



2012 HOLIDAY MOBILE SHOPPING PROMOTION

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2012 HOLIDAY MOBILE SHOPPING PROMOTION PROGRAM REQUIREMENTS

I. BACKGROUND AND PROGRAM DESCRIPTION

Program Background:

Marketing mail faces competition from alternate media. Businesses have a variety of electronic and digital options available and are relying heavily on email marketing and social media to communicate with their customers and market their products and services. While these diversions are having an impact on mail volume, the U.S. Postal Service still offers value that consumers and businesses recognize. We believe that integrating mobile technologies and direct mail offers businesses even greater returns on investment.

As mobile technology continues to evolve, mail has the potential to offer greater value. To ensure that direct mail continues to be a relevant part of the marketing mix, by encouraging customers to adopt and invest in technologies that enhance how consumers interact and engage with mail, the Postal Service fundamentally improves the long-term value of the product. This strategy provides substantial advantages and opportunities for innovation in future years. The 2012 Mobile Commerce and Personalization Promotion was one way to generate increased interest in the use of mobile technologies in direct mail – particularly in the areas of mobile commerce and personalization. With the 2012 Holiday Mobile Shopping promotion, the Postal Service seeks to demonstrate how direct mail combined with mobile technology can be a convenient method for consumers to do their holiday shopping.

Program Description:

The Holiday Mobile Shopping Promotion provides business mailers with an upfront two percent postage discount on Standard Mail® and First-Class Mail® letters, flats and cards (presort and automation) that include a mobile barcode or print/mobile technology that can be read or scanned by a mobile device and leads the recipient to a mobile optimized shopping website. The mailpiece must contain text near the barcode or image that provides guidance to the consumer to scan the barcode or image. The text may also convey information about the landing page. The technology must lead the recipient to a webpage that allows the recipient to purchase an advertised product on the mobile device (the sale of services will not qualify).

Mailers may also qualify for an additional 1 percent rebate on the postage of their qualifying mailings if a portion of their orders are fulfilled via Priority Mail® with Delivery Confirmation between November 9, 2012 and December 31, 2012.

Target Market:

This promotion is aimed at businesses and mailers offering products for sale during the 2012 holiday shopping season.

Program Goals:

- Encourage innovation
- Increase awareness of how an integrated direct mail campaign can increase response rates
- Highlight and accelerate best practices in integrating mobile commerce & direct mail
- Acquire new customers
- Drive long-term product value for direct mail
- Receive greater visibility for Postal Service shipping services
- Encourage mailers to use Priority Mail with Delivery Confirmation as a fulfillment option

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II. PROGRAM PARAMETERS

Registration Period: September 15 through November 21, 2012
Program Period: November 7 through November 21, 2012
Fulfillment Period: November 9, 2012 through December 31, 2012
Rebate Claim Period: January 1, 2013 through February 15, 2013

Discount Amount: 2% of eligible postage. The discount is calculated in *PostalOne!*[®] and applied to the postage statement at the time of mailing. The 2% discount is deducted from the postage amounts of qualifying product categories that are paid at the time of mailing. Normal postage prices as listed in the published Price List (Notice 123) apply to the mailing and the discount is applied to those prices.

Rebate Amount: 1% of eligible postage that was discounted during the promotion period if fulfillment threshold is met.

Eligible Mail: Standard Mail[®] letters and flats
Nonprofit Standard Mail letters and flats
First-Class Mail[®] presort and automation letters, cards and flats

Ineligible Mail: First-Class Mail paying single piece price
Periodicals (includes Pending Periodicals mail)
Bound Printed Matter
Media Mail
First-Class Mail and Standard Mail parcels

III. REGISTRATION REQUIREMENTS

Registration Period: Registration opens September 15, 2012 and will continue through November 21, 2012.

Program Registration: Participants and/or mail service providers (MSPs) must register on the Business Customer Gateway (BCG) via the Incentive Programs Service (gateway.usps.com) and agree to promotion terms at least 2 hours prior to presenting the first qualifying mailing and specify which permits and/or Customer Registration IDs (CRIDs) will be participating in the promotion. (It is recommended that mailers register several days in advance of the first qualifying mailing.) As part of terms of participation, at the end of the promotion period, mailers agree to complete a survey on the Incentive Programs Service about their participation in the promotion.

There are two methods for MSPs to enroll their clients for the Holiday Mobile Shopping promotion.

- MSP clients can enroll via the BCG as discussed or through electronic documentation (eDoc) submitted by the MSP.
- An MSP who enrolls as a mailing agent through the BCG (Incentive Programs Service) can use eDoc to enroll their clients e.g., Mail.dat, Mail.XML, or Postal Wizard. The eDoc must contain an MSP-registered CRID, information about the client and the incentive program claimed on the postage statement. During postage statement finalization, *PostalOne!* will validate that the MSP CRID or "By" field is populated in the eDoc and is enrolled as an MSP. The *PostalOne!* system will enroll the client in the promotion, based on the presence of the "For" field data in the eDoc, and will only then calculate the discount if there are no system Warnings. *PostalOne!* will perform By/For Warning validations and generate Warnings for MSP that are not registered and for any invalid CRIDS or Mailer IDs. *PostalOne!* will process the eDoc in the case for Warnings (i.e., not fail files and not extend the promotion discount).

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IV. MAILING SUBMISSION REQUIREMENTS

Documentation/Postage Statement: Mailings must be submitted electronically via mail.dat, mail.xml or Postal Wizard. (Mailings submitted via Postal Wizard claiming the Full Service discount cannot exceed 9,999 pieces. Basic Service pieces in Postal Wizard mailings are not subject to this limitation.) Mailings that are prepared and entered by an entity other than the mail owner must indicate the owner's identity in the electronic documentation ("eDoc"). The eDoc must identify the mail owner and mail preparer in the By/For fields. An MSP client (i.e., mail owner) may be identified by Customer Registration ID (CRID), or by Mailer ID (MID).

Participating mailers will be required to affirmatively claim this promotion in the Incentive Claimed section on electronic postage statement submissions, certifying each mailpiece contains a mobile barcode either within the contents of the mailpiece or on the outside of the mailpiece. All mailpieces included in a postage statement must contain a mobile barcode or equivalent print technology.

Combined and Commingled Mailings: First-Class Mail and Standard Mail commingled, combined, and co-mail mailings (including MLOCR mailings) may only qualify for the Promotion if:

- All of the pieces commingled in the mailing have mobile barcodes, or
- the mailings include multiple clients (or versions) but have separate postage statements generated for the mailpieces that contain mobile barcodes.

Mailing Date: Mail must be tendered for acceptance during the promotion period, November 7 through November 21, 2012. For mail entered through the Drop Shipment Management System (DSMS), the mail can be verified PRIOR to November 7th, as long as PAYMENT occurs on or after November 7th. Plant-Verified Drop Shipment (PVDS) mailings that are verified and paid for during the promotion period and that qualify for the Promotion will be accepted at destination entry postal facilities through December 5, 2012, when presented with appropriate verification and payment documentation (PS Form 8125). For a PVDS mailing that qualifies for the Promotion, the verification or actual drop ship cannot occur before November 7th. Any mailing that is accepted and paid for prior to November 7th is not eligible for the Promotion discount.

IMb Requirements: Mailings of automation letters or flats must have Intelligent Mail[®] barcodes. Mailpieces with POSTNET[™] barcodes claiming automation prices will not be eligible for the price reduction. Non-automation Mailpieces that do not require the IMb or a barcode may be eligible for the price reduction. More details about this requirement are as follows:

| Mail Category | IMb Required | IMb or Barcode Not Required |
|--|---|--|
| First-Class Mail Letters and Cards | Automation (5-digit, 3-digit, AADC, Mixed AADC) | Presorted (Machinable and Non-machinable) |
| First-Class Mail Commercial Flats | Automation (5-digit, 3-digit, AADC, Mixed AADC) | Presorted (Machinable) |
| Standard Mail Letters – Carrier Route & Automation (includes Nonprofit) | Carrier Route (Saturation, High Density & Basic) Automation (5-digit, 3-digit, AADC, Mixed AADC) | |
| Standard Mail Letters – Non-automation (includes Nonprofit) | | Carrier Route (Saturation, High Density and Basic) Machinable (AADC & Mixed AADC) Non-machinable (5-digit, 3-digit, AADC, Mixed ADC) |
| Standard Mail Flats (includes Nonprofit) | Automation (5-digit, 3-digit, ADC, Mixed ADC) | Non-automation Carrier Route (Saturation, High Density & Basic) Non automation (5-digit, 3-digit, ADC, Mixed ADC) |

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Postage Payment Method: Postage must be paid using a Permit Imprint, or Pre-cancelled Stamp permit. Some Meter Permit mailings may qualify. OMAS and "Official Government Mail" mailings are not eligible for the promotion. Every Door Direct Mail (EDDM) deposited at a Business Mail Entry Unit may qualify, but EDDM Retail mailings taken to local Post Office retail units are ineligible to participate.

Meter Mail Payment Option: Meter mailers with advance deposit (permit) accounts who submit qualifying mailings may receive the discount if there is net postage due. All discounts must be claimed at the time of mailing and cannot be rebated at a later date. Customers who wish to claim the incentive must affix the appropriate reduced promotion amounts listed below to each piece in the mailing. This translates into setting the electronic file to Metered Neither because the pre-denominated amount is neither Metered Correct nor Metered Lowest. The affixed prices for metered postage are for each piece for Standard Mail. For First-Class Mail flats, the postage amount is just for the first ounce, and additional postage must be affixed for each additional ounce above the first ounce. For First-Class Mail letters, additional postage must be affixed for any letters over 2 ounces.

| Processing Category | Incentive Postage Amount Affixed |
|---|---|
| First-Class Mail Cards | \$0.20 |
| First-Class Mail Letters auto and presort | \$0.25 |
| First-Class Mail NM Letters | \$0.45 |
| First-Class Mail Flats - auto and presort | \$0.35 |
| | |
| Standard Mail Regular Auto/PRSRT/CR Letters | \$0.12 |
| Standard Mail Regular Auto/PRSRT/CR Flats | \$0.13 |
| | |
| Standard Mail Nonprofit Auto/PRSRT/CR Letters | \$0.05 |
| Standard Mail Nonprofit Auto/PRSRT/CR Flats | \$0.06 |

Any net postage due for the mailing must be paid from an advance deposit (permit) account. The mailer must have documentation (USPS Qualification Report) to support mail preparation and piece count to determine additional postage due.

If mailers approved for Combined Value Added Refund or Value Added Refund mailings mark mailings as Metered Neither and have additional postage due, the amount of the Promotion discount will be deducted from the net postage due. If the electronic file is set to "C" for Metered Correct, the discount will be forfeited, because it is assumed that the calculated amount of postage affixed is the correct published price (not the reduced promotion amount) and there is no additional postage due for which the discount can be deducted.

NOTE: THE 2 PERCENT DISCOUNT MUST BE CLAIMED AT THE TIME OF MAILING AND CANNOT BE REBATED AT A LATER DATE

V. MAILPIECE/MAILING CONTENT REQUIREMENTS

1. The mobile barcode or similar print technology must take a consumer to a mobile optimized site that enables the purchase of a product.
2. All qualifying mail must contain a mobile barcode or equivalent technology that when scanned by a mobile device equipped with the correct reader application opens a web page.
 - a. This technology may consist of mailpieces that contain open-sourced barcodes (such as a QR Code® or Datamatrix code), a proprietary barcode or tag (such as SnapTags or MS Tags), an image embedded with a digital watermark or utilizing intelligent print image recognition.

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3. The mailpiece must contain text near the barcode or image providing guidance to the consumer to scan the barcode or image and/or information about the landing page.
4. Additional requirements are listed below.
 - The destination web page(s) must contain information relevant to the content of the mailpiece and some or all of the product(s) advertised in the mailpiece must be available for purchase on a mobile device.
 - The destination web pages must reside on a website platform that contains or is deeply integrated with a checkout functionality that allows the customer to complete the purchase of the product referenced in the mailpiece through a complete mobile optimized experience. For purposes of this promotion, the recipient must be able to complete the purchase in at least one the following ways:
 - through an electronic payment method (such as a credit, debit or prepaid card) made through the internet on the mobile device,
 - through a person-to-person payment method (ex. PayPal) made through the internet on the mobile device,
 - an order placed on the mobile device through the internet where the customer is invoiced at a later date (presumably upon delivery), or
 - an order placed on the mobile device through an internet browser where the charge is added to a recurring bill.
 - For the purposes of this promotion a product is defined as a tangible and physical item that needs to be distributed or manufactured and can be shipped via a mailing or shipping product offered by the Postal Service (delivery by the Postal Service is not required). The product may have an intangible service component built into it, but the sale of a service alone will not qualify.
 - If a product is shipped in exchange for a donation, and the fair market value of the gift is less than the donation amount, the mailing will not qualify.
 - If a product is not offered for fulfillment via home delivery and can only be shipped to another business location (e.g. online ordering for in-store pick-up), the mailing will not qualify.
 - Websites used for the e-bill payment of prior purchases of goods or services, or regularly scheduled payments (weekly, monthly, bi-monthly, quarterly, etc.) for goods and services are not eligible.

Examples of Ineligible Mobile Barcode Uses (include but are not limited to)

- Register for event/seminar/class
- Purchase a service
- Pay a bill
- Make payment online for prior purchases or recurring services
- Sign up for email list, text messages or mailing list
- Sign up for online billing or paperless statement services
- Download a deal or coupon
- Enter a contest or sweepstakes
- Sign up for an newsletter (electronic or hard copy)
- Proxy stock vote
- Take a survey
- Confirm a reservation (like doctor or haircut appointment)
- Any link to a non-mobile optimized site
- Download and or receive text information such as directions/contact information
- Link to sign-in page for online account
- Link to webpage with information
- "Like" or "share" on social network site
- View a video
- Link to phone number or make a phone call

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VI. RESTRICTIONS ON BARCODE PLACEMENT

The barcode cannot be placed on a detached address label (DAL) or card that is not attached to or enclosed within the mailpiece (e.g., unattached blow-in card).

The mobile barcode cannot be placed in the indicia zone or the barcode clear zone on the outside of the mailpiece. Additional guidance is provided below:

BARCODE CLEAR ZONE

Barcode Clear Zone for Letters:

The barcode clear zone for letters is defined in the Domestic Mail Manual (DMM®) section below. DMM design requirements (DMM Sections 202.5.1) must be met:

DMM® 202.5.1 Barcode Clear Zone

Each letter-size piece in an automation price or an Enhanced Carrier Route price mailing must have a barcode clear zone unless the piece bears a POSTNET or an Intelligent Mail barcode with a delivery point routing code (see 708.4.3) in the address block. The barcode clear zone and all printing and material in the clear zone must meet the reflectance standards in 708.4.4. The barcode clear zone is a rectangular area in the lower right corner of the address side of cards and letter-size pieces defined by these boundaries:

- a. Left: 4-3/4 inches from the right edge of the piece
- b. Right: right edge of the piece
- c. Top: 5/8 inch from the bottom edge of the piece
- d. Bottom: bottom edge of the piece

A pictorial description of the barcode clear zone on letters can be found in Quick Service Guide 602 at the link below:

<http://pe.usps.com/text/qsg300/Q602.htm#1009536>

Barcode Clear Zone for Flats

For flats, the mobile barcode should not be placed within 1/8" of the actual routing (POSTNET or Intelligent Mail) barcode.

INDICIA ZONE

The "indicia zone" is two inches from the top edge by four inches from the right edge of the mailpiece; in addition the mobile barcode should not be placed within two inches of the actual postage indicia when the indicia is not placed in the described "indicia zone."

Indicia Zone for Flats

For optimal processing, we strongly advise to avoid placing the mobile barcode in the destination address block and indicia.

Indicia Zone for Letters

The QR codes are two-dimensional (2D) barcodes similar to the Information Based Indicia (IBI) codes used in Meter labels and PC Postage. The "Indicia Area" on letter mail is the top-right corner. The Postal Service's Barcode Sorters look for these IBI codes in the zone 2" from the top edge x 4" from the right edge of the mailpiece. More than one 2D code in the "Indicia Zone" will overload Postal Service barcode readers and could result in missed valid IBI scans and low read rate of routing codes. This is why mobile barcodes are excluded from this section of the mailpiece.

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VII. REQUIREMENTS AT MAIL ACCEPTANCE AND POST-MAILING

At Mail Acceptance: The mailer must provide a hard copy, unaddressed sample of the mailpiece showing the placement of the mobile barcode to the acceptance clerk. If a mailing agent submits promotional mailings from multiple mailers, a hard copy sample of each mailer's mailpiece must be presented. All mailings are subject to standard acceptance and verification procedures and may be inspected for use of the mobile barcode.

- Addressed samples will not be accepted (this is especially important for First-Class Mail as it would give the appearance of a piece that was paid for, but not delivered). If pieces are variably printed, one sample that is comparable to the mailing may be presented.
- If the mailer is unable to print an unaddressed mailpiece the mailer should remove a piece from the mailing, remove the address (e.g. place a blank address label over the address) and submit it at mail acceptance. As an alternative, for Standard Mail an addressed piece may be accepted if the mailer marks through the address and marks "Mobile Barcode USPS Piece Sample" on the piece.

Post Mailing Requirements: During the promotion period and after the promotion period has ended, the Postal Service will conduct a random sample of mailpieces that qualified for the discount. All mailers who receive the discount must retain an electronic or hard copy sample of the mailpiece until January 31, 2013 and if requested by the Postal Service must forward such sample to the Promotion program office.

- One sample must be retained for each individual mailing (postage statement) that qualifies for the discount. If a mailing contains mobile barcode mail from multiple mailers, a sample of each mailer's mailpiece must be retained.

Rebate Requirements

In order to claim the rebate, mailers must demonstrate that during the Fulfillment Period, the number of Priority Mail with Delivery Confirmation packages delivered to customers exceeds 0.5 percent of qualifying mailpieces sent during the Promotion.

An example of the threshold and discount calculation is detailed in the table below:

| | |
|---|----------------|
| Program Period - Discounted Mail volume | 100,000 pieces |
| Total postage prior to discount | \$21,000 |
| 2% Discount Applied | \$420 |
| Total Postage after Discount applied | \$20,580 |
| | |
| Fulfillment Threshold - 0.5% of Discounted Mail volume | 500 packages |
| Actual number of packages fulfilled via Priority Mail with Delivery Confirmation (11/9 – 12/31) | 1,225 |
| Additional rebate earned | \$210 |

In the example above, if the mailer had sent less than 500 packages via Priority Mail with Delivery Confirmation during the Fulfillment Period, it would not be receive any rebate. Rebate applications are due to the program office no later than February 15, 2013. Any earned rebate will be deposited to participant's mailing payment account.

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At mail acceptance, the mailer must provide a hard copy, unaddressed sample of the mailpiece showing the placement of the mobile barcode to the acceptance clerk. If a mailing contains mobile barcode mail from multiple mailers, a hard copy sample of each mailer's mailpiece must be presented.

- Addressed samples will not be accepted. If pieces are variably printed, one sample that is comparable to the mailing may be presented.
- If the mailer is unable to print an unaddressed mailpiece the mailer should remove a piece from the mailing, remove the address (e.g. place a blank address label over the address) and submit it at mail acceptance. As an alternative, for Standard Mail an addressed piece may be accepted if the mailer marks through the address and marks "Mobile Barcode USPS Piece Sample" on the piece.

Additionally, the Program Office will conduct a sampling of mailpieces collected at Business Mail Entry Units to verify that the submissions meet program requirements. The Postal Service reserves the right to pursue a revenue deficiency for mailings that do not meet all program requirements or to un-enroll the mailer from the program.

Rebate Process and Fulfillment Threshold:

At the time of enrollment, mailers will select a mailing payment account to which the USPS will credit the 1 percent rebate. In order to claim the rebate, mailers must demonstrate that the number of Priority Mail packages with Delivery Confirmation delivered to customers during the Fulfillment Period exceeds the 0.5 percent threshold.

At the end of the promotion, the Program Office will establish the Fulfillment Threshold for each enrolled company by Customer Registration ID, as presented in the customer's Incentive Service Program enrollment profile. If a company is enrolled as separate participants in the Promotion, each enrolled affiliate of the company will have a separate Fulfillment Threshold.

Application for Rebate

Beginning on January 1, 2013, mailers who believe they've met their Fulfillment Threshold and are interested in receiving the rebate can submit applications to the Program Office. As part of this application, mailers must submit supporting documentation demonstrating that the Fulfillment Threshold was met during the Fulfillment Period. All rebate applications must be received by the program office no later than February 15, 2013.

Supporting Documentation

One method of meeting the supporting documentation requirement can be made through eDoc submissions for Priority Mail. During the fulfillment period, the shipper may populate the Customer Reference Number field within the Electronic Verification System (eVS) electronic file format (record position 216-245), with a promotion code and/or use the Mailer ID assigned by the Program Office for optional use in the mailer's IMpb or Delivery Confirmation barcode. The promotion code and Program Office Mailer ID will be provided by the USPS and communicated to customers prior to the fulfillment period. When these identifiers are used, supporting documentation can be more readily flagged by customers and their service providers and helps the USPS validate Claim Forms. Claim Forms will be downloadable from the BCG, Incentive Programs Service.

Alternate forms of supporting documentation must be approved by the Program Office.

Rebate Validation

The Program Office will verify the number of fulfillment (Priority Mail packages) pieces for each customer by their participating CRID(s). If the participant meets or exceeds its threshold, a 1 percent rebate will be applied to the participant's mailing payment account.

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VIII. TECHNICAL INFORMATION

For further technical information on RIBBS, please refer to the eVS File Formats Specifications at https://ribbs.usps.gov/evs/documents/tech_guides/layouts/.

IX. PROGRAM OFFICE CONTACT INFORMATION

Further questions can be directed to the Program Office. Although not required, the Program Office will review samples and scenarios to determine if program requirements have been met.

Email: mobilebarcode@usps.gov
Facsimile: 202-268-0238
Mail: US Postal Service
2012 Holiday Mobile Shopping Promotion
Post Office Box 23282
Washington, DC 20026-3282

Information and resources will also be posted online on RIBBS and usps.com at:
<https://ribbs.usps.gov/index.cfm?page=mobilebarcode> and
www.usps.com/mobile-barcode

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X. REVISION HISTORY

| Date | Section | Reason For Revision | Version |
|-------------|--|--|----------------|
| | N/A | Initial Draft | 1 |
| 8/7 | Footer | Updated due to PRC approval | 2 |
| 8/29 | I. BACKGROUND AND PROGRAM DESCRIPTION | Clarified rebate requirement; added Priority Mail <i>with Delivery Confirmation</i> | 3 |
| | IV. MAILING SUBMISSION REQUIREMENTS | For mail entered through the Drop Shipment Management System (DSMS), the mail can be verified PRIOR to November 7 th , as long as PAYMENT doesn't occur until at least November 7 th . | |
| | VII. REQUIREMENTS AT MAIL ACCEPTANCE AND POST- MAILING | Clarified rebate requirement; added Priority Mail <i>with Delivery Confirmation</i> | |
| | IX. PROGRAM OFFICE CONTACT INFORMATION | Updated mailing information | |