

# First-Class Mail Focus Group – Product Development

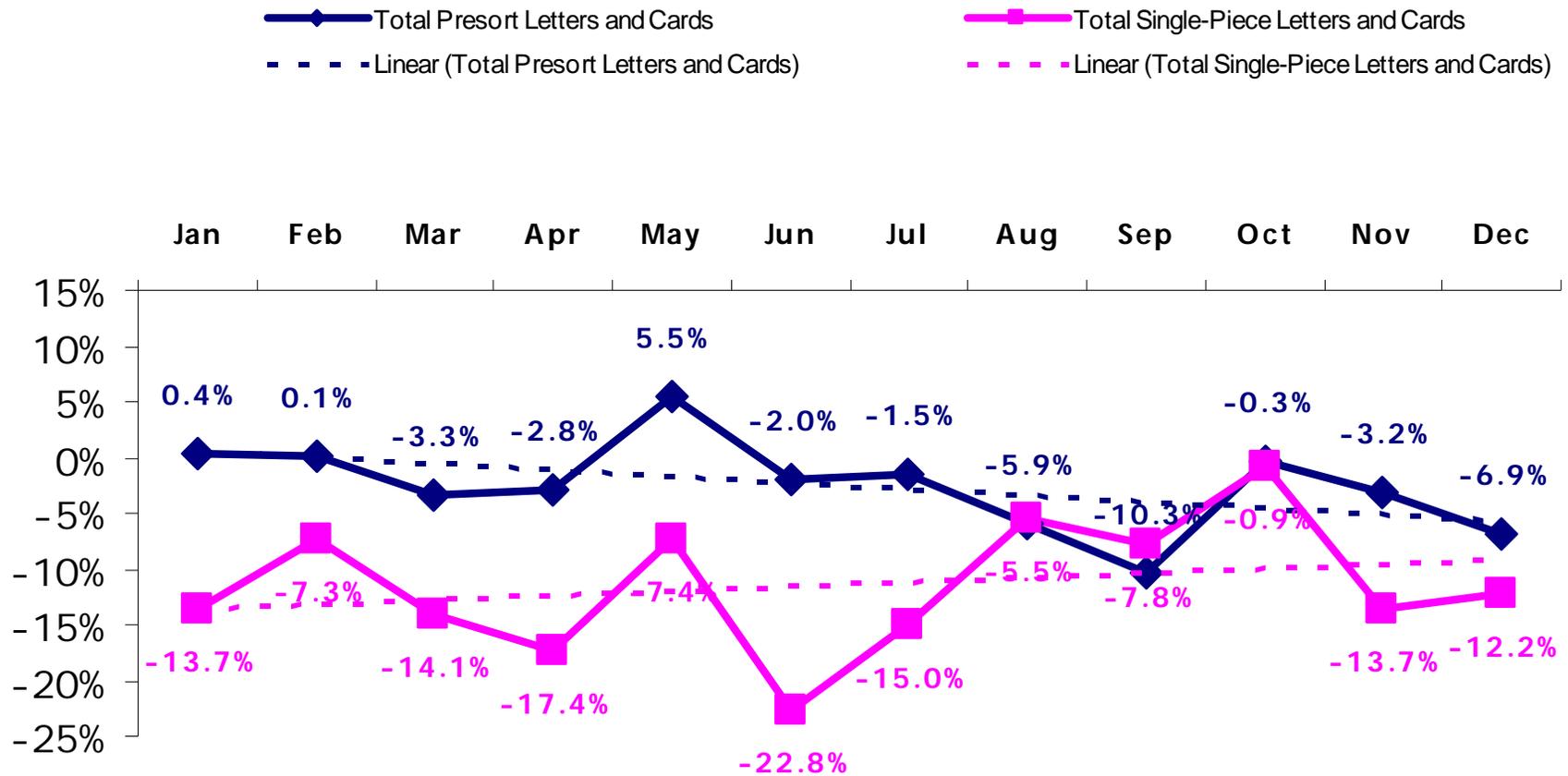
**MTAC**

**February 20, 2012**

- **Pulse of Industry**
  
- **Promotions**
  - **2013 Promotions / Incentives Update**
  - **CRM / BRM Earned Value Live Test – results and status**
  - **Solution for MSP registration and other scenarios**
  - **Potential 2014 Promotions**
  
- **Open Discussion**

- **USPS Direction /Industry Impacts**

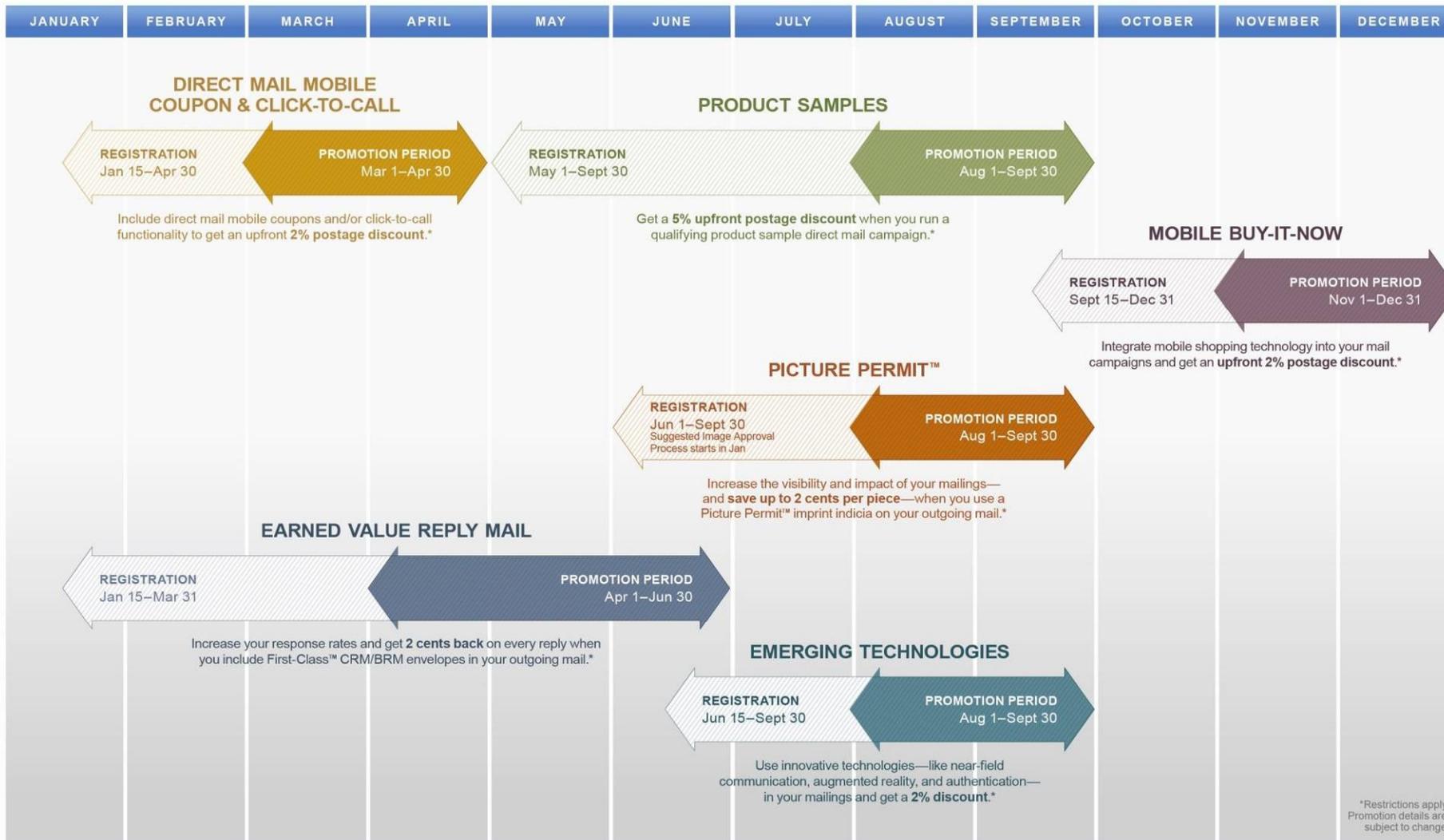
## First-Class Mail Volume (% Change over SPLY)





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# 2013 Promotions and Incentives Update



\*Restrictions apply. Promotion details are subject to change.

## Earned Value

- Registration Begins: January 15, 2013
- Registration Ends: March 31, 2013
- Program Period: April 1 through June 30, 2013



- **3 Live tests using the same participants and mail out of the same test facilities (Sep, Nov, Dec)**
- **Live tests counts captured by customer and matched against ALT-P counts**
- **Significant count discrepancies observed**
- **Operations noted major contributor was from the exclusion of the “Direct” volumes (CIN 167)**
- **ALT-P adjusted to capture piece counts from origin offices making up the directs using valid op codes**
- **Count discrepancy reduced to +/- 5%**

- **Validate accuracy of Postal EOR piece counts with customer count**
- **Tests conducted at the North Metro, Dallas, and Carol Stream P&DCs**
- **Test participants included 4 major retail remittance customers**
- **Controlled test Volume @ 20,000 pieces and identified for customer validation**
- **Aggregate of all tests were within +/- 2% (EOR vs customer counts)**

<b><u>Earned Value Participation Category</u></b>	<b><u>Count</u></b>
<b>Selected the Earned Value Tool</b>	<b>626</b>
<b>Total Enrolled in Earned Value</b>	<b>133</b>
<b>Mail Service Providers Enrolled</b>	<b>27</b>
<b>Mail Owners Enrolled</b>	<b>106</b>

**MSP Webinar:** Friday, February 8, 2013 available on  
<https://ribbs.usps.gov/index.cfm?page=mobilebarcode>

**Emails to MSPs :** Wednesday, February 13, 2013 – Enrollment for MSPs

Scenarios	Participant	Mailer ID	Permit Account
<b>Jan 15, 2013</b>	Mail Owner	Mail Owner	Mail Owner
<b>Feb 11, 2013</b>	<b>Mail Owner</b>	<b>Mail Owner</b>	<b>Mail Service Provider</b>
<b>Feb 11, 2013</b>	<b>Mail Service Provider</b>	<b>Mail Service Provider</b>	<b>Mail Service Provider</b>
<b>Jul 15, 2013</b>	Mail Service Provider	Mail Service Provider	Mail Owner



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# 2014 Promotions

## Objectives

- **Increase the long-term value of mail**
  - **Highlight new technology and best practices**
  - **Encourage and accelerate industry innovation**
  - **Increase relevancy and engagement with consumers**

## Framework

- **Communicate early specific promotions**
- **Have identified short-term promotional periods**

## Working List of Potential 2014 Promotions

### Colorization of bills and statements

Encourage producers of bills and statements to utilize color ink on bills and statements, which can produce greater connection and response from consumers.

- ✓ Offer discount for presort First-Class mail who utilize color printing on their bills and statements
- ✓ Color inserts not qualify a mailing for the promotion
  
- ✓ Target: Banks, Credit Cards, Insurance, Telcom

### Premium Advertising Product Promotion

Encourage 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.

- ✓ Mailing which includes any content that are required to use First-Class Mail will not be eligible for the promotional discount.
  
- ✓ Target: Financial institutions, Retailers and telcoms

## Working List of Potential 2014 Promotions

### 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.

- ✓ Similar to the 2013 Earned Value Reply Mail promotion.
- ✓ Mailers who BRM and CRM enclosures will earn a rebate credit when the reply pieces are returned.
- ✓ Reply pieces are scanned and counted during regular mail processing.
- ✓ Rebate credits can be redeemed for postage for future mailings when mailings were paid from the Permit account where the Earned Value credit was applied.
- ✓ Target: Financial institutions, telecoms, publishers, catalogers

# Working List of Potential 2014 Promotions

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

## Branded/ Customized Mobile Technology

- ✓ A discount on Standard Mail and commercial First-Class Mail letters, cards and flats containing a creative QR Code or digital image recognition.
- ✓ Move beyond black& white & boring....A creative QR code must be functional and incorporate at least one of the following:
  - A: 2 or more colors set against a background
  - B: a trademark or graphic
- ✓ Could potentially incorporate other non-intrusive mobile technology that does not interfere with the creative value of the printed mail piece including:
  - Image recognition technology
  - Watermarks
  - Standardized QR codes would not be eligible
- ✓ Target: advertising agencies, creative marketers

## Working List of Potential 2014 Promotions

### Personalization Promotion

Encourage mailers to utilize customer information and variable data printing technology to create personalized and relevant mail pieces that increase response rates.

✓ Requires the advertiser to utilize mobile technology on the mail piece to direct the consumer/customer to a Personalized URL (perhaps customized URL) or Personalized Video Content via mobile smart phone

✓ Target: Many industries

### Social Networking Promotion

Encourage the development and usage of platforms that enable consumers (and businesses) to perform an action that will facilitates mail to be sent.

✓ Provide a postage (FCM or Standard) discount for any mail pieces which were initiated through a social media web portal.

✓ Possibly expand beyond a social web portal to perhaps a mobile App, interactive TV or any digital technology.

✓ Target: Social Media companies, Personal correspondence companies with mobile apps, potentially Online direct mail providers

## Working List of Potential 2014 Promotions

### Video In Print and/or Audio Technology

Encourage marketers and mailers to embed video and/or audio in their mailpieces.

✓ Offer a postage discount off of presorted FCM or Standard Mail postage (maybe even Periodicals) for any mail piece that includes an embedded video or electronic powered audio message.

✓ Target: advertising agencies, creative marketers, Political industry

### Emerging Technology

Similar to the 2013 Emerging Technology Promotion (Augmented Reality, NFC, and authentication). Potential existing or new technologies to highlight are:

- Augmented Reality
- Image Recognition
- Watermarks
- New paper/printing technologies
- Mobile payment technologies (NFC, mobile wallets, etc)

## Working List of Potential 2014 Promotions

### Mobile App Promotion

Encourage marketers to leverage direct mail as a way to build a more robust relationship with customers by facilitating the download of a mobile app on a mobile device.

✓ Offer discount on mailpieces that encourage and enable downloading a mobile app via mobile technology on or in the mail.

✓ Target: Retailers

### 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.

✓ Leverage current relevant technology (mobile barcodes, NFC, Mobile wallets, etc.)

✓ Target: Retailers, ecommerce

## Working List of Potential 2014 Promotions

### Green Advertising Promotion

Encourage marketers, advertisers and mail service providers to utilize environmentally responsible materials and processes during the creation, production and delivery of mailings.

- ✓ Standard Mail postage discounts and/or other benefits offered to advertisers and mailers that meet a minimum threshold of environmentally sound business practices and/or enables mailers (perhaps jointly with USPS) the ability to neutralize carbon impacts of mailing through carbon offsetting options.
- ✓ Builds long-term product value and moves industry to engage in environmentally-friendly mail.
- ✓ Provides a platform for broader corporate sustainability initiatives.
  
- ✓ Target: All marketers utilizing Standard Mail

# Open Discussion