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News



DM legislation sends mixed messages

Simon Nias and Josh Brooks, **PrintWeek**, 18 July 2008

Following last week's less-than-enthusiastic response by printers to the proposed direct mail standard, it has now emerged that much of the government legislation aimed at cutting waste in the sector is contradictory.

According to the minister for climate change, biodiversity and waste, Joan Ruddock, paper is high on the list of materials that the government is targeting in its bid to tackle climate change.

"Every tonne of paper that we don't send to landfill is equivalent to saving more than a tonne of carbon dioxide emissions," she says. "That is why we made a commitment in the Waste Strategy for England, published last year, to do more to tackle paper waste."

Since the publication of the national waste strategy, the government has already introduced an opt-out system for addressed direct mail, via the mailing preference service (MPS), although this has had little impact. Giles Hill, managing director of document production software specialist Sefas Innovation, believes that this is because the government is undermining its own hard-line stance.

He says: "Certain companies are actually being incentivised to send out mail thanks to a clause in HMCR legislation called 'the package test', which makes printing direct mail VAT exempt if it contains more than 50% zero-rated material, including advertising and leaflets."

In practice, this means that many companies will double the size of their mail shots by including superfluous material that is zero-rated, in order to qualify for VAT exemption.

Hill says: "This practice is already ingrained within the direct mail industry; so much so that current legislation is making it difficult for the DMA to persuade the industry to change its behaviour.

"Banks, utility companies and other household service providers all use bulk posting to couple up essential communications, such as bank statements, with other, non-essential leaflets to shift the balance to a zero-rated mailing, thereby making it more cost-effective," he adds.

Opt-out or opt-in?

Next on the government's to-do list is an opt-out service for unaddressed mail, which has recently been agreed with the DMA.

However, if that fails to make an impact then government proposals to instate an opt-in system may be enforced, forever changing the direct mail industry as we know it.

Hill says that direct mail users can avert such drastic measures by cutting down on waste through better targeting. He suggests applying bespoke messages to existing communications, such as bills and statements, thereby dramatically reducing the amount of irrelevant information included in mailings.

"The concept of 'onserts' rather than inserts will dramatically reduce paper usage and minimise the bulk of mail packets," he says. "Unfortunately these positive steps on improving environmental factors are often cost-prohibitive because of the VAT savings lost."

The government and DMA are clearly making an effort to cut down on waste. However, until the industry has real incentives to change its ways, it seems unlikely that any major inroads will be made.



Direct mail producers have expressed dismay at the proposed environmental standard being developed by the DMA and the British Standards Institute, PAS2020, which was made public last week.

There are three levels of conformity to the standard, although it is clear that top-level DM producers would aim to reach Level 3 conformity pretty quickly.

Perhaps predictably, the industry has expressed concern at the possibility of further regulation and has questioned the feasibility of the standard's demands. But what exactly is being proposed? Here is our run-down of the key points.

PAS2020 - THE PROPOSAL

LEVEL 1

Data

- Procedures must be in place to target the best recipients for the campaign
- Details of recipients who opt-out must be recorded and suppressed for future campaigns
- All DM should have a clear unsubscribe facility

Printing/distribution

- Procedures must be in place to minimise the use of resources and materials assessed to see if they can be recycled in the UK
- 25% of paper used (by weight) must be recycled
- All paper must conform to a forest certification scheme and be part of an eco-labelling scheme
- Procedures must be in place to record the environmental impact of inks and finishes used
- Printers must recycle pre-consumer waste from production lines and have procedures to manage VOC emissions and water consumption
- Mailing houses must have an environmental policy and procedures for managing fuel and water consumption
- Postal providers must implement a carbon reduction programme
- DM pieces must display the WRAP Recycle Now logo or the Waste Aware Scotland logo

LEVEL 2 (on top of Level 1)

Data

- Procedures must be in place for measuring response rates and ROI
- Response rates and contact history should be analysed to determine the optimum frequency for future campaigns

Printing/distribution

- Materials used must be recyclable
- 50% of paper used (by weight) must be recycled
- 75% of inks used must be vegetable-oil based
- 50% of finishes must be water-based
- Printers and mailing houses must have, or at least be working towards, ISO 14001
- The postal provider's carbon reduction scheme must include a report with measurements of CO2 emissions per postal item
- ISO 14001 logo should be displayed

LEVEL 3 (on top of Levels 1 and 2)

Data

- Customer database must be updated either for every campaign or every month, whichever is less frequent

Printing/distribution

- 75% of paper used (by weight) must be recycled
- Inks used must not contain mineral oil
- 75% of finishes used must be water-based
- Printers and mailing houses must report on their environmental performance
- The postal provider must show evidence of a reduction in carbon emissions

Comments

David Williams - 22 July 2008

so if ink has to be 75% vegetable and at level three contain no mineral oil, does this mean that no DM will be printed Heatset Web Offset?

Colin Thompson - 23 July 2008

Is Direct Mail Dead?

With the continued increases in postage, the question has been raised again...Is Direct Mail Dead?