

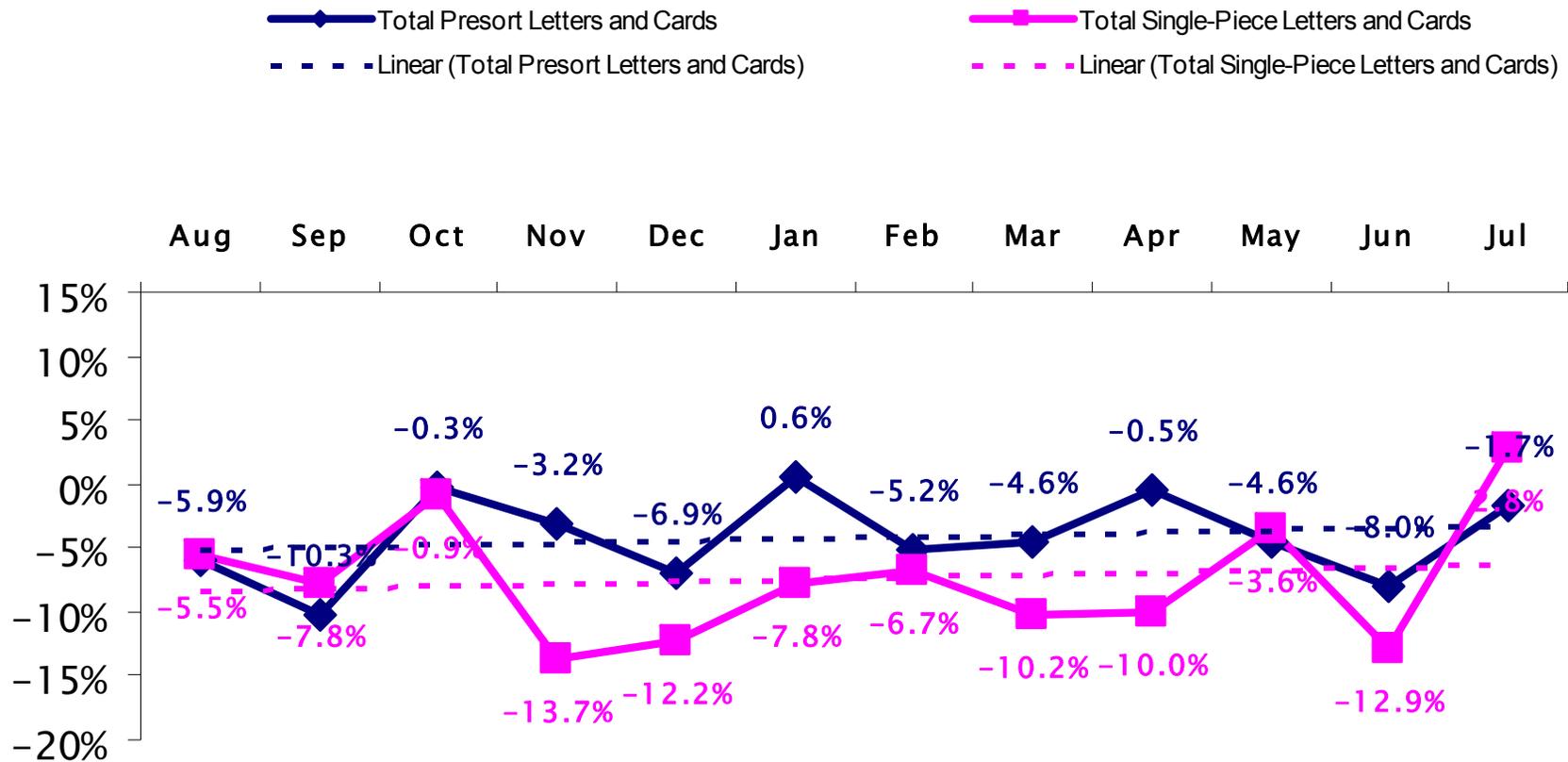
First-Class Mail Focus Group – Product Development

MTAC

August 28, 2013

- **Pulse of Industry**
- **Single-Piece Commercial Rates & Residual Rates**
- **Intelligent Mail barcode Accounting (IMbA)**
- **Promotions**
 - **Update on 2013 Promotions Calendar**
 - **Potential 2014 Promotions**
- **Open Discussion**

First-Class Mail Volume (% Change over SPLY)





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Single-Piece Commercial Rates and Residual Rates

- **First-Class Mail Letters Residual Mail changes for January 2014:**
 - **Blended rate (currently \$0.48) for combining 1oz. and 2 oz pieces**
 - **Option to separate pieces by weight and pay prevailing Single-Piece prices (currently \$0.46 for 1 oz., \$0.66 for 2 oz., etc.)**

What is it?

- **Proposed Meter Rate is for available for all Single-Piece mail, whether mailed at retail or as residual in a commercial mailing**
- **Available for meter, permit imprint, precancelled stamps, PC postage**
- **Existing requirements for Single-Piece mail remain unchanged**
- **For permit imprint mailings, the minimum piece requirement of at least 200 pieces remains**



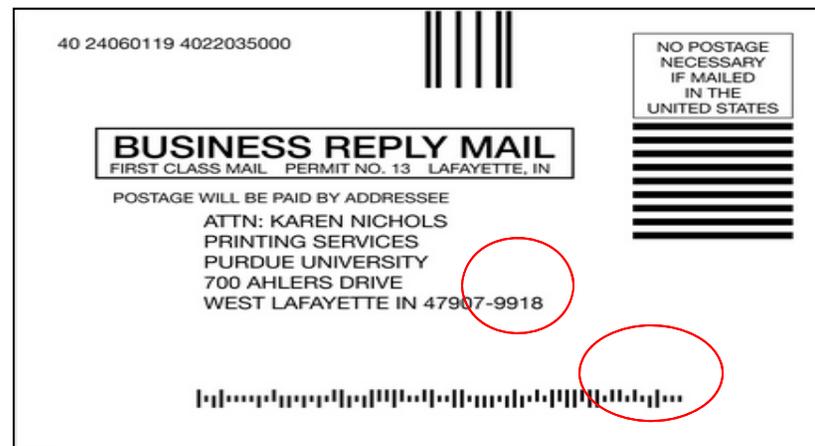
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Intelligent Mail Barcode Accounting (IMbA)

- **What is IMbA?**
 - An accounting platform that leverages the Intelligent Mail barcode on a mailpiece to automate the, currently manual, counting and invoicing processes for select USPS products.
 - The IMbA system will collect all scan records for an enrolled mailer, sort the scan records by product type, and generate a count for each product type by mailer.
 - After a piece count has been generated, IMbA will determine the correct postage rate to be applied, and generate an invoice for the mailer.
- **Targeted Rollout Date**
 - July 2014

■ IMbA uses ZIP+4+2

- New requirement for QBRM mailers
- Used to identify the QBRM product type, count the total pieces for that product by mailer, and charge the appropriate rate.
- The ZIP+4+2 will be assigned when the customer arrives at the local office to set up a QBRM account.
 - Ex: 1-oz = 01, 2-oz = 02, Postcard = 03
- The two digits on the end of the ZIP+4 will be required, both, in the Routing Code of the IMb, and in the physical address block.

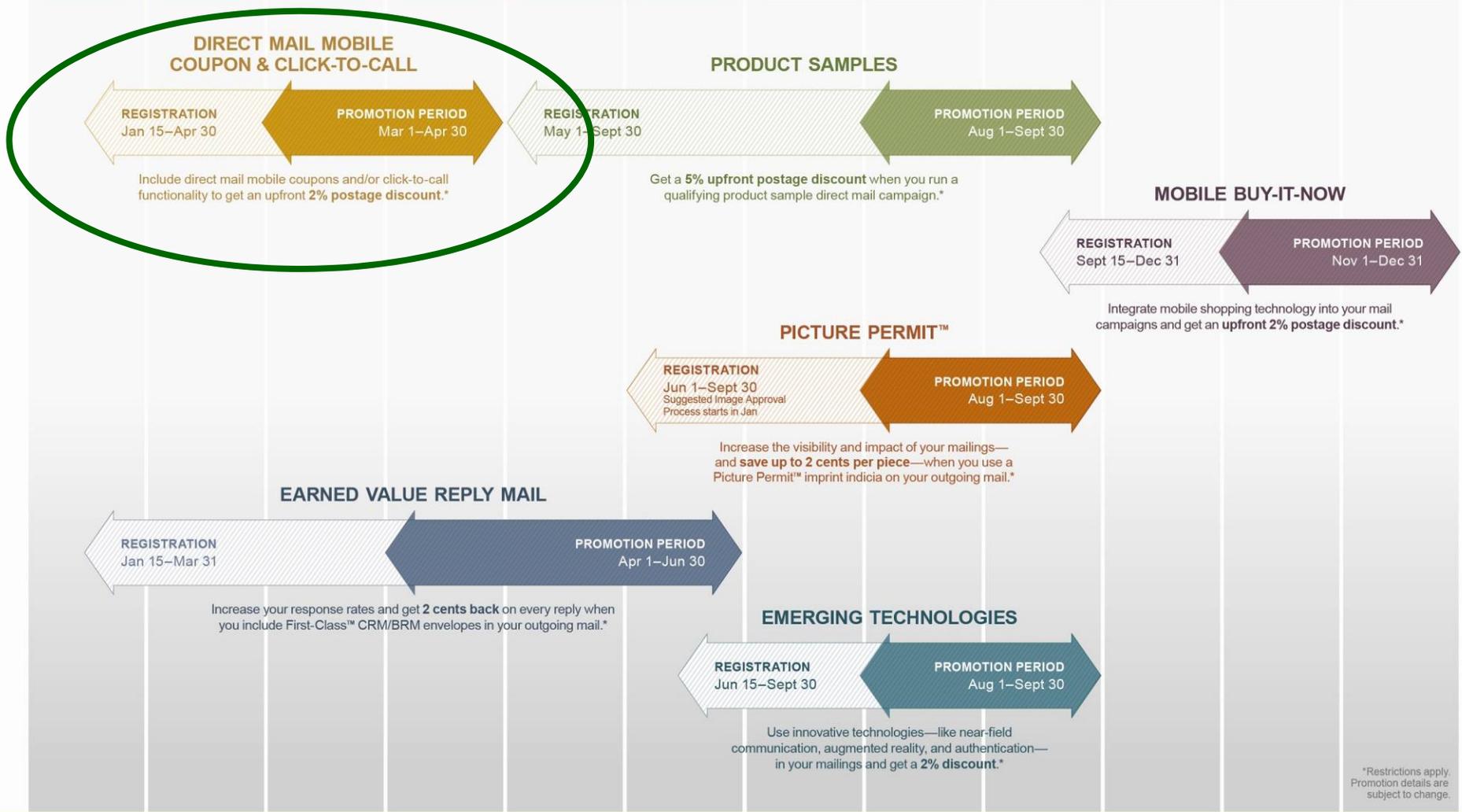




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2013 Promotions Calendar Update

JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER

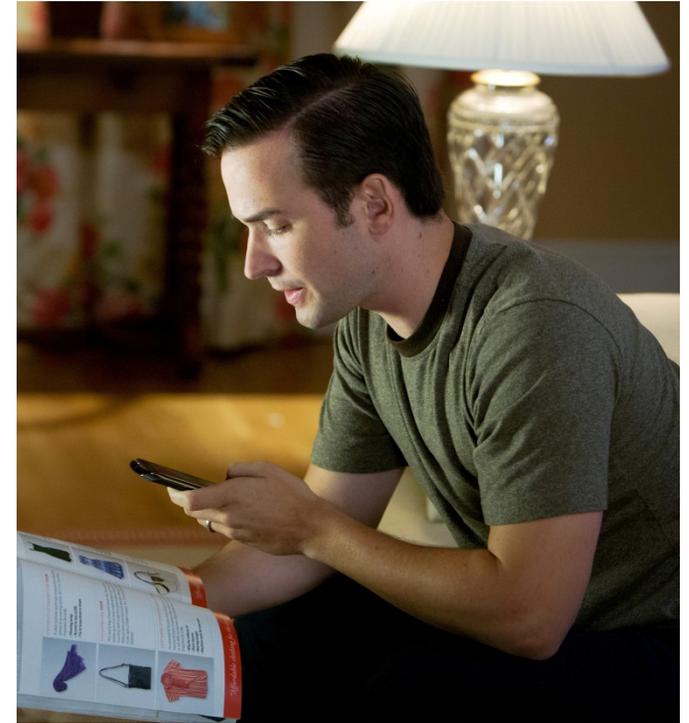


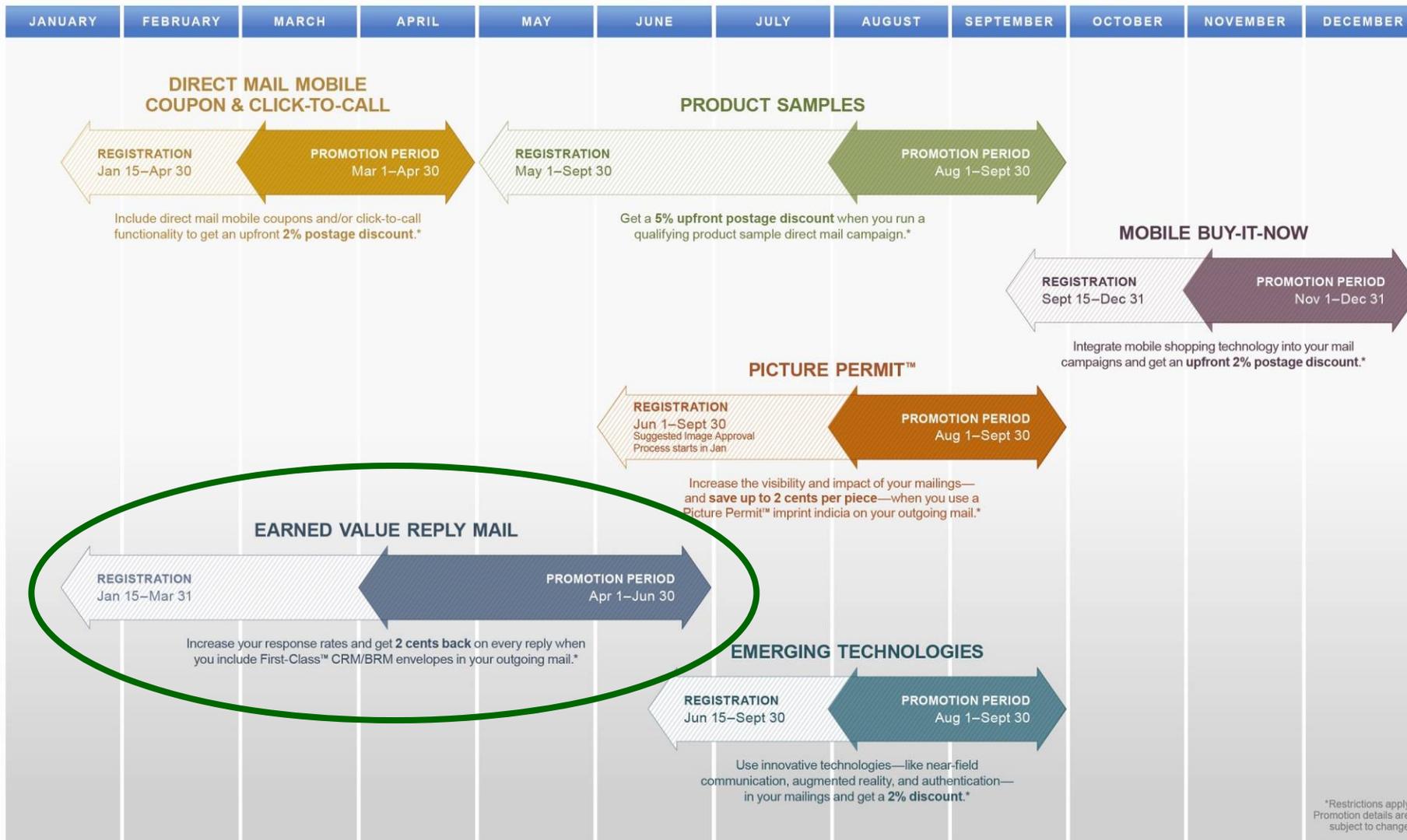
*Restrictions apply. Promotion details are subject to change.

Promotion Survey Results

Promotion Period: March 1- April 30

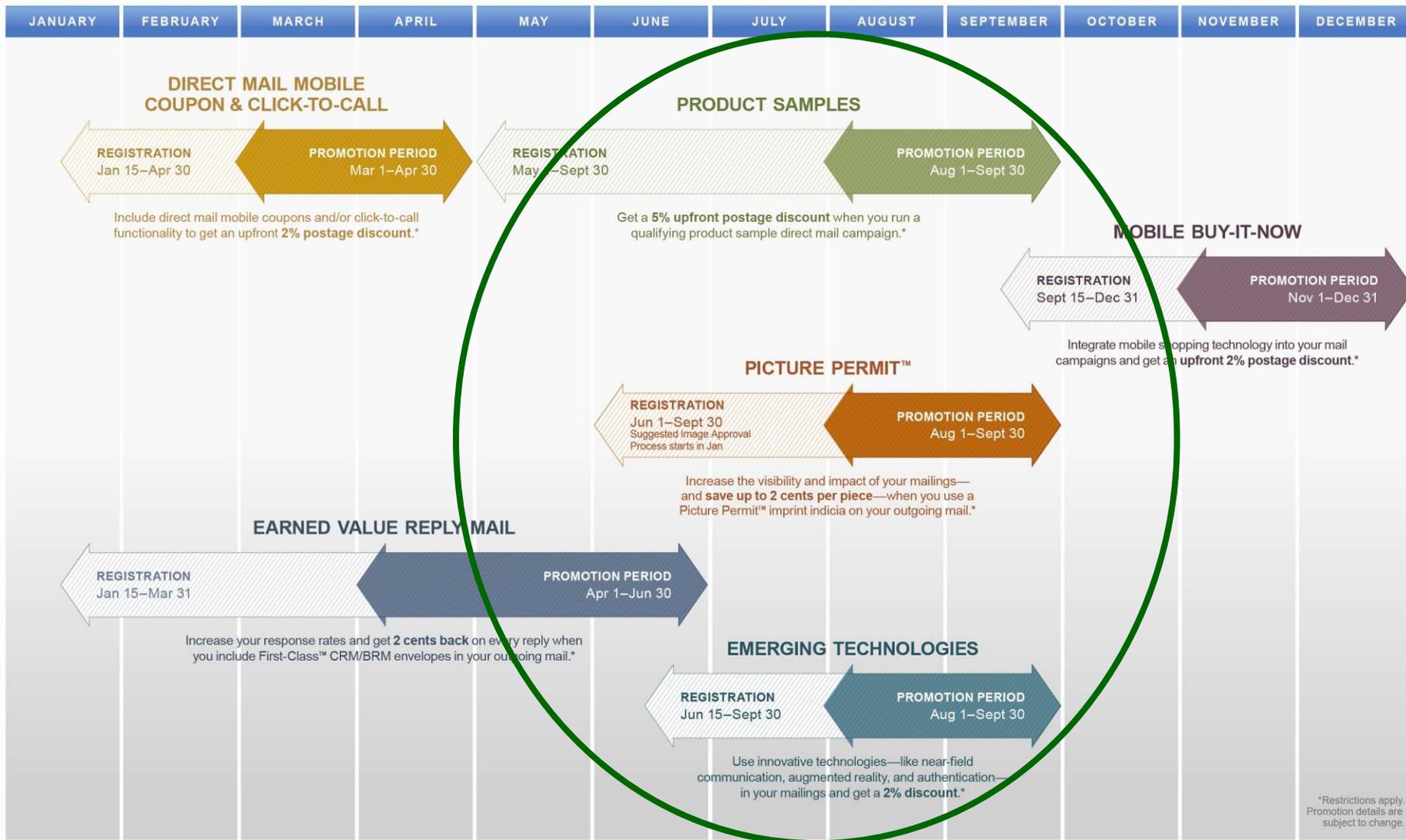
- 35% Response Rate
- 80% used the Click To Call component
- 13% had never used mobile barcodes
- 50% of respondents measured barcode responses
- 48% had improved image of Postal Service





*Restrictions apply. Promotion details are subject to change.

- **639 customers enrolled**
- **Approx. 533 million CRM and BRM pieces were counted (April 1 – June 30); total credit: \$10.66 million**
- **345 customers have agreed and credits have been issued**
- **14 customers have disagreed, 8 of those have been resolved**
- **CRM represented 89% of total number of pieces counted; BRM was 11% of total**
- **Top 10 customers:**
 - **CRM is 54% of total CRM promotion volume**
 - **BRM is 66% of total BRM promotion volume**



*Restrictions apply. Promotion details are subject to change.

Promotions Began in August

- **Product Samples Promotion**
 - **36 enrolled**
- **Emerging Technology Promotion**
 - **159 enrolled**
- **Picture Permit Promotion**
 - **10 approved mailers enrolled**

JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER

DIRECT MAIL MOBILE COUPON & CLICK-TO-CALL

REGISTRATION
Jan 15–Apr 30

PROMOTION PERIOD
Mar 1–Apr 30

Include direct mail mobile coupons and/or click-to-call functionality to get an upfront **2% postage discount**.*

PRODUCT SAMPLES

REGISTRATION
May 1–Sept 30

PROMOTION PERIOD
Aug 1–Sept 30

Get a **5% upfront postage discount** when you run a qualifying product sample direct mail campaign.*

MOBILE BUY-IT-NOW

REGISTRATION
Sept 15–Dec 31

PROMOTION PERIOD
Nov 1–Dec 31

Integrate mobile shopping technology into your mail campaigns and get an upfront **2% postage discount**.*

PICTURE PERMIT™

REGISTRATION
Jun 1–Sept 30
Suggested Image Approval
Process starts in Jan

PROMOTION PERIOD
Aug 1–Sept 30

Increase the visibility and impact of your mailings—and **save up to 2 cents per piece**—when you use a Picture Permit™ imprint indicia on your outgoing mail.*

EARNED VALUE REPLY MAIL

REGISTRATION
Jan 15–Mar 31

PROMOTION PERIOD
Apr 1–Jun 30

Increase your response rates and get **2 cents back** on every reply when you include First-Class™ CRM/BRM envelopes in your outgoing mail.*

EMERGING TECHNOLOGIES

REGISTRATION
Jun 15–Sept 30

PROMOTION PERIOD
Aug 1–Sept 30

Use innovative technologies—like near-field communication, augmented reality, and authentication—in your mailings and get a **2% discount**.*

*Restrictions apply. Promotion details are subject to change.

Promotion Contact Information

Email: mobilebarcode@usps.gov

Web: <https://ribbs.usps.gov/index.cfm?page=mobilebarcode>
(Recorded webinar available)

**Promotion
Registration:** <https://gateway.usps.com/bcg/login.htm>

**Promotion
Registration
Dates:** September 15 – December 31, 2013

**Promotion
Dates:** November 1 – December 31, 2013





2014 Promotions

Objectives

- **Mobile Technology Integration**
 - Build upon previous promotions and continue strategy to encourage mailers to integrate direct mail with mobile technology
- **Technology Drives Relevance**
 - Leverage the value of innovative direct mail techniques that are effective but less widely used
- **Leverage Value of First-Class Mail**
 - Promotions intended to slow the declining volume trends and ensure reply mail and FCM advertising remain a relevant part of the FCM mix
- **New Customer Acquisition**
 - Program to provide incentive for new small business customers to try direct mail



Proposed 2014 Promotions

JAN – FEB - MARCH

APRIL – MAY - JUNE

JULY – AUG - SEPT

OCT – NOV - DEC

FIRST-CLASS MAIL

Earned Value Promotion

Color Print in First-Class Mail Transactions Promotion

STANDARD AND FIRST-CLASS MAIL

Mail and Digital Personalization Promotion

Branded Color Mobile Technology Promotion

Premium Advertising Promotion *mail prepared/ presented as FCM

STANDARD MAIL

Near Field Communication Promotion

Mail Drives Mobile Commerce Promotion

EDDM MAIL

EDDM Coupon Program

All promotions and dates are tentative and subject to PRC approval.

Earned Value Reply Mail Promotion

Encourage USPS customers to continue to provide Business Reply Mail® (BRM) and Courtesy Reply Mail™ (CRM) as options for consumers to communicate with them.



- Credit
 - 2 cents credit per eligible, returned CRM or BRM mailpiece.
 - Participants in the 2013 Earned Value Promotion whose CRM and BRM counts increase in 2014 will receive 3 cents per eligible mailpiece
- Credit Receipt/Redemption
 - Credit will be applied to the mailer's Permit Imprint account

Color Print in First-Class Mail Transactions Promotion

Encourage FCM mailers to utilize color ink on inserts with bills and statements, which can produce greater connection and response from consumers.

- Eligible Mail: First-Class Mail® presort and automation letters sent in IMb full-service mailing
- Upfront 2% postage discount to mailer who use variable color print on transactional mail (required to be mailed as First-Class Mail)
- Eligible pieces must have dynamic color printing on the bill or statement
- Color messaging must be for marketing or consumer information purposes
 - Use of color inserts and pre-printed paper stock, do not qualify for the promotion
 - Color in transactional fields alone on the mailpiece will not qualify

Pending USPS and PRC approval

Branded Color Mobile Technology

Encourage marketers to move beyond basic QR codes and develop mailpieces that add marketing and creative value and encourage mobile engagement.

- Eligible Mail:
 - Standard Mail letters and flats
 - Nonprofit Standard Mail letters and flats
 - First-Class Mail presort and automation letters, cards and flats
- Discount: 2 percent per eligible mailpiece.
- A creative QR code must be functional and incorporate at least one of the following:
 - 2 or more colors set against a background
 - incorporate a trademark or graphic with at least one color



Mail & Digital Personalization Promotion

Encourage mailers to utilize customer information and variable data printing technology to create personalized and relevant mailpieces and digital experiences that increase response rates.



Mail campaign should utilize customization through urls, websites or mobile experiences with both relevant messaging and content linked to the urls, websites and/or mobile experiences. Both the mailpiece and PURL/website must be customized and/or personalized to qualify for this promotion

- Eligible Mail:
 - Standard Mail letters and flats
 - Nonprofit Standard Mail letters and flats
 - First-Class Mail presort and automation letters, cards and flats
- Discount: 2% per eligible mailpiece.

Pending USPS and PRC approval

Premium Advertising Product Promotion

Encourage top Standard Mail marketers and advertisers to use First-Class Mail by offering a discount on First-Class Mail presort postage to mailers who send advertising content via First-Class Mail.



The promotion offers an upfront discount on First-Class Mail postage on mailpieces composed entirely of marketing or advertising content.

- Eligible Mail: First-Class Mail® presort and automation letters and cards sent in IMb full-service mailings
- Examining criteria for participation: Minimum mailing size, Standard Mail letter revenue threshold
- Postage Payment: Permit Imprint only

Emerging Technology Promotion

Highlight Near Field Communication

- Eligible Mail:
 - Standard Mail letters and flats
 - Nonprofit Standard Mail letters and flats
- Discount: 2 percent per eligible mailpiece.



To participate in the promotion, the mailpiece must incorporate the use of standard NFC technology or other emerging technology to engage the mobile device in providing an interactive experience for the user.

Mail Drives Mobile Commerce Promotion

Encourage holiday shopping by encouraging marketers and retailers to utilize state of the art mobile purchasing technology with direct mail and catalogs to facilitate purchases.

Eligible Mail

- Standard Mail letters and flats

- Nonprofit Standard Mail letters and flats

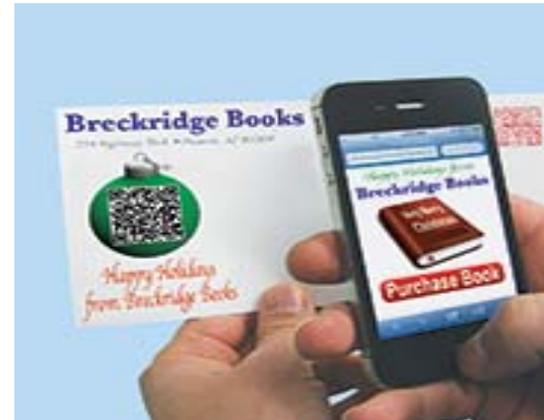
Promotion Period Discount:

- 2% per eligible mailpiece (Mailers who fulfill packages via Priority Mail may qualify for an additional 1% discount)

Priority Mail Fulfillment Rebate

- Additional 1% Standard Mail postage rebate

Eligible mailpieces must 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.



Small Business Direct Mail Coupon

Encourage small businesses to leverage direct mail as a way to build a more robust relationship with customers by enabling the use of a coupon for them to try direct mail.

The EDDM Coupon program will enable USPS to credit postage as an incentive for new customers. Internal USPS personnel such as Sales, BSN, or Postmasters would have the ability to issue a coupon to a customer to use as a promo code at time of postage payment to receive a postage credit on their mailing

- Eligible Mail: EDDM letters and flats (Retail and BMEU)
- Discount: Coupons vouchers - amounts from \$50 - \$100. Can be redeemed at Retail, BMEU, or online credit card payment





A year-long Saturation & High Density Incentive program will take place during calendar year 2014.

Incentive Eligibility Requirements:

- Eligible Products: Saturation, High Density Plus, and High Density letters & flats paid for with a postage permit. This will include EDDM BMEU (not EDDM Retail)
- Eligible mailers must have mailed at least 6 times in FY2013 (Oct2012-Sept2013)
- Establish Volume Threshold based on CY2013 performance
- The postage credit on incremental volume above each mailer threshold will vary by product:
 - Regular Saturation Letters & Flats = 20%
 - Regular High Density/High Density Plus Letters & Flats = 15%
 - All Non Profit Saturation High Density & High Density Plus = 5%
- Credit applied to Permit Imprint account in Q2 of FY 2015.

Open Discussion