

Paper Bills and Statements A Real Necessity In A Digital World

Banks, Utilities and Telecoms companies are now increasingly going 'on-line' and either withdrawing paper based bills and statements, making charges if consumers wish to receive them, or just increasingly making a paper bill or statement difficult to access.

The survey reveals how consumers feel about this development and shows that consumer choice is being disregarded. Some surprising statistics have emerged which should make 'billers' review their strategies

**A survey of UK and US consumers undertaken by Two Sides
July 2013**

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Executive Summary

This survey has been commissioned by Two Sides and carried out by international research company Toluna in July 2013. 500 UK and 2000 US consumers were asked their opinion on a variety of billing and statement related issues with a focus on the present supplier pressure to switch to electronic bills and statements; 'e-billing'. This report details the responses from UK consumers and reveals fundamental differences between the preferences of consumers and the billing strategies of their suppliers. The results of the survey undertaken with US consumers are being published in a companion report.

The results of the UK survey show that whilst electronic billing and statements are now becoming a standard billing method, many consumers still want hard copy by post, or a combination of post and e-mail, and there are signs of frustration, from a significant section of consumers, with the tactics used to move consumers from post to e-mail. There is also mistrust of the motivation behind the pressure to switch.

For billers, the survey results reveal that there is a danger of losing customers who are pushed unwillingly to move to e-billing or subjected to cost penalties. A majority of consumers will not choose companies that do not offer paper bills and are unconvinced about misleading environmental claims.

E-billing can be convenient. However, consumers are seeing through the unconvincing reasons billers give for changing to e-bills, such as 'better for the environment' and they realise that their bill provider is just seeking to reduce costs. With 38% of consumers, at their cost, now printing all or some of their bills, the term 'paper free billing' must be challenged.

Over 33% of UK households do not own a computer, and a properly printed and detailed paper bill is a basic necessity to monitor and record regular expenditure. Billing companies clearly need to review their strategies which are leading to the disenchantment of their customers and disenfranchisement of a significant part of the population.

Consumer choice appears to have become a casualty of the digital revolution when it comes to billing.

Key Findings

- 60% of consumers state they would not choose a company which did not offer a paper bill.
- 12% of consumers and 20% of 25 – 34 year olds, say they have switched to a new provider when a charge for paper based bills was imposed.
- 8% of consumers and 16% of 25 – 34 year olds, say they have switched providers because paper bills were withdrawn.
- 57% of consumers overall, 66% of 18 – 25 year olds, and 60% of 25 -34 year olds, believe a paper bill option is still quite or very important when choosing a new supplier.
- 93% of consumers say they are unwilling to pay for paper bills.
- 89% of consumers want to be able to switch between paper and e-bills without difficulty and cost

- 48% of consumers are likely to read their bills and statements when received both electronically and by post whereas only 21% read bills which they receive by email only and 31% read bills which are received by post only.
- 42% prefer to receive financial services bills by post only and 37% prefer to receive utility bills by post only. For financial services, post is the preferred option overall.
- 21% of consumers would refuse to switch to electronic bills and statements when asked to do so and 23% would take no action. Younger age groups are clearly more willing to make the switch but the over 45's do not want to change.
- 69% of consumers say that postal bills offer better record keeping and 65% say they are easier to check. 48% state that postal bills offer more security and 46% say bills and statements printed on paper are easier to read than off a screen.
- 38% of consumers are clearly 'home printers' with 26% printing up to 20% of their bills and 7% printing out between 80% and 100% of their bills. 62% don't print out any bills at home;

Consumers are suspicious of environmental claims and appear confused by the environmental arguments used in the promotion of e-billing. Statements such as, "Go Green, Go Digital", "Save Trees, Go Paperless" can do damage to corporate reputations.

'Going Paperless' is highly misleading with home printing being now required by many consumers who wish to keep a permanent record

- 15% do not believe claims such as "Go Green, Go Digital", "Save Trees, Go Paperless". 14% feel misled and 29% question the validity of these sort of claims.
- 49% of consumers believe that companies are switching to e-billing in order to reduce environmental impact but the majority, 87%, agree that cost savings are the main driver.
- 67% have seen statements saying that e-billing is better for the environment and 63% believe e-billing has a lower environmental impact. However 71% understand that print and paper can be a sustainable way to communicate.

Over the past two years, Two Sides has worked with major billing companies to counter misleading 'Greenwash'. 80% of the marketing messages which tempted consumers to 'go online' because it's 'better for the environment' have been withdrawn. There is growing evidence that digital communications have a significant environmental footprint and, responsibly used, paper can be the sustainable way to communicate

About Two Sides

Two Sides is an initiative by companies from the Graphic Communication Value Chain including forestry, pulp, paper, inks and chemicals, pre press, press, finishing, publishing and printing. Membership spans Europe, the United States and Australia. Our common goal is to promote the sustainability of print and paper, and dispel common environmental misconceptions by providing users with verifiable information on why print and paper is an attractive, practical and sustainable communications medium. www.twosides.info

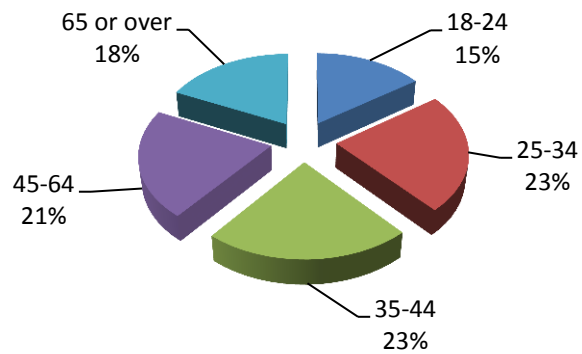
Contacts:

e: enquiries@twosides.info
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The Survey

Sample size and breakdown

The survey was conducted by independent research organisation Toluna with 500 UK consumers in June and July 2013. The split in each age range of consumers was as follows:

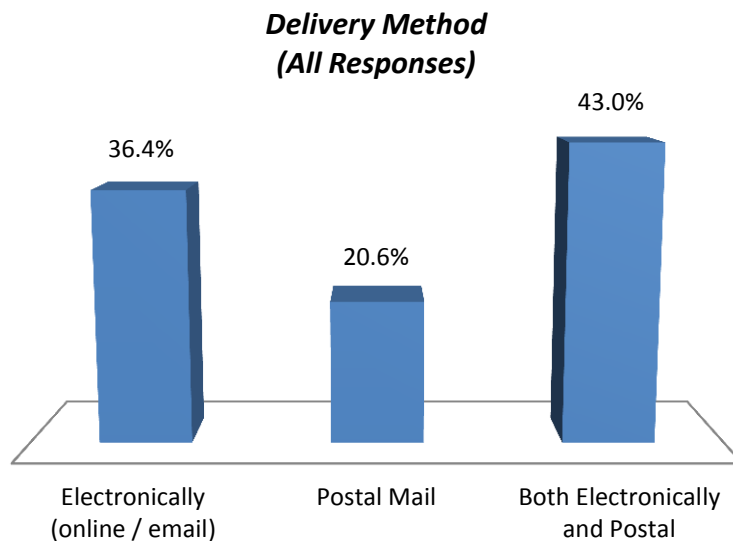


50% of the consumers were male and 50% female. None of the individuals questioned worked in paper, printing or allied industries.

Consumers were spread across the UK

Questions and Responses

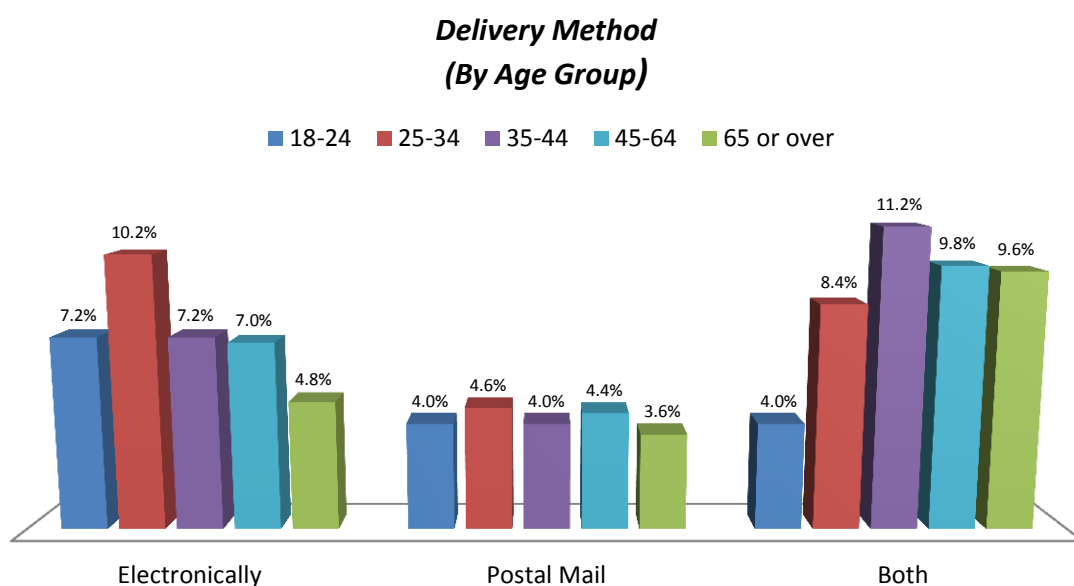
1. Thinking about the way in which you receive your bills and statements, which of the following typically applies to you? I usually receive bills and statements:



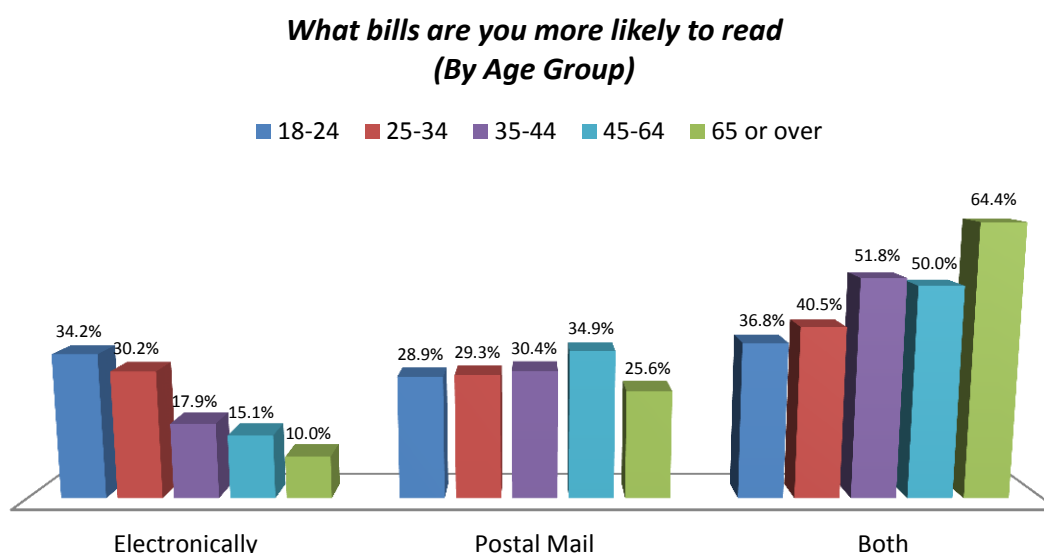
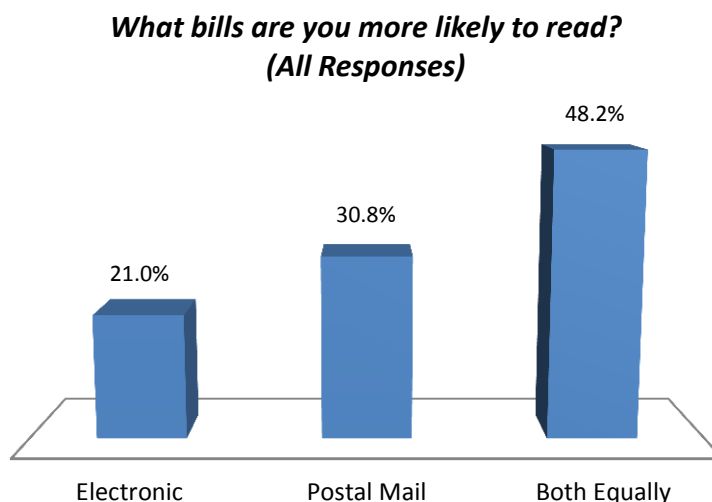
The results here do not necessarily reflect preferences but the way in which bills and statements are received at the present time.

21% of the consumers surveyed, still receive their bills only by post and 36% only by e-mail. Receiving both by post and email is the currently the principal method.

However, if the results are broken down by age group, it can be seen that there is a predominance of electronic bills in young generations. Moreover, older generations are receiving bills both electronically and by postal mail. Those who receive postal mail only, are spread fairly equally amongst age groups and still averaging 20% of all bills and statements.



2. What bills are you more likely to read?



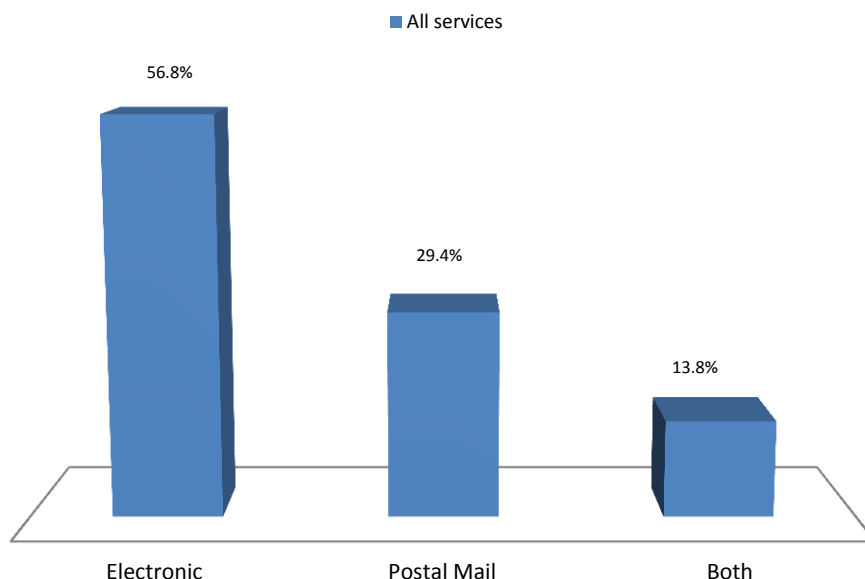
Whilst half of all consumers say they read both e-bills and postal bills equally, there is clear evidence that electronic bills and statements get the least attention.

Again, examination of this data split down by age group offers some interesting facts.

Of those who are receiving electronic mail only, the older generation are unlikely to read the majority of bills sent. There is a much higher likelihood of mail being read by all consumers who choose to receive bills by post or, more significantly, consumers who wish to retain the flexibility of postal and electronic communications. Older generations are seemingly more diligent in reading their bills unless they have elected for e-billing only.

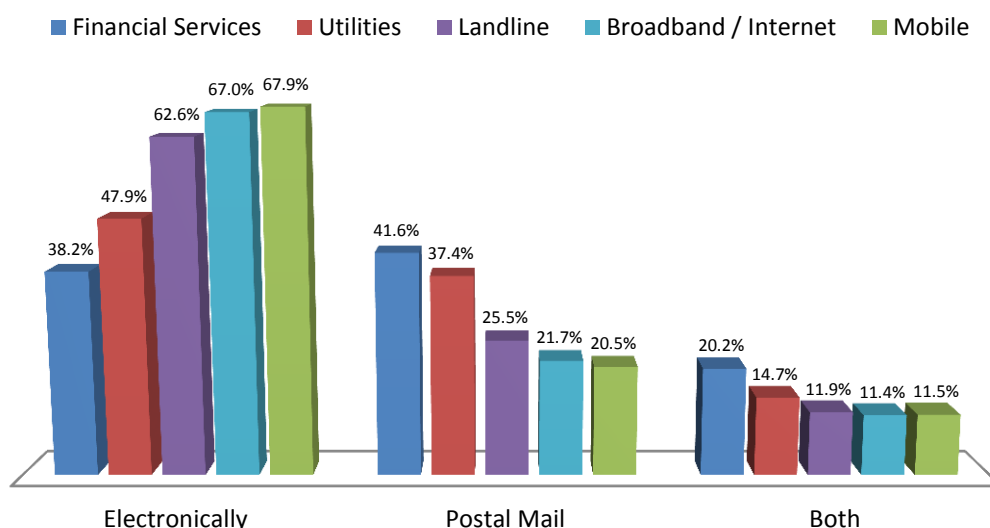
3. For the following services what is your preferred way to get your bill or statement? Utilities (Gas, Electricity, Water etc.); Landline Telephone; Mobile Telephone; Financial Services (Banks, Credit Cards etc.); Broadband / Internet; Pay TV Services.

***What is your preferred way to get your bill or statement? -
(All Services)***



Whilst many consumers are happy to receive bills electronically, 29% still have a preference for printed postal bills. But there is a big difference in the expectation for different services.

***For the following services what is your preferred way to get your
bill or statement?
(By Age Group)***

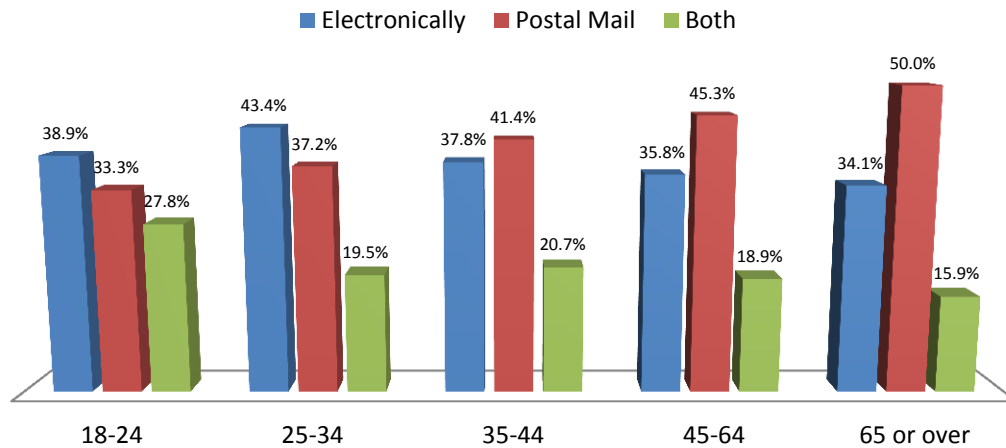


Postal printed bills remain the preferred option for financial services, (42% opting for post only), and a second for utility bills, (26% opting for post only). Services like Phones, Broadband and Pay TV,

where there is a predominance of fixed or only marginally variable monthly charges, are perhaps seen as less important to study closely and therefore suitable for e-billing.

If the financial services sector is more closely studied, where bills and statements carry more important and detailed information, the preference for postal paper bill increases steadily with age and raises the question whether familiarity with electronic methods decreases with age or whether serious study of financial matters increases as people get older.

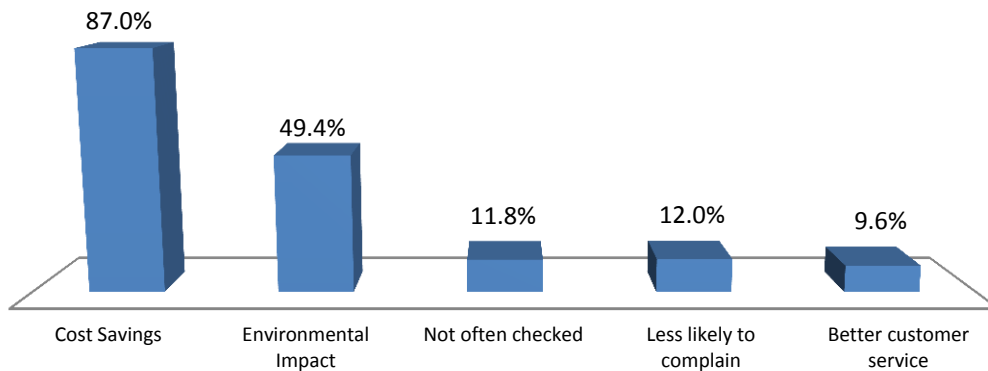
What is your preferred way to get your bill or statement?
Financial Services
(By Age Group)



4. What, according to you, is the main reason companies promote electronic billing and statements to their customers?

The consumers surveyed were able to choose more than one reason.

What is the main reason companies promote electronic billing and statements? (All Responses)

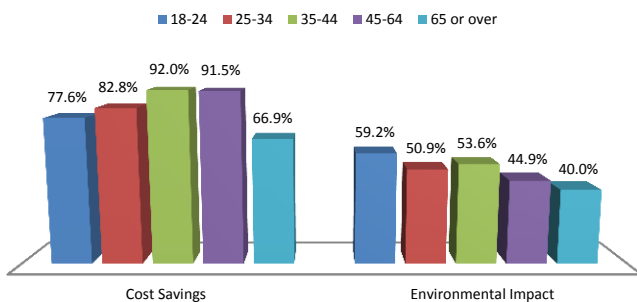


Consumers clearly identified two reasons why they think companies promote electronic billing. Cost savings, 87%, was the clear preferred reason followed by the perceived environmental impact of switching from paper to e-billing, 49.4%. Although substantial evidence exists that digital communication has a significant and growing environmental impact, consumers still believe that paper based communication is less environmentally friendly than digital.

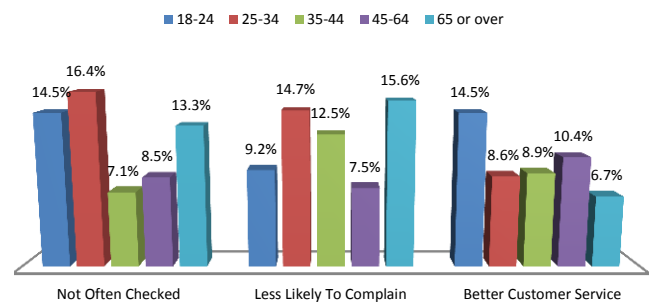
By age group, the following interesting trends emerge:

- Older generations are not convinced about environmental arguments for switching to e-billing
- 12% think that billers believe electronic bills and statements will not be checked so often by consumers and, overall, 90% of all age groups, particularly older ones, do not believe that electronic statements offer a better service.
- 12% of respondents thought that people were less likely to complain about electronic bills and only 10% thought electronic bills and statements were a better customer service.

What is the main reason companies promote electronic billing and statements? (By Age Group)

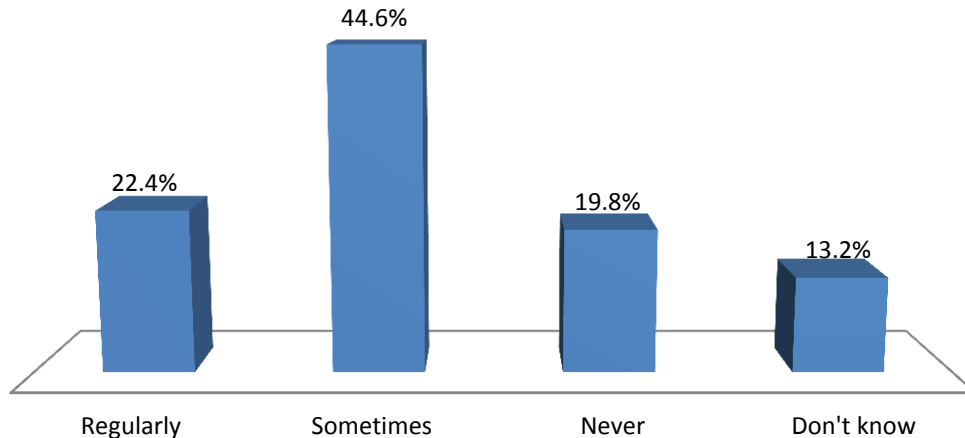


What is the main reason companies promote electronic billing and statements? (By Age Group)



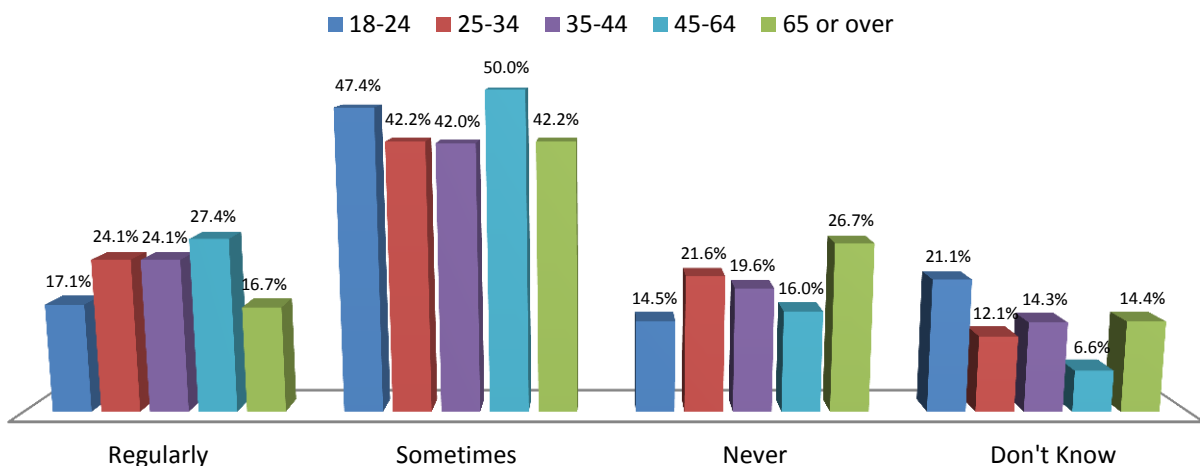
5. In the last six months, how often have you seen environmental claims used to promote electronic billing and statements? For example: “Go Green, Go Digital”, “Save Trees, Go Paperless”)?

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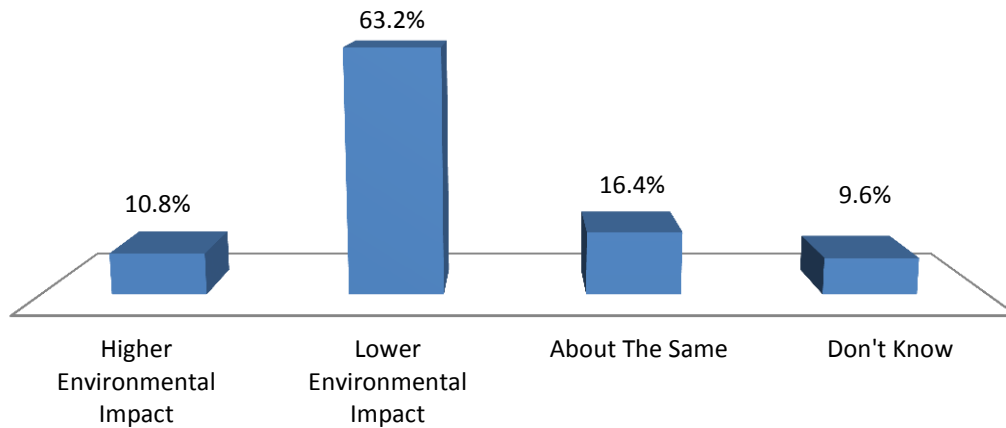
67% of the consumers surveyed recall seeing environmental claims used to promote electronic billing and statements. Recognition of these claims appears evenly spread amongst all age groups.

In the last six months, how often have you seen environmental claims used to promote electronic billing and statements? For example: “Go Green, Go Digital”, “Save Trees, Go Paperless”)?
(By Age Group)



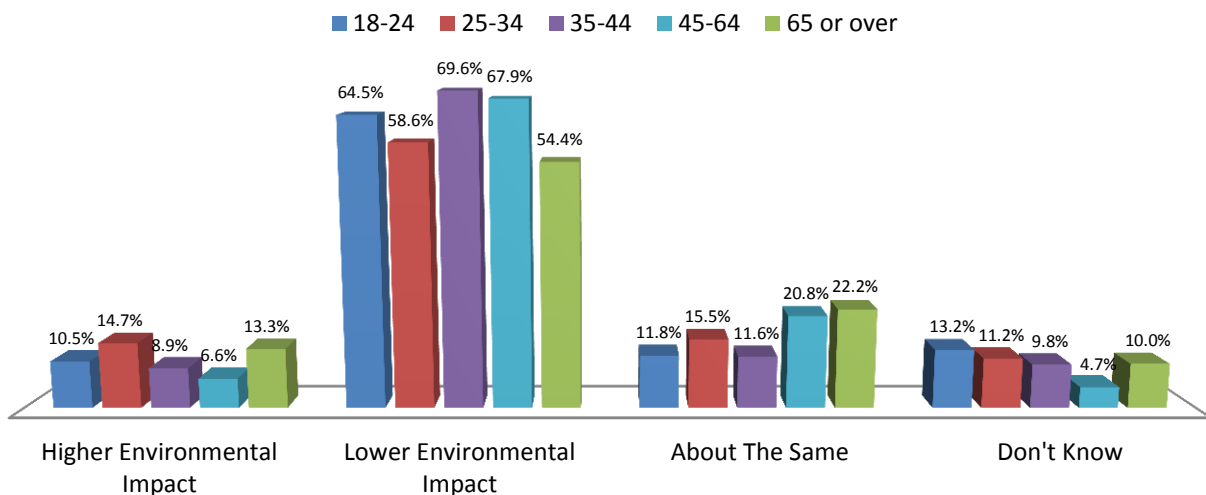
6. Considering the whole life cycle, (raw materials used, manufacturing, energy used, disposal), how do you think electronic bills and statements compare to print and paper ones?

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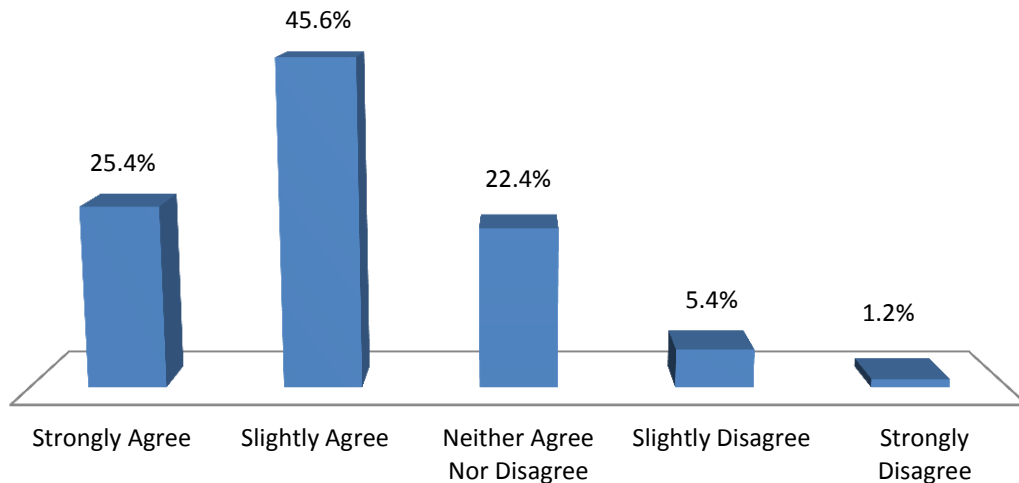
There is a belief by consumers that electronic bills and statements have a lower environmental impact, with older generations appearing more doubtful (over 20% of 45+ thinking that postal bills and electronic bills have the same impact).

Considering the whole life cycle, (raw materials used, manufacturing, energy used, disposal), how do you think electronic bills and statements compare to print and paper ones?
(By Age Group)



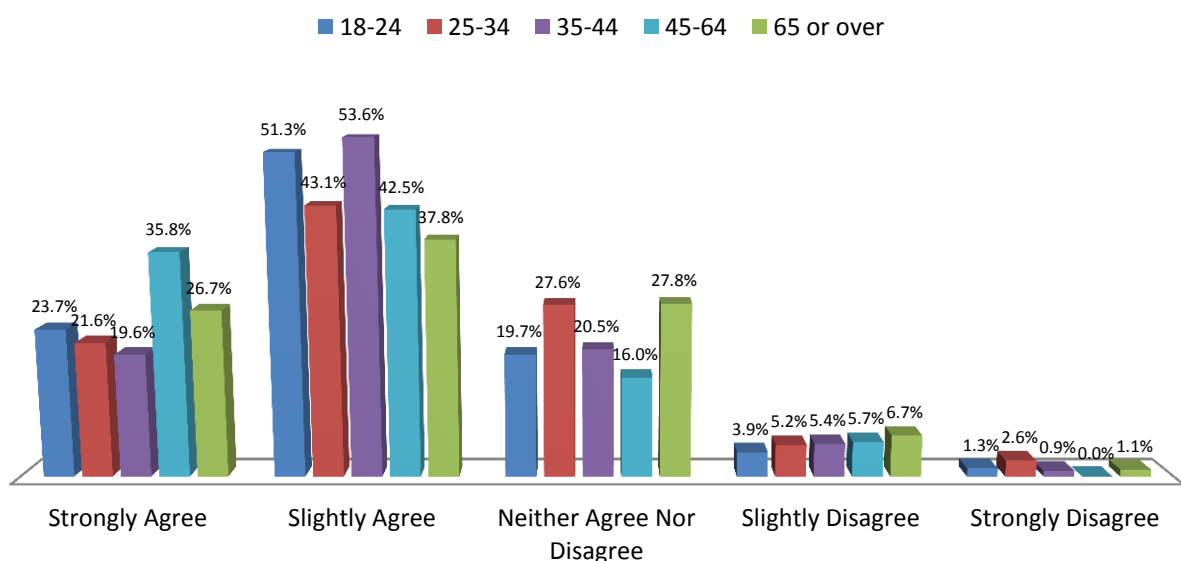
7. How much do you agree with the following statement? “When responsibly produced, used and recycled, print and paper can be an environmentally sustainable way to communicate”

***“When responsibly produced, used and recycled, print and paper can be an environmentally sustainable way to communicate”
(All Responses)***



Contrasting the belief that electronic bills and statements are more environmentally friendly than paper bills, consumers are clearly positive about the environmental sustainability of print and paper. 71% agree that print and paper can be an environmentally sustainable way to communicate. This belief is fairly equal amongst all age groups.

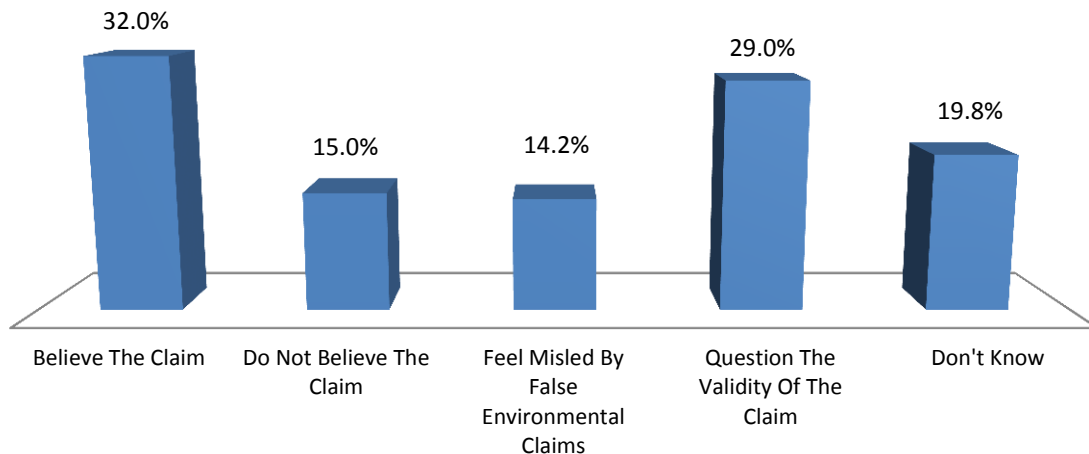
***“When responsibly produced, used and recycled, print and paper can be an environmentally sustainable way to communicate”
(By Age Group)***



8. What would be your first reaction if a company was to make anti-paper and print environmental claims? (For example, “Go Green, Go Digital”, “Save Trees, Go Paperless”).

Respondents were able to choose more than one answer.

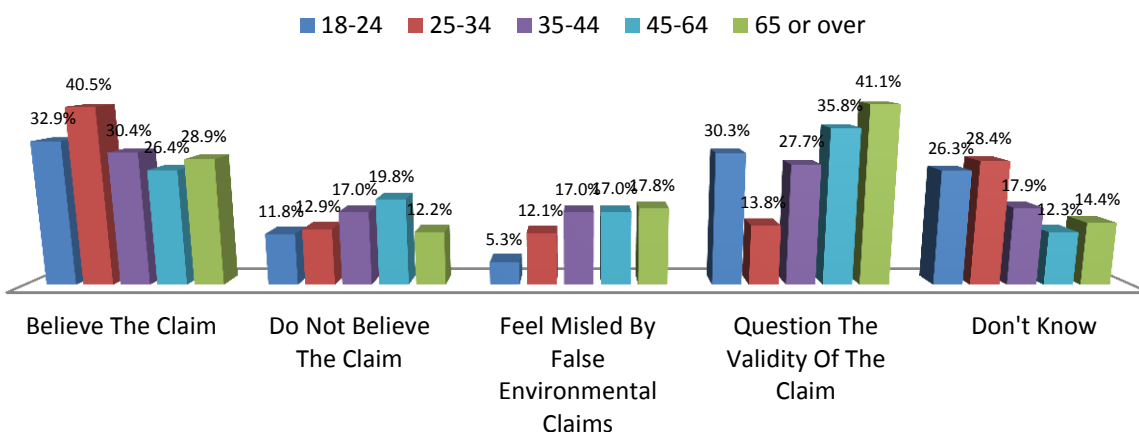
What would be your first reaction if a company was to make anti-paper and print environmental claims? (For example, “Go Green, Go Digital”, “Save Trees, Go Paperless”).
(All Responses)



Whist 32% of consumers believe billers’ claims to be helping the environment by switching customers to e-billing, 15% do not believe the claims, 29% question the validity of the claim and 14% actually feel misled.

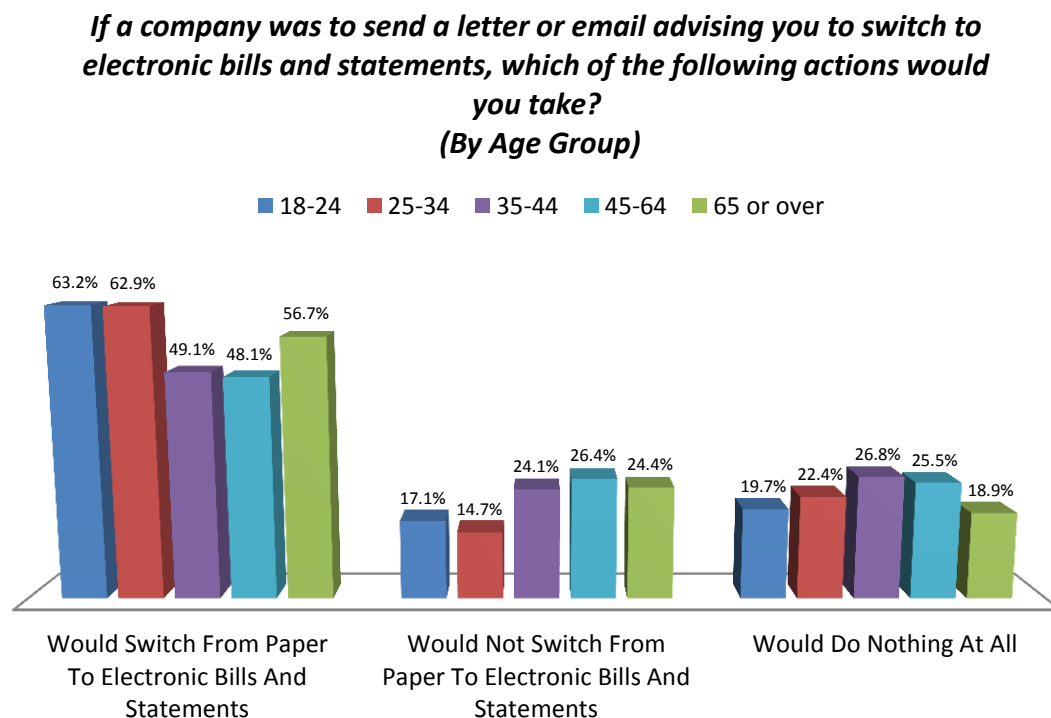
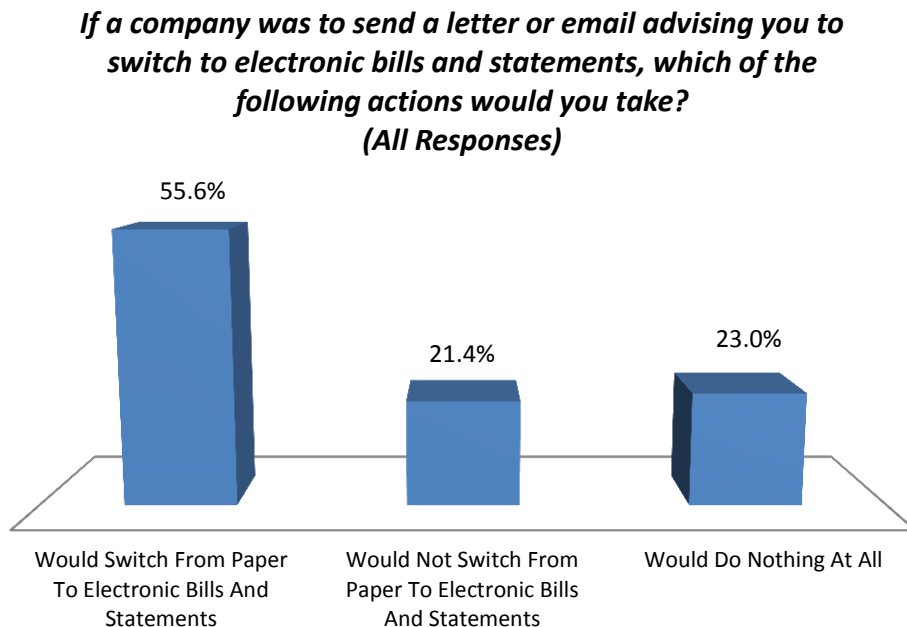
Younger age groups appear more likely to believe the claim but overall they are not so sure, making up the majority of ‘don’t knows’. Older age groups tend to question the validity of the claim or feel misled.

What would be your first reaction if a company was to make anti-paper and print environmental claims? (For example, “Go Green, Go Digital”, “Save Trees, Go Paperless”).
(By Age Group)



9. If a company was to send a letter or email advising you to switch to electronic bills and statements, which of the following actions would you take?

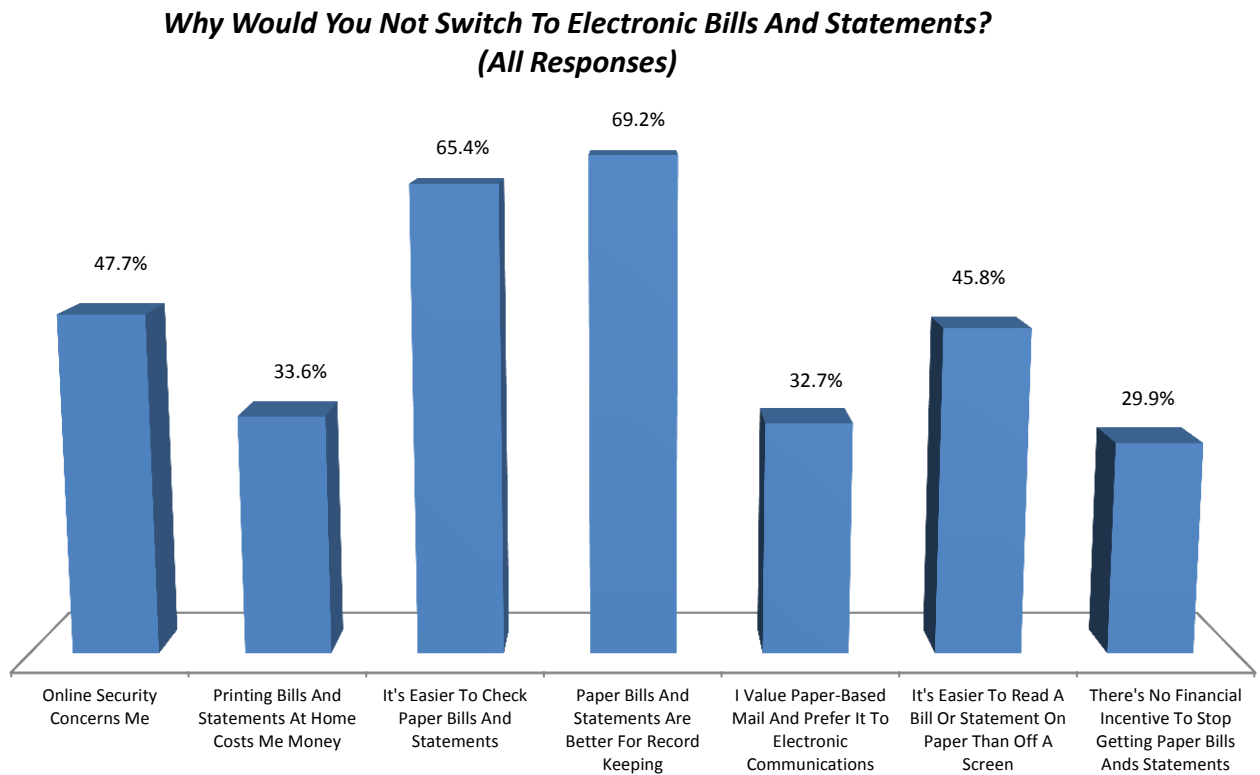
There's good and bad news for billers here. Whilst 56% would switch to electronic bills and statements, 21% would actively not do so and 23% would take no action. Younger age groups appear more willing to make the switch but the over 45's do not want to change.



10. Why would you not switch to electronic bills and statements?

(This question was only put to the consumers who stated that they would not switch to electronic bills and statements.)

Respondents could check more than one option



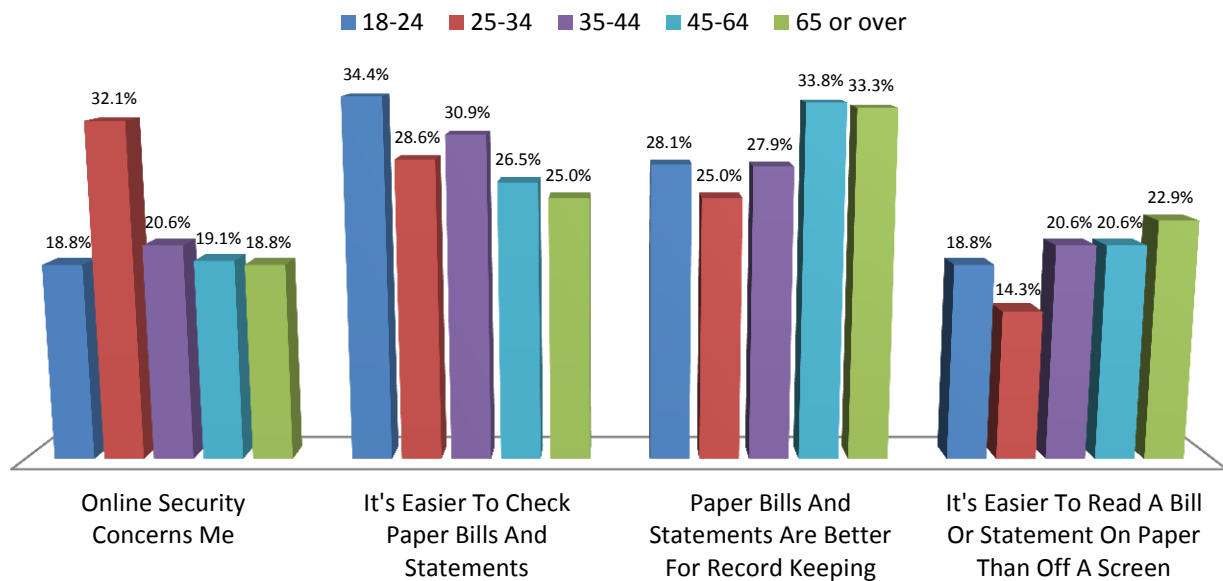
The top reasons for not switching to electronic bills and statements are, in descending order:

Paper bills and statements offer:

- Better record keeping, 69%
- Easier checking, 65%
- More security, 48%
- Ease of reading, 46%
- Printing of bills and statements at home will cost money, 34%
- General preference for the value of paper-based mail, 33%
- Lack of a financial incentive to move to e-billing, 30%

Surprisingly, of the top 3 reasons for not switching to e-billing, the younger age group, 25-34, are the greatest advocate of the paper bill when it comes to ease of checking at 34.4%. Whilst results show that older generations feel that paper bills are better for record keeping and are easier to read.

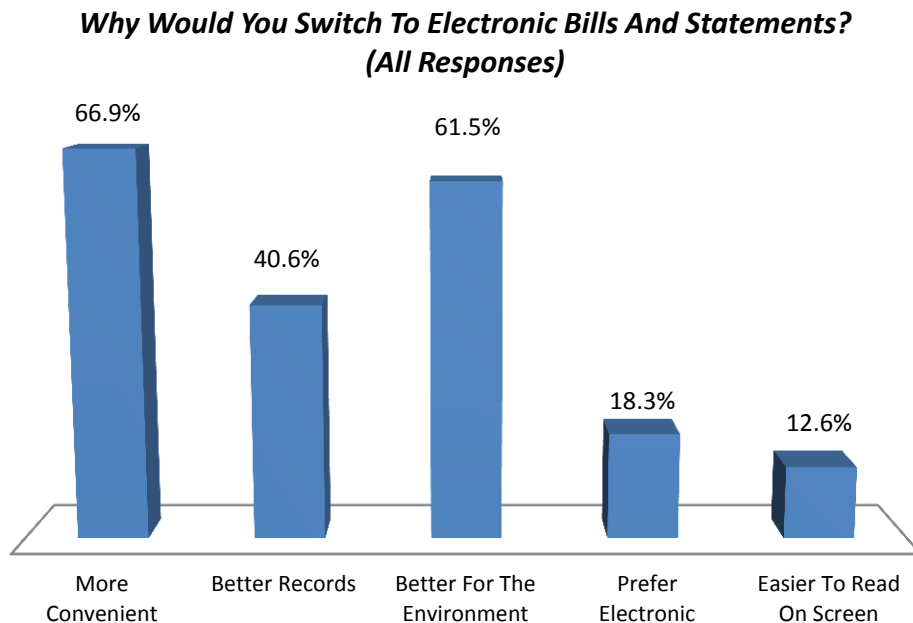
***Why Would You Not Switch To Electronic Bills And Statements
(By Age Group)***



11. Why would you switch to electronic bills and statements?

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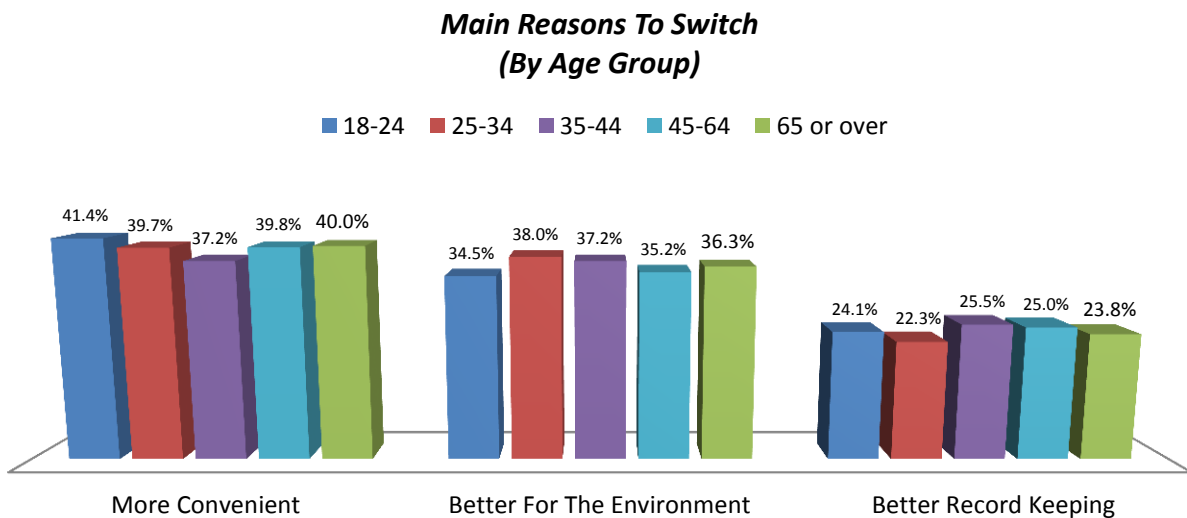


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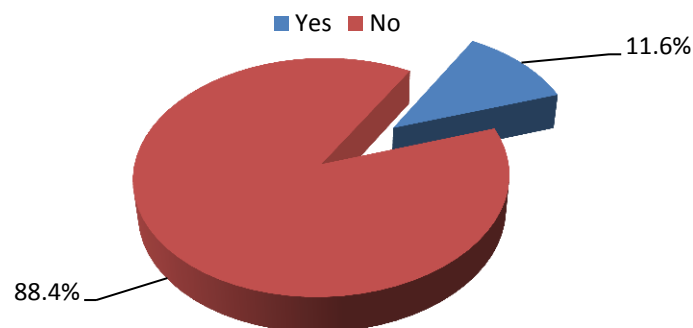
- More convenient, 67%
- Better for the Environment, 62%
- Better record keeping, 41%
- Prefer electronic, 18%
- Easier to read, 13%

Convenience and the environment are the top reasons for those who are happy to switch to e-billing. There are no significant differences between the age groups



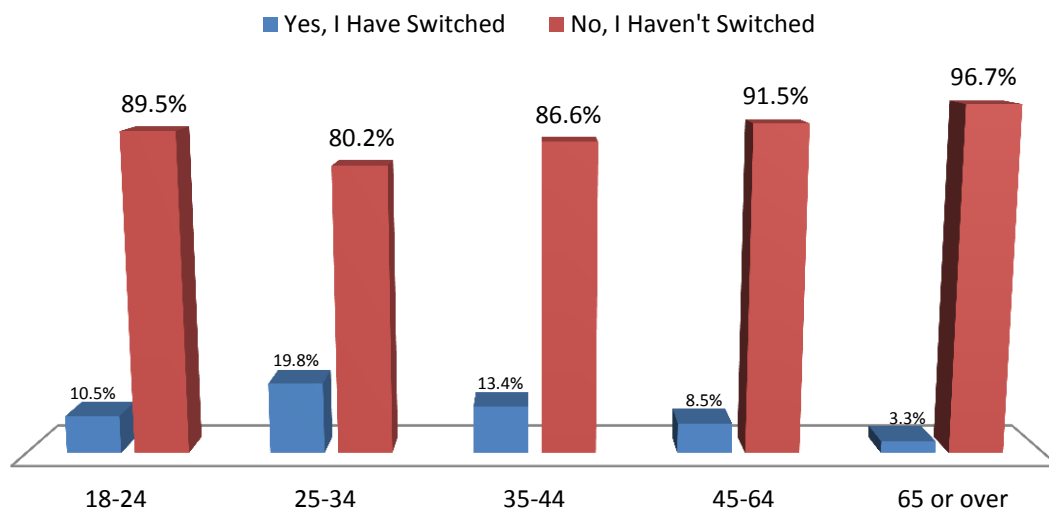
12. Have you ever switched to a new company because the old company imposed a charge for paper based bills and statements?

***Have you ever switched to a new company because the old company imposed a charge for paper based bills and statements?
(All Responses)***



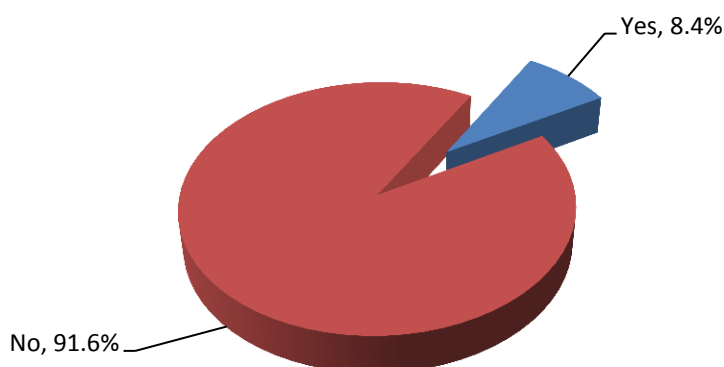
A surprisingly high number of consumers of 12%, said they have switched to a new provider when a charge for paper based bills was imposed. Again, a surprisingly high proportion of these were in the younger age group, 25 – 34, of whom 20% said they would change. Older generations appear to be disinclined to move, perhaps because the change is more complex?

***Have you ever switched to a new company because the old company imposed a charge for paper based bills and statements?
(By Age Group)***



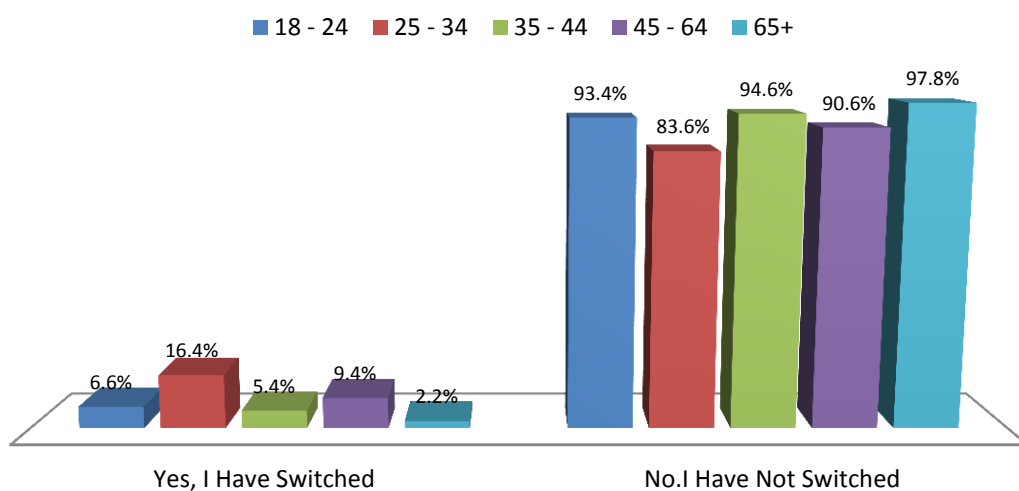
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(All Responses)***



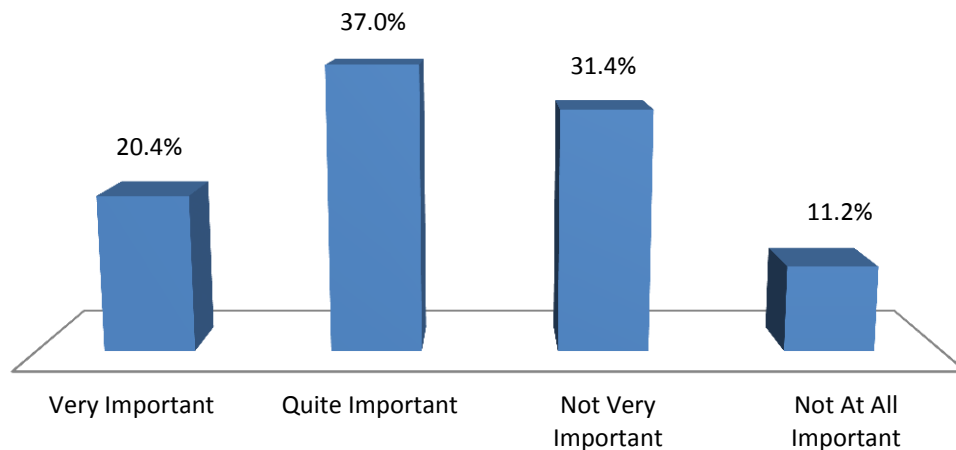
8% of consumers say they have switched providers because paper bills were withdrawn. The 25 -34 age group appears again the most active here with 16.4% saying they have switched.

***Have you ever switched to a new company because the old company stopped sending paper based bills and statements?
(By Age Group)***



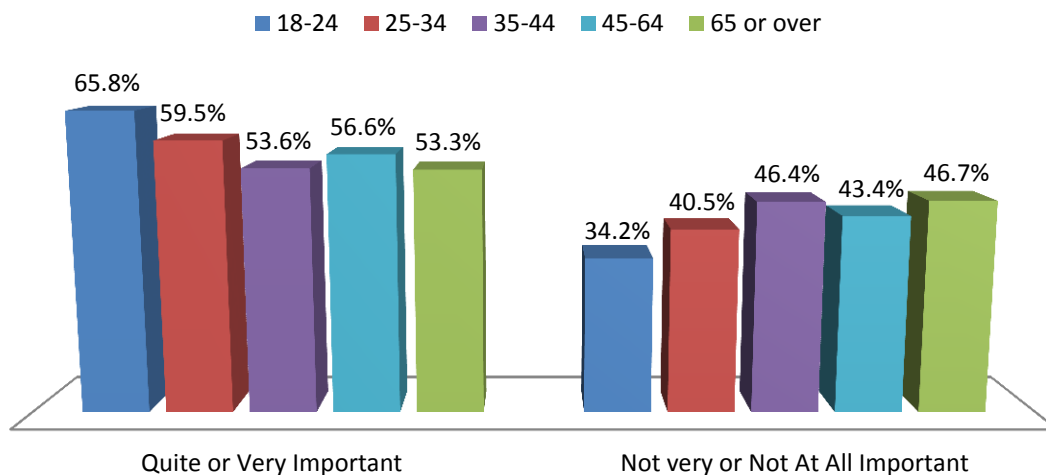
14. How important is the option to have a paper bill in your choice of a new supplier of services (for example: utility, bank, telephone etc...)

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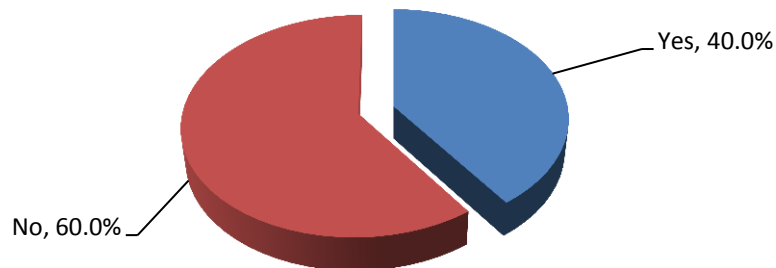
The majority of consumers, 57%, believe a paper bill option is still quite or very important. The younger age groups, 66% of 18 – 34, show the strongest preferences for choice here. Overall the importance of a paper bills appears to decline with older age groups

***How important is the option to have a paper bill in your choice of a new supplier of services (for example: utility, bank, telephone etc...)
(By Age Group)***



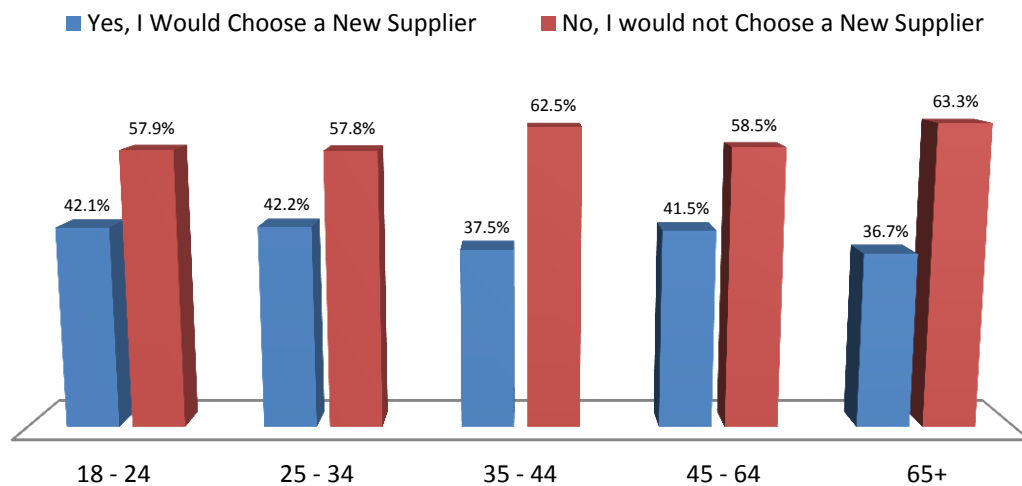
15. Would you choose a new supplier of services if the choice of a paper bill or statement was not offered?

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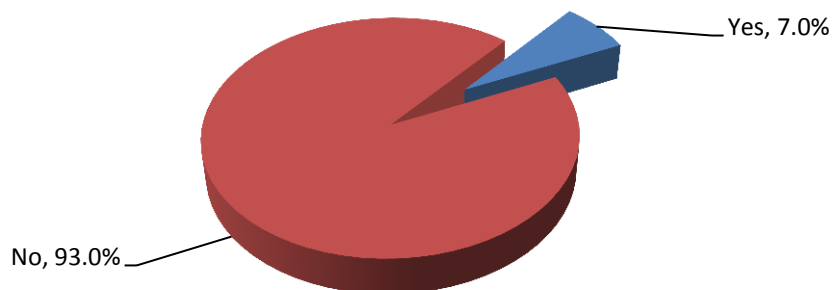
Consumers are showing a clear preference for paper bills with 60% stating they would not choose a company which did not offer a paper bill. Equally split amongst age groups.

*Would you choose a new supplier of services if the choice of a paper bill or statement was not offered?
(By Age Group)*



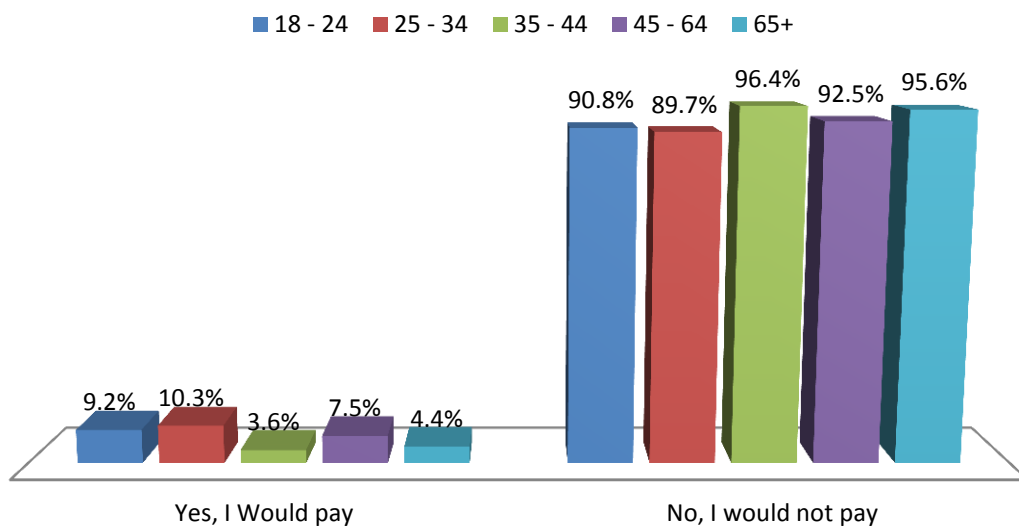
16. Would you be willing to pay for paper bills and statements?

***Would you be willing to pay for paper bills and statements?
(All Responses)***



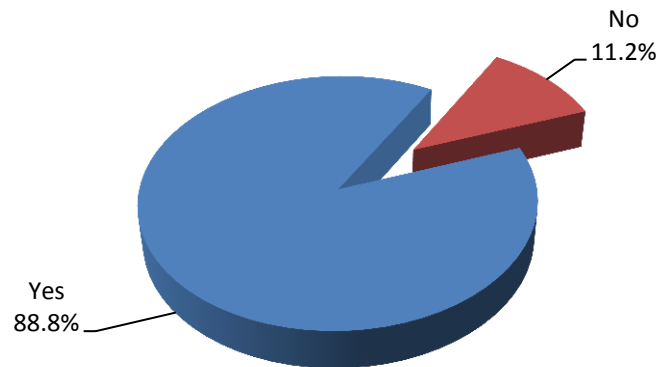
Consumers clearly expect paper bills to remain a no cost option as part of their providers' service. Overall, only 7% are willing to paper for paper bills. No real difference is portrayed between age groups.

***Would you be willing to pay for paper bills and statements?
(By Age Group)***



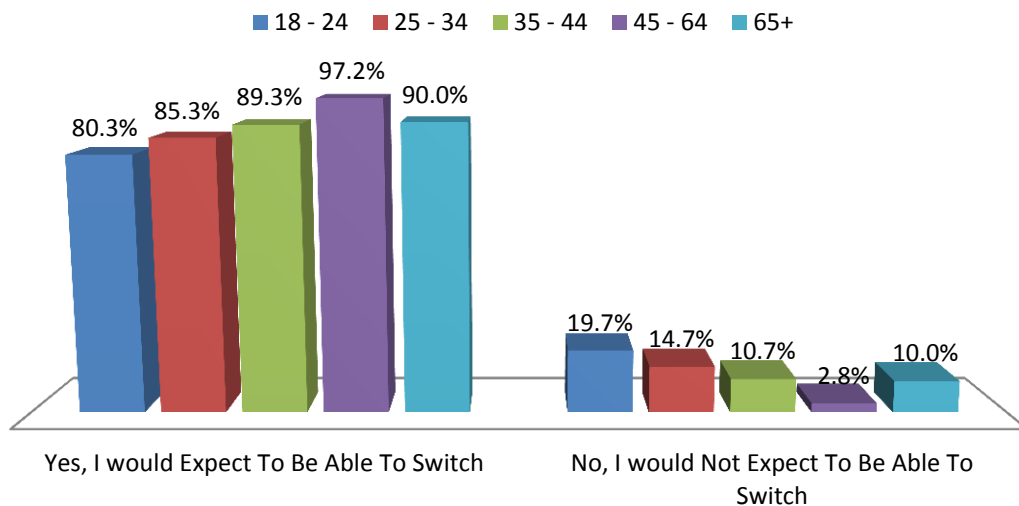
17. Would you expect to be able to switch between paper and electronic bills and statements without difficulty and without cost?

Would you expect to be able to switch between paper and electronic bills and statements without difficulty and without cost?

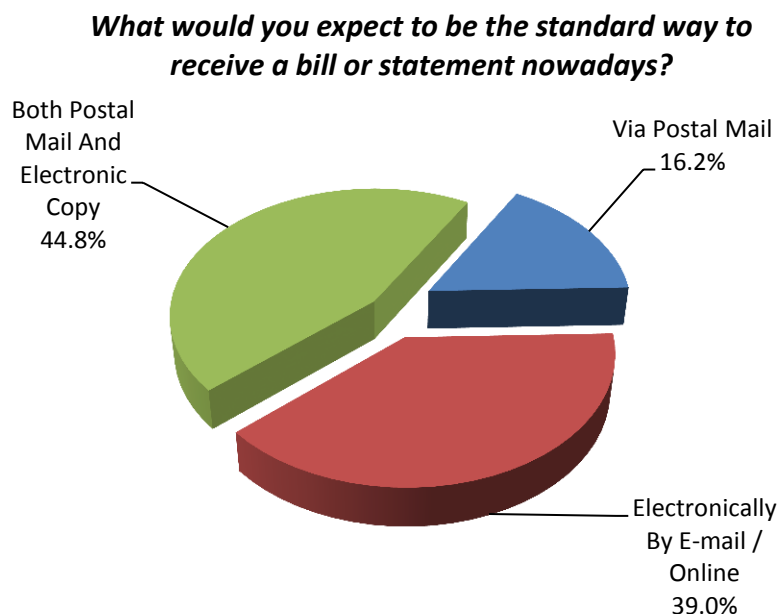


89% of all consumers, with little differences across age groups, expect to be able to switch between paper and electronic bills and statements without cost.

Would you expect to be able to switch between paper and electronic bills and statements without difficulty and without cost?
(By Age Group)



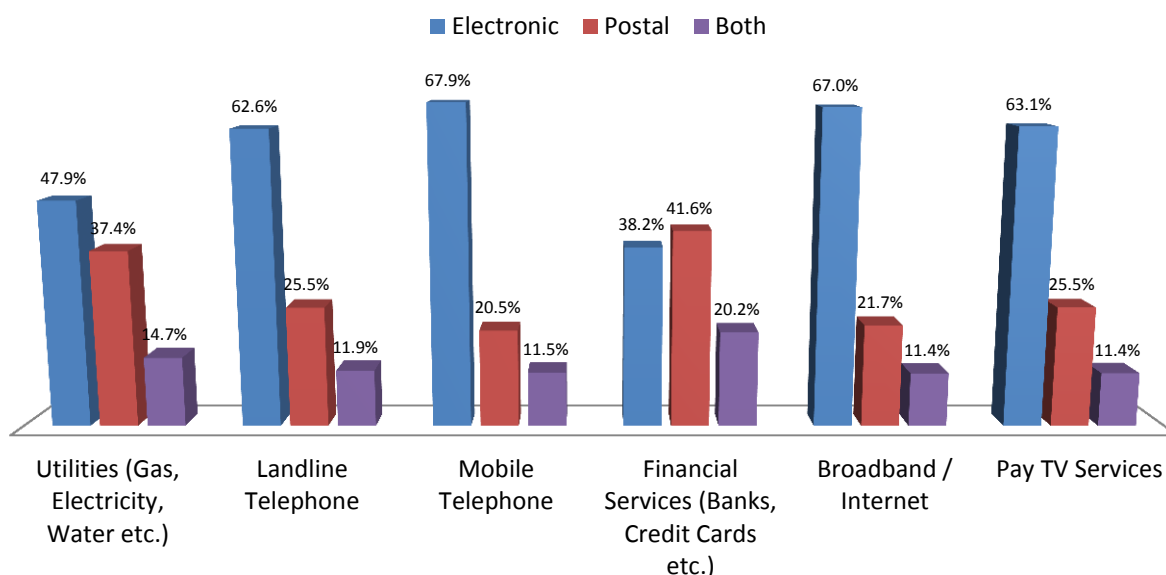
18. What would you expect to be the standard way to receive a bill or statement nowadays?



Whilst 39% expect to receive bills electronically, 16% still expect to receive paper bills and 45% expect to receive both paper and e-bills.

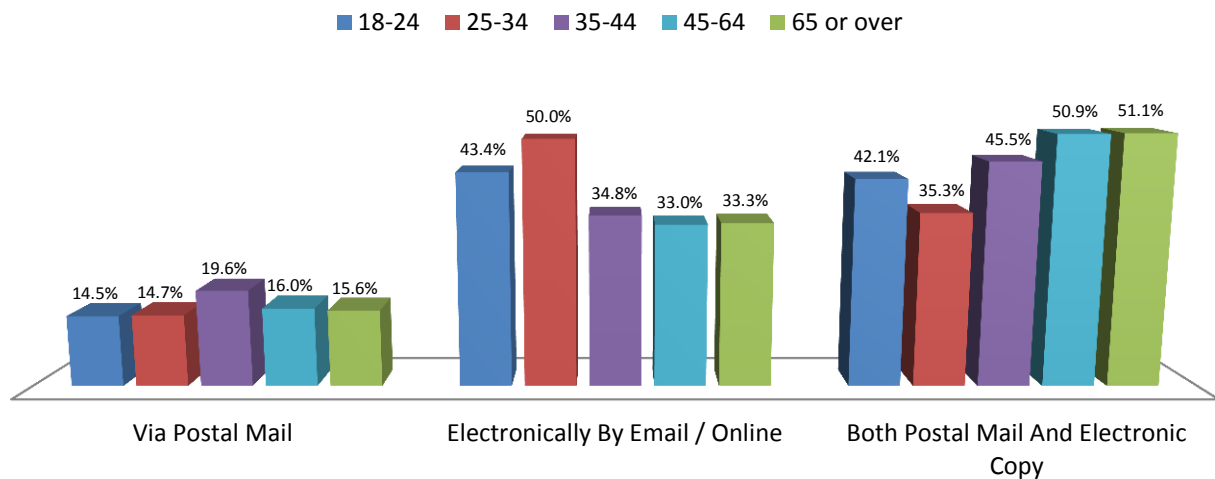
Postal bills are the preferred way for financial services at 42%, with utilities coming a close second at 37%

***What would you expect to be the standard way to receive a bill or statement nowadays?
(By Service Type)***

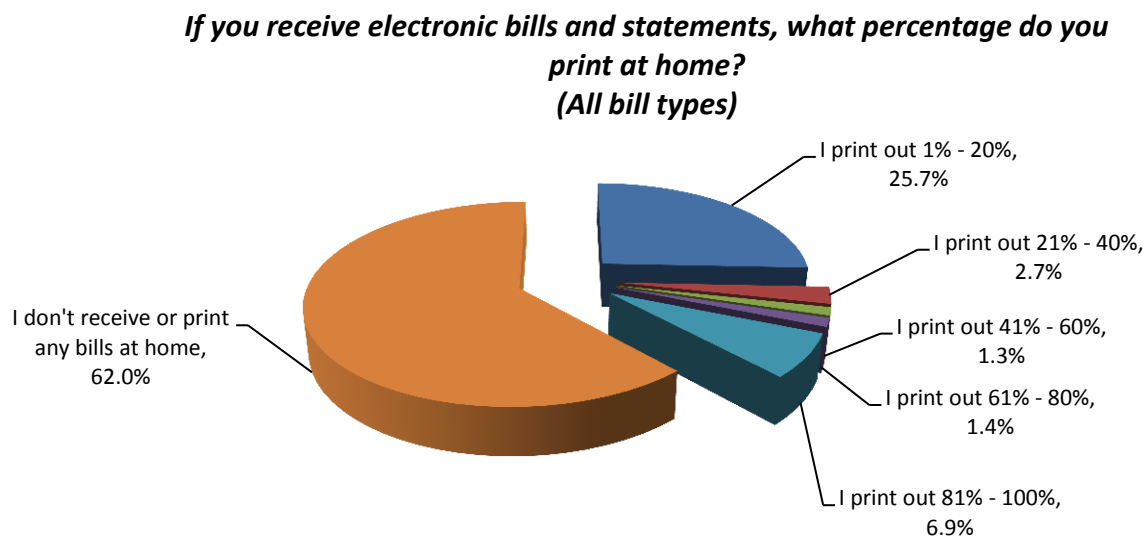


Younger age groups see e-billing as a more standard way to receive bills and statements. Of those who want to have their bills and statements both electronically and by post, the older generation, 45+ is the most prominent.

***What would you expect to be the standard way to receive a bill or statement nowadays?
(By Age Group)***

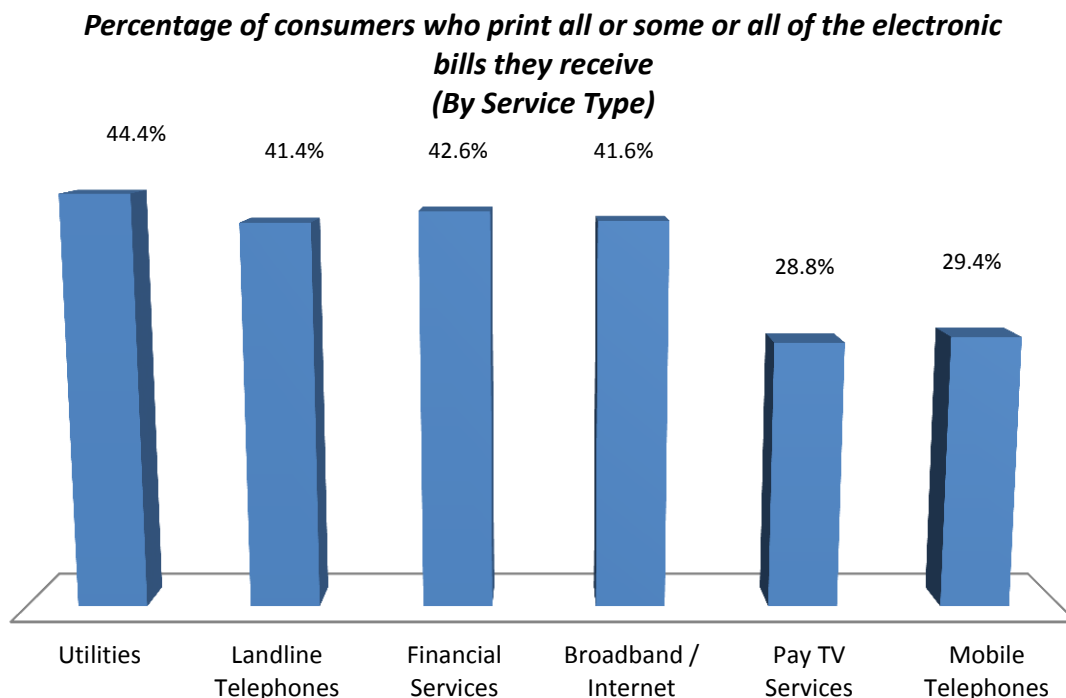


19. If you receive electronic bills and statements, what percentage do you print at home? All bill types.



Whilst 62% don't print out any bills at home; 38% are clearly 'home printers' with 26% printing up to 20% of their bills and 7% printing out between 80% and 100% of their bills.

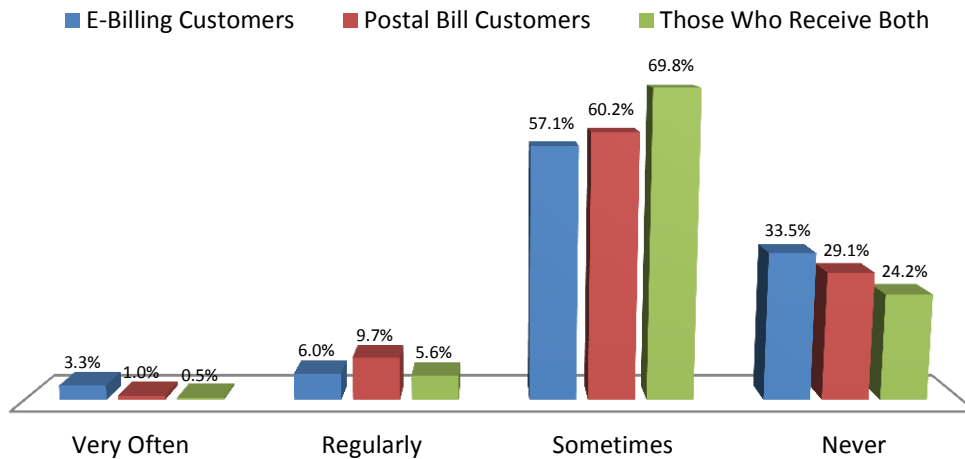
Looking at those who print some or all of their electronic bills, it can be seen that the most often printed are Utility. Landline Telephone, Financial Services and Broadband/internet



20. Do you ever contact your supplier about the content of your bill? This could be to query the charges or other aspects of your bill.

It is not clear that there is a significant difference in the billing method, post or e-bill, when it comes to contacting the supplier about billing issues. Those who receive both postal and e-bills appear to contact their providers more frequently.

***Do you ever contact your supplier about the content of your bill?
This could be to query the charges or other aspects of your bill?
(All Responses)***



Younger people receiving bills and statements by post appear to contact their billers more regularly

***Do you ever contact your supplier about the content of your bill? This could be to query the charges or other aspects of your bill?
(By Age Group)***

