

My mail can find me

In an increasingly complex and uncertain world, one of the things Australians know they can rely on is that their mail can still reach them. In a 2007 study by Australia Post into household bills and bank statements, people gave a clear message that for important communication like these: mail is best. And businesses that try to change this may do so at their own peril.

This dedication to mail is perhaps surprising, given all the talk of “paperless offices” and everything going “virtual”. It might be expected that all this old-fashioned paperwork would move into the digital world at a rapid pace. But people who manage the household bills have clearly stated their preference for physical “snail-mail” over electronic alternatives. When asked which they prefer for delivery of many of their household bills, responses were typically 90% in favour of mail over “e-billing” (electronic billing via email or website). Preference for mailed bank statements was at similar levels.

Alliance Strategic Research, who conducted the study on behalf of Australia Post, explored the commitment to mailed bills further. The research showed people have strongly entrenched behaviour around their mail, and particularly in relation to household accounts (bills). This appears to be linked to the high importance people place on these kinds of documents, the frequency and immediacy of mail (versus their typical behaviours with email) and the complexity people have experienced in managing electronic mail.

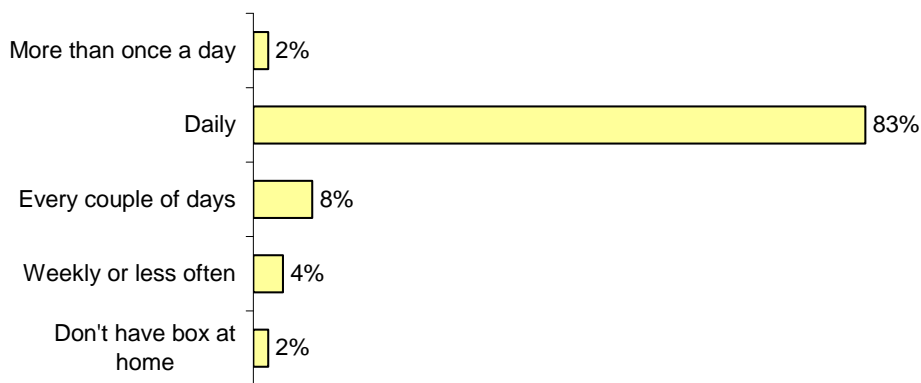
The vast majority of those surveyed believe they are organised when it came to paying bills, and importantly for billers, more than 60% of respondents say they pay their bills early. Manipulating billing arrangements could lead to deterioration in this by interfering with well established customer habits for bill payment.

The importance attached to mailed bills is also shown by the time period they are kept. 70% of people keep their bills for a year or more after they’ve paid them. The same is also true for bank statements. People believe the government (or more precisely, the tax man) likes people to keep good records of these kinds of affairs and for as long as seven years.

Some 5% reported they never throw out their bank statements! For a nation often portrayed as being laid-back, Australians in this sample are very diligent when it comes to paperwork!

But when it comes to potentially changing the delivery of bills from the physical letterbox to the digital inbox, some significant shifts in behaviour will be required. At the moment bills come to one location, and are delivered when payment is required. Household bills are typically mailed to the household that the bills relate to. People have a well-established habit of checking their mail boxes with 83% doing so on a daily basis.

How Often Do You Check Your Letterbox at Home
Sample 2 (n=501)



Research undertaken in 2008 showed people have a very developed understanding of what the items of mail are before they even open the envelope. They easily distinguish promotional mail from personal mail, and can tell if a letter is a household bill. Typically they read personal mail first, bills second and promotion mail last. There is a ritual about getting the mail from the letterbox and deciding what to read. People still get a thrill from getting a letter – even if it is a bill.

This contrasts strongly the electronic environment which, for most, is very busy with email. Research in 2007 showed that people receive an average of 33 emails a day at work, and about 8 at home. Hence many people are more often focused on deleting items from their inbox. A lot of emails in the inbox is not a thrill!

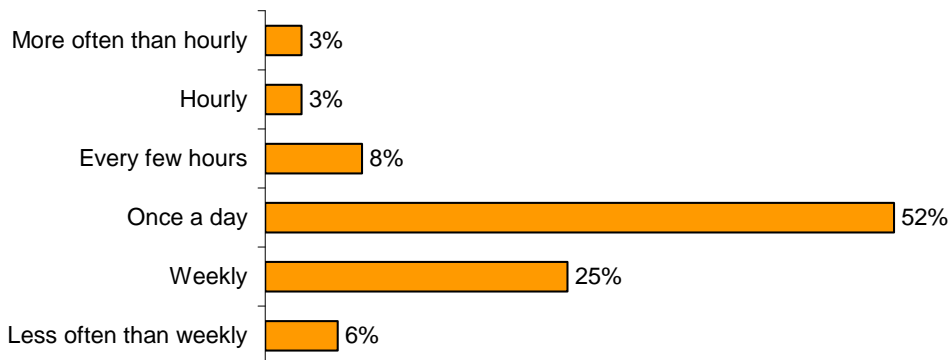
An important difference between letterboxes and inboxes is that some people cannot be contacted by email – they simply don't have an inbox. Around 40% of households in this survey didn't have access to the internet at home. (The household penetration of the internet is continuing to grow, so the percentage of households without internet access will decrease over time).

Some of these internet free households may have access to the internet at work – but it cannot be assumed. In the 2007 survey some 18% of those who worked did not have a work email address. Not everyone works in an office environment where it is easy to check emails.

Either way, most people who do receive email bills or statements receive them at home rather than at work (84%). Checking of emails at home is less frequent than the letterbox, with quite a large percent (25%) only checking on a weekly basis.

How Often Do You Check Private Email Address for Personal Emails

Sample 2 Private Emails (n=336)



The daily habits so clearly established for the letterbox are not as apparent when it comes to checking private email. This could potentially mean the delivery time of a bill may be extended.

One of the clearest distinctions between the letterbox and email is that people usually have only one letterbox, but often have multiple email addresses or inboxes.

Among the 67% of respondents who had a private email address, a large proportion of them (39%) had 2 or more addresses to manage (the number was lower for work email).

| | Private Email Addresses |
|-----------------|--------------------------------|
| <i>Sample 2</i> | <i>(501)</i> |
| None | 33% |
| 1 | 41% |
| 2 | 12% |
| 3 | 5% |
| 4 – 10 | 5% |
| 11 – 20 | 2% |
| 21 – 50 | 1% |
| >50 | - |
| Don't Know | - |
| Mean | 1.8 |

Presumably this reflects things like changes in ISP, or difficulties due to spam email. For whatever reason, there were relatively more people in this research who had changed their private email addresses than those who had changed their postal address. 22% of those who had a private email address had changed it in the last three years compared to 15% of those surveyed changing a postal address. And these changes took place more among demographics with higher numbers of bills to pay, specifically people aged 35-49 and those with children. These groups have 7.0 bills to pay on average, versus 6.5 overall. This could help make electronic billing even more unattractive.

Of course, it is possible have mail forwarded when a postal address is change. And people do make efforts to do this. Australia Post offers this service, and this appears to have been taken up by 32% of those in the research (for their last move). Since there is no similar service for private email, people are forced to remember to do it, and to go through the notification for each supplier individually. Ultimately there is more risk of ebills not reaching their intended recipients.

There is potentially another hidden problem for things like ebilling. Many people have not yet learnt that electronic documentation needs regular back-ups. Over half of the small minority of people who use electronic versions of these precious documents either don't know if they are backed-up (i.e. back-ups probably aren't happening) or are conscious that they do not back up. So as well as risks that private email may get lost before it reaches them, they may find they can't access it anymore in the event of a hardware or software failure (or computer theft).

A few people (10%) are aware that the biller keeps records on their web site. This also causes concern, because if they shift suppliers, they wonder if they will still have access to those records.

In addition, there is evidence that attempts to move people from their current behaviour (by charging for mailed bills) will cause some consternation. When this research posed a hypothetical situation where a biller required them to pay a \$1 fee for a mailed bill, 54% opted to go to a new supplier who would not charge. And if the amount of the fee was higher, the potential business losses were even worse.

This research, due to be repeated in 2009, has shown large numbers of Australians still want to receive these forms of everyday but important communication by mail. This appears to be linked to the finding that mail works best because it can usually find its way to people, and so they can pay bills promptly.

Mail is something people are in the habit of checking daily, there are no barriers to entry and people can easily ensure mail still reaches them if their address changes. Any attempts to penalise (charge) people who don't move to formats like ebilling look destined to have a negative impact on customer numbers. It would seem to be a case of "virtual" is still not *real* enough when it comes to important paperwork.