

Marketing Research Fact Sheet: Canadian Attitudes towards Direct Marketing and Mail



Key Insights:

- 93% of Canadians are reading their mail as soon as they receive it or later on that day and prefer this form of communication over email, telephone or other means.
- Welcomeness towards Addressed Direct Mail in 2007 increased over 2005 levels whereas all other forms of Direct Marketing media declined or remained the same.
- Likelihood of a response is highest when consumers recognize the sender or when they already have a relationship, emphasizing the importance of branding, loyalty and retention strategies for businesses.

Research conducted by Canada Post continues to demonstrate that mail is valued by Canadians and is a form that they prefer and pay attention to when receiving advertising communications.

Highlights from several recent research studies that positively support the value and use of mail and Direct Mail as a non-intrusive, tangible, creative and effective communication tool, are summarized below.

The Value of "The Mail Moment"

- Mail increasingly provides a **positive experience** for Canadians in 2007 as compared to 2005:
 - 93% of Canadians (versus 91% in 2005) are reading their mail as soon as they receive it (66%) or later on the same day (27%);
 - 72% of Canadians (versus 57% in 2005) look forward to what's in the mailbox;
 - 63% say receiving mail is a real pleasure (versus 53% in 2005);

Likelihood of Opening Mail

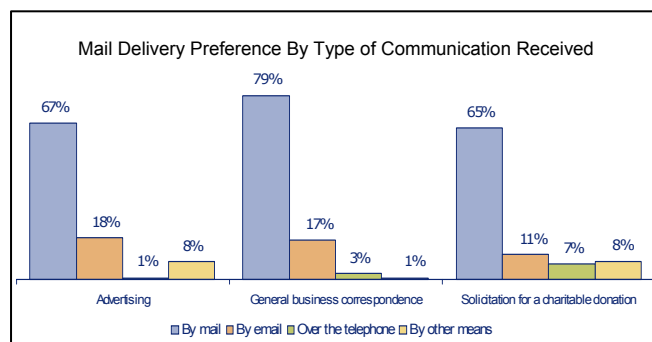
- Canadians agree they are **more likely to open mail** if:
 - They asked for it (93%)
 - It comes from someone they know (89%) or a company they know (93%)
 - It looks official or important (89%)
 - It has a name and address on it (84%)

Likelihood of Reading Mail

- 52% are more likely to read direct mail informing them of **product changes or upgrades** from companies that they already have a relationship with.
- 43% read most mail promotions just **in case something catches (their) eye**.
- 41% are more likely to read mail **if they have seen the same concept on TV or heard about it in another medium**.

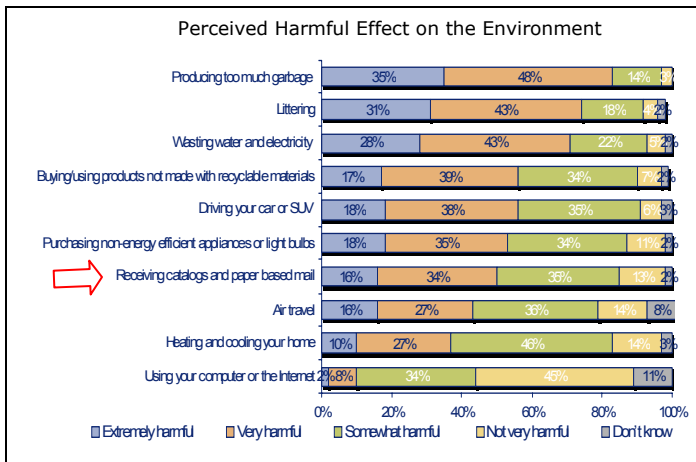
Communication Preferences

- Mail is **preferred over email, telephone or other means of communication** for general as well as advertising correspondence and solicitations:
 - 79% of Canadians agree that mail is the preferred way of receiving general business communications (versus 17% by email and 3% over the telephone);
 - 67% feel that mail is the best way to receive advertising information compared to 18% by email and 1% over the telephone;
 - 65% agree that mail is preferred for solicitations of charitable donations.



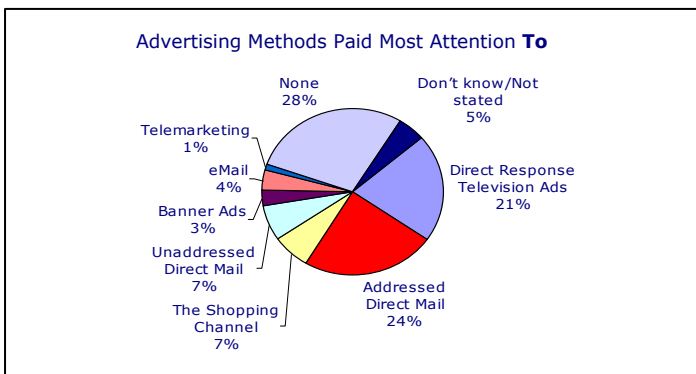
Mail and the Environment

- **Irrespective of the size** of the environmental threat, Canadians feel that **all harmful effects need to be addressed**. Businesses in Canada are actively implementing policies and procedures towards reducing emissions in support of consumers' concerns such as:
 - Implementing energy efficient equipment/processes
 - Purchasing recycled paper/cardboard/office supplies
 - Doing better at cleaning databases, targeting mail
 - Obtaining FSC certification and providing access to forest friendly paper products to customers



General Attitudes Toward Direct Marketing and Direct Mail

- Canadians by far **pay the most attention** to Addressed Direct Mail followed by Direct Response Television (DRTV) Unaddressed Direct Mail and the Shopping Channel compared with other methods of Direct Marketing;



- DRTV followed by **Addressed Direct Mail and the Shopping Channel continue to be the most welcome** forms of Direct Marketing, ahead of email, banner ads and telemarketing, across all ages and incomes.

Welcomeness by Media Type

| Net: Welcome (very/somewhat) | 2005 Total (%) | 2007 Total (%) | Age | | | Household Income | | |
|------------------------------|----------------|----------------|-------|-------|-----|------------------|---------------|---------|
| | | | 18-34 | 35-54 | 55+ | Under \$35K | \$35K - \$80K | \$80K + |
| DRTV Ads | 44 | 36 | 44 | 40 | 22 | 37 | 38 | 34 |
| Addressed Direct Mail | 31 | 32 | 37 | 35 | 23 | 33 | 34 | 29 |
| Shopping Channel | 36 | 31 | 41 | 32 | 19 | 29 | 36 | 28 |
| Unaddressed Direct Mail | 20 | 19 | 23 | 22 | 11 | 20 | 21 | 16 |
| E-mail | 17 | 16 | 18 | 18 | 11 | 14 | 17 | 22 |
| Banner Ads | 19 | 15 | 23 | 14 | 9 | 16 | 16 | 13 |
| Telemarketing | 3 | 3 | 3 | 4 | 2 | 4 | 2 | 2 |

¹ Net Advertising Volumes, TV Bureau, August 2008.

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Privacy and Security Concerns

- 92% of Canadians have continued to express **concern about protecting personal information**, however less so, compared to 2005 (94%);
- Social insurance numbers, financial information as well as home and cell phone numbers continue to be considered the most private types of personal information.
- Canadians feel that personal information is at **least risk when receiving advertising by mail** (only 19% felt at risk versus 29% with email and 36% with telephone).

Direct Mail in Canada

- Approximately **18.1 billion pieces** of Direct Mail was sent out in Canada in 2007.
- Direct Mail expenditures have increased to an **estimated \$1,696 million in 2007**, or +9.6% from 2005 levels¹.
- 84% of Canadians **spend some time attending to Addressed Direct Mail each day**, (up slightly from 2005 levels), followed by DRTV (80%) and Unaddressed Direct Mail (65%). This is compared to time spent attending to other media: 59% banner ads, 57% email, 46% telemarketing and 42% for the shopping channel.

Likelihood of Responding To Direct Mail Features

- Free samples, savings on in-store purchases as well as coupons, continue to be the primary features that are most likely to generate a response, emphasizing the need for ongoing communication and engagement with consumers through loyalty and retention programs.

