

# Postcomm Open Meeting

14<sup>th</sup> May 2008

The

The logo for DAMART features the word "DAMART" in a bold, blue, italicized sans-serif font. A red diagonal line with a white dot at its center crosses through the letter "A". To the right of the word "DAMART", there is a thin vertical red line.

Perspective

## Our Business Model

1.3 million active customers – Average age +70yrs

3 Brands – Damart, Andre DeBrett & Sedagyl

Intense Direct Mail contact strategy – every 2 weeks per Brand

Postage out constitutes 35% of our total DM spend

Customer Orders = 70% by post, payment included

Customer Deliveries = 50% by Royal Mail Parcels

Customer Returns = 100% via Post Office Counters

## **Critical Success Factors**

Consistent Mailsort 3 performance

Customer confidence in postal network

Post Offices that are open

**“No mail = No business”**

## **Our Experience in Autumn Winter 2007**

First official action severely damaged our Main catalogue -30%.

12 mailings (minimum) in total affected by either official or unofficial action.

Examples of 3 mailings landing in the same week at same address.

Unsupportable claims from Royal Mail that pipeline was clear.

Uncertainty of service and financial pressures result in cancelled activity.

## **Consequences**

10% Sales loss directly attributable to strike action.

Immeasurable further loss of sales due to lack of customer confidence.

Inability to manage operations due to disruption in all areas of RM network.

DM postage paid to Royal Mail @ 100% = significant fixed cost (no SLA).

48k New customers lost – 3 season (18 month) loss of business.

Current compensation scheme does not fit.

# Our Perspective

Royal Mail chose the negotiating stance – they should face the consequences and not their customers.

Why separate “Official” and “Unofficial” strike action? Both actions severely affect the customer. Compensation should be due on all action!

Royal Mail failed to deliver its service promise in Q2 & Q3. Their measures do not reflect the reality & communication of cleared pipelines was exaggerated.

- It cannot be justified to strike out any of Q2 & Q3.

**therefore**

The industry need Postcomm to strongly consider the customer  
i.e. Postal Users.

Royal Mail should not be allowed to play the “regulatory card” and delay compensation - they took 3 years to pay compensation last time.