


# The power of perception

As direct mail marketers face increasing concerns about the environmental impact of their products, addressing misinformation and stepping up industry efforts to improve consumer opinions on environmental issues has become essential.

**Douglas Quenqua** shares the insights of direct mail experts and highlights results from the first *DMNews/Pitney Bowes* survey on direct mail and the environment.



**W**ith global warming, hybrid vehicles and Al Gore dominating the news in 2007, it should come as no surprise that consumers are re-evaluating their lives with an eye toward reducing waste. Eager to do their part, people everywhere are taking stock of their daily routines, asking, “How can I waste less?” and “What can I do to help the environment?”

However, it should also come as no surprise that their answers to these questions are not always well-informed.

The first *DMNews/Pitney Bowes* survey on direct mail and the environment suggests that consumers greatly overestimate the environmental impact of direct mail, a fact that likely colors attitudes toward the medium. Nonetheless, the survey shows that people enjoy their mail and do not want to stop receiving it – even if doing so were to benefit the environment – and that they are open to industry efforts to police itself.

Of the 1,000 Americans age 18 and over who took part in the survey (divided equally between men and women), 48% thought that advertising mail from US households counted for more than half of the country’s municipal waste. Another 36% said it counted for slightly more than a third of that waste, and 12% guessed 9%.

In reality, according to the Environmental Protection Agency, advertising mail is responsible for just 2% of all municipal waste in the US – an answer chosen by only 2% of the survey’s respondents.

The gap between consumer perception and reality is understandably troubling to industry professionals.

“It’s astounding to me that people believe that mail accounts for as much municipal waste as the survey suggested, that the vast majority of people think its either 53% or 35%, and only 2% of the people got it right,” says Michael Critelli, executive chairman of Pitney Bowes. “We clearly have to do a better job in educating the public about the actual environmental impact of mail.”

#### Consumers overestimate impact

Respondents also vastly overestimated the amount of carbon dioxide released in the delivery of advertising mail. When asked to rank seven activities by their carbon dioxide output, respondents chose “Delivering an average of 10 to 11 pieces of transactional mail to your house for a year” as the third-most damaging activity, behind “driving a 2007 automatic, compact, four-door sedan 1,000 miles in one month” and “one year’s electricity usage for a 1992 top-freezer refrigerator with 19 to 21 cubic feet of space.”

In truth, not only does delivering that quantity of mail produce the least carbon dioxide of all seven activities listed (see chart, p19), it produces a fraction of the amount attributed to sources respondents thought were less harmful. For example, Pitney Bowes found that delivering that mail produces about 228 pounds of carbon dioxide a year, but *National Geographic’s* Green Guide

“We clearly have to do a better job in educating the public about the actual environmental impact of mail,” says Michael Critelli, executive chairman of Pitney Bowes.

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reports that using a television/DVD player/cable box combo for one year produces 1,608 pounds. Nonetheless, 16% of respondents thought the mail delivery was the worst offender, while fewer than 2% chose the TV/DVD combo.

"Consumers clearly lack the basic information about the true environmental impact of mail, and don't have a sense about where mail sits versus other things that humans in general do," says Paul Robbertz, VP of environmental health and safety at Pitney Bowes. "There is an opportunity there for further education and to make people understand that if we're going to take the energy to make the largest [environmental] improvements, to get the most bang for our buck, mail is not the first place [they should] look."

Robbertz and Critelli attribute the overestimation of direct mail's environmental impact to its ubiquity in the lives of consumers.

Critelli points to the fact that consumers "dispose of mail every day, whereas the other big items are probably disposed of less frequently," and that they "don't make the connection with foods and other kinds of waste, because they are simply less bulky."

"When you take a shower or operate a washing machine, you can't really put your hands on how much energy is being expended," adds Robbertz. "But, when you physically touch something and move it [into the trash], it has more of an impact."

The good news is that respondents showed a high level of receptivity to industry-led efforts to reduce direct mail's impact on the environment. In many cases, they said their opinion of direct mail would improve if the industry were to take certain eco-friendly actions that, perhaps unbeknownst to them, were actually adopted long ago by leading mailers.

Sixty-eight percent of respondents said they would have a higher opinion of direct mailers if they used recycled paper and cardboard products — a practice that's become all but standard among industry leaders such as Williams-Sonoma and Dell. Sixty-seven percent said they would think more highly of the industry if it planted trees to offset paper production, another increasingly popular tactic.

For example, this year, the credit card division of Citigroup launched a program in partnership with the National Arbor Day Foundation that plants a tree for every customer who opts to receive an electronic statement. According to Rob Rosenblatt, EVP, Citi Cards, the program has been so successful that other divisions of the company, including Citibank and Smith Barney, are launching plant-a-tree programs of their own.

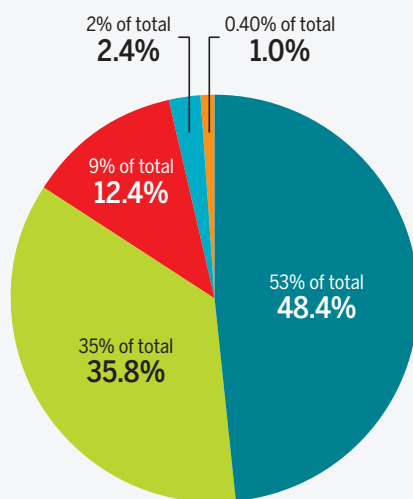
## THE ENVIRONMENT, CONVENIENCE AND COST

Among the environment, convenience or the financial cost to you, what do you consider first in completing the following activities?

	Environment	Convenience	Financial cost	Not applicable
Buying/using products not made with recyclable materials	43.0%	20.0%	30.8%	6.2%
Purchasing appliances or light bulbs	44.4%	15.8%	38.1%	1.7%
Using water and electricity	30.0%	25.5%	41.9%	2.6%
Disposing/recycling trash	67.9%	18.8%	9.8%	3.5%
Driving your car or SUV	15.2%	40.3%	36.6%	7.9%
Using your computer or the internet	7.7%	64.0%	19.4%	8.9%
Cooling or heating your home	20.1%	19.8%	57.3%	2.8%
Choosing a method of transportation: car, bus, train or plane	14.2%	42.1%	34.5%	9.2%

## MUNICIPAL WASTE

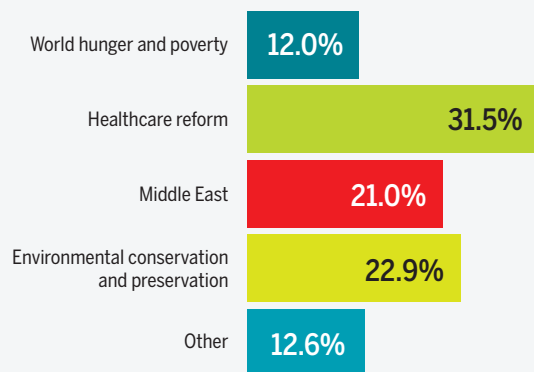
What percentage of total municipal waste do you think is accounted for by advertising mail from US households?



Note: Actual figure is 2%, according to the Environmental Protection Agency

## ISSUES OF CONCERN

Which of the following issues concerns you most?



2%

According to the EPA, advertising mail from US households counts for 2% of the country's municipal waste

For his part, Pitney Bowes' Critelli believes plant-a-tree programs are among the most promising initiatives in the industry, and deserve to be better publicized.

"We need to let people know about this," he says. "This is a good news story."

Respondents also said their opinion of the industry would improve if it went ahead with ideas that could be implemented in the not-too-distant future. For example, 53% said their opinion of unsolicited mail would be more positive if they knew there was an agency seal of approval or "green mail" label awarded by the industry. Sixty-seven percent said the same of a similar label awarded by a third party such as the EPA.

### An industry call to action

As a whole, the survey represents a call to action for the industry to both do more to lessen its environmental impact and better educate the public about what it is doing in that area, Critelli says.

"Some of it is educating consumers about what we already do, and some of it is more aggressively getting the industry to adopt good practices," he says.

After analyzing the survey results, Critelli, Robbertz, the Direct Marketing Association and several top marketing executives stressed the importance of mailers taking the lead to ease direct mail's impact on the environment, educate consumers and bolster the industry's public image.

After all, it's these marketers who are in regular contact with the public, and are best positioned to educate them about the true impact of direct mail and what's being done to reduce it. Fortunately, as the DMA itself points out, most of the guidelines they are now putting forth have long been common practice among the most conscientious marketers.

48%

thought that advertising mail from US households counted for more than half of the country's municipal waste

Chief among the actions taken by environmentally minded marketers is committing to staying out of old-growth or endangered forests, using a minimum percentage of recycled paper in their catalogs and opposing "conversion," by which forests are converted into plantations.

In recent years, marketers such as Norm Thompson Outfitters, Limited Brands and, this past October, Patagonia, have begun to spread the word by publishing "paper policies" on their Web sites, which clearly lay out the steps they are taking to reduce their impact on the world's forests and ecosystems. Most have developed these policies in conjunction with third-party environmental groups, and all say they are an invaluable tool in letting the consumer know your company is addressing the issue.

"We get lots of e-mails from customers who have concerns about the fact that we print paper catalogs," says Angela Weidmann, Patagonia's catalog print production manager. "Our customer base is pretty conservation-minded, so it's not surprising that we would hear from them on this. So, in October we published a paper policy," she says.

That policy is easy to find on Patagonia's Web site, which features an entire section devoted to its environmental efforts. An interactive microsite even lets customers track the environmental footprint of five different Patagonia products.



**“When you physically have to touch something and move it, it has more of an impact on you.”**

**Paul Robbertz, VP of environmental health and safety, Pitney Bowes**

Dell published its paper policy in 2004 after consulting with ForestEthics and Environmental Defense.

“We looked at where our impact was and what we could do,” says Bryant Hilton, a Dell communications executive who heads up its environmental responsibility efforts. “We set goals for using recycled paper and non-endangered sources.”

Hilton adds that those five-year goals were met in 2006, two years early, and Dell is now drawing up a new set of five-year goals.

#### Better list hygiene is key

Industry experts emphasize that none of these programs can eliminate an essential challenge direct mailers need to address regarding the reduction of direct mail’s environmental impact: better list hygiene.

Maintaining a list with a minimum of dead addresses or unwilling recipients, observers agree, is one of the easiest ways to decrease both the amount of discarded paper created by advertising mail, and the perception that it’s a major source of waste. Indeed, 70% of survey respondents said their opinion of direct mail would improve “if undeliverable mail were kept to a minimum with correct addressing capabilities.”

Critelli points out that the industry needs help from outside parties to make this happen.

“The business of address correction has been around for 25 years. The software and technology are out there,” he says. “But I think the postal service and the industry need to understand what some of the practical obstacles are to updating address databases, and they need to tackle them together.”

First among those obstacles, he says, are privacy restrictions that prevent mailers from accessing databases with the most up-to-date addresses. For example, credit card issuers cannot send statements based on a change-of-address card submitted to the post office by a consumer. Instead, that company must wait for the consumer to send a specific change-of-address notification, resulting in outdated addresses.

“There has to be separate notification to the mailer by the recipient that it’s OK to mail to his new address,” says Critelli. He suggests a program to better educate the major credit card and insurance companies about the importance of pursuing these addresses so they can keep their lists up to date.

“They should be sending notices that say ‘We know you’ve moved, but can’t send your statement to this address unless you notify us specifically,’” he says. Critelli also suggests a program educating consumers about the need to send such notices.

A similar obstacle arises from privacy laws that prevent the US Postal Service from accessing Department of Motor Vehicle registration records, he says. Such databases contain the most up-to-date address information, and allowing USPS to make use of those records could eliminate a huge amount of wasted mail. Hence, Critelli believes the laws should be reconsidered.

“If we think the environmental concerns are strong enough, as this survey indicates they are, then we should ask the public and elected officials what they want more: wasted mail or limited postal service access to the DMV list?” he asks. “I think the public and lawmakers need to understand there’s a tradeoff between privacy and the environment here, and they need to decide what’s more important.”

Critelli also called for the USPS (which declined to be interviewed for this story) to take action against wasteful, deceptive mailings, such as political solicitations designed to look like official government documents.

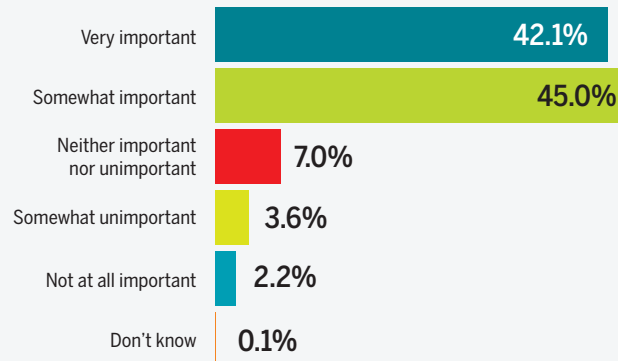
“USPS has the power to prohibit that kind of practice, and we have talked to them about actually prohibiting that,” he says. “I believe that is something they could be considering.”

Another basic step that could have major results, say observers, is strict adherence to the DMA’s mail preference service, a topic touched upon by the survey.

Sixty-six percent of respondents said they had never heard of the DMA’s Mail Preference Service (MPS), and 15% said they had already registered with it.

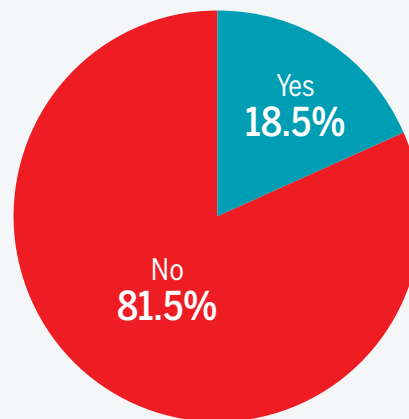
## CONSERVATION AND PRESERVATION

How important is environmental conservation and preservation to you?



## CONVENIENCE OF DIRECT MAIL

Is the convenience of receiving direct mail pieces worth more to you than its environmental impact?



**53%**

said that their opinion of unsolicited mail would be more positive if they knew there was an agency seal of approval or “green mail” label awarded by the industry itself

## HARMFUL EFFECTS

Which of the following do you believe has the most harmful effect on the environment?

Buying/using products not made with recyclable materials	10.4%
Purchasing non-energy efficient appliances or light bulbs	4.4%
Wasting water and electricity	21.7%
Littering	21.0%
Receiving catalogs and paper based mail	6.9%
Driving your car or SUV	27.3%
Air travel	7.8%
Using your computer or the Internet	0.5%

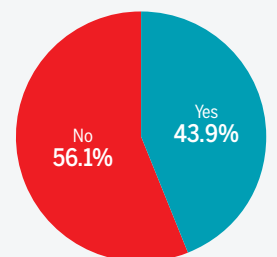
## ADOPTING INITIATIVES

If companies were to implement the following initiatives, do you agree that your attitude toward receiving direct mail from those companies would improve?

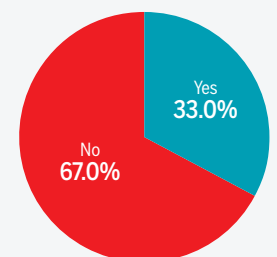
Use of recycled paper and cardboard products	68.3%
Planting new trees to offset the amount of mail sent	66.9%
Recycling/purifying water supplies used in paper production	63.5%
Reducing emissions of carbon dioxide from their operations/buildings	63.1%
Use of electric or low emission fuel delivery vans	60.1%
Certification of mail as green	52.9%

## “HAVE YOU EVER...?”

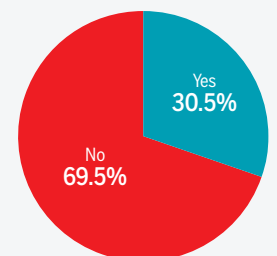
...used a new business for the first time because of information you received in the mail?



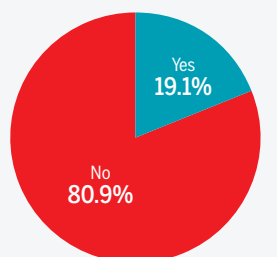
...contributed to a nonprofit for the first time because of information you received in the mail?



...renewed a relationship with a business after a period of time because you received a mailing or promotional item?

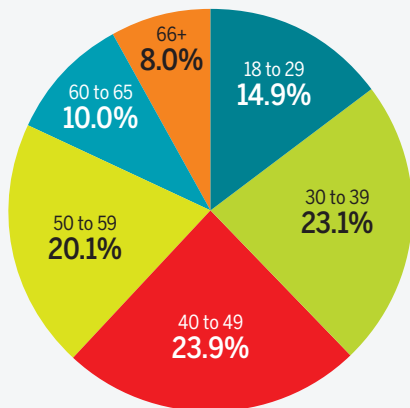


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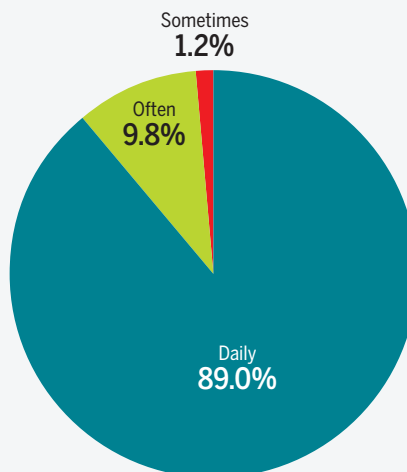
## DEMOGRAPHICS: AGE

How old are you?



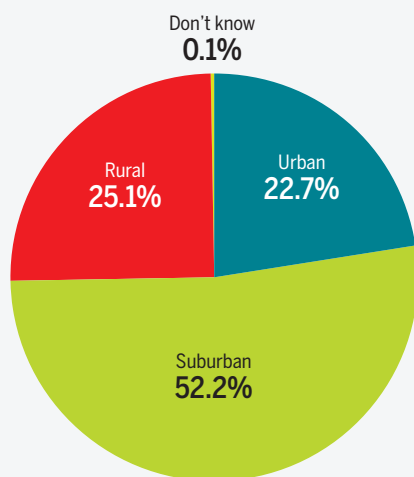
## FREQUENCY AT THE MAILBOX

How often do you go through the mail you receive at home?



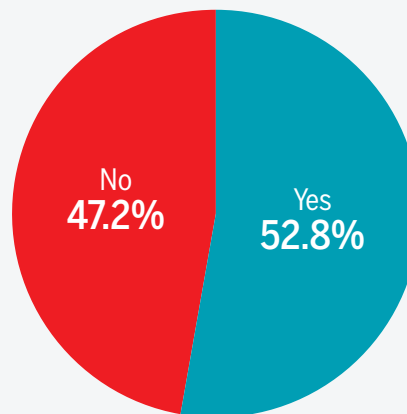
## DEMOGRAPHICS: GEOGRAPHY

How would you characterize where you live?



## "GREEN MAIL" SEAL OF APPROVAL

Would your perception of unsolicited mail be more positive if you knew there was an agency seal of approval or a "green mail" label?



**"Selectivity is of high value to people."**

Steve Berry, EVP of government affairs, DMA

And indeed, Berry says, just those kinds of changes are already in the works. He declined to discuss specifics, but said that changes in the service would soon mean more control and more selectivity for consumers.

### DMA to update service

"We're updating our system and service, and we're going to be much, much more responsive, because the technology allows it," says Berry. "Frankly, 15 years ago we wouldn't have had the capacity to let consumers go in and make these changes. We have that capability now and we will have it up and running in the very near future."

Berry also says the DMA had recently increased the frequency with which members are required to check the list. "One of the requirements of DMA members was you had to check that list against yours every quarter," he says. "As of October, you now have to run that list every month. We hope to see shortened turnaround time for results for consumers."

Another way the DMA is working to put more power in the hands of consumers is its Commitment to Consumer Choice program, which was recently debuted and states that every solicitation sent out must include notice of the opportunity to modify the frequency of, or eliminate entirely, that piece of mail. It also gives recipients the chance to opt for electronic delivery.

But list hygiene and consumer choice are just elements of the most direct environmental actions the DMA has taken thus far. Two new programs debuted in May of this year: The Green 15 and Recycle Please. The Green 15 is a series of steps all direct market-

## ENVIRONMENTAL IMPACT

Do you always or often consider the environmental impact when you do any of the following?

Dispose of/recycle trash	69.7%
Use water and electricity	65.9%
Purchase appliances or light bulbs	60.4%
Cool or heat your home	59.8%
Receive catalogs and paper-based mail	51.4%
Drive your car or SUV	46.2%
Buy/use products not made with recyclable materials	43.8%
Choose a method of transportation	38.2%
Use your computer or the Internet	33.2%
Carpool	21.9%

## ACTIONS SPEAK

Would the following actions that companies might take have a positive impact on whether you would do business with them?

Use of a system that would minimize unwanted mail	80.9%
Use of recycled paper and cardboard	75.7%
Keep undeliverable mail to a minimum with correct addressing capabilities	69.6%
The business was certified as eco-friendly or green	67.4%
The business was awarded a seal of approval by the EPA or other independent organization for environmentally friendly direct mailing practices	67.3%

## CO<sub>2</sub> GENERATORS

Which of the following do you believe releases the greatest amount of CO<sub>2</sub> (carbon dioxide)?

One year's electricity usage for a 1992 top-freezer refrigerator with 19-21 cubic feet of space	19.1%
One year's electricity usage for a 2002 side-by-side refrigerator with 19-21 cubic feet of space	5.5%
Taking an eight-minute shower every day for a year	2.0%
Combined television, DVD and cable box usage for one year	1.7%
Running your clothes dryer 10 times a week for one year	12.9%
Driving a 2007 automatic compact four-door sedan 1,000 miles in one month	42.0%
Delivering an average of 10 to 11 pieces of transactional mail to your house for a year	16.8%

Note: The dryer releases the most CO<sub>2</sub>, according to the National Geographic Green Guide



of respondents said they had never heard of the DMA's Mail Preference Service

Overall, the survey's findings indicated that consumers would like more choice in the mail they receive. Steve Berry, EVP of government affairs for the DMA, says those findings justified his group's efforts on behalf of consumers.

"What this study has shown is that we were exactly correct that this is where the consumer wants to go," he says. "They want to have more control and input on the choices they have about the mail that comes to their mailbox."

Crittelli says that because the study shows consumers are interested in more control and more options, the industry would benefit from further refinements to the DMA's service.

"There are three things that need to happen to make [the MPS] better," he says. "One is to make it more selective. People want a service where they can say, 'I'm getting this particular catalog three times a year, and I want it only one time a year', or 'I want catalog A and not catalog B.' Selectivity is of high value to people."

"The second thing is for direct marketers to access that list as frequently as possible," he continues. "And the third, obviously, is to honor it."

