



Latcham

Insight: Achieving best value in your member communications



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How can you achieve the best value with your member communications? We're here to help!

The Department of Finance defines best value as “the most advantageous combination of cost, quality and sustainability to meet customer requirements”. In this guide, you will find a whole host of tips aimed at not just reducing cost, but tackling quality and sustainability in your communications too. We've broken it down by section, so you can refer to this guide when you need advice on getting more value with your communications.

Bulk mail discounts

Last month, during our webinar with MemberWise, we asked our attendees if they took advantage of bulk mail discounts. Only 24% of our attendees said yes – which means your membership organisation could be paying more than you need to, on your bulk mailings.

Standard UK letters will attract discounts if over 4,000 in volume and if the mailing is pre-sorted into postcode order, before entering the postal system. By pre-sorting the mailing, we are in effect doing part of Royal Mail's job, hence attracting the discounts.

The name of the product used to do this is called Mailmark and you will need to have an individual barcode within the window of the envelope, to make this possible. There are certain restrictions such as the members' addresses do require to be fully compatible with the Royal Mail “Postcode Address File”, so you have to be careful to get this correct. You can do this via data cleansing: making sure your members' details are accurate and up to date. It's also important to keep track of your members' location if it's their workplace; there is a good chance COVID-19 may have altered this, particularly with more people working from home.

We can help you take advantage of bulk mail discounts and with cleaning your data.

Downstream Access (DSA)

There are alternatives to Royal Mail such as the Delivery Group, Whistl and UK Mail. These are all referred to as “Downstream Access” providers (DSAs). In most cases, Royal Mail still delivers the “last mile” i.e. putting the mailed item through the correct letterbox. However, the DSA's offer better rates as they are bulk buying from Royal Mail. DSA providers can also consolidate smaller mailings to access volume discounts.

Using a DSA can also reduce VAT on your mailings. This can be done by utilising what is known as an “Agency Agreement”. Under the agreement, the DSA provider can act as the organisation’s agent and secure Royal Mail final mile delivery services on their behalf (by taking the mail to regional hubs). This means that the client will only pay VAT on the upstream element (collection and sorting by the DSA), with no VAT charged on the ‘downstream’ element (the final mile delivery by Royal Mail). The downstream element is where most of the cost lies.

As an example, a 2nd class UK mailing worth £2,000 without an agreement will attract 20% VAT i.e. £400; with an agreement in place, this is likely to be less than £100.

COVID-19 discounts

Royal Mail is currently running incentives for “Getting Back to Work” such as offering a 10% discount on either fundraising tasks or “promoting an open for business mailing.” This can only be sourced via Royal Mail and not a DSA, but the minimum volume is just 1,000 packs.

Getting the best price on international postage – what is a consolidator?

Overseas consolidators collect international mail from mailing houses across the UK on a daily basis. They then consolidate those daily collections into one bulk mailing. That bulk mailing is then shipped into a European country and will enter that country’s postal system.

Consolidators are buying postage in bulk and most (if not all) European countries post is cheaper than Royal Mail, meaning there can be considerable cost savings for the end-user. There are some drawbacks to this method: the consolidator will decide on a daily basis which country to ship the bulk mailing to, depending on who offers the best rates that day. The consolidator has to put a sticker over every outer envelope depending on which country’s postal system is being used, which could be anywhere in Europe: therefore an overseas member may not associate the letter with their member organisation and wonder why their member body is using a non-British mailing house.

Consolidators can also use a Royal Mail stamp and still be cheaper than Royal Mail direct, but it is not as cheap as utilising a European country directly.

Increasing your open rate

This guide has focused on cost reduction so far. Once these savings have been applied, and the mail is in your members’ hands, there is still the important element of open rate to remember: this is a key part in driving value in your communications. We have two simple tips you can apply here.

Research and our own experience has suggested that stamping your mailing using a digital stamp rather than an ordinary stamp or Printed Postage Impression (PPI) and using impactful envelope artwork, improves open rates.

Personalisation

Another often overlooked aspect of achieving best value is personalisation. Personalising your member communications can take many forms, from simply using your members’ names right the way through, to personalising language and imagery in the communications based on the data you have about them.

Personalisation demonstrates to your members that you know them. By tailoring communications to suit them, you can demonstrate to your members that your communications to them are valuable.

Personalisation can also encompass the type of communication you send to your member: print or digital. Your members may prefer the speed and accessibility of digital, or they may appreciate the more premium feel of a tangible, physical item such as a journal. Many organisations take a blended approach and use both, with digital being used for more transactional communications such as renewals and notifications, and physical communications such as journals, being used for a more immersive experience.

E-services

This brings us to e-delivery and eServices as a solution, and how these can be used to increase value. Going paperless obviously has ramifications in terms of cost-effectiveness and sustainability (however, the sustainability of electronic communications over paper communications is more nuanced than you may think: more on this later).

COVID-19 has brought electronic services to the forefront, almost overnight. This year, The Royal Geographic Society re-wrote their constitution which dated back to 1830, to allow for an electronic ballot instead of a postal ballot for their Annual General Meeting. This resulted in 140% more members casting their vote this year than the previous year.

EServices can provide lower costs but also lower barriers to entry and as a result, when used appropriately, can increase member engagement, which is invaluable at this current moment in the membership sector.

Sustainability

It is assumed almost implicitly that going paperless and switching to e-delivery has less environmental impact, but as we mentioned previously, this topic is not so clear-cut.

Paper and digital both have an effect on the environment.

Emails have a carbon cost. The machinery, electricity and servers required to send and receive email all use carbon. The Carbon Literacy Project tells us that a regular email can have a carbon cost of between 0.3 to 4g of CO₂e (carbon dioxide equivalent) and with emails with large attachments, this can rise as high as 50g of CO₂e. It is estimated that the carbon cost of an average office worker's emails is as high as 0.6 tonnes of CO₂e. The carbon footprint of the average person living in India is 1.5 tonnes. Suddenly, the assumption that paperless is automatically more sustainable, is called into question.

The average office prints 5,000 pages of paper each month, about 60% of the paper produced by a single tree. The benefits here are that there has been a large shift in recent years, to make paper and printing as sustainable as possible. In the UK, 80% of paper waste is recycled.

Recycled vs FSC paper

Forestry Stewardship Council (FSC) paper is one way to sustainably source your paper. FSC timber and pulp comes from responsibly managed forests. The FSC is dedicated to protecting forests globally and has the highest standards of any forestry commission to protect biodiversity and ecology. They are endorsed by The Woodland Trust, Greenpeace and the World Wildlife Fund.

Trees from FSC forests are either replaced or allowed to regenerate, and some forests are protected wholesale, ensuring FSC paper does not contribute to deforestation.

Recycling paper, on the other hand, reuses materials we already have to hand, and means no new trees need to be felled: but the process of recycling is not environmentally neutral, involving cleaning and bleaching, and using more energy than creating virgin paper.

While both options have their pros and cons, they both comprise a huge leap from the use of uncertified paper.

Paper vs digital

The bottom line is, both paper and digital media have an effect on the environment and share common issues. Neither paper nor digital are consequence-free for the environment. Both require the extraction of raw materials, energy and water usage, and the energy required to recycle the end product, whether it be electronics or paper pulp.

As with your member communications, a blended approach may be the best way forward, bringing together renewable energy, e-communications, sustainably sourced paper and recycling to pursue maximum sustainability.

At Latcham, we recycle 98% of all materials used on our site.

Hybrid mail

We've included a separate guide to hybrid mail in this postal pack, but it definitely requires inclusion in this guide.

Many of our attendees stated in the pre-registration process that they were not familiar with hybrid mail, but were interested in finding out more. To summarise, hybrid mail is an outsourced post-room that not only can you access anywhere – which is incredibly beneficial with an increasingly dispersed workforce – but also costs less than a second class stamp for the whole mailing. That's the envelope, paper, printing and sending of the mailing. Hybrid mail is also the same cost, no matter how many mailings you send out. If you need to send one letter or thousands, each mailing will be the same cost per unit.

All of the mail is processed in our secure data centre in Bristol, which means your staff can send mail with absolutely no contact, an element that has really come into its own during COVID-19.

Conclusion

As you can see, there are plenty of options and methods for achieving the best value within your member communications. Social distancing has had many drawbacks, but it can also be a teachable moment for all of us: to reflect on how we're communicating, if there's anything we can change and how we can do better in the future.

Contact us to find out more...

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