

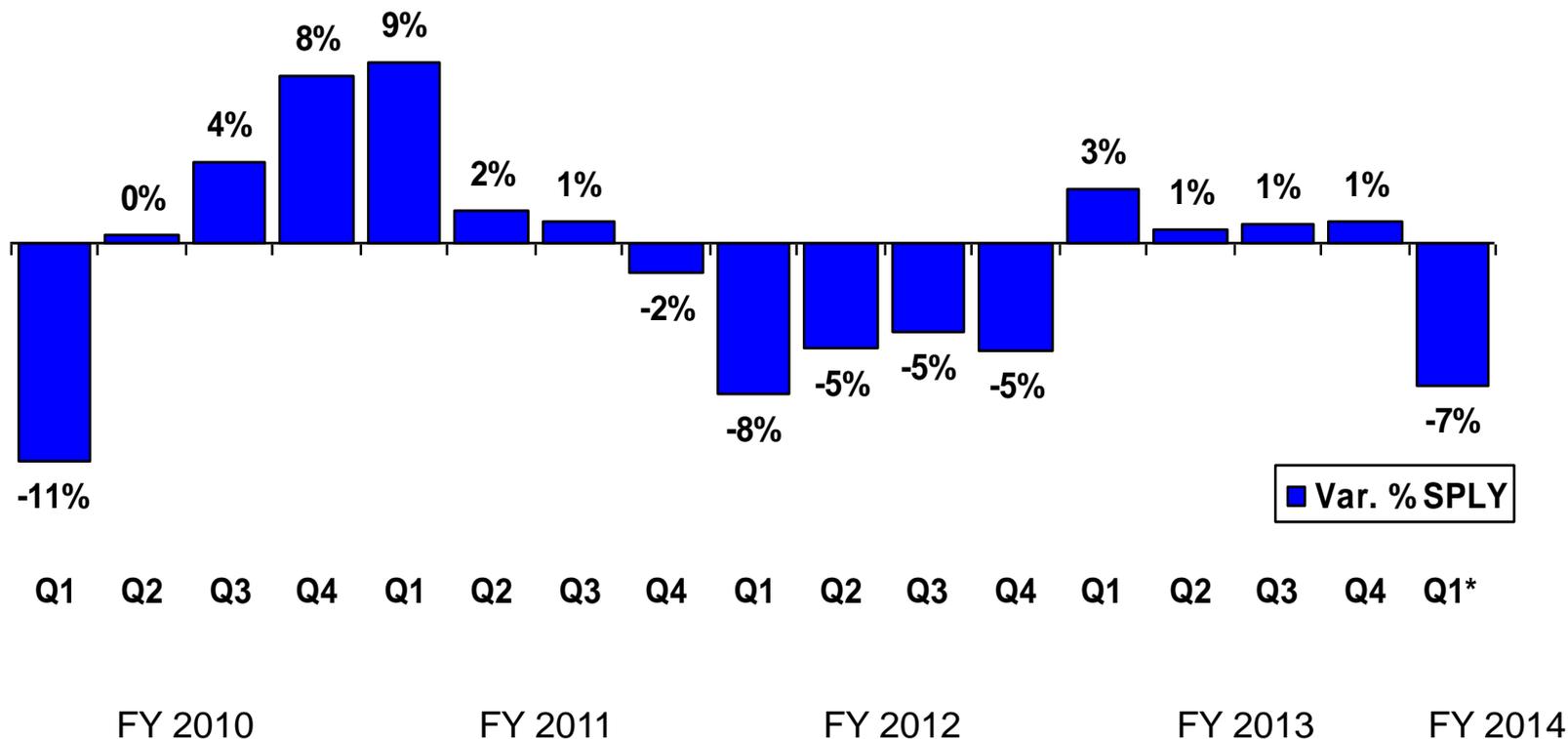
# **Standard Mail Focus Group – Product Development**

**MTAC**

**January 15, 3014**

- **Pulse of Industry**
  
- **Incentives & Promotions**
  - **2014 Saturation & High Density Incentive**
  - **2013 Promotions Update**
  - **2014 Promotions**
  - **Industry ideas for 2015**
  
- **Open Discussion**

## Standard Mail Volume Change



*\*FY 2014 Q1 only includes volume for October and November; December volume was not available at the time of this report*

## Volume over SPLY (%)

	<u>FY13Q1</u>	<u>FY13Q2</u>	<u>FY13Q3</u>	<u>FY13Q4</u>	<u>FY14Q1**</u>
High Density and Saturation Letters	8.1	(1.1)	(2.4)	6.4	0.6
High Density and Saturation Flats and Parcels*	9.7	3.3	3.8	1.3	(6.6)
Carrier Route	18.4	2.2	(3.1)	(4.9)	(20.1)
Flats	(4.1)	(5.7)	(7.4)	(8.2)	(13.0)
Letters	(0.8)	1.2	2.1	3.0	(3.7)
<b>Total Standard Mail</b>	<b>2.7</b>	<b>0.7</b>	<b>1.0</b>	<b>1.2</b>	<b>(7.2)</b>

\*Includes EDDM Retail – FY14Q1 Volume over SPLY (%) = -0.6%

\*\* Only includes volume from October and November. December FY14 volume was not available at the time of this report.

# **2014 Saturation and High Density Incentive**

## Update

- 7,100 invitations mailed to customers
- 300 Mailers registered ( as of 1/8/14)

## Timeline

- Program Period: January 1 – December 31, 2014
- Registration period: November 12 - January 31, 2014
- Mid-January - Volume Threshold Report, Certification Form and Threshold Inquiry Form sent to registrants
- March 15, 2014 –Certification Form or Threshold Inquiry Form deadline

# 2013 Promotions

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
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### DIRECT MAIL MOBILE COUPON & CLICK-TO-CALL



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

### PRODUCT SAMPLES



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

### MOBILE BUY-IT-NOW



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

### PICTURE PERMIT™



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



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



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.

## Emerging Technologies Promotion

### Good Response to Survey

- 64% response rate
- Promotion encouraged technology adoption
  - For 40% of respondents, ET was a part of a *new* campaign at their respective companies.
  - 100% of respondents had not used AR on mail pieces prior to the promotion.
- Augmented reality was technology of choice
  - 90% of respondents exclusively considered the AR component (i.e., did not consider NFC or Authentication)
  - 90% of respondents purchased an app from a third party
- Positive comments about registration: “registration is quite easy,” “don’t change anything,” and “it was not an issue.”

## Product Samples Promotion

### Customer Survey

- Participants
  - Respondents said volume increased by up to 10% after being aware of promotion
  - Some indicated that the discount amount (5%) did not inspire them to participate but did allow them to mail more volume.
  - Some sped up their process to make the promotion mail dates
- Non-Participants
  - Reasons for non participation included:
    - Did not register in time
    - No client interest
    - Marketing parcels co-mingled
    - eVs payment
    - Didn't know



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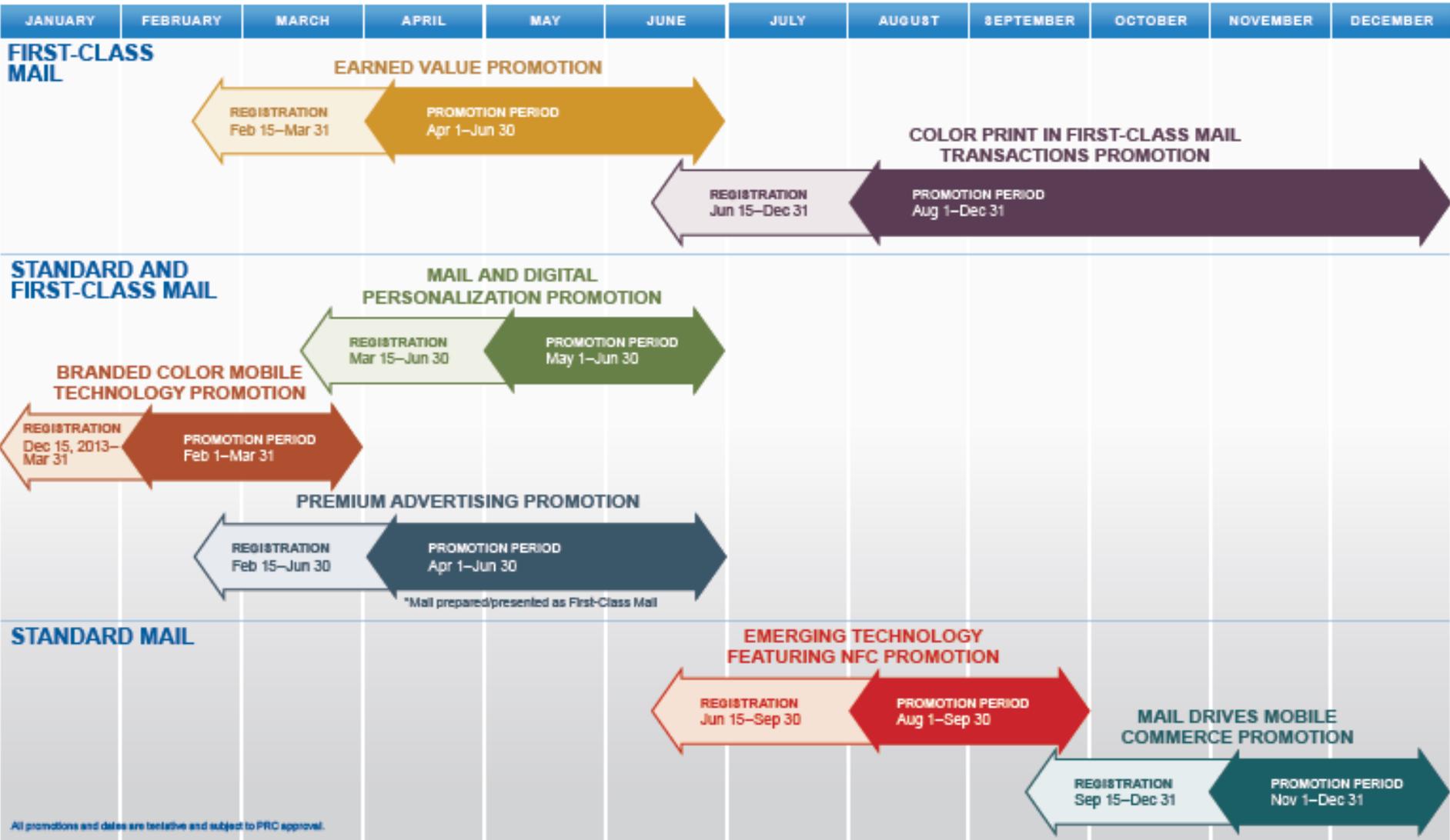
Use innovative technologies—like near-field communication, augmented reality, and authentication—in your mailings and get a **2% discount**.\*

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## Promotion Results

- Strong Participation
  - Over 350 Mailers
  - Over 2.5 billion mailpieces
    - 18% of Standard Mail
    - 3% of First-Class Mail
  - Total discount nearly \$12 million
- Surveys to be sent in next two weeks

# 2014 Promotions



## Branded Color Mobile Technology

- Promotion Period: February – March, 2014
- Eligible Mail:
  - Standard and Nonprofit Mail letters and flats
  - First-Class Mail presort and automation letters, cards and flats
- Discount: 2 percent per eligible mailpiece.
- Qualifying mailings must include either:
  1. A creative mobile barcode that incorporates **one** of the following:
    - a) two or more colors set against a background *(other than black or white)*
    - b) a trademark or graphic and at least one color *(other than black or white)*
  2. color digital image recognition technology
- Pending resolution on incentive code issues
  - Mail.XML versions 13.0A and 13.0B – use CCR value MT
  - Mail.dat version 13.1 – use CCR value MT
  - All other versions – use CCR value CP



Scan here with your mobile device for more information.

## **Full-Service Requirement Update**

### **Branded Color Mobile Technology Promotion**

- **No Full-Service requirements**

### **Premium Advertising Promotion and Color in First-Class Mail Transactions Promotion**

- **Must be in a Full-Service mailing**
- **90% of mailpieces in statement must be Full-Service compliant**

### **Mail and Digital Personalization Promotion, Emerging Technology Promotion, and Mail Drives Mobile Commerce Promotion**

- **Automation portions must be 90% Full-Service compliant**

## Updates

### ▪ **Earned Value Promotion**

- Requirements posted on RIBBS
- Registration opens February 15

### ▪ **Premium Advertising Promotion**

- Requirements posted on RIBBS
- Letters sent to identified, eligible customers in late December
- Registration opens February 15
- Questions can be sent to: [PremiumAdMail@usps.gov](mailto:PremiumAdMail@usps.gov)

### ▪ **Color in First-Class Mail Transactions Promotion**

- Draft requirements sent to MTAC UG#8 on 1/13
- Requirements will be posted to RIBBS end of next week

# Updates

- **Mail and Digital Personalization Promotion**
  - Requirements posted on RIBBS
  - Registration opens March 15
  
- **Emerging Technology Promotion**
  - Requirements posted by end of January
  - NFC and other “non-app” driven technology focus
  - Potentially expanding promotion to include “Enhanced” Augmented Reality
    - Continuing to define these parameters/requirements
  
- **Mail Drives Mobile Commerce Promotion**
  - Requirements posted early February
  - Further definitions of “enhanced mobile purchasing” requirement (# of clicks/time to complete purchase)

# Proposed Industry Ideas for CY 2015

## MTAC User Group #8

- **Last meeting – December 17, 2013**
  - **Discussed Industry ideas for CY 2015 Promotions**
  - **Meeting notes posted on RIBBS**
  
- **Next meeting - Tuesday, January 21, 2014 (12PM)**
  - **Discuss any new industry ideas**
  - **Discuss implementation issues surrounding current promotion**

- **Ideas submitted to USPS and discussed at MTAC UG #8 meeting**
  
- **Themes centered around:**
  - **Extend and Build on Prior Promotions**
    - Build upon previous promotions and continue strategy to encourage mailers to integrate direct mail with mobile technology
  
  - **Promotions on Extra Services and Best Practices**
    - Promote and expand use of extra services and promote best practices for mail preparation and induction
  
  - **New Ideas**
    - Include promotion both technology driven and traditional mail techniques that improve ROI

## ■ **Extend and Build on Prior Promotions**

### ➤ **Color / Transpromo**

- Build on 2014 Promotion to next evolution in this process: a promotion related to color personalization (transpromo).

### ➤ **Augmented Reality**

- Continue to explore other solutions/offerings for this technology type.

### ➤ **Click to Chat (Mobile Barcode)**

- Offer a click to chat option using a mobile barcode as launching point.

### ➤ **NFC**

- Since technology use still has not become widespread try again in 2015

### ➤ **Earned Value/Reply Mail**

- Continue the Earned Value promotion, previously offered in 2013 and 2014.

### ➤ **Mobile Barcode Technology**

- encourage marriage of digital & print environments with another QR code promotion. encourage best practices (call to action, mobile-optimized, etc).

- **Promotions on Extra Services and Best Practices**
  - **Extra Steps > Beyond the requirements**
    - USPS has requirements for mail qualifying at the lowest postage rates (address quality, mail preparation, mail induction etc.). Promotion would reward mailers that go beyond the requirements in preparing and providing mail to the postal service for delivery.
  - **UAA Secured Destruction**
    - The USPS currently has UAA Secure Destruction in trial – and is hoping to move to implementation in 2014. In 2015, offer an incentive to get customers using this service.
  - **AEC 1 & 2**
    - Offer a promotion for mailers to try this service for free.

## ■ New technology and other ideas

### ➤ Engagement Devices Promotion

- Promotion for mailpieces with 2 or more interactive engagement devices on the outside of the mailpiece, such as: zipper perfs, tear strips, embedded peel-off notes, unique window shapes, peel-off labels, and repositionable notes.

### ➤ Digital Coordination

- Using new technologies to gather recipient feedback. The Postal Service could digitally enable hard copy mail by building a digital feedback loop. Mailers would place a code or symbol on advertising mail pieces. Recipients would be rewarded for scanning the code with their smart phone and providing feedback

### ➤ Big Data Use

- Evaluate how to enable use of USPS Big data and reverse engineer a product/service where the USPS can offer to mailers a notification/update to a bad address that many others also have in the system that is wrong.

### ➤ ISIS

- Promotion centered around payment on a mobile device

### ➤ Communication through the mail

- Promote annual mail campaigns through all of our schools to educate a new generation on how to communicate through mail.

### ➤ Periodicals Advertisers Promotion

- Promotion to encourage advertisers in periodicals to use Direct Mail. Provide credit for Standard Mail postage to eligible periodicals advertisers.

# Open Discussion