

Standard Mail Product Development

MTAC

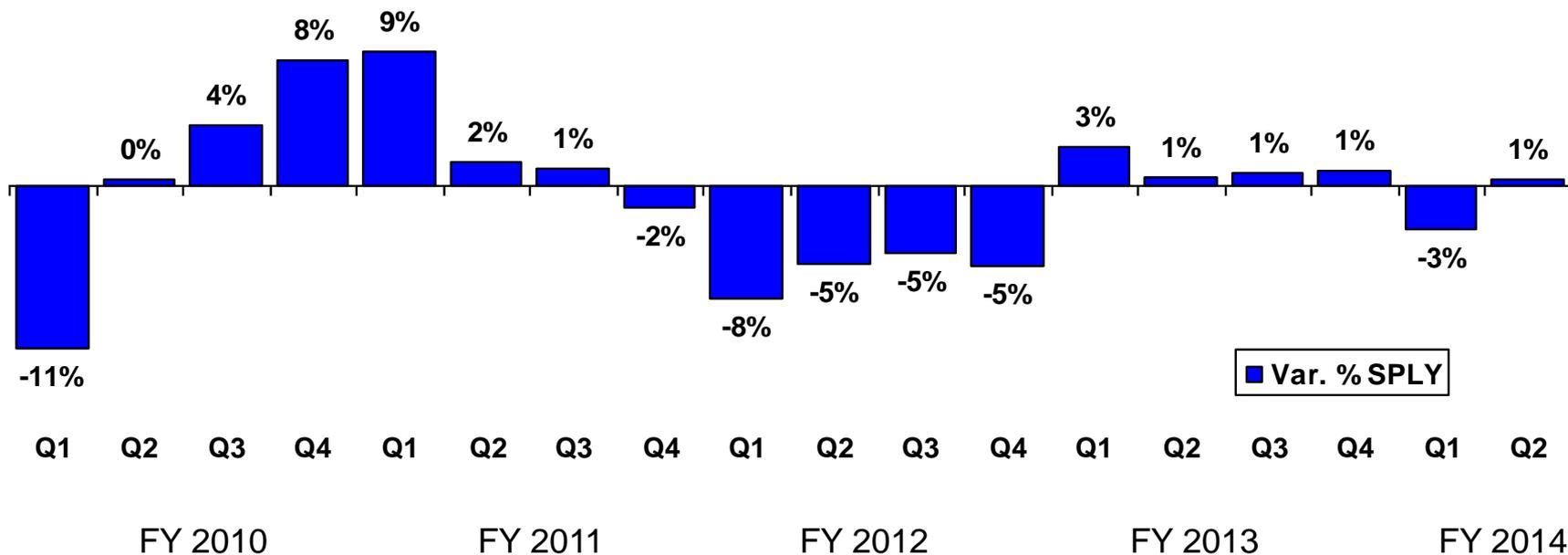
May 21, 2014

- **Pulse of Industry**

- **Incentives & Promotions**
 - **2014 Saturation & High Density Incentive**
 - **2014 Promotions**
 - **2015 Promotion Ideas**

- **Open Discussion**

Standard Mail Volume Change



Volume over SPLY (%)

	<u>FY13Q2</u>	<u>FY13Q3</u>	<u>FY13Q4</u>	<u>FY14Q1</u>	<u>FY14Q2</u>
High Density and Saturation Letters	(1.1)	(2.4)	6.4	6.0	4.9
High Density and Saturation Flats and Parcels*	3.3	3.8	1.3	(2.9)	0.8
Carrier Route	2.2	(3.2)	(4.9)	(15.7)	1.5
Flats	(5.7)	(7.5)	(8.2)	(10.8)	(8.8)
Letters	1.2	1.2	3.0	.6	.9
Total Standard Mail	0.7	1.0	1.2	(2.8)	0.5

*Includes EDDM Retail – FY14Q2 Volume over SPLY (%) = -6.7%

Catalog Mailing Industry Update



- Shoppers spend up to 15 to 20 minutes with a catalog
- More catalogs are tailored to individuals
- Some 20% of the website's first-time customers are placing their order after having received a catalog
- Shoppers driven to websites by catalogs, spend 1.5 times as much as new shoppers who did not receive a catalog first
- People like receiving print catalogs. The DMA 2012 Fact Book found that 77% of those who receive catalogs consider them to be useful or interesting.
- A study by Pitney Bowes found that 66% of people would rather get a catalog by mail than email.

2014 Saturation and High Density Incentive

Incentive Requirement:

- Mailed at least six (6) Saturation, High Density and/or High Density Plus mailings (or a combination thereof) between October 1, 2012 and September 30, 2013 (USPS FY 2013)

Incentive:

- Certified organizations with incremental volumes above the agreed upon volume threshold (CY 2013 volume + 2%) will receive their earned credit in the first quarter of CY 2015

Timeline:

- Registration period was: November 12 – February 7, 2014
- Program Period: January 1 – December 31, 2014
- Quarterly reports sent to incentive program participants.

Updates:

- ✓ 391 Registrants completed the certification process
- ✓ Q1 Actual Volume 1,642,421,309 (exceeded projections by 35%)

Q2 Progress Report to be sent starting mid-July

Mailing Promotions

■ General update

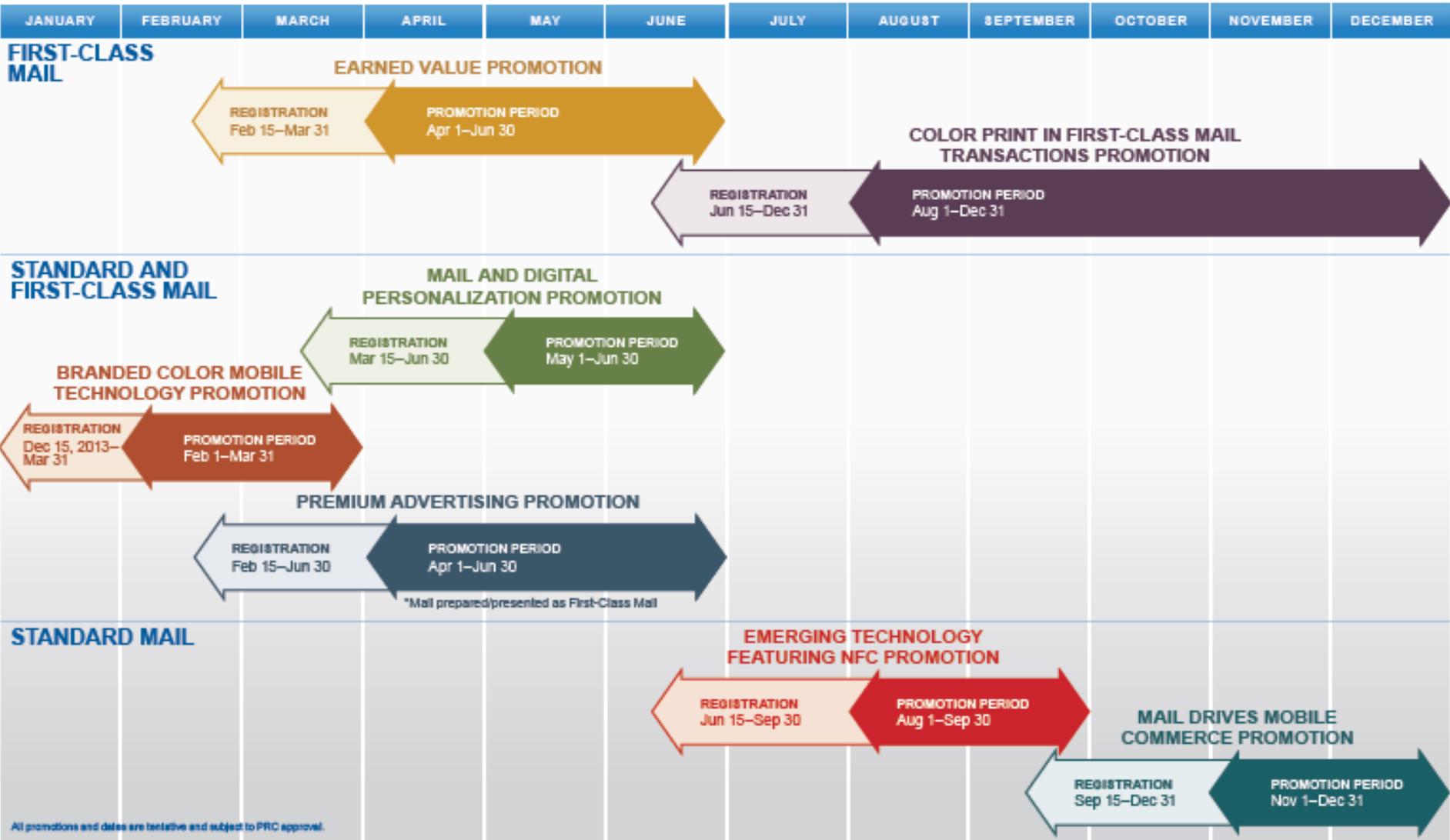
- **mobilebarcode@usps.gov** will become **mailingpromotions@usps.gov**
 - **Emails sent to mobilebarcode address will still get delivered to the same inbox**
 - **Outgoing messages will show be displayed as “USPS Mailing Promotions”**
 - **Going forward each promotion will have a separate email address. These addresses will be listed on RIBBS and the promotion’s Program Registration Page.**

MTAC User Group #8

- **Last meeting – April 21, 2014**
 - **Discussed Potential CY 2015 Promotions**
 - **Meeting notes posted on RIBBS**

- **Next meeting - June 10, 2014**

2014 Promotions



All promotions and dates are tentative and subject to PRC approval.

Promotion Results

• **Branded Color Mobile Technology Promotion**

- **Participation:** **Over 350 Participants**
- **Discounted Volume:** **Over 2.5 Billion Pieces**
- **Total Discount:** **Nearly \$12 Million**
- **Seeking anecdotal information about participant experience with color mobile barcodes**
- **Survey to be sent in the next two weeks**

▪ **Earned Value Promotion**

- **574 customers enrolled. Registration ended March 31**
- **Counting reply mail pieces April 1 through June 30**
- **Credits will be released after August 24**
- **Extending expiration date**

▪ **Premium Advertising Promotion**

- **19 customers enrolled (Registration is still open)**
- **Promotion Period: April 1 – June 30**
- **Participants who plan to send commingled mail need to contact the program office: PremiumAdMail@usps.gov**

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

- **Receiving samples for review from mailers**
- **Registration begins: June 15**
- **Program Period: August 1 – December 31**

- **Mail and Digital Personalization Promotion**
 - Registration opened March 15, promotion began May 1
 - Promotion Period: May 1 – June 30
 - Recorded webinar is available on RIBBS
- **Emerging Technology Promotion**
 - Webinar planned for May 22
 - Registration begins: June 15
 - Promotion Period: August 1 – September 30
- **Mail Drives Mobile Commerce Promotion**
 - Registration opens: September 15
 - Promotion Period: November 1 – December 31
 - Requirements posted on RIBBS

Color Print in First-Class Mail Transactions Promotion



CLASSIC

Account Ending In 5017

Previous Balance	=	\$2,255.10
Payments/Credits	-	\$0.00
Purchases/Cash Advances +		\$4.99
Interest Charges/Fees +		\$0.00
New Balance		\$2,260.09

Purchases This Year: \$9.98
Revolving Credit Limit: \$1,200.00
Available Credit: \$0
Days in Billing Cycle: 28
Statement Date: 02/26/2014

Your Current Level: CLASSIC
You are \$9,990 away from achieving SILVER status!*

\$0	\$10,000 SILVER	\$25,000 BLACK
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**Subject to credit history.

Cabela's CLUB Points

(Points shown in dollars)

Previous Points Balance	=	\$0.00
Points Earned at Cabela's	+	\$0.00
Points Earned at Cenex	+	\$0.00
Points Earned Elsewhere	+	\$0.00
Other Points Added	+	\$0.00
Points Redeemed	-	\$0.00
CLUB Points Available		\$0.00

Payment Information

New Balance	\$2,260.09
Amount Over Credit Limit	\$1,060.09
Amount Past Due	\$1,144.00
Minimum Payment Due*	\$1,189.00
Payment Due Date	03/22/2014

*Minimum Payment Due does not include any promotional balance or amount in dispute.

Late Payment Warning:
If your Minimum Payment Due is not received by the Payment Due Date, you may have to pay a late fee of up to \$35.



\$5

FLAT RATE SHIPPING

NO MINIMUM ORDER

Now through 05/31/2014

MUST USE PROMO CODE:
CLUBFIVE

Must use your CLUB Visa. Restrictions apply. See cabelas.com/clubfive, or call 1.800.237.4444 for terms and conditions.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

If you make no additional charges on your card & each month you pay:	You will pay off the balance shown on this statement in about:	And you will end up paying an estimated total of:
Only the minimum payment	4 years	\$2,260.00

If you would like information about credit counseling services, go to www.justice.gov/usdo/bapcpa/cde/co_approved.htm or call toll-free 1-855-895-1118.

Please note that your account has been identified to receive a CLUB points addition. This is being provided to address an operational issue associated with a previously made purchase that qualified for a \$5 shipping promotion. We apologize for any inconvenience or confusion. If you have questions, please call 1-800-850-8402.

You've qualified to earn 2% on all CLUB Visa purchases through April 30, 2014. All you need to do is start using your CLUB Visa for everyday purchases and begin to earn more points!

See next page for your list of payments/credits and purchases/cash advances.

5518 KQH 002 3 20 140226 0 ZX PAGE 1 of 5 1 0 4475 0000 T1TN 01AB5518



Change of address?

Check here and complete the reverse side.

*Cabela's CLUB Points cannot be used for payment.
*Please use black or blue ink and return this portion with your payment.
*Make Checks Payable to:

Cabela's CLUB Visa
PO BOX 82519
Lincoln NE 68501-2519

PAYMENT METHODS


cabelasclubvisa.com


 Retail


 Mail


 1-800-850-8402

Account Ending In:	5017
Amount Past Due:	\$1,144.00
Amount Over Credit Limit:	\$1,060.09
Minimum Payment Due:	\$1,189.00
Payment Due Date:	03/23/2014
New Balance:	\$2,260.09

AMOUNT ENCLOSED:

PRIMARY TESTACCOUNT
6855 PACIFIC STREET
ONA WV 25545-9782

000001000000433100118900002260092

2015 Promotion Ideas

Evaluation Criteria

Strategic Fit:

How well does idea fit with promotion goals: The general intent of all promotions is to increase the value of mail and sustain its long-term growth and,

- **Build on the goals of past mobile barcode promotions**
- Continue **to build awareness of how mobile technology can be integrated** in direct mail campaigns
- Highlight other direct mail techniques and best practices that we believe increase the value of mail.
- **Create excitement about mail**, keep mail top-of-mind for marketers, reward innovative customers, show customers we want their business and encourage others in the mailing industry to provide similar sale initiatives for customers.

Benefit to USPS

How much will this benefit the Postal Service. Will this slow volume decline in FCM, is there be a possibility of incremental volume increase in Standard Mail, will it improve the overall value of mail, etc.

Benefit to Mailer

How much can the mailer benefit by participating. Will it increase the ROI of the mail campaign or will it offer significant postage savings?

Evaluation Criteria

Level of Innovation	In terms of technology integration, how innovative is the promotion . Is it a new or emerging technology? Is it something many mailers have yet to try?
Volume Retention	If the primary goal of the promotion is to retain mail volumes , how effective do we think it will be?
Cost to USPS	How wide would participation be - would total discount amount be high? Also, would this require significant or costly development of systems ?
Cost to Mailers	Would most mailers need to make significant financial investments in order to participate?
Ability to Implement	Would there need to be significant changes to our systems or processes to implement this? Would this require us to build a new product or system? Would we have to obtain concurrence or approval from internal stakeholders? Would this require significant staff resources at the program office level?

Current List of Promotions Ideas

■ **First-Class Fundraising Promotion**

- Encourages participants to use First-Class Mail® for their fundraising activities.

■ **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

■ **Alternate Postage Promotion**

- Build awareness and stimulate usage of one of our newest and most exciting products.

■ **Holiday Mobile Shopping Promotion**

- Demonstrate how direct mail, combined with mobile technology, continues to be a convenient method for consumers to do their shopping

Continued

■ Mail and Mobile Technology Integration

- Promote use of mobile-print technology that allows a recipient to either download an app or ties into a rewards/loyalty program

■ 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

■ Catalogs Drive Action Promotion

- Use findings from catalog innovation study to encourage mailers to use multi-channel marketing and enhancements that demonstrate power of direct mail to drive consumer action

Open Discussion