Alex Batchelor

joined Royal Mail as Marketing Director in June 2005, after almost four years at Orange. He is responsible for £7bn of mail-related revenues and delivering three key strands of Royal Mail's strategic programme: revitalising the product portfolio; rebalancing prices; and making the Royal Mail 'easy to do business with'. While at Orange, he was VP, Worldwide Brand, and was responsible for managing and developing the Orange brand on an international basis. He joined Orange from brand consultancy, Interbrand, where he spent five years, latterly as joint Managing Director. Before that Alex was Board Strategic Planner at Saatchi & Saatchi Advertising, working on accounts including Toyota, Hilton and Carlsberg Tetley.

Mail 2.0: How digital is driving the re-invention of mail

Alex Batchelor

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Abstract

The transformation of the media and communications landscape following the emergence of digital in the mid-1990s is being given new impetus with Web 2.0. In that context, this paper considers the changing social and commercial role for consumer mail. The first half begins by looking briefly at the evolution of mail and its changing uses. It then looks at mail's dominance as a communications channel, 'junk' mail and mail's 'user-value'. The second half focuses on the impact of digital on mail. It shows that, far from sounding the death knell for mail as predicted, digital and mail are enormously complementary. The paper concludes that digital, in combination with the trend towards customer-centricity, is actually serving to re-invigorate and re-invent mail around its three unique strengths.

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The evolution of mail

A public postal service has been in existence in Britain since 1635, although it was only with the introduction of the Penny Post in 1840 that usage of mail really took off. By the late 1870s, around 900 million letters a year were being posted in Britain.¹ A hundred or so years later (in 1979–1980), it had reached 10,870 million (see Figure 1).

Mails' dominance was not seriously challenged by the early forms of tele-communications — namely, the telegraph and the fixed-line telephone — which came into use around the same time as mail.² Neither provided a 'mass' communication channel in the way that mail clearly did — they were more 'niche' and so tended to be seen as complementary rather than alternative channels. Mail received the first serious challenge to its dominance in the 1970s, when fixed-line home phone penetration accelerated and went beyond 50 per cent of households for the first time.³

Even then, mail remained the predominant channel for most types of remote one-to-one communications. In large part, this was because mail is tangible and can be consumed 'any time, any place, anywhere'.

By the time digital⁴ began to take root as a mass phenomenon in the mid-1990s, mail could be segmented into three main categories of usage:⁵ social mail, transactional mail and direct mail (Figure 2).

Alex Batchelor
Royal Mail Centre
First Floor
35–50 Rathbone Place
London W1T 1HQ, UK
Tel: +44 020 7441 4783
E-mail: anna.gray@royalmail.co.uk

Figure 1: Total mail volumes (Archive/TNS), 1839–2006/07

Figure 2: Mail split by category, 1982/3 to 2006/07 (MCS)

The uses of mail: From Mail 1.0 to Mail 2.0

In retrospect, the mid-1990s can be seen as the high-water mark for what we might call ‘Mail 1.0’.

Not only were mail’s uses as a ‘mass’ communication channel universally understood, but Mail 1.0 was unquestioningly used (more accurately perhaps, taken for granted) as the predominant channel for

Mail 1.0

(i) non-real-time social communications and (ii) commercial communications — on a one-to-one or ‘mass’ basis — with named individuals and companies, that is, B2C and B2B.

Since then, the established uses of mail have been impacted by three distinct, although inter-linked factors: the rapid emergence and widespread uptake of digital; the growth in consumer concerns around ‘junk’ mail; and the accelerating trend towards customer-centricity. Both separately and together, these factors are bringing about a long-term change in the way social, transactional and direct mail are thought about and used — in themselves and alongside digital.

Digital is creating ‘new’ uses of mail and, along with the growing focus on customer-centricity, driving the development of Mail 2.0.

Mail 2.0

The important point, though, is that it is the *uses* of mail that are changing, not mail itself. Rather, the development of Mail 2.0 is bringing mail’s distinct characteristics and unique strengths sharply back into focus, while revealing its inherent complementarity with a digital world.

The dominance of mail

Mail meets a *very* basic need: the need to communicate with, and send things to remote others.

As we have seen, however, for an extraordinarily long time — about 150 years — mail did not really have any serious competitors, in terms of alternative communication channels.

Until digital.

Digital

Almost instantly, digital was viewed as a step-change improvement on what existed previously and this fuelled its rapid, mass uptake. If progress creates new possibilities and alternatives, then digital did this in spades. No less importantly, at least from the perspective of this paper, some aspects of digital offered clear advantages over mail. For example, certain kinds of communication are, for reasons such as speed, cost or simplicity, better done via e-mail. Similarly, things such as photos, articles, movies, music, etc can be digitised and sent (or shared or published... *whatever*) electronically via the internet rather than physically carried from A to 47B.

But many types of communication are not... and many things cannot. (Or — for *many* possible reasons — people simply do not want to, or choose not to use digital.) At which point, digital brings the question of mail’s characteristics and strengths back into focus: what are these?

Mail’s characteristics and strengths derive not from the thought itself, but from how that thought is delivered. In other words, for mail to gain acceptance and be *used* as a mass communications channel, certain (implicit) expectations and requirements had to be satisfied.

Practically, it needed to be cheap, easy, local, reliable, accessible, fast, consistent, secure, unlimited (in terms of what and where it can deliver)... and *universal*, in the sense of being able to be used by and to reach anyone and everyone. Emotionally, senders needed to feel they could trust it, that mail is reputable, that it is confidential and can be

Distinct characteristics and strengths

used with confidence, that it will not be tampered with... and that — regardless of size, shape, content, weight, value, etc — mail can be relied upon to deliver what is sent to whoever the sender wants to receive it.

Mail’s distinct characteristics and strengths derive from all this and, below, we provide a summary of what these are. In doing so, we make a basic distinction — which is implicit in the expectations and requirements outlined above — between what is sent and the system that delivers it. This is essential because, in addition to being a communications and distribution channel, mail is also a communications *medium*. As Figure 3 shows, some of these characteristics apply to mail as a channel; some to mail as a medium; and some to mail *per se*.

Alongside social, transactional and direct mail, these characteristics and strengths have resulted, over the years, in the development of a whole panoply of more niche, but still mass, applications for Mail 1.0... home shopping, marketing fulfilment, postal voting, market research, ‘direct selling’, subscription magazines, test marketing, correspondence courses... and so on.

Eventually, we realise that mail has been dominant for so long for a very simple, but fundamental reason. Both as a channel and as a

Figure 3: Mail’s characteristics and strengths

medium, mail embodies *everything* people expect and require in order to use mail to communicate with, and send stuff to others remotely and on mass.

The irony of 'junk' mail

Mail's characteristics as a channel and as a medium mean that, along with the internet, it has a unique ability to deliver personalised communications to named individuals on a disaggregated basis in large numbers.

These characteristics — particularly targetability, measurability and interactivity — make mail not only highly responsive and accountable, but inherently well suited to communications that aim for or require some kind of immediate reaction from the recipient. Alongside the various technological developments necessary for cost-effective mass mailings to become possible, this suitability fed the emergence and growth of the third major area of usage for Mail 2.0: direct mail.

What is direct mail?

The definitions of 'what direct mail is' are, as they say, many and various. For the purposes of this paper, the simplest definition is perhaps best:

'mailings of the same or near-similar information to large numbers of named individuals or organisations for commercial purposes, usually "unsolicited"'.⁵

As this definition makes clear, direct mail is very different from both social and transactional mail. Despite similarities such as being sent out on a 'mass' basis and having a commercial purpose, transactional mail (think utility bills or bank statements) is fundamentally different in that the information it carries is unique to the individual — and is valued for that reason. Equally, social mail (think love letters and birthday cards) is almost the polar opposite to this definition of direct mail.

'Direct' becomes 'junk'

Sometime between 1995 and 2005, 'direct' started to mean 'junk' and, for many consumers, the two became synonymous. Much direct mail had become about using lists to acquire new customers, and 'carpet bombing' — the numbers game — particularly by financial services companies, got out of hand.⁶ Consumers did not take kindly to their interest being so taken for granted and found it intrusive. Not only did they say senders were being too pushy in chasing their money, consumers also felt that they were showing insufficient (necessary) respect.

There is a real irony behind all this. Mail is 'direct' because it enables unmediated, one-to-one and two-way interactions between a company (or any kind of organisation) and its customers on a scale basis. This quality of directness is one of mail's great competitive strengths and — along with its accountability — massively differentiates mail as a medium from other communications media.

More importantly, however, this directness means that mail can not only enable, but is *particularly suitable* for interactions that go well beyond straightforward business-to-customer communications (B2C). Yes, mail can be used as a communications medium, but it can also be

used for doing business directly ('transact' means, quite literally, 'the act of doing business'), to drive customer behaviour and to build, deepen and reward relationships between companies and their customers. In an increasingly customer-centric world, these are enormously important attributes... think Tesco.

The irony is that one of mail's deep strengths as a channel/medium is in helping companies do business with, drive the behaviour of and strengthen their relationship with *existing* customers. And yet, for most of the time, the focus has been on using mail to acquire *new* customers. The scope to use mail to drive transactions, behaviours and relationships directly has, in the main, been under-utilised, while the use of mail to 'capture' new customers has gone too far.

The impact of digital: (i) On Mail 1.0

Impact of digital

Digital has had two over-riding effects. First, it made a lot of new things possible.

Secondly, it fundamentally re-contextualised — and, because of this, *changed* — everything it touched, in both the social and the commercial spaces.

Mail 1.0 was not exempt from this, although the impact was significantly less than might have been expected. In essence, digital modified the use of mail *at the margins*, as described below.

With *social mail*, the words of Mark Twain spring rapidly to mind... 'the reports of my death have been greatly exaggerated'. Yes, in the original sense of writing letters to communicate personal news, social mail has been in a very slow, very long-term decline for many years. 'Cards' — in the form of birthday cards, Christmas cards, postcards, 'occasion' cards, etc — however, have grown at a faster rate than personal letters have disappeared.

Social mail has grown significantly over the last 20 years

The net result is that social mail has grown significantly over the last 20 years (although there is some evidence of this plateauing in the last couple of years). Similarly, while it is commonly assumed that social mail is being replaced by digital alternatives⁷ — largely with a combination of social e-mail, online networks and mobile phones — the evidence for this is far from unequivocal. While there are clear generational differences, it now seems that the use of digital and mobile communications has been much more incremental than substitutional. Indeed, there are some predictions — and some circumstantial evidence in the growth of pen and stationary sales — of a resurgence in letter-writing, such is the power of real words on paper in a digital world.

A proportion of *transactional communications* that previously would have been sent by the post — for example, statements and bills — has now moved online. At one level, this is not surprising, since, from the earliest days of digital, the deep, underlying trend has been away from 'real' towards 'virtual' ways of doing business.⁸

From research conducted by Royal Mail,⁹ it is clear that, for certain types of transactions and/or in certain sectors (particularly financial services), customers welcome the ability to access basic information

**Shift to digital has
not been as rapid or
universal as expected**

about transactions online. Here, though, it is important to properly understand that consumers have different needs from transactional communications and this impacts how they want to access/use it. For example, where the need is to 'streamline' — that is, to access relatively straightforward information quickly — online makes most sense. Where, however, the need is more to 'elaborate' — that is, to use information more actively and/or keep and refer back to it — the clear preference is for mail. Crucially, however, for many customers the ability to 'streamline' online is wanted as well as — *not instead of* — receiving hard copies through the post. Partly, this is because they do not trust digital in the way they trust mail; partly, it is because many people use what comes through the letterbox as a way of managing household finances.

All of which may help explain why the shift of transactional communications out of mail into digital has not been as rapid or universal as might have been, at first glance, thought.

Direct mail, which was widely used because of its ability to deliver cost-effective responses, found that it had a powerful new competitor in the form of e-mail. As outlined in section 'The irony of 'junk' mail' above, direct mail was already under pressure through emerging consumer concerns about 'junk' mail, and it lost some further ground as a tool for acquiring new customers to e-mail. In part, this was because e-mail can be sent for a fraction of the cost of mail; in part, it was because — at least, initially — e-mail did not have the same 'junk' image and seemed to be more environmentally responsible.¹⁰ The initial rush to use digital for customer acquisition led at first to innovation, but quickly created a world of spam, pop-ups, cookies, etc... as well as anti-spam software, pop-up blockers, cookie detectors, etc.

Today, outside the B2B market, very few reputable brands would — except under the most controlled circumstances — look to use e-mail for acquisition, while the most generally accepted forms of customer acquisition using digital are banner advertising, third-party marketing and, most importantly, a brand's own and related websites.

Overall, as the above shows, digital's impact on Mail 1.0 has been nowhere near as significant as expected. (But then, who would have predicted that radio would be one of the major winners from the internet?) The established uses of mail have been modified and there has been a slight substitution at the margins. Where mail is being substituted by digital — most notably, in 'streamlining' — this is because an apparently better alternative for a particular use has come along. As the not infrequent requests for hard copies in the post as well as online access confirm, however, the situation is rarely as simple as straightforward substitution of A with B. In the final analysis, just as 30 or so years ago, telephone eventually came to complement but not replace mail, so digital is coming to complement but not replace mail.

More and more, early predictions that digital would sound the death knell for mail are coming to sound rather like certain other predictions... that introducing PCs would result in paperless offices; or building extra lanes on the M25 would ease traffic congestion; or using

a battery of performance micro-targets to manage public services would make them better; or that would seem 'the end of history'...

As will be seen, digital is not substituting, but helping re-invigorate and re-invent mail.

In the real world.

The impact of digital: (ii) Web 2.0 and Mail 2.0

Before looking specifically at Mail 2.0 and its uses, it is worth asking whether, in fact, Mail 2.0 is an appropriate descriptor, given the direct comparison with Web 2.0 that it implies.

Web 2.0 describes 'version two' of the internet that has evolved over the last few years. The analogy is with other areas of modern technology such as electronics, IT/software, telecoms, where 'new versions' still do everything the previous version did (although, often, modified in some way), but have some 'new' functionality, features and/or uses alongside. From that perspective, there is a clear similarity between Web 2.0 and Mail 2.0.

Web 2.0

Quite clearly, Web 2.0 can be used for all the things Web 1.0 could do: we can still check train times, discover the middle name of every President of the United States or buy wine direct from the producer. The difference is we can now use it to do other, 'new' things — such as network through Facebook and broadcast ourselves on YouTube — as well. Once again, the dynamic is not substitutional, but additional: Web 2.0 is the sum of 'new' uses on top of established ones.

Web 2.0, however, is differentiated from Web 1.0 and — in that sense only — *defined* by the nature of these 'new' uses: they are what makes it so distinct, what has created the 'buzz' and, crucially, what makes Web 2.0 so potentially significant... and powerfully symbolic.

There is a way of reading modern, competitive consumer markets as being at a tipping point from the old 'manufacturer push' market model to a new 'consumer pull' model. This analysis argues that, alongside the combination of over-supply and too much choice, the internet is bringing about a long-term shift in the balance of power away from manufacturers in favour of consumers. The internet does this, not only by enabling consumers to easily find and compare information, but by aggregating buying power. Among (many) other things, this is what Web 1.0 did.

'New' uses of Web 2.0

The 'new' uses of Web 2.0 go beyond this. 'New' platforms such as Facebook, YouTube, etc take the 'consumer pull' model one stage further, and hence what is pulled by users of Web 2.0 is what has been created by and for users of Web 2.0. If what has been created is not seen by users to have relevance, interest or, crucially, value — whether as information, entertainment, communication, etc — then it is ignored.

This idea — that the users of a channel determine what is of value and, thereby, drive its usage and content — is the next, logical step. As an idea, it is very close to that of 'user-value' outlined in section 'The impact of digital: (i) on Mail 1.0' above and, increasingly, with Web 2.0 that is what we see: content driven by user-value within a consumer pull model.

Important to keep Web 2.0 in perspective

Web 2.0 works as a user-driven, application-based and technology-enabled 'pull' market model — *not* the other way round. But, and it is a very big but, it is important to keep Web 2.0 in a proper perspective. The vast bulk of the internet remains, and is still best described as Web 1.0; equally, enormous chunks of the digital world still operate within the old 'manufacturer push' model — think pop-ups and spam. 'Content driven by user-value in a pull model' describes the direction of travel for the internet overall, as well as the most potent and powerful characteristics of Web 2.0.

That last sentence applies equally well to Mail 2.0 and this is its second similarity to Web 2.0. Indeed, it could be argued that — in terms of channel content — mail is far closer to achieving the aspiration of being 'user-value' driven than digital. (To give just one example: today, about a fifth of all consumer mail is categorised as 'direct mail', a proportion of which (you decide) could probably be described as 'junk' mail; by contrast, in 2006 93 per cent of all e-mail traffic was spam.¹¹) The major difference is that the 'new' uses of Web 2.0 are largely social and leisure-oriented, while the 'new' uses of Mail 2.0 are largely commercial.

Fundamentally, though, both are seeing these 'new' uses develop alongside their established uses.

The opportunity — and challenge — from customer-centricity

Alongside digital, the other major business trend since the mid-1990s has been the increasing emphasis on customer-led strategy and, through this, the drive to become customer-centric. Today, aided by concerns about 'junk' mail, these are driving the emergence of Mail 2.0.

Customer-centricity

Essentially, customer-centricity reflects the growing view that 'customers are the real employer'¹² and argues that the only strategy sustainable in the long term is one that is focussed on creating customer-perceived value. The resultant 'customer focus' is evident in the increased priority companies are giving to their ability to create and use 'customer insight'; in the changes they are making to structures and processes in order to 'put our customers at the heart of our thinking, decisions and actions as a business'; and, most significantly, prioritising the retention of existing customers ahead of acquiring new ones within the business strategy.

There are strong commercial arguments for prioritising existing customers: various studies have shown the real costs of losing an existing customer or compared to the cost of keeping a current customer versus acquiring a new one. This sits behind the growing shift in marketing activity and budgets away from customer acquisition in favour of retention. As Figure 4 shows, this shift is already evident in direct mail volumes.

Mail is at the heart of this shift towards customer-centricity for two basic reasons.

First of all, mail's distinct characteristics *as a communications channel* (see Figure 3) mean that it is uniquely suited to building,

Figure 4: DM shift from acquisition to retention, 2002–2006

deepening and sustaining — in a word, developing — relationships with customers. It part, this is because its heritage as a channel for social communications means that the emotional connection that consumers have with mail is deeper-rooted and much richer than is the case with any other communications channel. In part, it is because mail is something real and tangible that comes into ‘my’ private space and is consumed in my own time. And in part, it is because mail enables unmediated, one-to-one and very personal interactions... *on any scale.*

Secondly, mail’s distinct characteristics *as a communications medium* mean that it is able to deliver many different types of value to consumers and, thereby, achieve a broad range of outcomes for business. This is because of one very simple, very fundamental reality: as a medium, mail is not limited or bounded in the way that, differently, every other medium is. Mail exists, unmediated, in the real world; it is tangible, permanent and physical; it is always on and, Campari-style, can be consumed any time, any place, any where; it is able to engage, enable or reward consumers; it can get consumers to think, feel, know or do things; and it is — inherently — two-way, targetable and measurable.

Mail’s potential

As all this suggests, mail offers enormous scope (i) as a channel for user-value driven content and (ii) as a medium for creativity, not just in execution but, much more profoundly, in terms of content.

The great opportunity — and real creative challenge — for Mail 2.0 in an increasingly customer-centric commercial environment is to develop deep relationships with customers by continuously finding, unlocking and delivering new kinds of value for consumers (remember, v2c drives v2b) *through the content of mail.*

The impact of digital: (iii) The emergence of Mail 2.0

Today, mail is in flux. Already, we can see that the main uses of Mail 1.0 — social, transactional and direct mail — are evolving and

The key changes

changing, and we can see the new ‘user-value’ driven content of Mail 2.0 emerging.

Below we describe the main changes that we see as Mail 1.0 turns into Mail 2.0. These changes are summarised in Figure 5; the rest of this section describes the key changes we see.

Overall, we see transactional mail evolving into something different and much more powerful — let us call it *relationship mail*. This ‘new’ role for mail is being shaped by a combination of the shift from customer acquisition to retention and the growing recognition that, actually, transactional mail can be used to deepen and add value to relationships with customers and to drive loyalty. At the same time,

Figure 5: From Mail 1.0 to Mail 2.0

some of the more basic, 'streamlining' elements of transactional mail are being partially migrated to online and e-mail, while mail is developing a stronger, more value-adding role in line with the 'elaboration' needs that consumers have.

Major debate

All this is happening against the backdrop of the major — and very live — debate currently taking place in business around 'customer communications in a digital world'. The debate is being fed by the twin forces of digital and customer-centricity and — particularly in the light of the realisation that, as it were, CRM 2.0 must *not* be IT-driven — there is growing interest in the strategic use of mail.

Acquisitional mail

Alongside the use of mail in customer communications designed to deepen relationships or drive loyalty, there are also early signs of direct mail being re-invented as *acquisitional mail*. This second 'new' role is being driven by an emergent recognition that, although 'junk' mail has damaged mail's reputation, digital is *not* the answer and new, smarter thinking is required to make sure that mail continues to work — although, almost certainly, using a different 'model' — for acquisition. In this, the two main points of reference are mail's unique abilities to develop relationships and deliver many different types of value.

Relationship mail and acquisitional mail are both 'new' uses of mail as a communications channel and medium. In parallel with their evolution, 'new' roles for mail as a distribution channel are also emerging. These are heavily driven by digital and, particularly, the inherent complementarity of digital and mail. In essence, mail is evolving from a (very) 'general' distribution channel to become the *delivery channel for digital* in a number of important ways.

Mail has always been used for home shopping. Now, though, there is considerable interest in how mail and digital can be used *together* for *integrated selling* from both 'traditional' home shopping companies and newer web-based operators. This is leading to innovative new thinking such as the use of 'mini-catalogues' sent by mail that are specifically designed to support, guide and drive the online shopping behaviours of their customers.

Similarly, mail has always been used for (marketing) fulfilment where, for example, a consumer clips and sends off the coupon from a newspaper or phones a number to request, for example, a brochure or a sample. Mail 2.0 takes that role on into *digital fulfilment* in two main ways. First, the role is expanded to include digital media — not just websites, e-mails and click-throughs, but also SMS-enabled applications — in a consumer 'pull' model. Secondly, it is extended from just covering marketing fulfilment (brochures, samples, etc) to include *sales* fulfilment, that is to deliver the goods or services that have been bought. This differs from a more general distribution role in Mail 1.0 because mail actually makes the digital transaction feasible.

There has always been an element of transactional mail that has involved buying something — such as a ticket — and receiving it by post; generally, though, this has been in a B2C or a B2C context. In a world of eBay buying and selling, Mail 2.0 expands this role all the way into enabling *C2C transactions*. Just as mail and digital can both

Mass customisation

aggregate numbers of consumers up, they can also disaggregate them down to the lowest possible level, that is, one-to-one transactions, and make them work.

Finally, Mail 2.0 is at the point where it is starting to enable the commercial holy grail of *mass customisation*. It is now economically and practicably possible for an individual to use digital to choose/specify what he/she wants from, literally, billions of possible permutations and, without any kind of mediation or intermediate process, the item is created and delivered, as Nike iD first did a few years back.

Mail 2.0 is developing a deep, long-term and marvellously irrefutable partnership with digital. It is able to do this for the very simple reason that digital and mail complement each other brilliantly. Mail complements digital in a way that no other channel or medium does. Similarly, mail enables digital to do things that are valued by consumers and business alike, but digital cannot do on its own.

Mail 2.0 allows digital to fulfil its commercial potential and enables the digital economy to function.

In short, d ♥ e.

Conclusion: The future of mail

Mail 1.0 was a social and transactional communications channel...

Mail 2.0 is a commercial channel for businesses and customers to communicate, develop relationships and do business with each other.

Mail 1.0 was a general distribution channel... Mail 2.0 is now the delivery channel — and the most powerful partner — for digital.

Mail 1.0 was an agent for doing business... Mail 2.0 is, increasingly, a *principal* in doing business.

The twin forces of digital and customer-centricity are re-invigorating and re-inventing mail around its three unique strengths as a channel and as a medium.

Its distinct characteristics, its suitability for developing customer relationships and its ability to deliver a wide range of customer value and business outcomes.

The future is bright. The future is red.

Postscript

If anyone asks you what Mail 2.0 is, tell them it is four different things all together:

- a communications channel
- the delivery channel for digital
- a channel for doing business and
- a marketing and communications medium.

Tell them, as well, that is what makes mail a powerful business tool, now and for the future.

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A bright future

Notes

1. The reasons for this explosion in mail can be found in the socio-historic realities of Britain in the second half of the 19th century. This was a post-Industrial Revolution society, characterised by many newly relocated and more separated families; increased prosperity and the emergence of the middle classes with, alongside these, a growth in the idea of leisure time and the shift from 'holy-days' to holidays; the strength and wide dispersion of the British Army; the maintenance of Empire and the great pulsations of international trade; the growth in education, mass media and communication and — with these — increased literacy and numeracy. All this drive both the desire and the need to be able to communicate between people at a distance. For a good overview of the social development of Britain in this period, see Briggs, A. (1994) *A Social History of England*, 2nd edn, Chapters 8–10, Weidenfeld & Nicholson, London.
2. The first telegraphic message was transmitted in 1837 and Reuters was founded as the first 'by telegraph' news service in 1851. The telephone was patented by Bell in 1876, although uptake in Britain was slow: in 1882, *The Times* reported there was one telephone for every 300 people in Chicago, compared with one for every 3,000 in London. Source: Briggs (*ibid*), pp. 242–243.
3. Percentage of UK households with fixed line telephones, Office of National Statistics (ONS), Family Expenditure and Food Survey, Annual publication.
4. The generic term 'digital' is used throughout this paper. By digital, we mean the whole cluster of media and communications applications and uses that have been made possible by the combination of digital technologies and electronic networks. Specifically, this includes the worldwide web, e-mail, websites, online services, electronic ordering and retailing, file-sharing, social networking, etc; by extension, it also includes both the ability to digitise content and, although not *precisely* fitting this definition, mobile telecoms.
5. There is a fourth category of usage: business mail. While this clearly overlaps with two of the other three categories, it is generally defined in terms that include business-to-business mailings (B2B), but exclude most types of business-to-consumer (B2C) mailings. As the main focus of this paper is on consumer mail, it largely disregards business mail.
6. There is evidence that the drive by financial service companies to switch customers out of competitors by offering rates or incentives that were better than those offered to their existing customers back-fired and that the next effect has been to 'educate' consumers in the advantages of disloyalty.
7. There are very good, practical reasons for such an assumption. For example, in contrast with mail, e-mail is real-time, 'free' and more immediately two-way. Similarly, the ability to attach and send 'digitised' content such as photos, movies and links that can be 'read' instantly is an advantage over traditional mail.
8. The deep trend away from 'real' towards 'virtual' ways of doing business was evident everywhere as digital emerged: in the migration of 'direct' banking away from telephone in favour of online; in the strength of 'e-tailers' such as Amazon and Play.com; in the creation of digital distribution alongside more traditional sales channels by manufacturers and retailers alike; and so on. Today, however, the general view is that this represented an over-reaction and that 'the future is Catholic', with 'real' and 'virtual' ways of doing business existing side by side and, crucially, working in synch.
9. Henley Centre, 'Making a Statement'.
10. E-mail's problem with 'junk mail' — called spam in this context — turned out to be far greater than mail's: research in 2006 showed that over 90 per cent of all e-mail traffic was spam.
11. Mail Characteristics Survey, Royal Mail.
12. *Harvard Business Review*, May 2007, p. 96.