

The future of letter mail

ERGP stakeholders forum

September, 2023

Peter Dunn, Cullen International

Knowledge should inform actions ...



Need to analyse different factors

Different trends (and drivers) exist across different segments:

- correspondence mail – C2C, digital substitution (telephony too!)
- transactional mail – B2C (cost savings, also level of digital take-up)
- government mail – as above but also policy driven
- marketing mail – B2C (cost effectiveness)
- goods mail – mainly B2C (e-commerce growth)

Cost

Unlikely to be major factor for consumers

Hard to evaluate for businesses:

- bespoke discounts
- availability of data

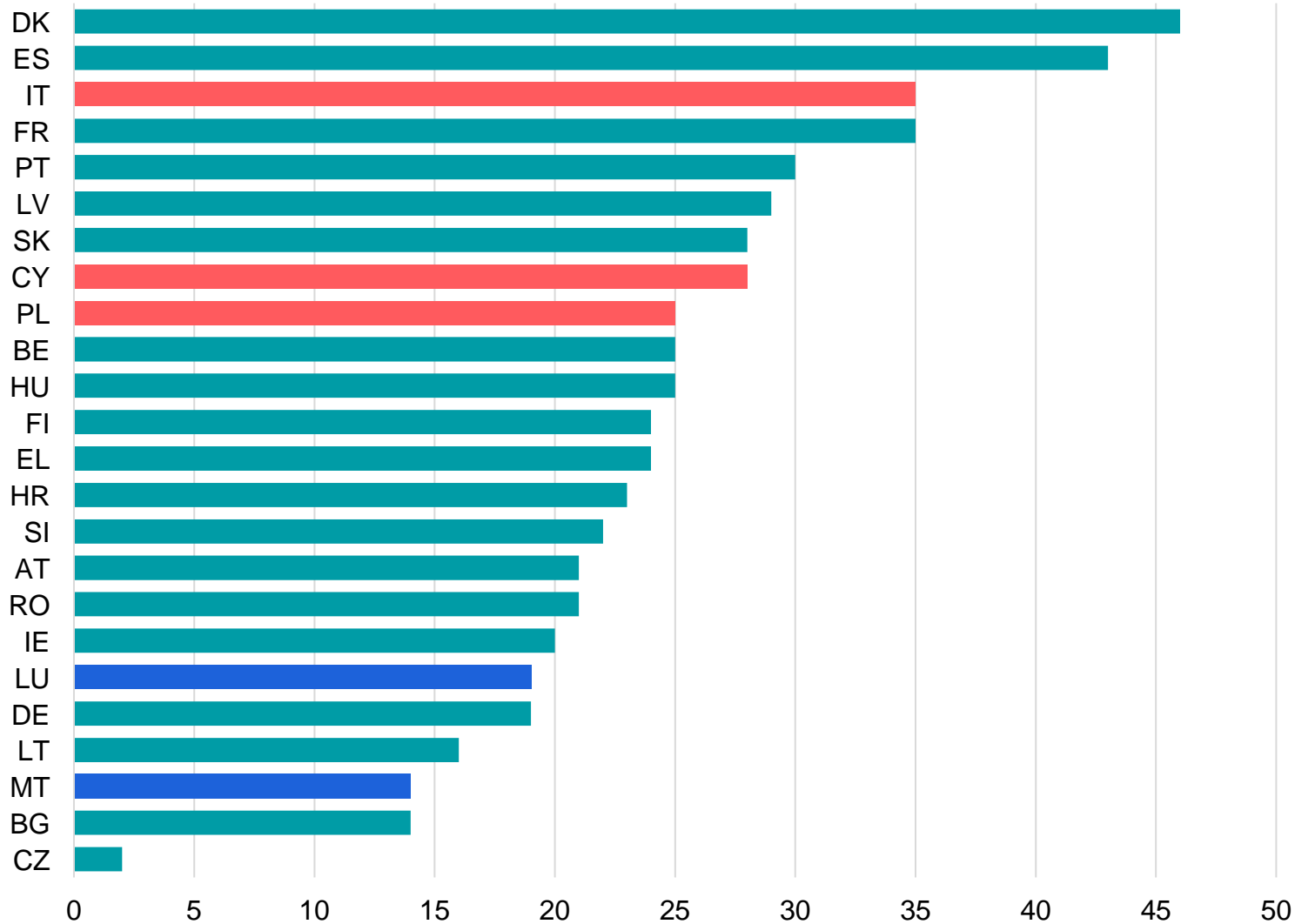
Digitisation

Internet usage and digital skills

Government digitisation initiatives

No clear relationship but ...

Some discernible rationale but not clear-cut



Most have higher levels of internet usage, digital skills, e-government

but many exceptions:
IT, PL, CY – low on digital skills and e-government
MT, LU – high on all digital scores

Most have lower levels of internet usage, digital skills, e-government

Implications

No “one size fits all” !

- likely to be national, regional and cultural reasons underlying mail patterns
- cross-border traffic, especially where significant in volume, could continue to affect user needs
- digital divide is still a major issue to consider

internet usage

In 15 EU countries in 2022,
15% of people used internet
less than once per month

digital skills

In 15 EU countries in 2021,
40% of people have digital
skills below the basic level

e-government

In 12 EU countries in 2021,
e-government provision and
delivery was below 70%



Should the “vulnerable” still have the “right” to receive paper?

Information sources and gaps

Breakdown of letter volume trends largely based on tariff-based traffic types:

- single piece, bulk, unaddressed, cross-border

More revealing and helpful to look at mail flow segments:

- correspondence, transactional, government, marketing, goods

Such information is not commonly collected as standard (or is commercially confidential)

- burdensome (+ practical obstacles) to require this breakdown from providers
- suggestion: NRAs conduct periodic surveys of letter traffic (will not be comprehensive but will still provide useful indication)



thank you!

peter.dunn@cullen-international.com