



Standard Mail Focus Group – Product Development

MTAC

May 15, 2013

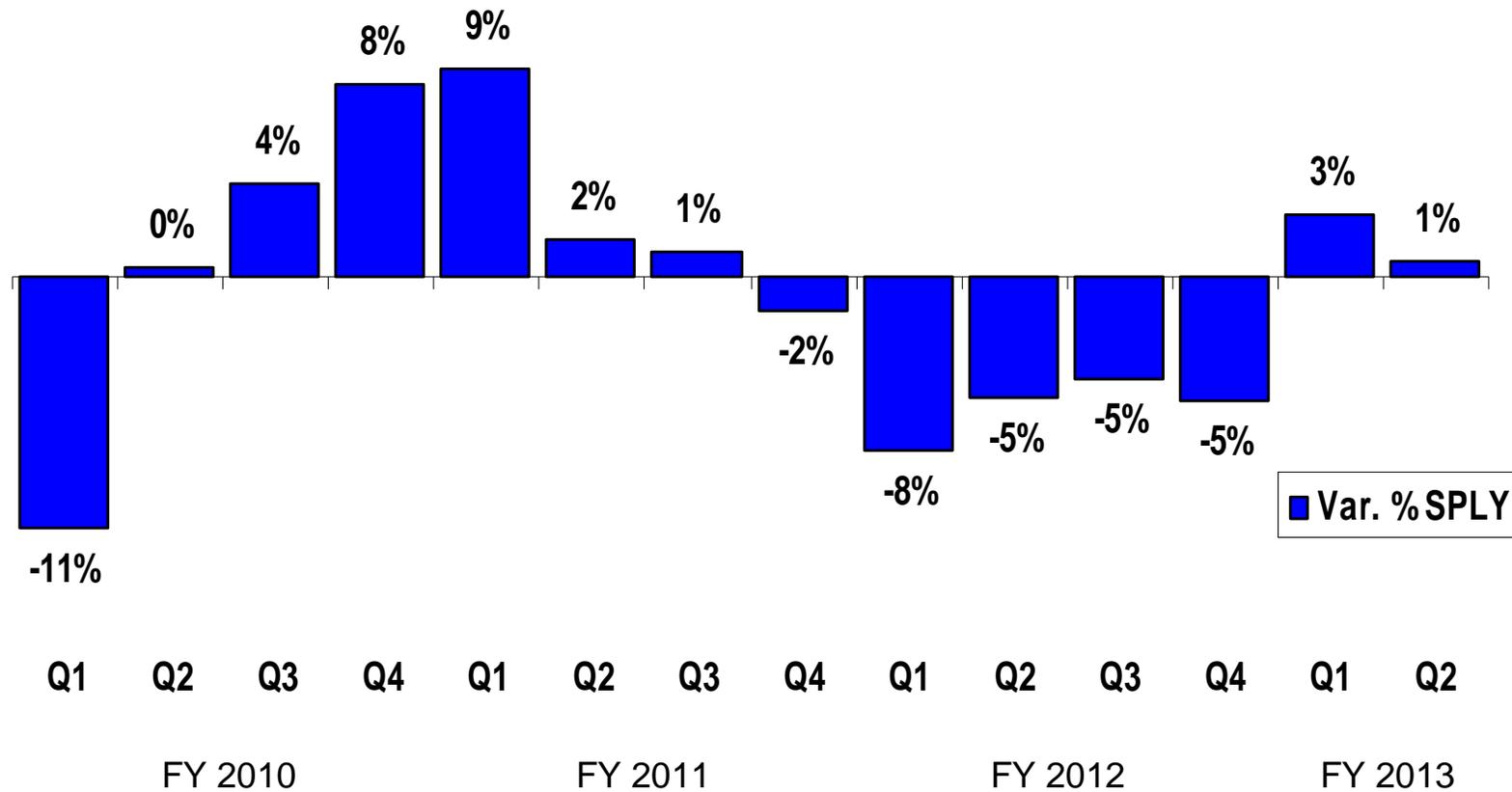
- **Pulse of Industry**

- **Promotions**
 - **Direct Mail Mobile Coupon / Click-to-Call Preliminary Results**
 - **2013 Promotional Calendar Update**
 - **2014 Promotions**

- **Other Discussion Topics**

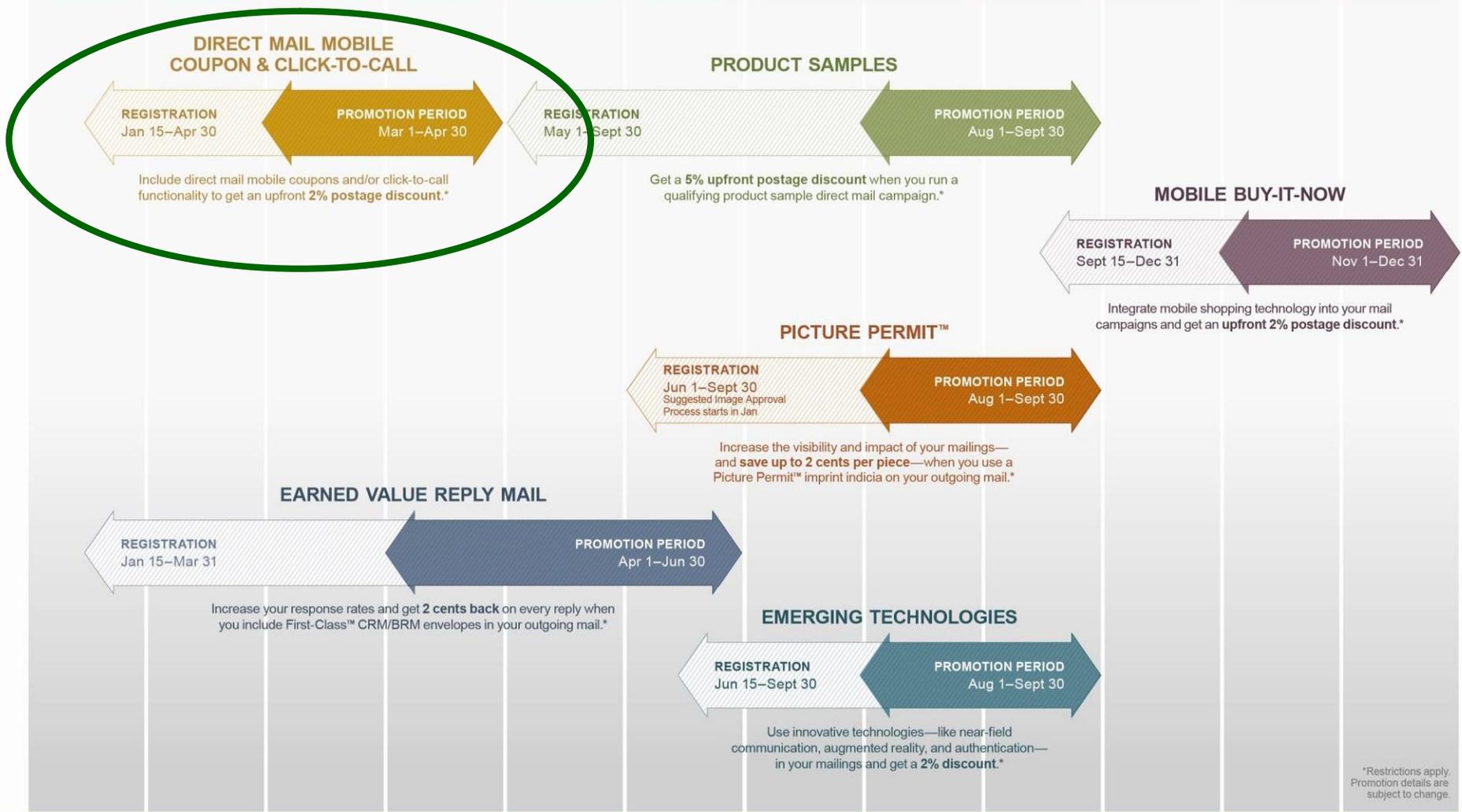
■ Industry Update on activity in marketplace

Standard Mail Volume Change



	Volume vs SPLY				
	<u>Q2/2012</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1/2013</u>	
<u>Q2</u>					
‣ High Density & Saturation Letters	+4.7%	+2.4%	-0.8%	+8.1%	-1.1%
‣ High Density & Saturation Flats* & Parcels	+0.9%	+5.2%	+6.7%	+9.7%	+3.3%
‣ Carrier Route	-3.0%	+8.0%	+3.5%	+18.4%	+2.2%
‣ Flats	-13.7%	-10.4%	-11.6%	-3.4%	-5.7%
‣ Letters	-7.6%	-9.1%	-10.1%	-0.8%	+1.2%
‣ Total Standard Mail	-5.3%	-4.5%	-5.3%	+2.7%	+0.7%

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

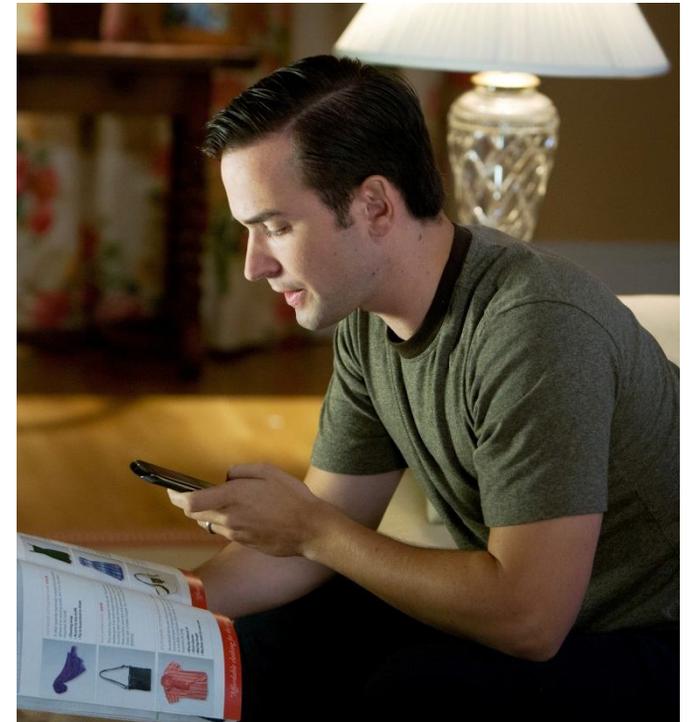


*Restrictions apply. Promotion details are subject to change.

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
 - 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



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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**.*

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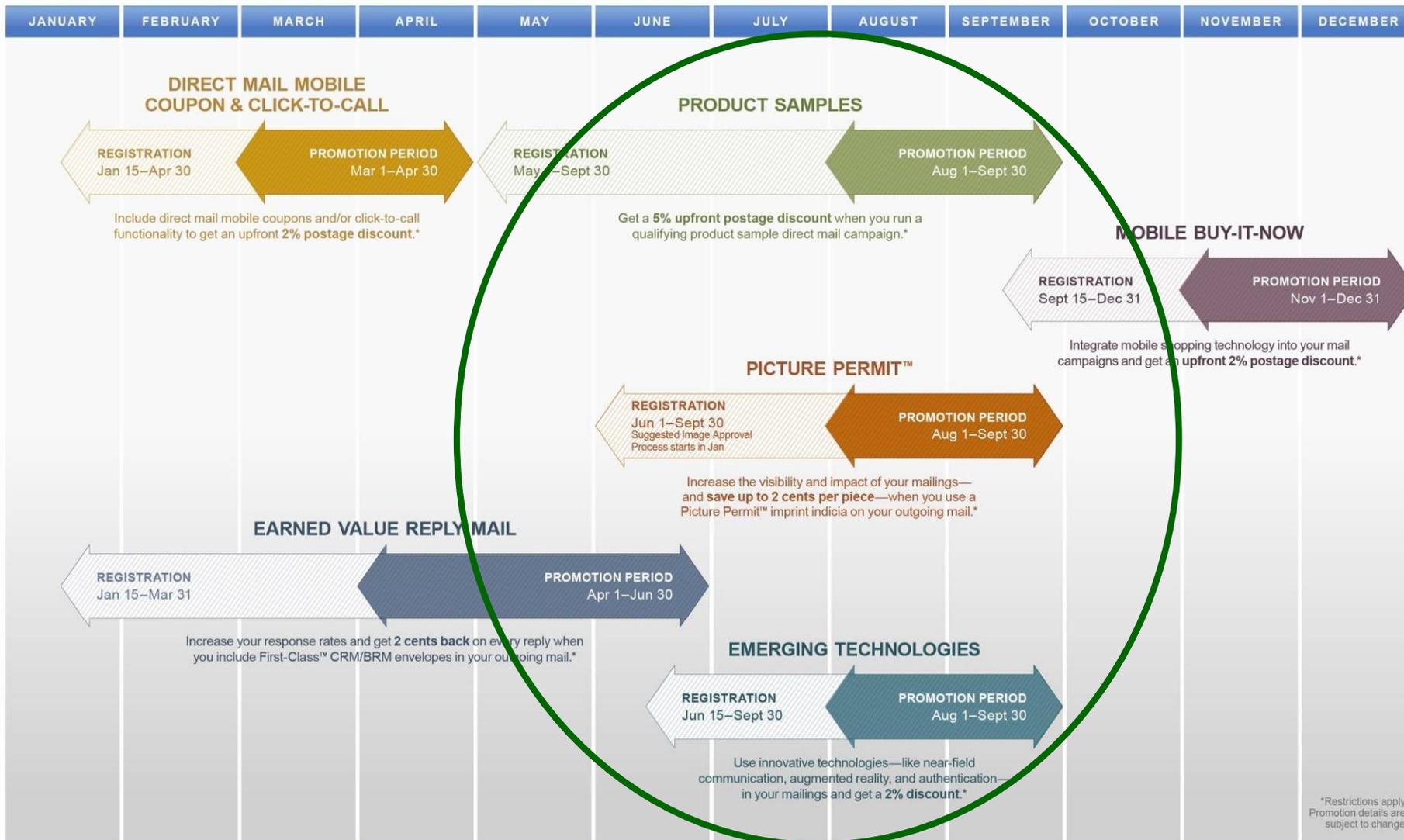
Initial Promotion Insights

- 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



Technical Update

- **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**



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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**

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

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 after receipt

• Design without text/numbers = 10 days after receipt

Picture Permit Promotion

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>



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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**

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

Planned Timeline

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



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Open Discussion

EDDM Business-Only Deliveries

- **Current EDDM enables access to:**
 - **All delivery addresses – Residential and Business**
 - **Residential Delivery Addresses Only**

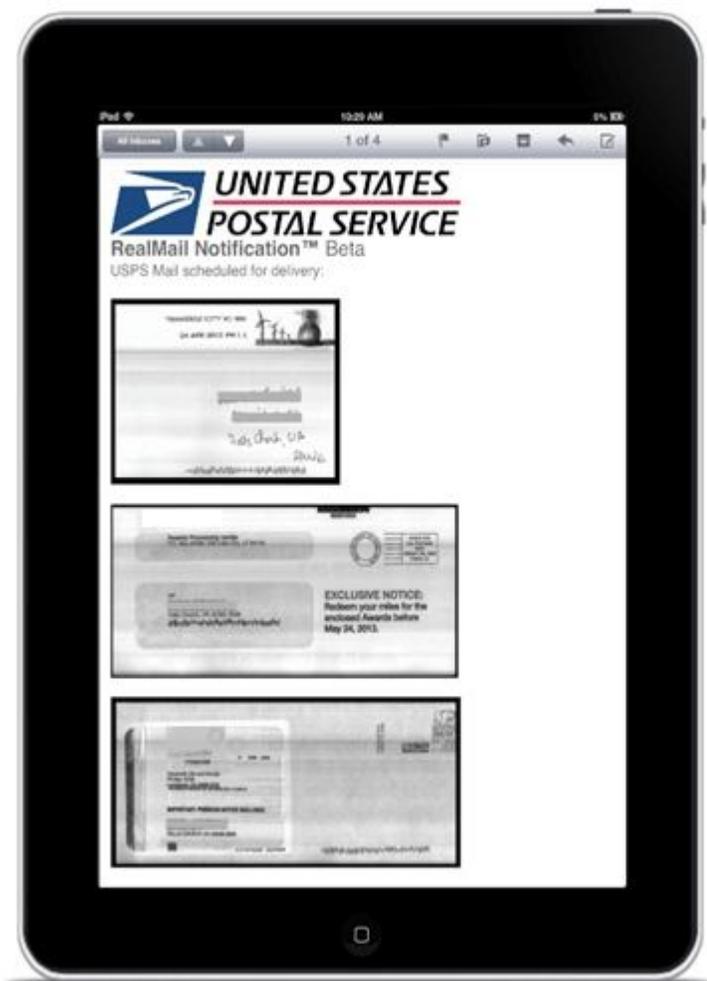
- **Evaluating potential of third alternative - Business-Only Addresses on Mixed Routes**

- **Facilitates relevancy of mail in mailbox for improved targeting & ROI**

EDDM Business-Only Deliveries

Planned as early as July 2013

- Flats Only**
- BMEU Entry Only**
- Must go to ALL business deliveries on route**
- Mail piece labeled to “Business Customer”**
- Maintain Existing Route Density Requirements & Prices**
 - Carrier Route (23.6 cents): 10+ pieces per route**
 - High Density (18.5 cents): 125+ pieces per route**
 - High Density Plus (18.1 cents): 300+ pieces per route**
 - Saturation (15.8 cents): business deliveries represent 75% of total deliveries per route**



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