

MAIL & MARKET NEWS

Envelopes Resist Crises

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Mail is a thing of the past, some would say. In today's digitalized world of instant communication, letters may seem superfluous. Think again. Almost half of e-commerce packages arrive in envelopes; a letter from the bank or national authority attracts immediate attention; and a wedding invitation received in your letterbox is more than just informative – it is a memory to cherish. Yes, envelopes bring content that is useful, effective and impactful – and they are here to stay.

The first envelopes date back to 3500 BC. Now, in 2020, we are celebrating the 200th anniversary of industrially manufactured envelopes. They are used to transmit personal and business correspondence, as well as important financial transactions. Information on paper delivered by post is inherently more reliable. It is not surprising that the world has always associated envelopes with trust and credibility.

The envelope industry has of course seen challenges. Disrupted economies, new technologies and communication channels have led to a reduction in mail volumes. In Europe, envelope production dropped from 89 billion to 55 billion in just ten years. But the envelope industry is resilient, and ongoing challenges and crises like COVID-19 will not defeat it.

Envelope and Corona

How has COVID-19 affected the envelope industry? You have perhaps noticed that post and parcel services are busy. Letters sent by governments to inform of COVID measures, clothes ordered online or cards sent to quarantine birthday kids (I am one of them) will have reached you in an envelope.

Behind the scenes, the industry has met different challenges – the capacity of some production plants has been cut, due to local

infection levels. In some countries, more than 15% of workers are absent because of symptoms, pre-existing health risks, or family reasons. The industry has also had to lay workers off, and terminate temporary employees' contracts.

The envelope industry traditionally has three cornerstones: transaction mail, office supply and direct mail. While transactional and office supply are largely volume businesses, direct mail's value goes beyond just volume. These strands of the envelope industry have felt different pressures due to the COVID-19 crisis.

Direct mail marketing has collapsed. As shops are not open, companies have cut their marketing budgets. Office supply has also decreased significantly. Only transactional mail has yet to feel the full impact of the crisis. The hits have been bearable so far, but if the situation continues for long, we will see dramatic changes.

This crisis has also demonstrated the danger of relying on digital communication; approximately 15% of EU citizens have no or inadequate access to the internet. It is therefore vital that the EU continues to support the universal postal service in every country. It's also worthwhile remembering that privacy laws are more strictly enforced for letters than email. Citizens can rest assured that their correspondence remains confidential.

There are also positive signs creating trust in the industry. For example, in the US, more than 15% of total envelope production is currently used for medical deliveries. The status of the envelope as a communication tool has seen a revival in this crisis. In the UK, envelope manufacturers have been declared system relevant businesses. Some EU countries, such as the UK and Finland, have sent a corona information letter to every citizen. Not surprisingly, my Brussels municipality knew that a letter would be a more efficient way to inform residents than the varying pieces of information online. Governments and local authorities choose letter mail, as it is the only communication method that reaches everyone

and has credibility. The opening and reading rates for letter mail is 85% compared with only 11% for email. These figures pertain to marketing messages, but the ballpark is the same for all general communication.

The envelope industry after Corona

Despite this massive disruption, the envelope industry will remain strong. The world and economy will be different, and thus we have to remodel the industry and the markets where we operate.

Transactional mail from governmental bodies and service providers will continue. The numbers may decrease due to digitalization, but the value and trustworthiness of mail communication will not. Our 'Keep Me Posted' campaign promotes the citizen's right to choose how they receive important information such as tax forms, election documents, bills and statements without disadvantage. It is a pro-choice campaign promoting the inclusion of vulnerable consumers, consumers without internet access, and consumers who simply prefer paper.

In the coming years, the industry will move from envelopes towards light packaging. When it comes to material efficiency, environmental footprint and durability, the envelope is ideal for delivering products weighing less than 1.5 kg. We offer the solution to the problem of over packaging, and parcels of less than 1.5 kg can be, in most cases, delivered into letterboxes. Using more suitable packaging, the efficiency of the whole delivery ecosystem is improved.

Direct mail and marketing will resume after the crisis. One of print media's leading qualities is its ability to command the full attention of the reader. With fewer distractions, the reader becomes fully immersed – a process that leads to 'deep thinking', increasing the effectiveness of the content. Recent research on the effectiveness of physical and online communication strongly suggests that physical material facilitates higher emotional processing than digital. New technologies have made it possible to enhance visual and sensory paper communication through 3D imaging,

lenticular stamps, 'scratch-and-sniff' applications and die-cutting. Digital integration offers the marketer a host of opportunities to engage with their customers in several new and exciting ways.

The business will change and most likely shift from volume to value. But what is sure is that the envelope industry will remain a significant part of the global communication and marketing ecosystem.

Source: [Our World](#)