

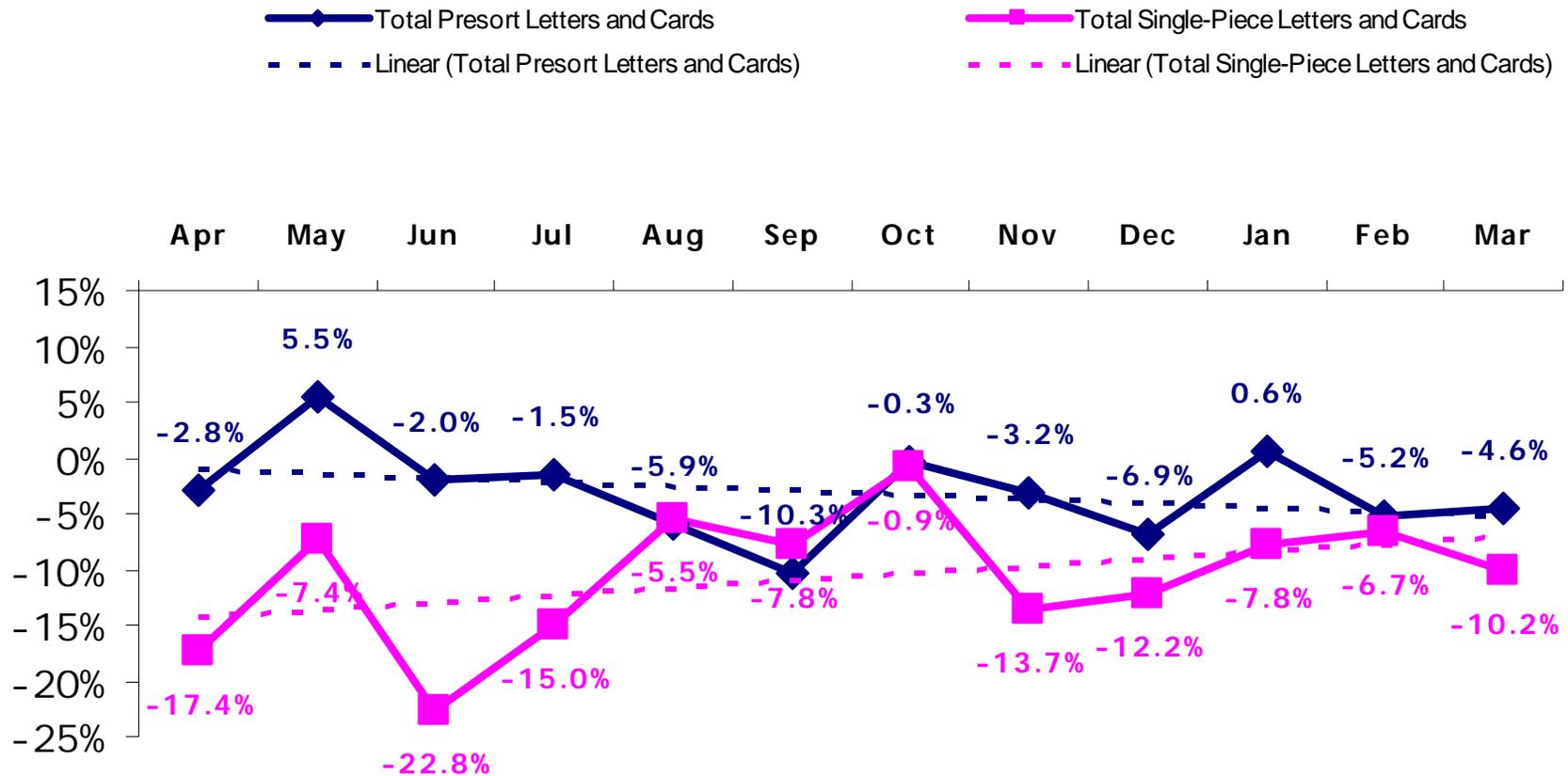
First-Class Mail Focus Group – Product Development

MTAC

May 15, 2013

- **Pulse of Industry**
- **Pricing Update**
- **Promotions**
 - **Update on 2013 Promotions Calendar**
 - **Potential 2014 Promotions**
- **Open Discussion**

First-Class Mail Volume (% Change over SPLY)



- **USPS Direction /Industry Impacts**

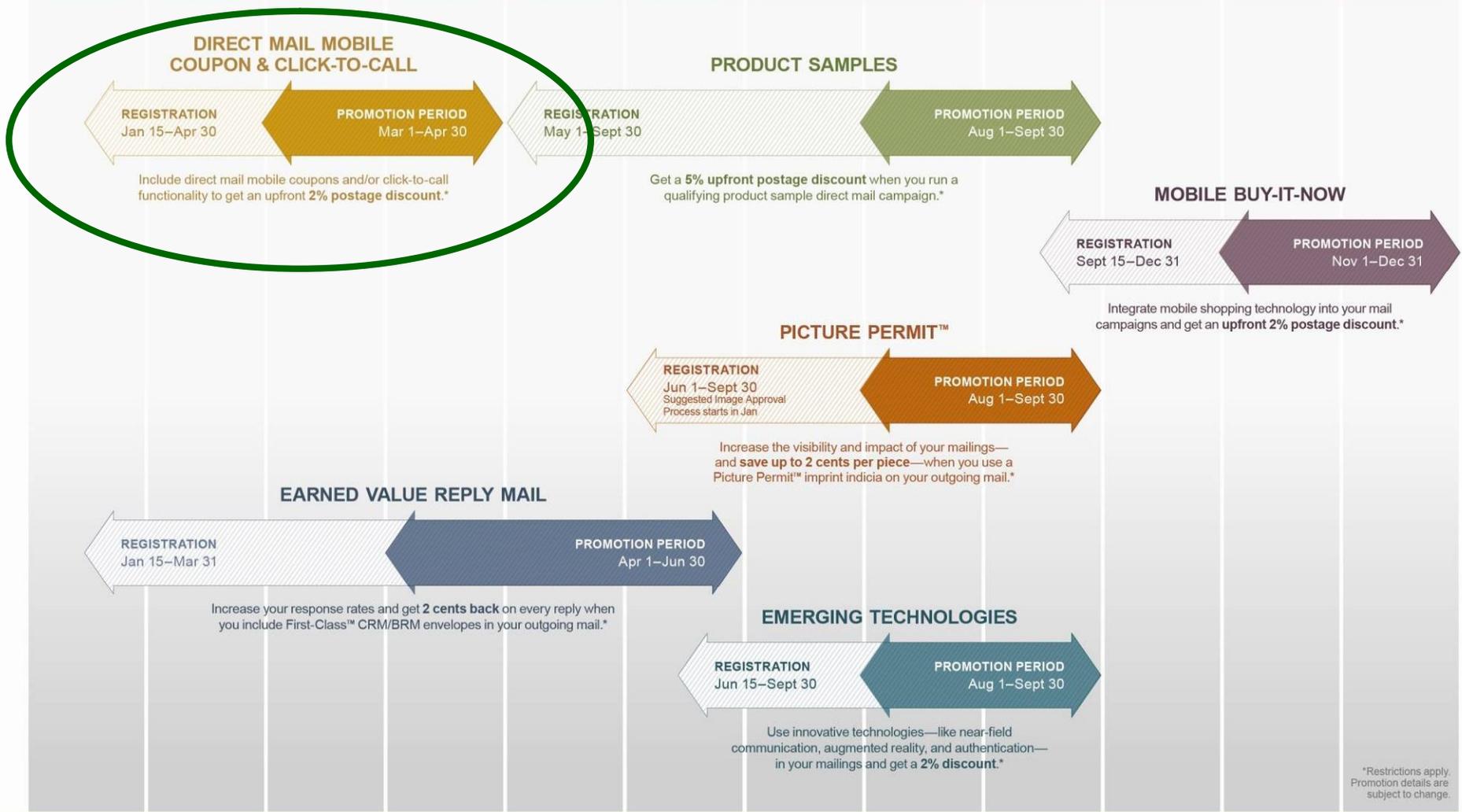


Pricing Update



2013 Promotions Calendar Update

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

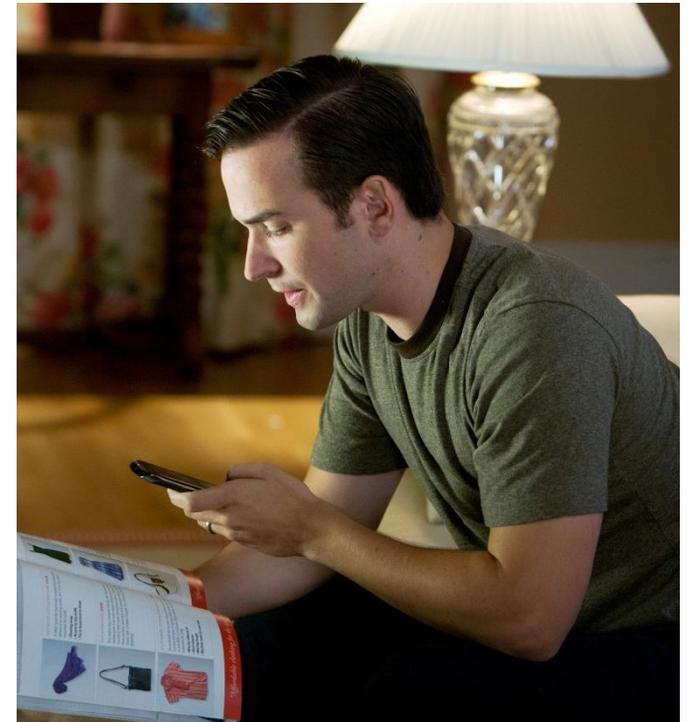


*Restrictions apply. Promotion details are subject to change.

For more information, visit ribbs.usps.gov/mobilebarcode/

Preliminary Promotion Results

- March 1- April 30
 - 550 customers participated
 - Over 60,500 mailings
 - 2.6 B mailpieces received discount
 - 100 million in First-Class
 - Over \$11.4 M in discounts
- Nearly 20% of Standard Mail volume participated in promotion
- Majority of customers participated with Click-to-Call technology



- Survey to participants next week
 - Response are required by participants
 - MSP please forward to clients who participated
 - Better understand marketer/mailer behaviors driving participation
 - Feedback drive framework and of future promotions



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.

Earned Value

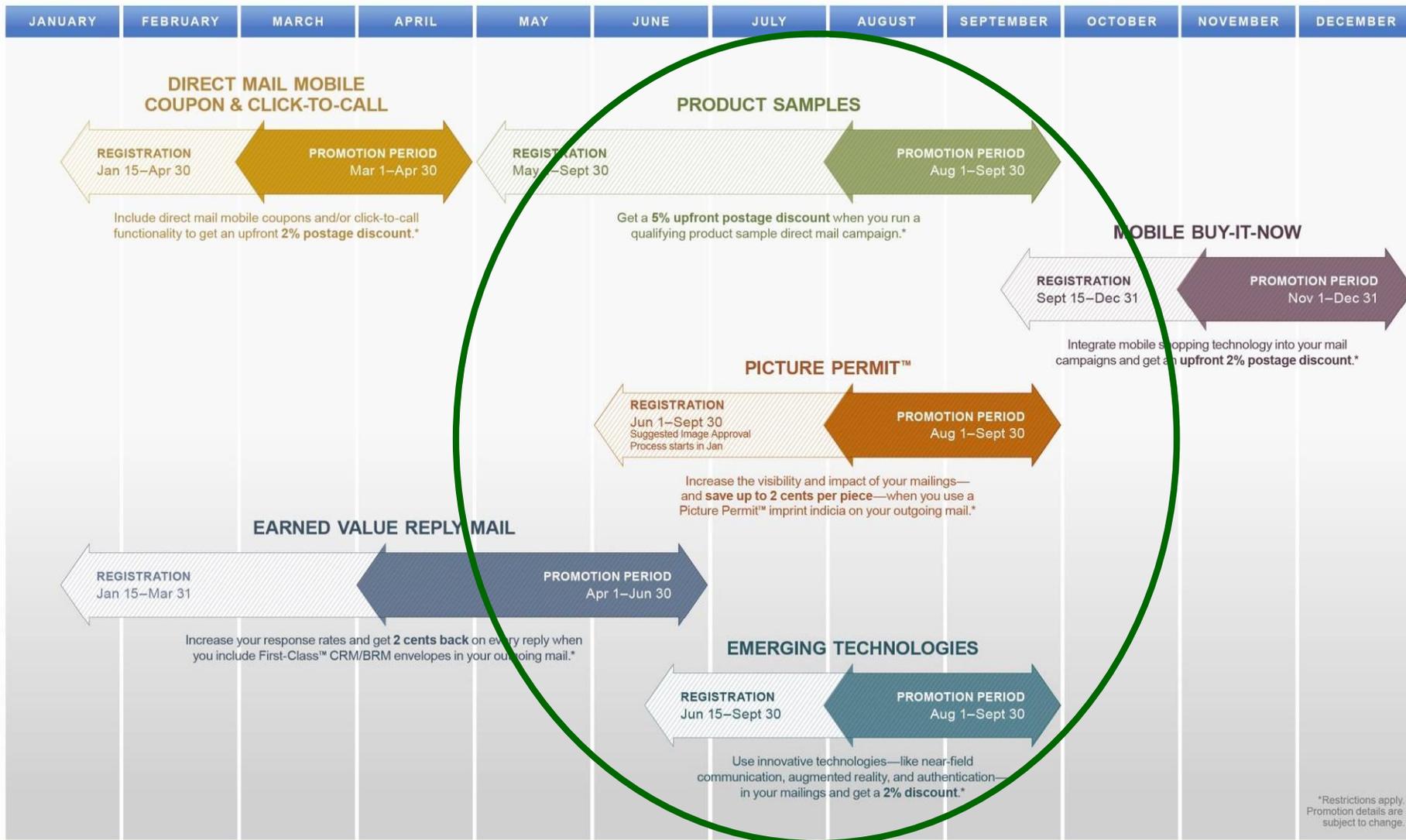
- Registration Began: January 15, 2013
- Registration Ended: March 31, 2013
- Program Period: April 1 through June 30, 2013



- **639 customers are enrolled**
- **Approx. 270 million CRM and BRM pieces have been counted (April 1 – May 14)**
- **CRM represents 89% of total number of pieces counted; BRM is 11% of total**
- **Top 10 customers:**
 - **CRM is 54% of total CRM promotion volume**
 - **BRM is 66% of total BRM promotion volume**

- **20 customers contacted the Program Office with questions related to their piece counts**
- **All, except for three, have been resolved**
- **Issues related to**
 - **Counts of non-conforming MIDs**
 - **Changes in CRIDs after enrollment was completed were not reflected in the Incentive Module in Program Registration**
 - **Counting pieces for MIDs that customer does not use at this time – issue still under investigation**

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

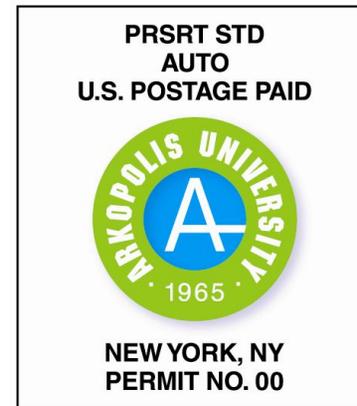


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Promotions Starting in August

- **Product Samples – Registration is Open**
- **Emerging Technology – Registration Opens June 15**
 - *Augmented Reality*
 - *Near Field Communication*
 - *Authentication*
- **Picture Permit – Registration Opens June 1**
 - **For select images - implementing new image testing process**

Picture Permit Promotion



Promotion Registration Starts: June 1 – September 30, 2013

Promotion Dates: August 1 – September 30, 2013

Promotion Web site:

https://ribbs.usps.gov/mobilebarcode/documents/tech_guides/upcoming/PicturePermit.htm

Email: picturepermit@usps.gov

Picture Permit Product Registration:

<https://www.usps.com/business/picture-permit.htm>



To participate in the Picture Permit Promotion, participants must first register for the **Picture Permit Program**.

1. Program Registration

2. Complete Application

3. Submit Design

4. Operational Testing

- Register online for Picture Permit program
- Complete Picture Permit program application, PS-Form 3615-A
- Submit proposed design for initial review by PMO
- Submit replica mailpieces for testing



Promotions Starting in August

■ Picture Permit – Fast Track Process for Letters

- No text/numbers
- White background
- Only 50 samples required for testing

1. Program Registration

- Register online for Picture Permit program;
- = instantaneous

2. Complete Application

- Complete PS-Form 3615-A
- = 1 business day after receipt at program office

3. Submit Design

- Submit proposed design for initial review
- = 3 business days after receipt

4. Operational Testing

- Submit replica mailpieces for testing
- 2 options
- Design with text/numbers = 45 days
- Design without text/numbers = 10 days



UNITED STATES
POSTAL SERVICE®

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**

Potential Promotion Framework *(for Illustration purposes only)*

Promotion Period	Timeframe	First-Class Mail	Standard Mail	Small Business Coupon
	January			
Promotion Period # 1	February-March			
	April	↓		
Promotion Period # 2	May - June		←	
	July			
Promotion Period # 3	August-September			
	October	↓	↓	
Promotion Period # 4	November-December	↓		

Working List of Potential 2014 Promotions

BRM/CRM
Earned Value

Branded/
Customized
Mobile
Technology

Mobile App
Promotion

Small
Business
Coupon
Promotion

Premium
Advertising
Product
Promotion

Personalization
Promotion
(Mailpiece & URL)

Audio
Technology

Dynamic
Color Printing
of bills and
statements

Emerging
Technology
(i.e., NFC)

Mail Drives
Mobile
Commerce
Promotion

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

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, Telcoms



Variable Print Color Promotion

- Proposed Timeframe: August 1st - Dec 31st
- First-Class Mail Presort and Automation Letters with Permit Imprint, Meter, and Pre-canceled Stamps
- Letters with Intelligent Mail Barcode (IMB) Full Service required – eDocumentation
- Participants to register and submit representative samples for review and receive USPS certification approval prior to mailing

For Discussion Purposes Only

- Eligible pieces must have variable color on the content of the physical piece including the transactional field of the mail piece
- Color is defined as a four-color process for eligible pieces
- Colorized inserts are not eligible
- Use of pre-printed paper stock does not meet promotion requirements
- Simple black and white or monochrome printing on the physical piece does not qualify
- Variable color on the outer envelope or insert does not qualify

For Discussion Purposes Only

Working List of Potential 2014 Promotions

**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

Planned Timeline

- **Feedback for stakeholders ongoing**
- **Finalize internal approval promotions and timelines June/July**
- **Formal announcement of promotions with next planned price change**

Real Mail Notification



- **Strategy:**
- **Increase direct mail response rates by providing a digital interface**
- **Consumers see mail before it arrives**
- **Direct mailers get TWO impressions**

Open Discussion