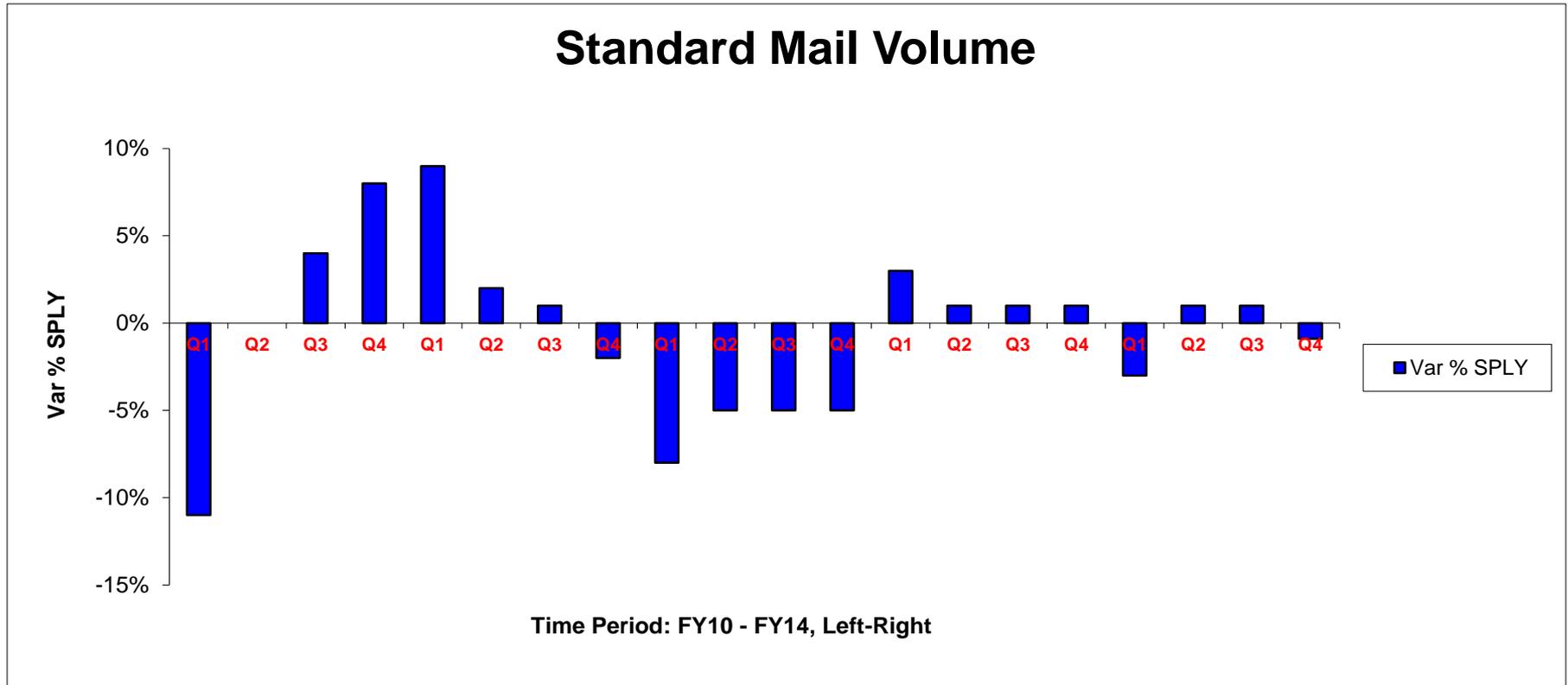


Standard Mail Product Development

**MTAC
November 19, 2014**

- **Pulse of Industry**
- **Incentives & Promotions**
 - **2014 Promotions**
 - **Saturation & High Density Incentive**
 - **Every Door Direct Mail**
 - **Alternate Postage**
 - **Proposed 2015 Promotions**
- **Millward Brown case study**
- **OLG research report: Mail Innovations**
- **Open Discussion**

Pulse of the Industry



Standard Mail: % Change SPLY

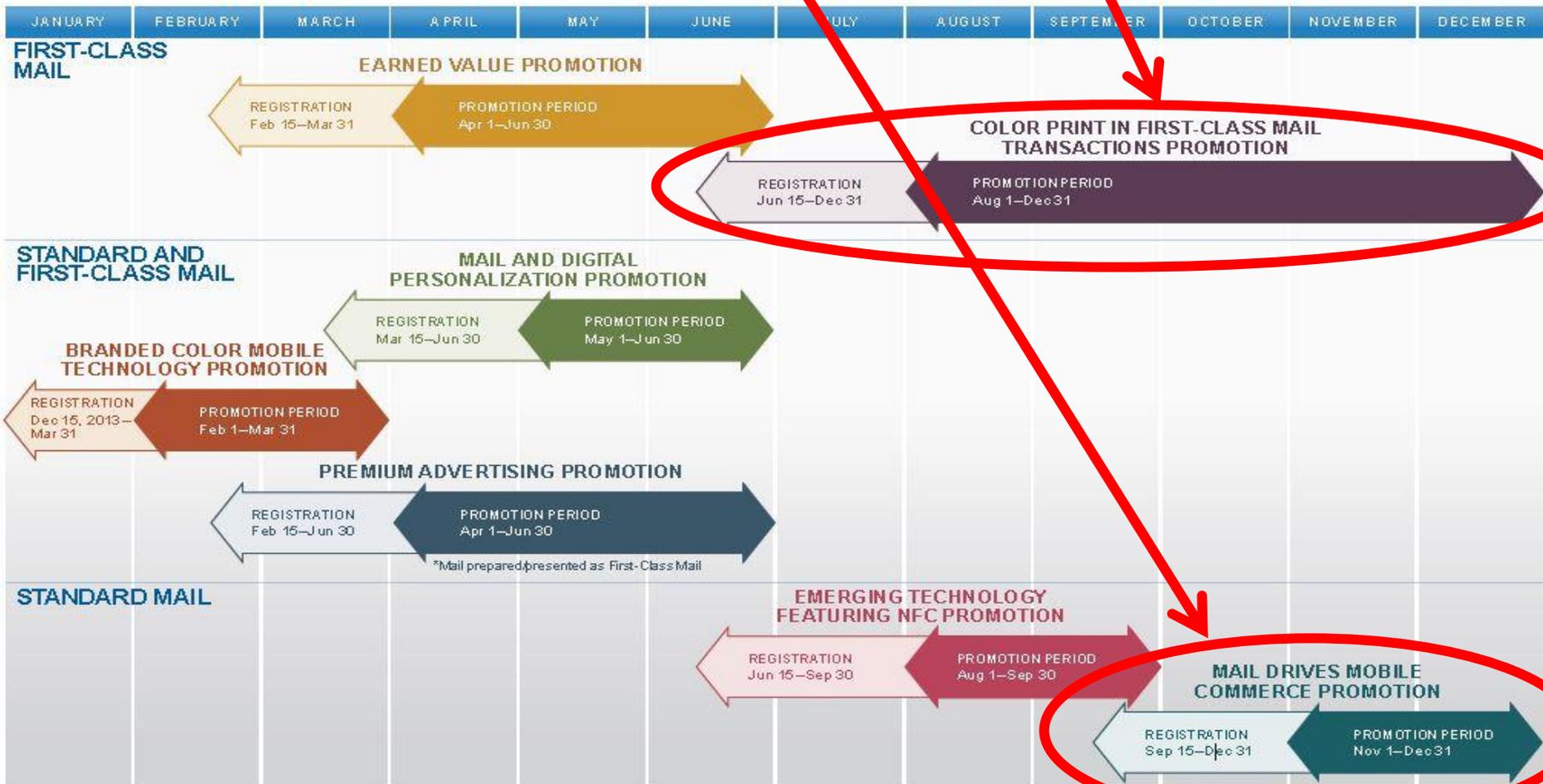
	FY13 Q2	FY13 Q3	FY13Q4	FY14 Q1	FY14 Q2	FY14 Q3	FY14 Q4
High Density and Saturation Letters	(1.1)	(2.4)	6.4	6.0	4.9	4.7	2.6
High Density and Saturation Flats and Parcels	3.3	3.8	1.3	(2.9)	0.8	0.4	0.1
Carrier Route	2.2	(3.2)	(4.9)	(15.7)	1.5	3.4	(4.7)
Flats	(5.7)	(7.5)	(8.2)	(10.8)	(8.8)	(8.3)	1.8
Letters	1.2	1.2	3.0	0.6	0.9	3.8	(8.5)
Total Standard Mail	0.7	1.0	1.2	(2.8)	0.5	0.9	(0.9)

2014 Promotions

Current Promotions



USPS® 2014 PROMOTIONS CALENDAR



For more information, visit <https://ribbs.usps.gov/index.cfm?page=mailingpromotions>

➤ **Program Totals (2011 – 2014 through September)**

- Nearly 20 billion pieces
- Over \$4 billion revenue
- Almost \$100 million discounts/rebates
- 8,200 participants

➤ **FY13**

- 6 promotions
- 5.3 billion pieces
- \$1 billion revenue



➤ **FY14 (through September)**

- 7 promotions (5 completed, 2 in progress)
- Nearly 6 billion pieces
- \$1.25 billion revenue

▪ **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
 - 2014 promotion credits expire January 31, 2015

▪ **Emerging Technology Promotion**

- **Encourage the use of “enhanced” augmented reality or standard NFC technology in standard mail campaigns.**
 - **Promotion ended September 30**
 - 73 customers mailed over 1B pieces
 - Total discount awarded was over \$4.1M

- **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, 73 mailers have enrolled
 - Promotion Period: August 1 through December 31, 2014
 - To date, 37 customers have mailed over 584M pieces
 - Total discount to date is over \$4.9M

- **Mail Drives Mobile Commerce Promotion**
 - **Encourages mailers to integrate mobile technology with direct mail to create a convenient method for consumers to shop for products and services.**
 - Registration began Sept. 15-to date 323 mailers have enrolled
 - Promotion Period: November 1 – December 31, 2014
 - To date, 193 customers have mailed over 486M pieces
 - Total discount to date is \$4.1M

■ 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

- 392 registrants completed the certification process
- Q3 progress reports have been sent out

■ Updates

- The Every Door Direct Mail Promotional Coupon launched September 7th
 - \$50 and \$100 coupons are being offered
 - Over 3,000 coupons distributed through November 1st

- EDDM Tablet Optimization development complete.
 - Launch scheduled for January 2015

- FY14 EDDM Revenues - \$435,711,070

Alternate Postage

What is Alternate Postage?

A convenient way for your customers, stores, or business partners to send single-piece First-Class Mail® letters and cards without affixing postage or a postage stamp.

You pay the postage for the mail to go between any two, or even three, parties.



Note: Alternate Postage can only be used on letter or card-sized pieces, not on flats or parcels.

Features of Alternate Postage

- Send from multiple locations to multiple locations.
- Include your company brand or logo for free.
- Obtain tracking information via barcode to help calculate ROI.
- You can include digital technology including QR Codes.

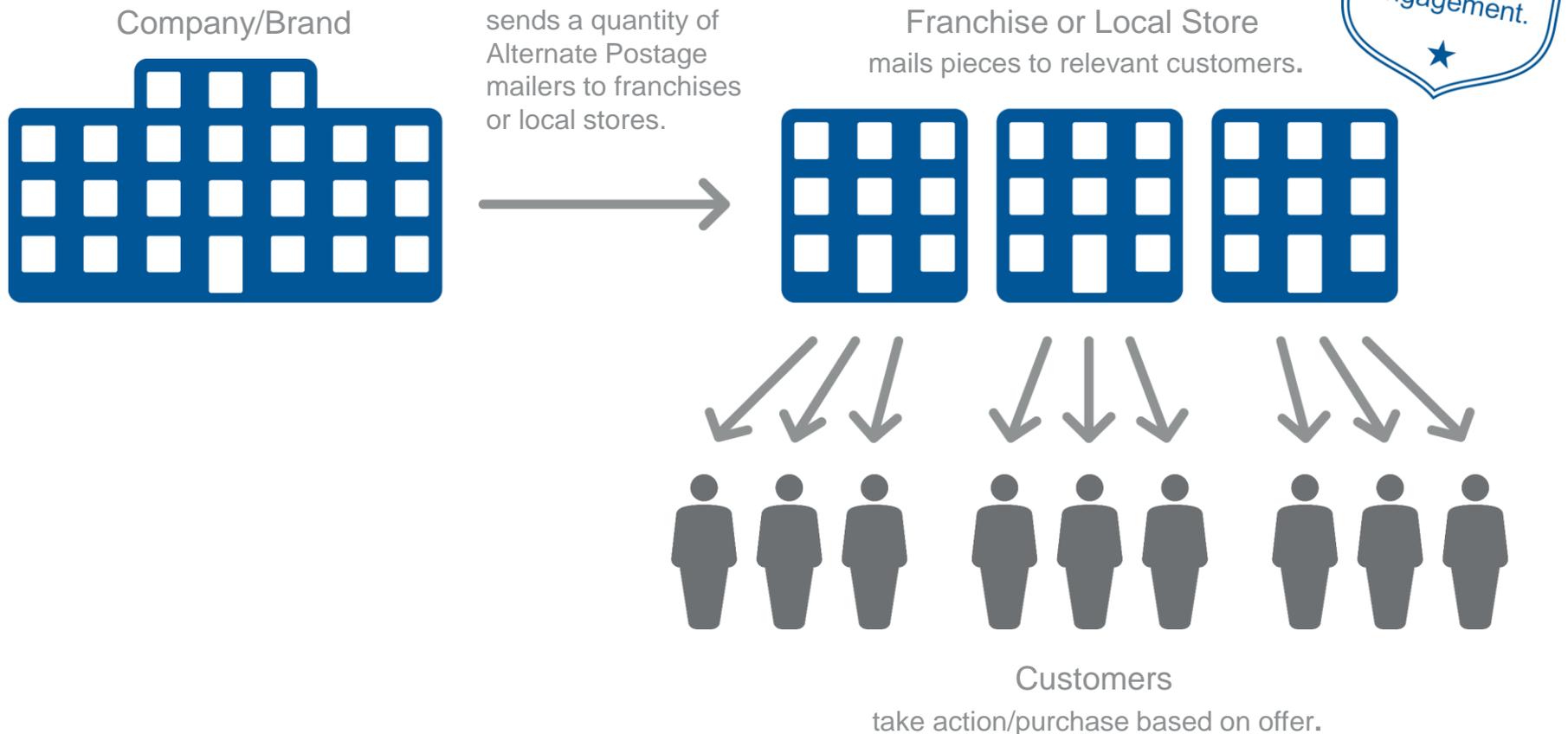


Alternate Postage can deliver:

- A mail version of social networking.
- A convenient and simplified customer experience—customer does not need to apply postage.
- Control over your brand messaging.
- Enhanced creative opportunities.
- Mailpiece tracking information for analytics and planning.



B2B2C



B2B2C example

★ Company/Brand to Store



Package Front



Package Inside

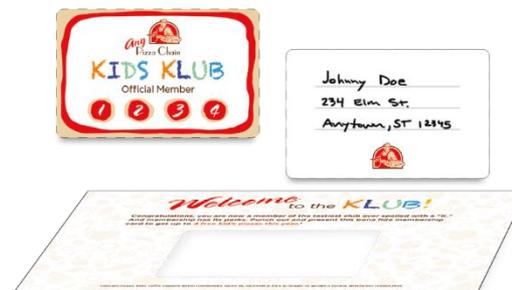
★ Store to Customer



Postage Side



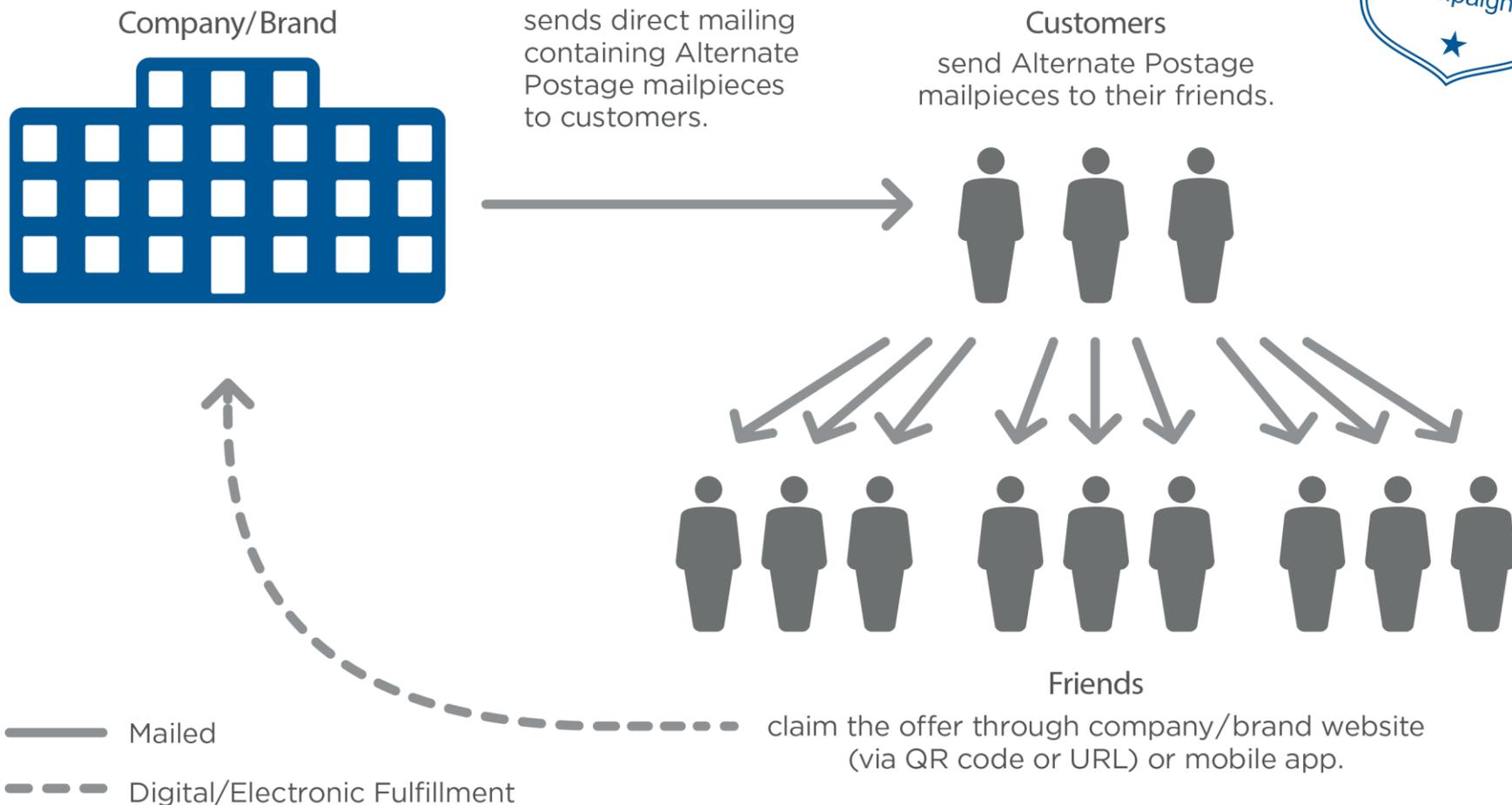
Reverse Side



Card Punched Out

B2B2C

Create a new
kind of viral
campaign.
★



B2B2C example

★ Company/Brand to Customer

Reply cards



The inside of the envelope, when unfolded, reveals a golfing game.

Scanning the QR code takes the customer to a YouTube video that shows how the game is played.



Envelope Front



Envelope Back



Envelope Inside

★ Customer to Friends, Friends to Company/Brand



Postage Side

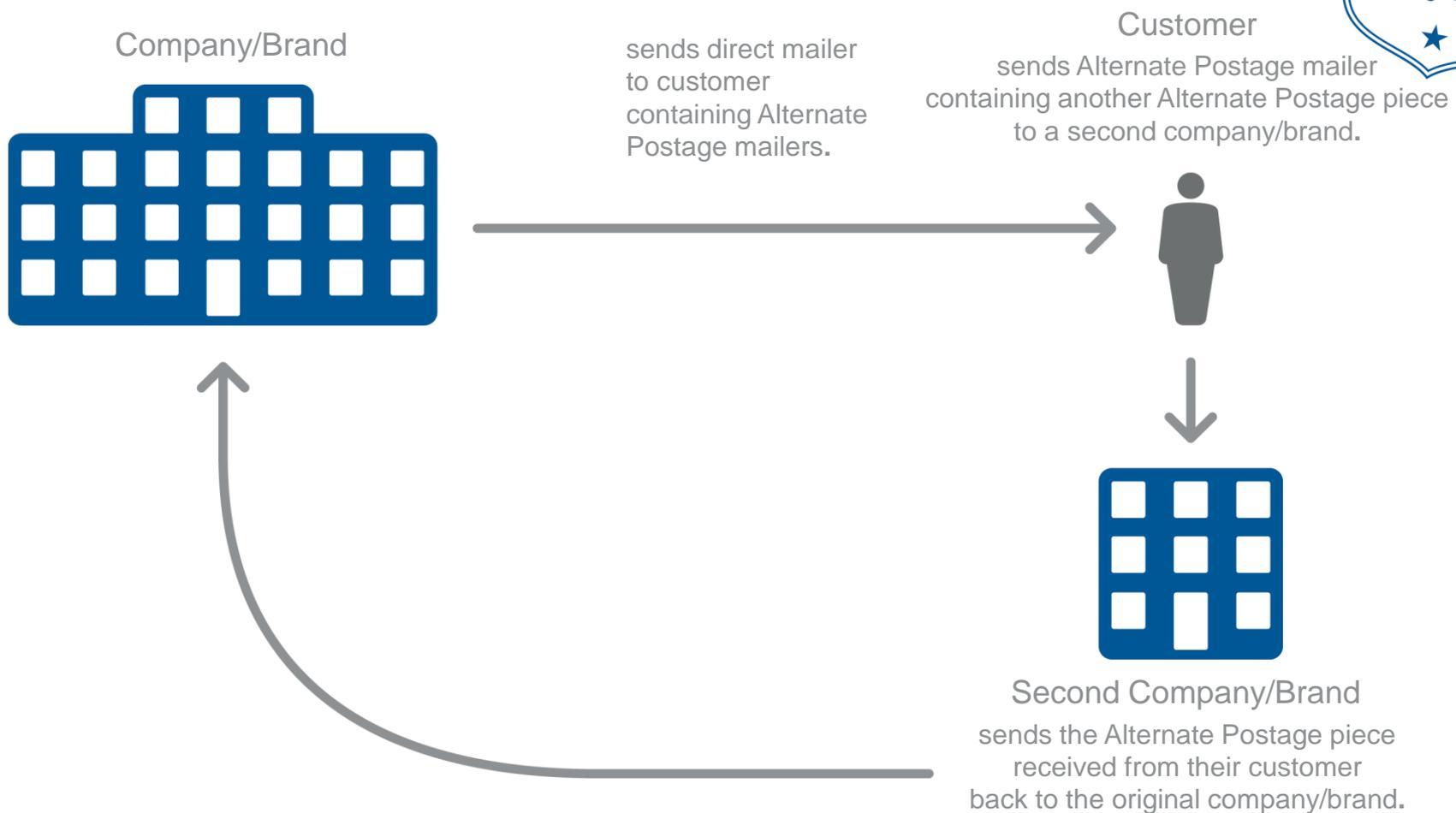


Reverse Side

Perforated edges all around

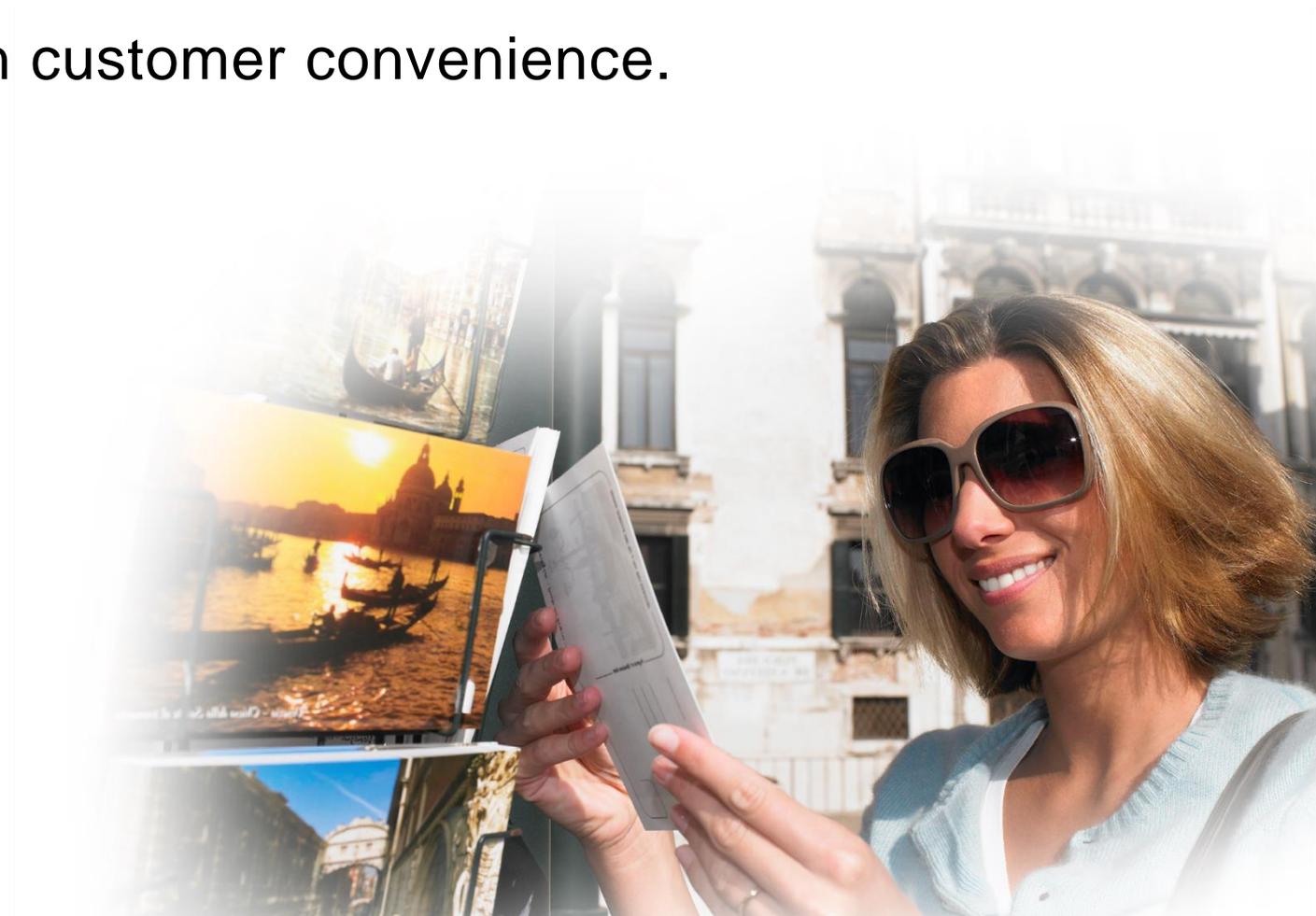
B2B2C

Help boost customer engagement. ★



Alternate Postage vacation postcards:

The ultimate in customer convenience.



How you can participate:

- **Sign a marketing agreement with USPS**
- **Meet specific mailpiece design requirements**
- **Demonstrate the ability to print a unique IMb on each mailpiece**

For more information, please contact:
AlternatePostage@usps.gov



Proposed 2015 Promotions

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

As of: 10/16/14

JAN – FEB - MARCH

APRIL – MAY - JUNE

JULY – AUG - SEPT

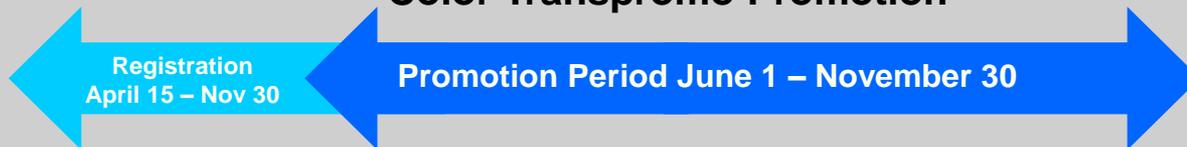
OCT – NOV - DEC

FIRST-CLASS MAIL®

Earned Value Promotion



Color Transpromo Promotion



STANDARD AND FIRST-CLASS MAIL

Emerging and Advanced Technology Promotion



STANDARD MAIL®

Mail Drives Mobile Engagement Promotion



■ 2015 Earned Value Reply Mail

- Slow the decline of First-Class Mail (BRM and CRM) pieces through a postage credit for each returned mail piece. Encourages year over year growth.

■ Emerging and Advanced Technology Promotion

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

■ 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, can combine to facilitate purchasing from a mail piece using a mobile device

Earned Value Promotion – Speeding up Credit Release

■ Situation in 2014

- Promotion ended June 30
- Credits were not available for use until after August 26

■ Proposed Improvements for 2015

- New functionality in Program Registration:
 - Automated threshold calculation
 - Automated credit per piece adjustment for mailers meeting or exceeding their volume thresholds
- Functionality built in PostalOne!:
 - August 2014 release identifies credits earned in 2014 and in 2013
 - Credits from 2013 to be applied before 2014 credits can be used
 - Supports expiration date for credits earned in 2014

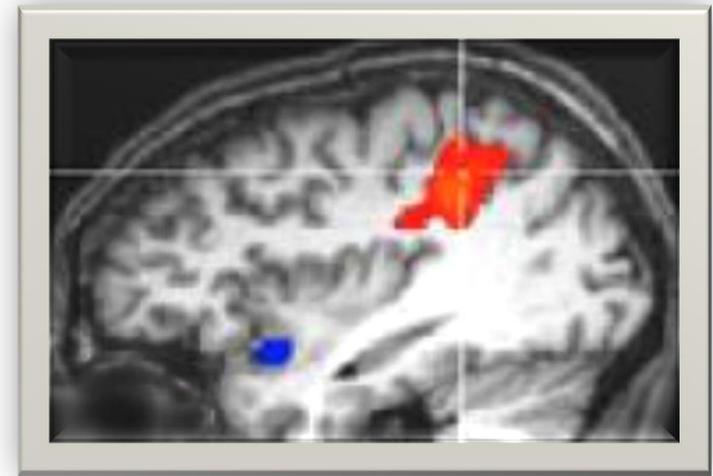
Royal Mail-commissioned study

- Investigate how the brain processes physical marketing materials vs. virtual/digital
- MRI scanning to study cerebral processing for each
- Findings:
 - Tangible materials leave a deeper footprint in the brain – visual, spacial memory networks
 - Physical material involves more emotional processing – important for memory and brand associations
 - Physical materials produce more brain responses – greater “internalization” of the ads

This is your brain.... On Mail!

Millward Brown Case Study:

Neuroscience on digital image vs. mail



Little blue dot: brain processing *digital*

- Surface level visual images

Big red space: brain processing *mail*

- Deeper emotions and richer feelings are stored

OIG Research Report on Mail Innovations

- Highlights areas for innovation in Mail
- Ten Categories:

Category	Innovations Highlighted in This Paper
Connected Mail	QR Codes ✓
	Augmented Reality ✓
	Near Field Communication ✓
	Webkeys
Electronic Mail	Video in Print ✓
	Mobile in Print ✓
	Conductive Ink
Dimensional Mail	Interesting Inks
	Customized MarketMail ✓
	3D Mail ✓



- **Program Office contact:**

Email: mailingpromotions@usps.gov

Facsimile: 202-268-0238

Mail: US Postal Service
Post Office Box 23282
Washington, DC 20026-3282

- **Program Requirements & Documents**

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

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

- **Registration**

<https://gateway.usps.com>

- **PostalOne Help Desk:**

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

Proposals for 2016 promotions can be sent to:

MailingInnovations@usps.gov

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Open Discussion