

# Periodical Mail Product Development

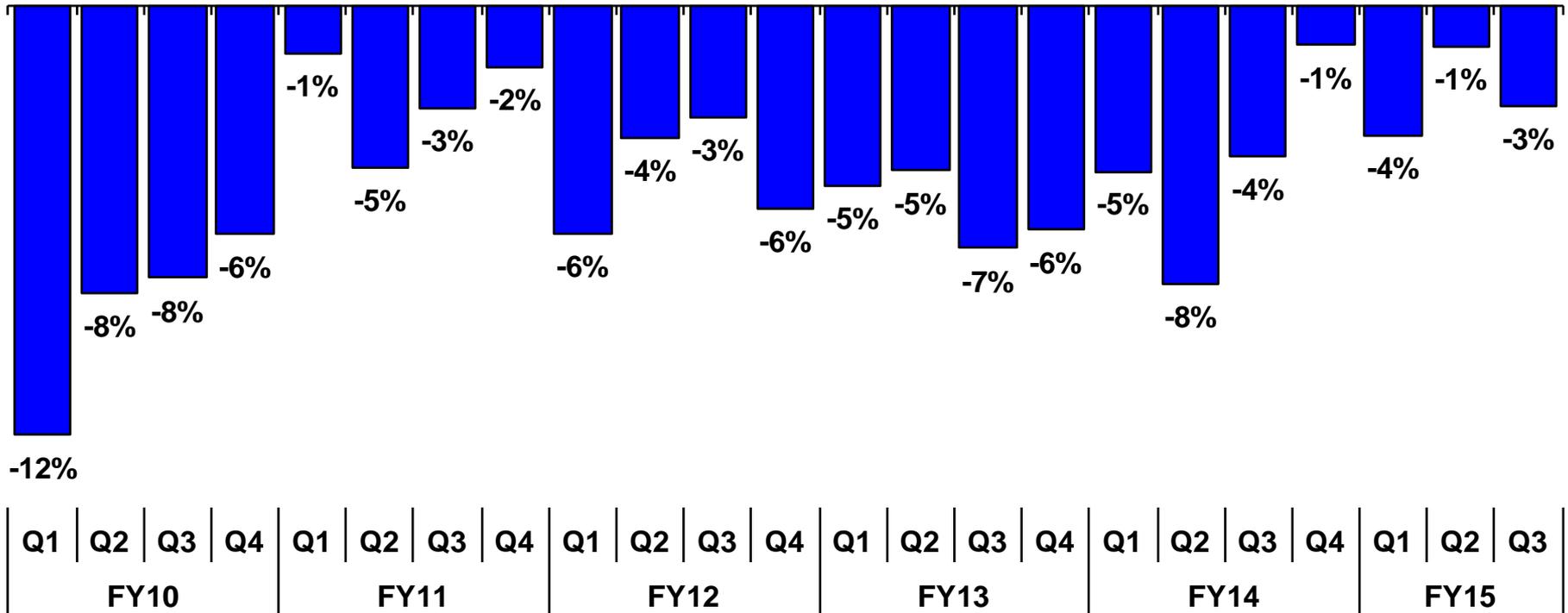
**MTAC**

**August 2015**

- **Pulse of the Industry**
  - **Periodical Mail Volumes and Trends**
  - **Currently Under Review**
  
- **Neuroscience Research on Value of Mail**
  
- **2015 Promotions Reminders**
  
- **2016 Proposed Promotions-Update**
  
- **Real Mail**
  
- **Open Discussion**

# Pulse of the Industry

## Periodicals Volume Change



Source: RPW Monthly Reports

# Currently Under Review

- **Postal service is committed to cooperation on future pricing**
  
- **Work Group 168 FSS Scheme Pallets**
  
- **Real Mail MTAC Workgroup to be formed**
  - **(Will Periodicals be included in Real Mail – Gary R.)**
  
- **Video/Audio/Electronic Inserts**
  
- **Adding value to the mail – How to create excitement in Periodicals**

# Neuroscience Research on the Value of Mail

## Background

- The OIG (Office of Inspector General) conducted a neuromarketing study to evaluate how consumers respond differently to physical and digital media

## Methodology

- Use of questionnaires, eye tracking, core biometrics, and neuroimaging to measure physiological and neural activity of participants viewing physical and digital ads

### Neuromarketing tools and their uses

Neuromarketing Tool	Research Method	Outcome Revealed
 <p><i>Eye Tracking</i></p>	<p>A camera and infrared technology monitor eye movements, in terms of speed and duration of attention</p>	<p>Tracks visual attention in reaction to predetermined areas of interest</p>
 <p><i>Core Biometrics</i></p>	<p>Sensors placed on fingertips measure heart rate, skin conductance (sweat), motion, and respiration</p>	<p>Gauges the depth of emotional engagement</p>
 <p><i>Functional Magnetic Resonance Imaging (fMRI)</i></p>	<p>Brain scanner measures change in oxygenated blood flow to reveal regional activation during a task or experience</p>	<p>Pinpoints specific deep brain activity beyond surface cognitive function (e.g., empathy and reward)</p>

Source: Temple and OIG analysis.

## Phase I:

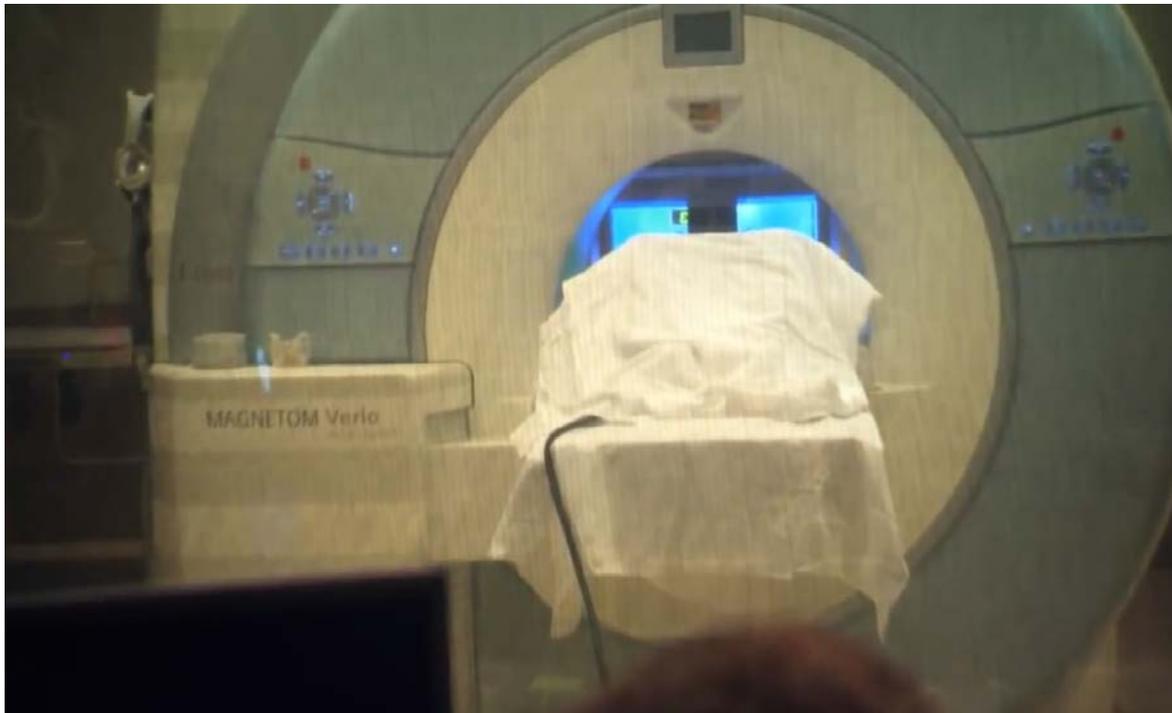
- Participants were exposed to and interacted with 40 physical and digital advertisements
- Methods used: Eye tracking, skin conductance and heart rate



Phase I: Research environment

## Phase II:

- Tested participants'
  - memory of ad content contents by medium (physical or digital)
  - stated and subconscious preferences for and value of advertised products
- Methods used: Functional MRI



Phase II: Functional MRI equipment

## Participants

- processed digital ad content quicker
- had stronger emotional response to physical ads and remembered them better
- spent more time with physical ads

Attribute	Definition	Physical	Digital
<i>Attention</i>	A customer's focused attention for a sustained period of time on key components of the ad		X
<i>Review Time</i>	The amount of time a customer spends with an ad	X	
<i>Engagement</i>	The amount of information the customer processes or absorbs from an ad	X	X
<i>Stimulation</i>	An emotional reaction to an ad	X	
<i>Memory Retrieval Accuracy</i>	Accurately remembering the advertising source and content	X	X
<i>Memory Speed &amp; Confidence</i>	Quickly and confidently remember advertising source and content	X	
<i>Purchase &amp; Willingness to Pay</i>	Whether and how much the customer is willing to pay for a product	X	X
<i>Desirability</i>	A subconscious desire for the product or service	X	
<i>Valuation</i>	The subconscious value a participant places on the product or service	X	

Source: OIG analysis of study results.

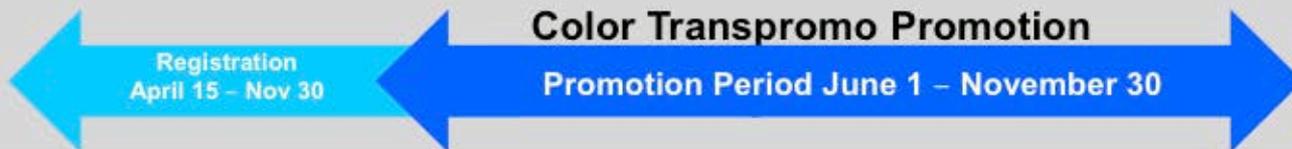
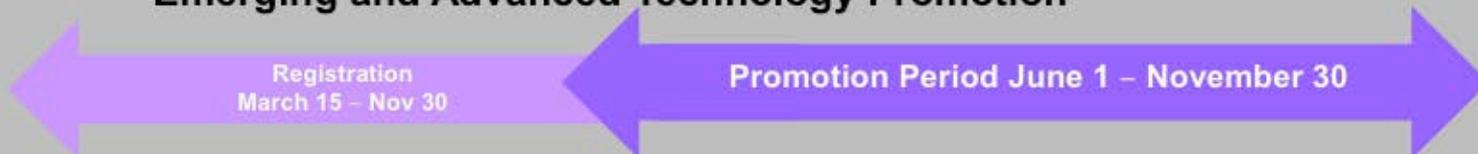
## Next Steps:

- Awaiting results from Canada Post and Royal Mail
- Other topics of interest:
  - Age and demographic impacts on response to media type
  - Response to embedded technology in Print
  - Optimal use of digital and physical media

More information at

<https://www.uspsaig.gov/sites/default/files/document-library-files/2015/rarc-wp-15-012.pdf>

# **2015 Promotions Update**

**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**

Download the free Zappar App

Zap for a live experience

## **Claiming Multiple Discounts**

- Although some of the promotion dates overlap, customers cannot claim more than one discount per mailing. The exception is Earned Value-it **can** be claimed along with any of the other three.

## **Post Promotion Surveys**

- Must be completed as a requirement of participation in the promotions.

## **Business Customer Gateway user guide**

- An updated version is posted on RIBBS

## **Emerging & Advanced Technology**

- 48 hour turnaround on pre-approval requests sent to the mailbox
- Continue to send in hardcopy mailpieces to qualify for the paper, ink and interactive categories
  - **NOTE: Program Office address for physical samples is a PO Box. Please ensure that your mailing/shipping service can deliver to a PO Box.**

## **Mail Drives Mobile Engagement**

- Guest check out requirement
- Directional copy explanation

## Earned Value

- **BRM: Total pieces: 36.6M Total Credits: \$844k**
- **CRM: Total pieces: 445.5 Total Credits: \$10.2M**  
**482.1M \$11.04M**
- **Mailers need to “agree” in Program Registration for credit to be released**
- **86 companies agreed to their credits; released \$2.2M in credits**

## Color Transpromo

- **348.7M mailpieces; \$136.2M in revenue**
- **Over \$2.8M in discounts received by participating customers**

## Emerging & Advanced Technology

- **1.2B mailpieces; \$256M in revenue**
- **Over \$5.2M in discounts received by participating customers**

## Mail Drives Mobile Engagement

- **628M mailpieces; \$158.6M in revenue**
- **Over \$3.2M in discounts received by participating customers**



**=**



## Earned Value

*Encourage FCM mailers to use Business Reply Mail (BRM) and Courtesy Reply Mail (CRM).*



- **Registration Period:** March 15 – April 30
- **Program Period:** May 1 – July 31
- **Eligible Mail:** Business Reply Mail and Courtesy Reply Mail
- **Earned Value Credits:** \$0.02 per BRM or CRM pcs counted for first-time participants; \$0.03 per BRM or CRM pcs if above SPLY volumes
  - Pieces must contain an Intelligent Mail barcode with the Mailer ID encoded, and following barcoding requirements
  - Once released, credits may be applied to any subsequent mailing until the posted expiration date of the credits.

### Results to date:

- 482.1M total pieces
- \$11.04M total credits
- 86 companies have agreed to their credits
- Released over \$2.1M in credits

## Color Transpromo Promotion

*Encourage FCM mailers to use color messaging on bills and statements*

- **Registration Period:** April 15 – November 30
- **Program Period:** June 1 – November 30
- **Eligible Mail:** First-Class Mail commercial letters (sent in IMb full-service mailings)
- **Discount:** Upfront 2% postage discount
- Mailpiece must have dynamic color printing on the bill or statement
- Color messaging must be marketing or consumer information
  - Color inserts and pre-printed color paper stock, do not qualify
  - Color in remittance section will not qualify



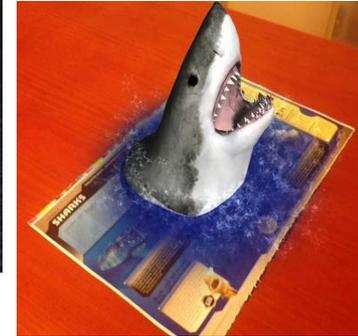
### Results to date:

- 348.7M mailpieces
- \$136.2M in revenue
- Over \$2.8M in discounts received by participating customers

## Emerging and Advanced Technology

Encourage Direct Mailers to incorporate interactive technology to drive interest in mail as a marketing channel

- **Eligible Mail:** Standard Mail, Nonprofit Standard
- Mail and First Class Mail letters, flats and cards.
- Mailpiece must integrate specified technologies
  - Advanced Augmented Reality
  - NFC
  - Inks
  - Papers
  - Interactive Mailpieces



### Results to date:

- 1.2B mailpieces
- \$256M in revenue
- Over \$5.2M in discounts received by participating customers

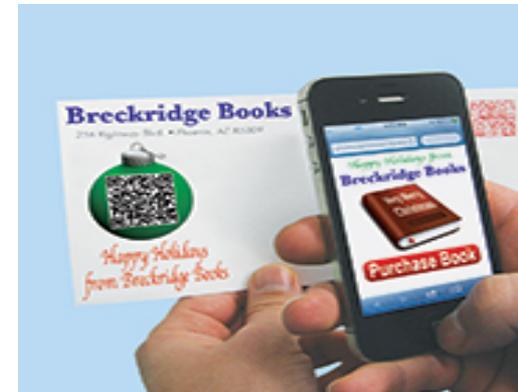
## Emerging and Advanced Technology Updates

- **The Emerging and Advanced Technology promotion has contributed about half of this year's volume thus far:**
  - **50% increase in registered participants from last year**
  - **200 samples have been submitted and reviewed thus far**
    - **40% of samples incorporate Augmented Reality**
    - **57% include advances in paper, inks and interactive mailpiece features.**
- **Creative implementations include pop-ups, textured surfaces, embossing, lenticular designs, scented pieces, foils and metallic inks, chalkboard and dry-erase treatments**
- **The mailing community is embracing the incorporation of digital technology as well as advances in printing materials and processes.**

## Mail Drives Mobile Engagement

*Encourage marketers and retailers to utilize state of the art mobile purchasing technology with direct mail to facilitate purchases.*

- **Registration Period:** May 15 – December 31
- **Promotion Period:** July 1 – December 31
- **Eligible Mail:** Standard Mail, Nonprofit Standard Mail letters and flats. IMb full-service mailings for applicable products
- **Discount:** 2% per eligible mailpiece
  - No Priority Mail rebate
  - Directional copy text must be prominently displayed
  - In some instances, services / charitable donations may qualify if a financial transaction occurs at time of scanning the mail piece



### Results to date:

- 628M mailpieces
- \$158.6M in revenue
- Over \$3.2M in discounts received by participating customers

- **Currently under review**
- **Plan to file for approval early Fall**
- **2016 Promotions will build on past successful promotions with some new applications and updates**
- **2016 Promotions will continue to support the integration of mail with technology**



**REAL MAIL**

Mailpiece received in your home's mailbox today



Send a magical, meaningful **Letter From Santa** for a child in your life—right from where you're sitting. Visit... [Click2Santa.com/wish](http://Click2Santa.com/wish)

**SAVE 25%** Expires Dec 21, 2014  
(use coupon code WISH)

Beautifully illustrated  
Postmarked at the North Pole (really!)  
Hand-written signature, P.S., & envelope

Click2Mail  
3103 10th St N Ste 101  
Arlington, VA 22201-2191

PRESORTED  
FIRST-CLASS MAIL  
U.S. POSTAGE PAID  
CIN LLC  
22202

Jane Doe  
123 Main Street  
Any Town, VA 22201

\*Orders after December 12th are postmarked in Virginia.

[Click 2 Mail](http://Click2Mail.com)





Real Mail scan received on your mobile device



 **UNITED STATES  
POSTAL SERVICE®**

Real Mail Notification®

Your USPS® Mail.  
Today's delivery includes:

Send a magical, meaningful **Letter From Santa** for a child in your life—right from where you're sitting. Visit... [Click2Santa.com/wish](http://Click2Santa.com/wish)

**SAVE 25%** Expires Dec 21, 2014  
(use coupon code WISH)

Beautifully illustrated  
Postmarked at the North Pole (really!)  
Hand-written signature, P.S., & envelope

**CLICK FOR OPTIONS**

**40% OFF ENTIRE PURCHASE**  
December 19-21

Visit our store at  
Tavern Corner  
1234 Main Street  
Arlington, VA 22202

Extra! (Expires 12/21/14) Buy 2, Get 1 Free  
2000 Queen Bridge Rd  
Falls Church, VA 22044

North Pole Mailbox  
214 Little Falls St  
Falls Church, VA 22044-4305  
1-800-451-2438

Real Mail scan received  
on your mobile device

Real Mail scanned on a mobile  
device has a hyperlink that allows  
direct access to webpages



## Real Mail Notification - Click2Mail / Click2Santa Lift Test Update

### 1. Control Group

#### USPS Cust Reg Random Sample (NoVA Consumers)

##### Gross Response

##### Net1 Response

##### Net2 Response: Less Undeliverables

Total

Uniques, Less Dupes

Proven Prospect 10% UAA

#### A. Total, Channel 1 - Direct Mail Only

Gross Count (Clickmeter)	<i>toggle</i>	40		38		38
Adjusted Count Assumed Tests & Errors f	<b>15%</b>	34		32		32
Gross Response Rate		<b>0.80%</b>		<b>0.76%</b>		<b>0.84%</b>
Adjusted Response Rate		<b>0.68%</b>		<b>0.65%</b>		<b>0.72%</b>

Prospects: DM Only Recipients 5000

5000

4500

### 2. Test Group

#### Real Mail Users (NoVA Consumers, 74% source Cust Reg)

##### Gross Response

##### Net Response

##### Net Response

Total

Uniques, Less Dupes

Proven 98% Deliverable to RMN Users

#### A. Channel 1- Direct Mail - Hand-entered URL

Gross Count (Clickmeter)	<i>toggle</i>	38		35		35	
Adjusted Count Assumed Tests & Errors f	<b>15%</b>	32		30		30	
Gross Response Rate		<b>1.01%</b>	26% Lift, DM vs DM only	<b>0.93%</b>	22% Lift, DM vs DM only	<b>0.95%</b>	12% Lift, DM vs DM only
Adjusted Response Rate		<b>0.85%</b>	26% Lift, DM vs DM only	<b>0.79%</b>	22% Lift, DM vs DM only	<b>0.80%</b>	12% Lift, DM vs DM only

#### B. Channel 2 - RMN Message (RMM) - Click-Throughs

Gross Count (Clickmeter)	<i>toggle</i>	240		220		220	
Adjusted Count Assumed Tests & Errors f	<b>15%</b>	204		187		187	
Gross Response Rate		<b>6.35%</b>	694% Lift, RMM vs DM only	<b>5.82%</b>	666% Lift, RMM vs DM only	<b>5.94%</b>	604% Lift, RMM vs DM only
Adjusted Response Rate		<b>5.40%</b>	694% Lift, RMM vs DM only	<b>4.95%</b>	666% Lift, RMM vs DM only	<b>5.05%</b>	604% Lift, RMM vs DM only

#### C. Total, Both Channels: Direct Mail + Real Mail

Gross Count (Clickmeter)		278		255		255	
Adjusted Count Assumed Tests & Errors f	<b>15%</b>	236		217		217	
Gross Response Rate		<b>7.36%</b>	820% Lift, RMM+DM vs DM only	<b>6.75%</b>	788% Lift, RMM+DM vs DM only	<b>6.89%</b>	716% Lift, RMM+DM vs DM only
Adjusted Response Rate		<b>6.25%</b>	820% Lift, RMM+DM vs DM only	<b>5.74%</b>	788% Lift, RMM+DM vs DM only	<b>5.85%</b>	716% Lift, RMM+DM vs DM only

Prospects: DM + RMM Recipients 3778

3778

3702

**Open Discussion  
&  
Sign up for Innovations Lab tour**

**THANK  
YOU**