

Finding your 'wwway' in Poland

<http://www.poland.gov.pl/>

Polish Ministry of Foreign Affairs information portal. In several languages, including English.

<http://www.poland.gov.pl/index.php?document=1>

Polish Ministry of Foreign Affairs guide for tourists. In several languages, including English.

<https://www.cia.gov/library/publications/the-world-factbook/geos/pl.html>

Facts on geography, people, government, communications, economy and trade. In English.

<http://www.poczta-polska.pl/>

Polish Post (Poczta Polska). In Polish

<http://www.smb.pl/index.html>

Stowarzyszenie Marketingu Bezpośredniego (SMB), Polish Direct Marketing Association. In Polish (an advertised link to an English language version was not working at the time of writing)

Poland country facts

Population: 38.5 million

Languages: Polish

Land area: 304,465 sq km

Capital city: Warsaw

Government: Republic

Currency: zloty

Country dialling code: +48

Internet country code: .pl

Internet users: 11.4 million

Addressing

Polish post codes appear before the name of the city or town. So, a typical address format would be:

Jasja van der Veen
Managing Director
Dimar Polska Sp. z o.o.
Domaniewska 47,
02-672 Warsaw
Poland

destination Poland



Polish direct mail market is open for business

Like many emerging markets around the world, Poland currently offers international mailers an interesting mix of new business opportunities and challenges. However, the right strategies should pay dividends in the long run.

Poland has a population of nearly 40 million and one of the fastest growing economies in Europe. That makes the Central European country an obvious and potentially very attractive market for international direct mail operations.

However, mailers targeting Polish customers, particularly in the B2C (business to consumer) sector, also need to be aware of the many challenges which need to be met if those direct mail opportunities are to be translated into successful business activities.

For example, according to Dimar Polska, a Polish Marketing Agency, it is estimated that only three million Polish consumers are listed on any commercial database available for rent - just 7.5 percent of the total population.

"Consumer database lists in Poland are nowhere near as detailed or accurate as those in Western European countries. They are also comparatively expensive to rent," explains Dimar Polska's Managing Director, Jasja Van der Veen.

"Another problem is that there are no databases in Poland which keep track of people when they move. That means you have to allow for a higher percentage of mail being returned undelivered than, say, in the Netherlands, Germany or the UK."

To get around this Spring have worked directly with international companies to develop their own databases, through the use of local customer service organisations or the use of reply coupons. Another option is to start with unaddressed mail campaigns and use replies from those to build up an address database.

"It is important to note, though, that companies wishing to build up a database have to register that with GIODO, the Polish Inspectorate General for the Protection of

Personal Data," states Van der Veen. "You have to tell that authority why you are creating a database and what you plan to use it for."

One of the key operational challenges for direct mailers moving into Poland is choosing the best delivery partner. Spring will for the most use the national post office, Poczta Polska (PP). At the moment, PP has a monopoly on the delivery of all mail items weighing less than 50 grams and recently secured agreement from the European Commission to extend that arrangement until 2012.

Despite that, the last 12-18 months has seen a handful of Polish private operators with experience in unaddressed mail activities such as the distribution of supermarket chain newspapers starting to offer hand delivery of addressed mail, initially in some of the main cities. So increasingly Spring will consider one of these emerging alternatives but this will vary depending on the geographical area, quantity of mail, marketing objectives of the campaign and of course the balance between cost and quality. "The largest of those private companies has, maybe, 1,500 people compared with PP which has 100,000 employees, so at the moment it is a bit of a 'mosquito and elephant' situation. However, there is obviously potential for those private mail operators to grow," comments Van der Veen.

However, there is a significant operational issue for those private delivery companies which will have to be resolved if they are going to expand their coverage in Poland's B2C sector. At the moment, many Polish households, particularly those in blocks of flats, use post boxes for their incoming mail which can only be opened with a key held by PP delivery personnel.

More positively from the perspective of international mailers, Polish consumers



are already well used to receiving unaddressed mail on a regular basis and while they still receive far fewer addressed items per week or month on average than their counterparts in Western European countries, they generally appear willing to accept such material.

Van der Veen believes that the international companies, most likely to generate a good response from direct mail campaigns are those which are already well-recognised by Polish consumers. "Polish people like to know who they are doing business with, so generally they prefer to deal with names they have already seen on advertising billboards or in magazines. There is a fair amount of distrust among Polish consumers when it comes to names they do not recognise. It is also important to provide a Polish address for replies and returns."

When it comes to the style and content of direct mail being targeted at the Poland's B2C market, one of the key requirements, predictably, is to use the Polish language. Another specific requirement when it comes to Polish B2C direct mail is to provide recipients with information about the source of their address data and how, if they wish, they can get their details removed from that database. "This is a legal requirement in Poland and companies which fail to prove that information can get into trouble with GIODO," warns Van der Veen.

Direct mailers targeting Polish consumers should also avoid "gimmicky" offers, he suggests. "Keep things simple. Don't use come-ons like 'congratulations, you have won this fantastic prize'. There has been a lot of adverse publicity in the Polish press about that type of offer. Polish people respond best to straightforward offers - you reply by this date and you will get this guaranteed gift, discount or whatever."

In summary, Spring would recommend that the best strategy for international companies looking to develop their business in Poland through direct mail operations is to adopt a cautious approach. Jorge Vazquez, Business Development Manager for Spring has recently

helped a large Mail Order client start operations in Poland. Jorge suggests "Don't go for a big bang. Start with one geographically small market sector, say a city or a province, and then build on your experience. Poland offers a lot of opportunities but it is not as easy or quick for an international company to build up business here as in other European countries like Germany or the Netherlands, for instance."



International direct mail to Poland - key points

- Build up operations slowly - start with small-scale trial projects and learn from the experience gained.
- Work with someone who has experience and knows the market - like Spring.
- Consider developing your own database.
- Register any planned new database with GIODO.
- Comply with Poland's strict personal data protection laws.
- Provide a Polish address for replies/returns.
- Print all material in the Polish language.
- Keep special offers, promotions, etc, simple. Avoid gimmicks.

Abbreviations

As a prefix for 'Dear Miss or 'Dear Mr', it is common practice in Poland to use one abbreviation for both: Sz. P.

The most common address abbreviations are:

ul. - means 'ulica' = street

P. - means 'plac' = square

Os. - means 'osiedle' = compound (like closed compound of suburban houses)

Al. - means 'Aleja' = main street / high street



Dimar Poland

Dimar Polska (the name Dimar comes from the words 'direct marketing') is part of a medium-sized Central European direct marketing organisation with a total of 250 employees spread over four countries - Poland, Czech Republic, Slovakia and Hungary.

Set up in 2000 and based in Warsaw, Dimar Polska now has 75 staff members, headed by Managing Director Jasja Van der Veen. The Polish company focuses particularly on database management and telemarketing.

Polish economy gets a major boost from EU membership

Since joining the European Union in 2004, Poland has achieved significant economic success, with strong growth both at home and in its international trade. The country's future prospects continue to look very promising.

Following strong economic growth during its first three years of European Union membership, Poland can expect to see private consumption and investment drive further "solid expansion" over the next couple of years.

That, at least, is the conclusion of a preliminary forecast of Poland's economic prospects for 2007 and 2008 published earlier this year by the OECD (Organisation for Economic Cooperation and Development). The organisation suggests that annual private consumption will increase by 5 percent in each of the next two years, while investment will rise by just 0.15 percent this year and 0.10 percent in 2008. The respective figures for 2006 were 5 percent and 16.5 percent.

Poland, located in central Europe to the east of Germany, has also experienced a surge in international trade over the last few years. According to figures published by EU statistics office Eurostat, the country's total export trade increased by 22 percent in 2006, compared with 2005, to 87.5 billion euros, while imports were also up by 22 percent to 99.4 billion euros.

Neighbouring Germany is by far Poland's largest trading partner for both exports,

where it accounts for 28 percent, and imports where the share is almost 30 percent. Poland's next largest export trading partners, all in the 5-6 percent range, are France, Italy and the UK, while the other leading import partners are Russia, with just 9 percent, Italy, the Netherlands and France.

Looking ahead, the timing of one very significant economic development for Poland, adoption of the euro, remains unclear. The Polish government recently indicated that it intended to meet the euro criteria by 2009 and hold a referendum in 2010. However, international economists believe actual adoption is probably now unlikely before 2012.

Meanwhile, Poland is becoming an ever more attractive to foreign organisations, either as a market for international sales and supporting direct mail activities or as a lower cost location for relocating operations such as printing. At the same, Polish businesses are increasingly looking outside their home market for new business opportunities.



Spring in Poland

Spring Global Mail has selected Poland for its first significant move into the fast-growing international mail markets of Central and Eastern Europe.

Currently, Spring handles a mix of traffic into Poland, including both B2B and B2C direct mail, catalogues and publications. To date, it has worked with the Polish Post (Poczta Polska) to handle the final delivery of those items through standard international contracts and direct injection into the national postal system.

Recently, though, Spring has, together with Dimar, set up a pilot project with one of several new private companies - InPost - now beginning to offer domestic hand delivery services in major Polish urban centres.

"Initially, we are looking at working with InPost primarily for B2B deliveries but they will also do some B2C work. At the moment, they offer coverage of about 60 percent of the domestic market so the rest of the business will have to go back into the Polish Post," explains Spring's Distribution Director, Sam Samara.

The key incentive for using a private operator to hand deliver incoming international mail, suggests Samara, is improved service quality more than lower cost. "At the same time, because they are competing with Polish Post, they have got to offer international companies competitive rates."

Spring is also interested in the Polish market for outbound business. One example would be the output from some of the multinational printing operations which have been relocated to Poland to take advantage of lower costs. "There is definitely potential business there but we are still at the investigation stage," comments Samara.

Consumers still prefer mail to email

Contrary to some perceptions, new research suggests consumers generally still like to receive product information, offers, transactional statements and annual reports by mail rather than through any form of digital communication.

Consumers are being bombarded with an ever-increasing plethora of digital messages. However, they still prefer mail to digital communications for receiving new product information, offers and confidential private communications such as transactional statements and annual reports.

That, at least, is one of the key findings of a recent mail preference survey carried out in the US by International Communications Research (ICR) for Pitney Bowes. Perhaps one of the most surprising results of that study was the scale of the difference in consumers' preference for mail versus e-mail when it came to receiving communications about new product announcements or offers (Chart 1).

Effectively, four times as many consumers expressed a preference for mail over e-mail. The result for unsolicited information about new products and offer information from companies consumers did not do business with was also very encouraging at 70 percent.

On the delicate issue of confidential private communications, such as transactional statements and financial reports, consumers overwhelmingly preferred mail, with 86 percent designating that option as their channel of