

# Christmas Incentive

# Christmas Gift Buying Happens On And Off Line

In-store and online used almost equally

- While 77% of Christmas gift buyers opted to make a purchase in-store, the proportion buying online was almost exactly the same (76%) highlighting the importance of a multichannel approach for almost any retailer. In fact, 54% of gift buyers made a purchase both online and in-store

Smartphones are becoming more important

- For online shoppers smartphones are becoming increasingly important, particularly among the young, with 40% of 16-34 year olds using their phone to make a purchase while this figure also peaks among commuters into the city, of whom 37% made a purchase on their smartphone



Source: Christmas Gift Buying - UK - February 2019.

# How Much is Spend and by Whom?

Gift buyers spend an average of £339

- The level of spending differed from how much consumers spent in 2017 compared to 2018 and a fifth said they had spent more than previously. This figure was down from 24% when the same question was asked in 2017, with more people describing their spending as 'about the same' (56% last year)

45-54 year-olds buy for the most people

- Family dominates Christmas shopping with over half of all buyers shopping for their partner and/or their children and grandchildren. 45-54 year-olds buy for the widest range of people and this is reflected in the fact that this age group also spends the most money on gifts



Source: Christmas Gift Buying - UK - February 2019.

# When do Customers Plan For Christmas?

November is the most popular time to start shopping

- The most popular single month in which to start shopping for Christmas gifts is November, although by this time 40% of people say they have already purchased something
- Women opt to start shopping earlier, with 28% having started their Christmas shopping before the start of October compared to just 16% of men. By contrast men are much more likely to leave it late, with 31% saying they didn't make any purchases before the start of December
- Londoners are also significantly more likely to leave their shopping to the last minute with 37% not starting until December, compared to just 19% of those living in the North East and North West



Source: Christmas Gift Buying - UK - February 2019.

# A Chance to Reach New Shoppers at Christmas

Shoppers buy things they wouldn't usually choose for themselves

- The nature of gift buying means that shoppers tend to be looking for gifts that fall outside of the items they would generally purchase for themselves. As a result, 36% of gift buyers say they made a purchase from a retailer that they wouldn't usually visit for themselves
- This highlights the importance in the lead-up to Christmas of retailers ensuring that their shopping experience is sufficiently tailored to those who may be less knowledgeable about their products



Source: Christmas Gift Buying - UK - February 2019.



# What is it Looking Like For Christmas 2019?

What is 2019 looking like?

- Consumer demand is holding up, even though the final quarter was the weakest of 2018. People may be worried about Brexit, but real incomes are still rising and inflation is, if anything, edging downwards. On the minus side there's the threat of rising interest rates and a weak housing market
- 2019 will not be a great year in terms of demand and the difficult trading conditions will continue. The pressure on retailers is to develop their own-brands. Debenhams has long had the right idea, but now its own-brands need rethinking and reviving
- The challenge of 2019 will be to establish a point of difference which will allow retailers to avoid having to cut prices to shift stock
- MINTEL research shows that the mid-range of forecasts should be for modest growth in both value and volume terms for Christmas 2019



Source: Christmas Gift Buying - UK - February 2019.

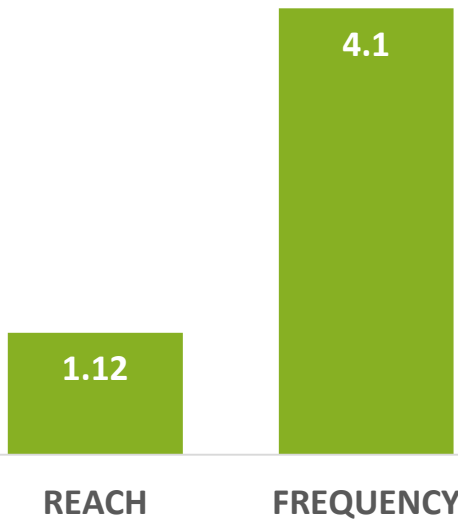
# Why Send Cards to Clients at Christmas?

- The sending of Christmas cards is strongly and culturally engrained into our Christmas tradition
- A corporate Christmas card is a great way to show customers and suppliers you value them and their business
- It cuts through in a way that even an animated email can't
- It has a long and prominent shelf life and is a subtle reminder of your brand throughout December
- A reminder of your brand is also a way of generating business
- And finally it is a nice way of showing that you are real people, if you make it personal as well, this will really enhance the authenticity of your heart-felt message

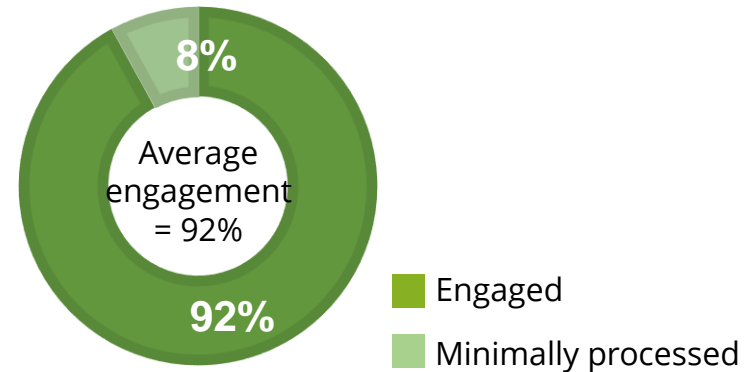


Source: Christmas Gift Buying - UK - February 2019.

# Mail Order / Online Retailer Interactions with mail



Addressed mail  
Time in the home



ENGAGED: % of mail processed in some way including - opening, reading, sorting, put aside for later, filed, put on display, put in the usual place.

MINIMALLY PROCESSED: % of mail thrown away only.

Source: Addressed advertising and mail order / online retailer. JICMAIL Q2 2017 - Q1 2019. Base: 5,952.



# Mail Order / Online Retailer Additional Commercial Actions

25% of those receiving mail order / online retailer mail go on to do one of these commercial actions



Source: Addressed advertising and mail order / online retailer. JICMAIL Q2 2017 – Q1 2019. Base: 5,952.

# Mandatory Requirements

There are six physical requirements for entry to Christmas Incentive



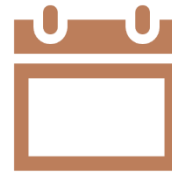
For Mailmark Advertising Mail & Partially Addressed Letters and Large Letters up to 250g



Post at least 50,000 incremental items to qualify for this incentive



No Postcards.  
(Single piece mailers are allowed)



11<sup>th</sup> November 2019 to 27<sup>th</sup> December 2019



Trays only.  
Letters must be submitted in trays to ensure sorting is quick and easy.



Discounts are paid as postage credits that will be valid for 12 months.

# The Application Process

## APPLY ONLINE FOR YOUR CREDIT AND RECEIVE YOUR DISCOUNT

Once your mailing has been sent, you will receive your discount in the form of postage credits

## 12 MONTHS

You have 12 months to redeem your credits

## ROYAL MAIL CONFIRM YOUR ACCEPTED VOLUME



## COMPLETE ONLINE APPLICATION FORM AND SUBMIT EVIDENCE

Fill out the application form attached with your information, company details, proposed volume and product specification

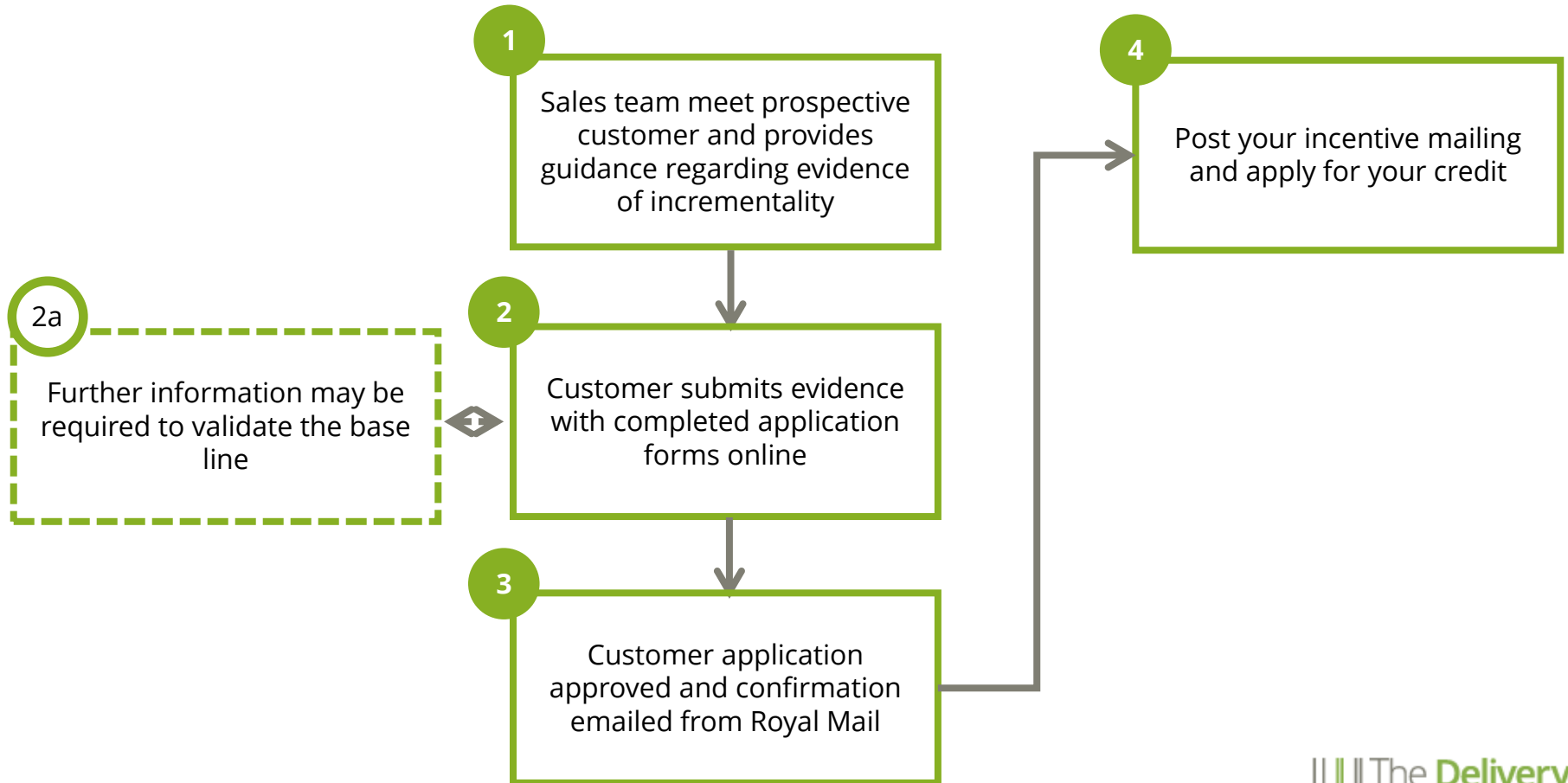
## POST YOUR COMMUNICATIONS

Print your communications

## REDEEM ON FUTURE MAILINGS

Use your postage credits on any future mailings

# The Validation Process



# The Special Offer

Advertising Mail, Responsible Mail & Partially Addressed Mailmark in trays offer prices at a glance

FORMAT	WEIGHT	UNIT PRICE
LETTER	Up to 100g	12p
LARGE LETTER	Up to 100g	21p*
LARGE LETTER	101-250g	25p

\*Offer price is higher than the Partially Addressed rate card price.

Credit is based on Wholesale National price plan Advertising Mail in Trays.  
Unit Price is consistent for all Wholesale price plans.

Please note you will be charged logistics costs in addition to the above as per your current rate card

# Key Dates



**OPENING DATE**



**APPLICATION  
DEADLINE**



**VALID DATES**



# Possible Business Case

	BASE LINE @ RATECARD	INCREASED TEST VOLUME
VOLUME	65,000	115,000
RESPONSE RATE	1.00%	1.00%
RESPONSES	650	1150
POSTAGE	£0.172	£0.120
PRINT AND PRODUCTION	£0.20	£0.20
COST PER ITEM	£0.37	£0.32
TOTAL COST	£24,180	£36,800
AVERAGE CONTRIBUTION PER RESPONSE	£50	£50
TOTAL CONTRIBUTION	£32,500	£57,500
INCREMENTAL REVENUE	£8,320	£20,700

Additional spend volume of 50,000 increases spend by just over £12k but might deliver additional revenue of £12,380

# How to Apply for This Special Offer

1. Talk to your Account Manager or email [incentives@thedeliverygroup.co.uk](mailto:incentives@thedeliverygroup.co.uk) for more information and to apply

2. Royal Mail may request additional documentation to provide evidence of incremental volume:

- 12-month mailing/campaign plans dated before and after the announcement of the incentive showing volume that was in the plan
- Dated internal communication showing the decision-making process agreeing to use the incentive; or internal business case showing an increase in advertising budget to accommodate more volume
- If you do not have any of the above, we require an email from a director of the company confirming that the volume is incremental and exceeds the volume posted in the corresponding period in 2018 and is only being posted because of the incentive.