

First-Class Mail Product Development

MTAC

August 20, 2014

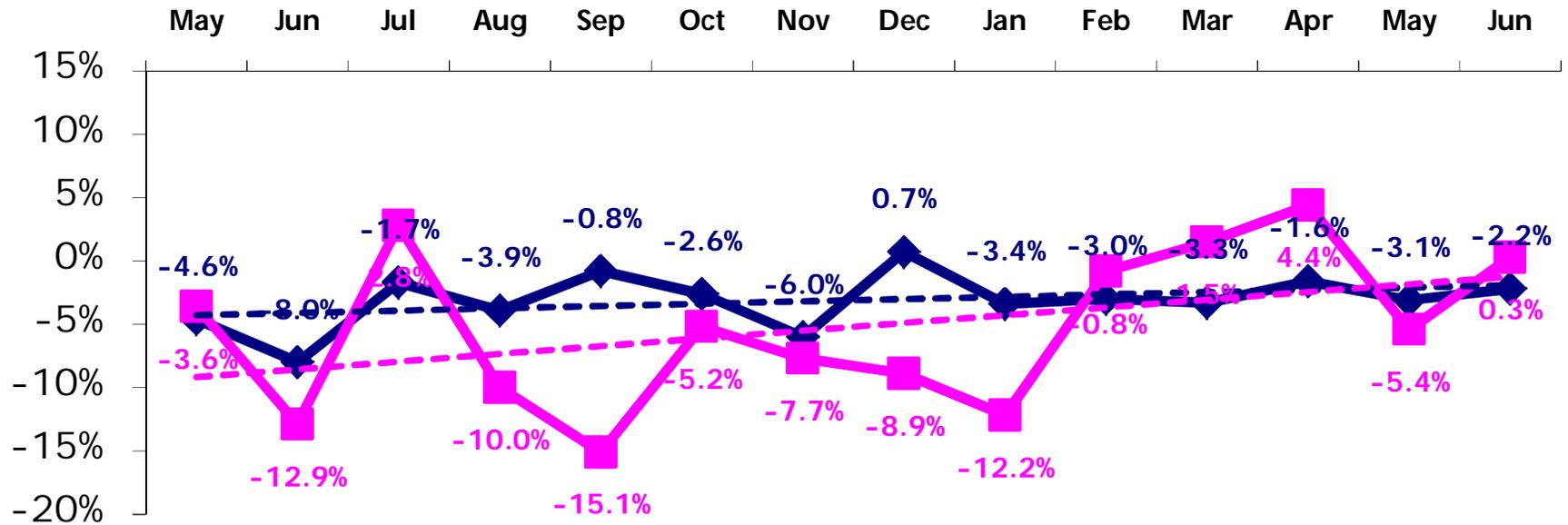
- **Pulse of the Industry**
- **First-Class Mail Billing Study**
- **2014 Promotions Update**
- **2015 Initiatives**
- **Open Discussion**

Pulse of the Industry

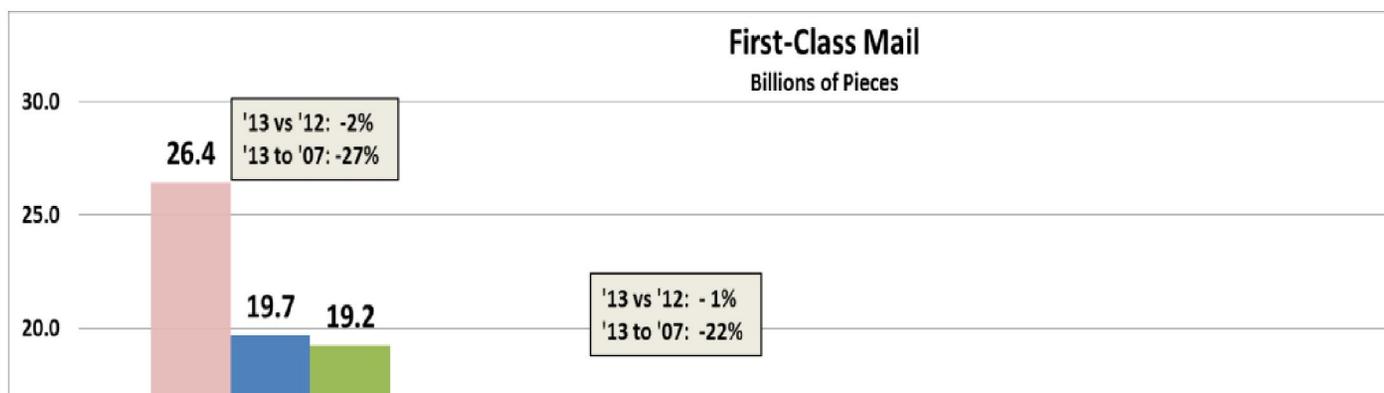
- **USPS Direction / Industry Impacts**
- **Trends in First-Class Mail Components**

First-Class Mail Volume (% Change over SPLY)

—◆— Total Presort Letters and Cards —■— Total Single-Piece Letters and Cards
- - - Linear (Total Presort Letters and Cards) - - - Linear (Total Single-Piece Letters and Cards)



- Bills and Statements are the largest component of First-Class Mail
- Payments and FCM Advertising have declined most since 2007



Source: The Household Diary Study: Mail Use & Attitudes in FY 2013



UNITED STATES
POSTAL SERVICE®

First-Class Mail Billing Study

John P. Huffman Jr.

Director, Customer Insights & Marketing Services

- **Current Segmentation/A&U –Results will help inform direction of study design**
- **Possible Designs**
 - ❖ **Past behavior approach-current/new customers**
 - ❖ **Future behavior approach—new customers**
- **Timing**
 - ❖ **September - enroll mailing partners to conduct research (using existing data as well as potentially running a controlled test)**
 - ❖ **Late September - complete internal segmentation**
 - ❖ **October - report out results**
- **To participate contact John.P.Huffman@usps.gov**



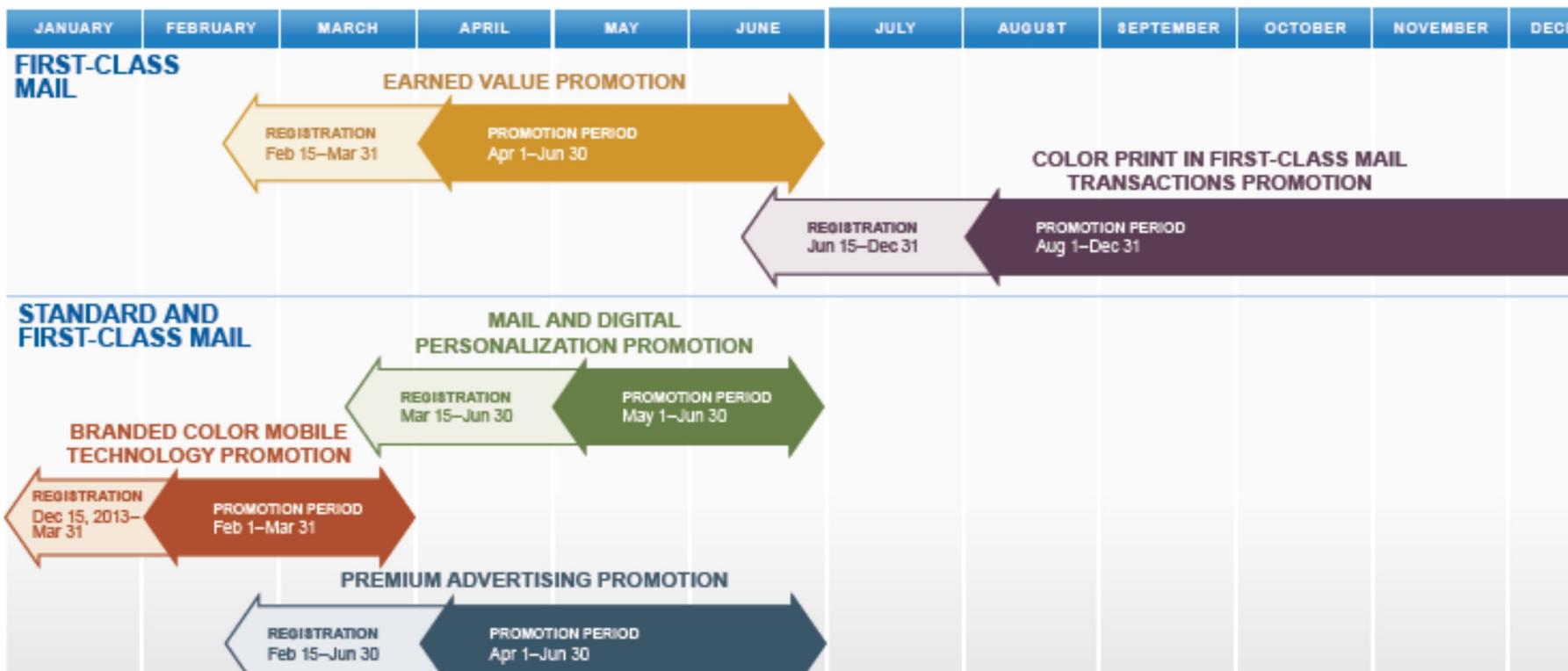
Mailing Promotions

- **Last meeting—July 29, 2014**
 - **Discussed status and updates for 2014 promotions**
 - **Discussed proposed 2015 promotions**
 - **Received live demonstration of the Incentive Promotions Pre-Production Environment**
 - **Provided template for submission of 2016 promotion ideas**

- **Next Meeting—August 26, 2014**



2014 Promotions



▪ **Earned Value Promotion**

- **Slow the decline of First-Class Mail (BRM and CRM) pieces through a postage credit for each returned mailpiece**
 - **Promotion ended June 30, 2014**
 - **574 customers enrolled**
 - **Almost 500 million mailpieces were counted during the promotion months**
 - **Credit review and adjustments for meeting thresholds now in progress**
 - **Credits to be released after August 25, 2014 and will be available for use immediately.**
 - **Remaining 2013 promotion credits will be used before applying 2014 credits.**
 - **2014 promotion credits expire January 31, 2015.**

▪ **Mail and Digital Personalization Promotion**

- **Encourage mailers to use variable data printing (VDP) or other print technology that provides varying levels of mailpiece personalization and customization.**
 - **Promotion ended June 30, 2014**
 - **43 customers participated and mailed over 160M pieces**
 - **Total discount amount was less than \$1M**
 - **Post promotion survey sent out on July 30th**

▪ **Premium Advertising Promotion**

- **Encourage marketers and advertisers to use First-Class Mail® as a marketing vehicle.**
 - **Promotion ended June 30, 2014**
 - **37 customers participated and mailed over 32M pieces**
 - **Total discount amount was approximately \$2M**
 - **Post promotion survey sent out on August 8th**

- **Color in First-Class Mail Transactions Promotion**
 - **Continue to grow the value of First-Class Mail and encourage mailers to invest in color print technology for bills/statements.**
 - **Registration began June 15-to date, 70 mailers have enrolled**
 - **Promotion Period: August 1 through December 31, 2014**
 - To date, 24 customers have mailed over 36M pieces
 - Total discount to date is over \$285k

- **Emerging Technology Promotion**
 - **Encourage the use of “enhanced” augmented reality or standard NFC technology in standard mail campaigns.**
 - **Registration began June 15-to date, 100 mailers have enrolled**
 - **Promotion Period: August 1 through September 30, 2014**
 - To date, 43 customers have mailed over 140M pieces
 - Total discount to date is over \$578k

Proposed 2015 Promotions

Proposed Promotions

■ **First-Class Mail Color/Transpromo Promotion**

- Continue to grow the value of First-Class Mail and encourage mailers to invest in color print technology for bills/statements

■ **Mail Drives Mobile Engagement Promotion**

- Demonstrate how direct mail, combined with mobile technology, continues to be a convenient method for marketers to connect with their customers and facilitate more ways to do their shopping

■ **2015 Earned Value Reply Mail**

- Slow the decline of First-Class Mail (BRM and CRM) pieces through a postage credit for each returned mailpiece

■ **Advanced or Emerging Technologies Promotion**

- Encourage the use of “enhanced” augmented reality or standard NFC technology in mailing campaigns

- Program Office contact:

mailingpromotions@usps.gov

- Program Requirements, Documents & Webinar Details

<https://ribbs.usps.gov/index.cfm?page=mailingpromotions>

- Information and link to program registration:

<https://www.usps.com/business/promotions-and-incentives.htm>

- PostalOne Help Desk:

(800) 522-9085 or postalone@email.usps.gov

Proposals for 2016 promotions can be sent to:

MailingInnovations@usps.gov

Open Discussion