

Business Insights

Why should you offer paper bills and statements to customers?



Recently there has been a trend of companies, mostly telco and utility providers, pushing a switch to digital communications and removing or charging consumers for their preference for paper statements.

While these decisions are often justified on environmental grounds, these statements are misleading and not reflective of consumer preferences or needs.

What's Good for the Customer is Good for Business.

WHEN BUSINESSES CHARGE A FEE FOR MAILING PAPER BILLS AND STATEMENTS...

...they remove consumer choice:

- 74% of Australians believe that they should have the right to choose how they receive communications (printed or electronically) from financial organisations and service provider

...and exclude some of their most vulnerable customers:

- 900,000 Australians lack an in-home internet connection.
- 28% of Australians are digitally excluded. The most likely to be are those aged 65+, people with disability, Indigenous Australians, and people in the low-income bracket or not in paid employment.

Some businesses remove or charge for paper communications out of financial incentive, but by doing so they often neglect the end-to-end costs associated with digital communications and the benefits of paper. This costs them in the long run.

- Paper bills act as a tactile reminder for customers to pay their bills on time, while e-reminders often get lost in digital inboxes. This is demonstrated by a study cited by Consumer Law action that found consumers were less likely to adopt paperless options for accounts where a payment is due upon receipt of the statement.
- Danish company Natur-Energi conducted a study to see if introducing paper invoices could improve on-time payments by customers. They found that 59% of customers who received their invoice via e-mail needed reminders, compared to 29% of customers via mail.

When businesses choose to offer their customers the choice of penalty free paper communications, they are **marketing effectively, promoting environmental sustainability and being socially responsible.**

1 MARKETING EFFECTIVENESS

Businesses can turn bills and statements into powerful marketing tools:

- Direct mail is a high-performing marketing channel with ROI reaching 40% and customer engagement times averaging over 10 minutes
- Adding direct mail to an integrated marketing campaign can raise the campaign effectiveness by 62%
- 65% of consumers of all ages have made a purchase as a result of direct mail
- 79% of Australians check their mail daily, and 83% read their mail on the same day they receive it





2 ENVIRONMENTAL SUSTAINABILITY

Paper is recyclable, made from renewable resources and manufactured by an industry employing more than 258,000 Australians. Understanding and comparing the environmental footprint of paper and digital channels is essential before urging a switch to digital invoices.

- Paper is made from wood, a fully renewable and sustainable resource.
- Paper recycling rates in Australia are among the highest in the world, with over 87% of all paper and paperboard being recovered. In comparison, just 10% of PCS and laptops are recycled Australia wide.
- The average Australian generates 21.7kg of e-waste every year which is why electronic waste is growing at over three times the rate of other municipal waste streams.
- Forestry is the only carbon positive sector in Australia's economy, removing 43.7 million tonnes of CO2 from the atmosphere. Digital devices are estimated to contribute between 2.3-3.7% of global CO2 emissions, and the communications industry is predicted to account for 20% of global electricity use by 2025.

Businesses concerned about their environmental footprint can:

- Buy sustainably produced paper that complies with environmental standards
- Make the most of their paper with optimised templates and two-sided documents
- Recycle! Recycle! Recycle! ... and invite their customers to recycle the mail they don't need to store



Sources:

1. Australian Digital Inclusion Index, 2021
2. Toluna, 2021
3. Australian Communication and Media Authority, 2021
4. Two Sides, 2016
5. Brandscience, 2012
6. Direct Mail Association
7. Nielsen, 2014-2015
8. Sprout Social, 2019
9. National Consumer Law Centre, 2016
10. LF Economics, 2016
11. CEPI, 2018
12. Electronics Hub, 2019
13. UN Report, 2019
14. Clean Up Australia, 2023

3 SOCIAL RESPONSIBILITY

Consumers have growing expectations of business social responsibility, with 70% believing that it is important for brands to take a public stand on social and political issues.

Businesses can show that they care and help their customers be part of the digital transition:

- By retaining paper communications, free of charge, to those that need them.
- By developing their own programs to help customers improve their digital skills and increase infrastructure.
- By partnering with organisations dedicated to fighting against the digital divide.

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