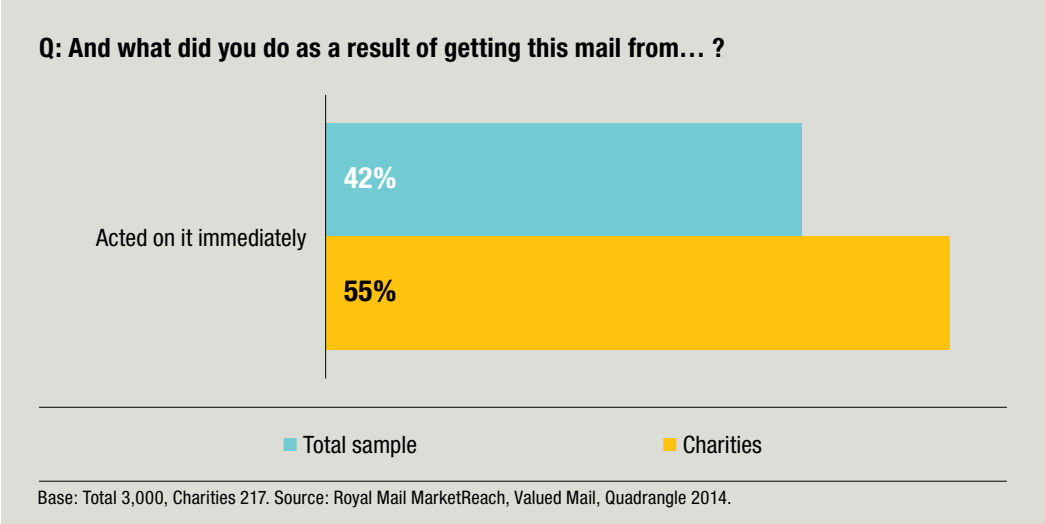
There were also other differences between charities and other sectors.

First of all, valued mail from charities drove immediate action from a greater proportion of recipients than did valued mail in the total sample.

**"MAIL IS GREAT. ALTHOUGH I PREFER TO THINK OF IT AS DYNAMICALLY SERVED CONTENT."**

**Ashley Friedlein – Founder, Econsultancy**

## Valued charity mail is more likely to drive action




Clearly, whether the item from a charity was identified as a newsletter, event invitation or something else, it was likely to trigger an immediate response.

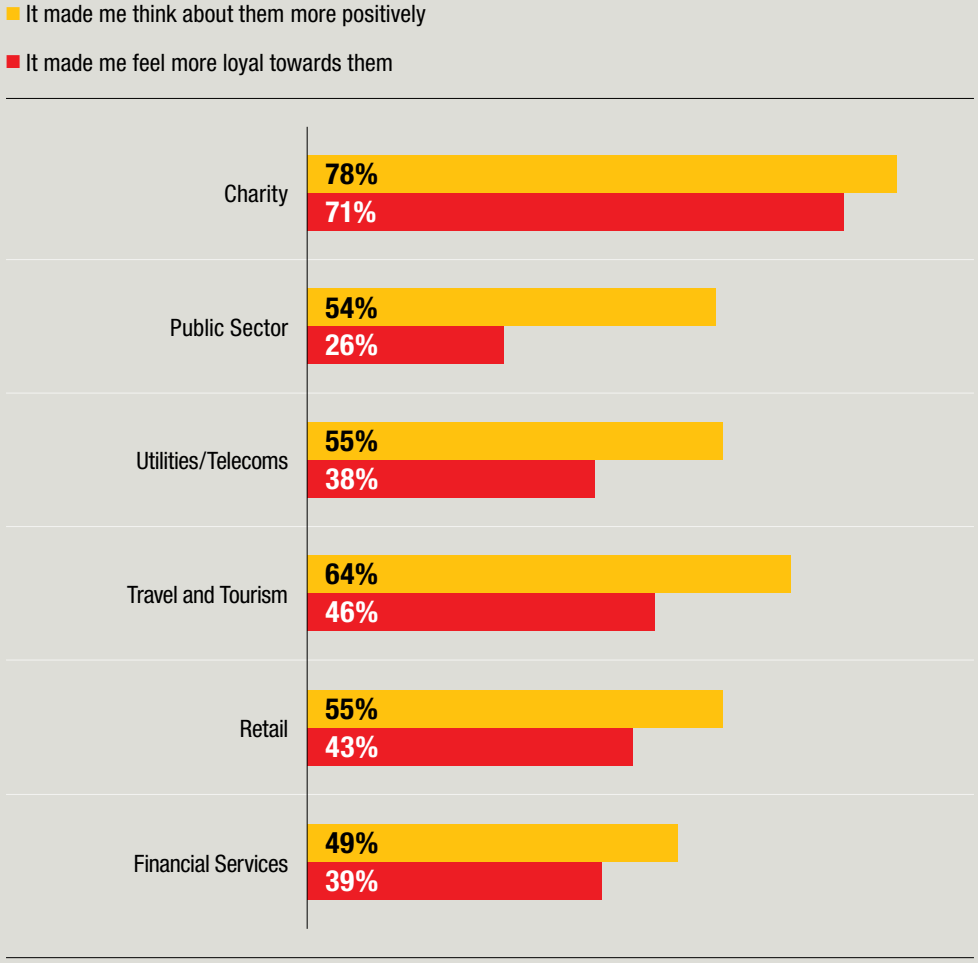
Valued mail from charities also appeared to be more likely to be socialised than items from other sectors: 38% of respondents in the charity sample said they talked about the mail item with others; 24% recommended the product or service to friends or family; and 12% posted a positive message on social media. The comparable findings for the total sample were 33%, 18%, 7%.

> I also receive emails which I read, but I take mailings into church to put on the charities board for everyone to see.
> Carol, 55+

And the immediate response did not come at the cost of brand engagement. Valued charity mail also performed better than the survey as a whole at driving brand engagement.

## Charity mail engenders feelings of positivity and loyalty

**How did this mail from… make you feel when you received it?**




Base: 217 Charity, 560 Financial Services, 678 Retail, 557 Utilities/Telecoms, 559 Public Sector, 430 Travel and Tourism.
Source: Royal Mail MarketReach, Valued Mail, Quadrangle 2014.

This latter point may be especially relevant for charities keen to develop legacy income donations. Donors considering making legacy bequests to a charity are likely to go through a lengthy process of consideration in which the charity's longer-term brand metrics are likely to play a key role.

# CONCLUSIONS

## PERSONAL RELEVANCE CREATES CONSUMER VALUE WHEREVER IT IS FOUND

1. Consumers define a mail item as useful and/or interesting primarily because of its personal relevance. From the consumer's point of view, this can be driven by chance – the right offer happens to appear at the right time – but is more often because they have a current relationship with the brand.

2. Our research showed clearly all types of mail – from all the sectors we looked at – could be valued mail. Items of mail selected included promotional items that carried special offers, new product information, and glossy brochures. But of particular interest was the high proportion of people who had selected an item that only contained account information such as bills and statements (35%) and those whose item contained both account information and advertising (39%).[24]

   Since all mail can be valued by the consumer, every piece of mail is important. Huge enhancements in data analytics and printing technologies mean personalised, informed and trigger-based mail can help improve relevance and drive advertiser value consistently and continuously.

## TO CREATE VALUED MAIL, PUT VALUE IN

3. To understand the component elements that create value to recipients, we asked them to tell us what it told them, made them think, and made them feel. Obviously the details differed between sectors but there were significant similarities in their reactions regardless of sector or type.

### Tell people something real and relevant

Valued mail has a point; it has something new or important – and always relevant – to say. This may be the launch of a new product, service or promotion but could also be an acknowledgment that a bill has been paid or a reminder of a doctor's appointment.

The implication of this is to ensure every item of mail – indeed every 'touchpoint' between the customer and the brand – should be driven by the quality and relevance of its content rather than solely on the calendar, sales targets, or the availability of budget.

24. In the Financial Services, Utilities/Telecoms sectors.

### Valued mail makes people change their mind

Mail that has value to its recipient can change what they are thinking. They may reconsider the brand that sent it, its products and services, or even the engagement between the company and themselves. Valued mail can drive positive brand associations as well as purchase.

### Relevant mail is personal and taken to heart

Valued mail creates feelings. The most common is feeling better informed which was said by 66% of respondents about their item. But a wide range of feelings were attached to many items of valued mail; in fact, 20% of respondents associated nine or more emotional responses to their item.

Four feelings – 'special', 'excited', 'rewarded', and 'happy memory' – were often associated with each other. And respondents were just as likely to feel any of these in response to a functional item – like a bill or statement – as they were to any other type of mail.

And emotions drive actions. The higher the number of feelings an individual said they had, the more likely they were to have taken an action. Making people feel a collection of feelings – particularly the four we identify – should, where appropriate, be an intrinsic part of communication briefs.

## DRIVE COMMERCIAL VALUE BY DRIVING CONSUMER VALUE

4. Perhaps most importantly, mail that consumers value not only drives value for brands as a result of direct response but through a host of actions that deliver value over time.

   42% of respondents reported taking direct action as a result of their valued piece of mail. Others visited stores (whether or not they made a purchase) or attended an event. But 29% planned a future purchase, and many searched for further information either directly or searching online.

   But even more, valued mail is socialised in social media, in recommendation to family and in conversations with others. Given this advocacy, the total commercial value of any type of valued item could be many times that of the individual recipient's immediate response.

   And most respondents didn't take just one action. Those people who took a direct action were likely to take 4.7 actions in total; but those who put a positive message on social media took an average of nine.

   This clearly supports our findings as presented in The Private Life of Mail[25]; mail can function as a powerful strategic (as well as tactical) tool at all stages of the marketing mix.

25. Source: Royal Mail MarketReach, The Private Life of Mail, 2014.

## TO GET MORE FROM YOUR MAIL YOU HAVE TO LOOK IN THE RIGHT PLACES

5. Respondents told us that mail they valued drove value for the sender. But much of this is often not measured – or thus valued – by advertisers who may use only traditional ROI direct response tools.

   We strongly recommend that advertisers who want to maximise the value of their marketing expenditure explore the many ways that the 'indirect' value of mail can be measured. Traditional methods such as research, life-time value (LTV) analysis of campaigns and econometric modelling may be complemented by new data-capture opportunities.

# “WRITING A LETTER TAKES TIME AND EFFORT. THAT’S THE POINT.”

**Suki Thompson – Founding Partner, Oystercatchers**

# ABOUT MARKETREACH: HOW WE CAN HELP

Royal Mail plc has emerged from one of the largest ever transformations of a UK business as a profitable, £9 billion revenue, FTSE 100 company. With that have come new capabilities and focus driven by our core beliefs.

The first is in the power of 1 to 1 communications. Mail and digital make a powerful combination. Digital has changed behaviour and inspired marketers to focus on 1 to 1. This has given mail a new role: helping organisations combine the instant gratification of digital with the reassuring authority of print.

Mail earns more 1 to 1 time with consumers, sticks more deeply in the memory and persists more strongly in the home. So when you use it as part of an integrated campaign or in targeted programmes, mail increases ROI.

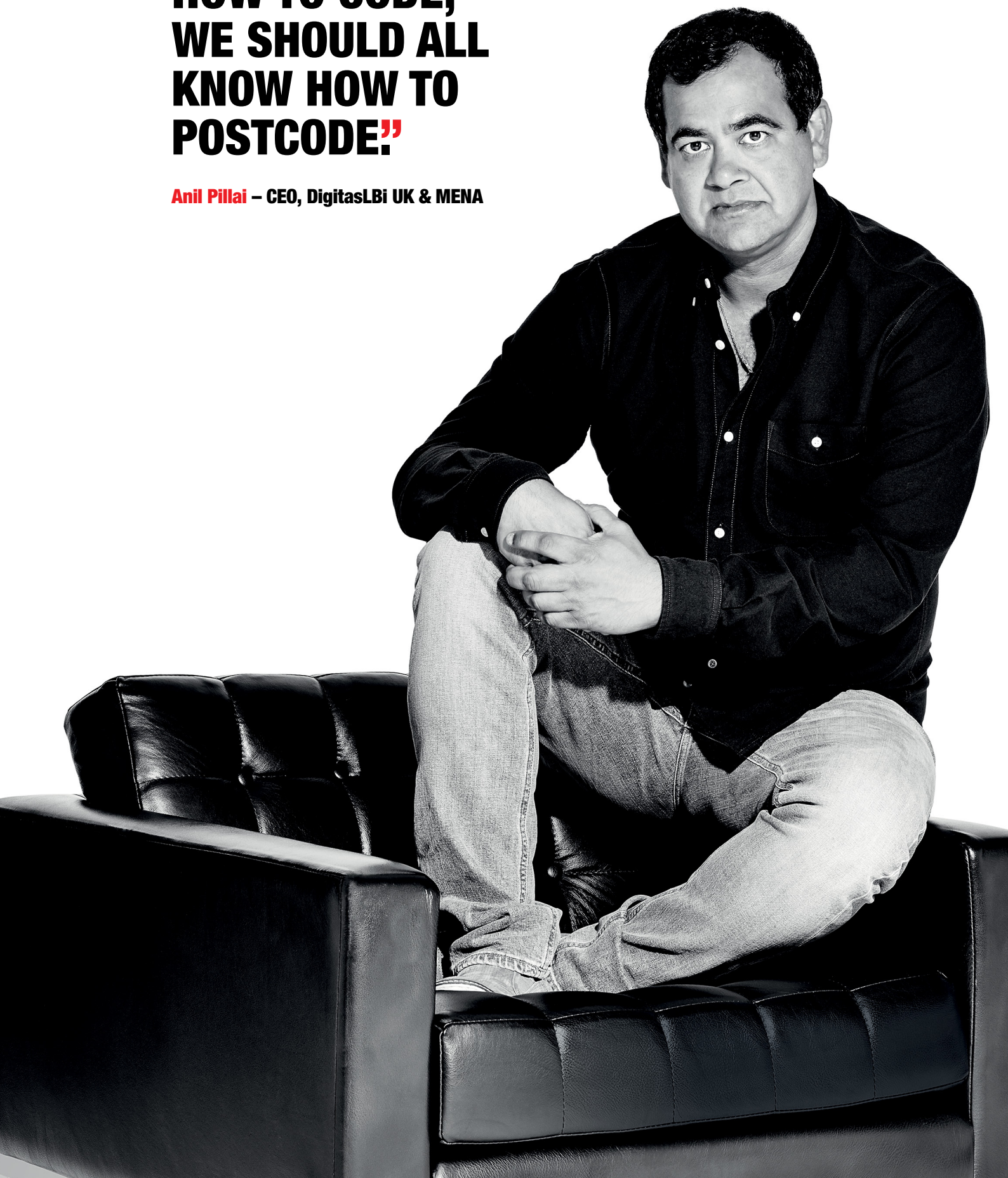
Our second belief is that we only win when mail users and recipients also win; that's why we focus relentlessly on developing products and services that are right for modern direct marketers.

And thirdly, we believe in the power of partnership. We enjoy working alongside other marketers and their agencies towards a common goal – we'd like you to think of us as the direct mail experts within your wider marketing team. With our team of media specialists, planning and data experts who have a deep understanding of both direct mail and of your industry sector, we are well placed to apply our tools and our insights to your business and your particular brief.

Call us on **0800 032 4880** to discuss how we can help or go to **www.marketreach.co.uk** to learn more about us.

“AS WELL AS LEARNING HOW TO CODE, WE SHOULD ALL KNOW HOW TO POSTCODE.”

**Anil Pillai** – CEO, DigitasLBi UK & MENA



We have a team of media experts and data planners ready to apply these learnings to your organisation.

To discuss how we can help you, call us on **0800 032 1018**
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