

# **First-Class Mail Product Development**

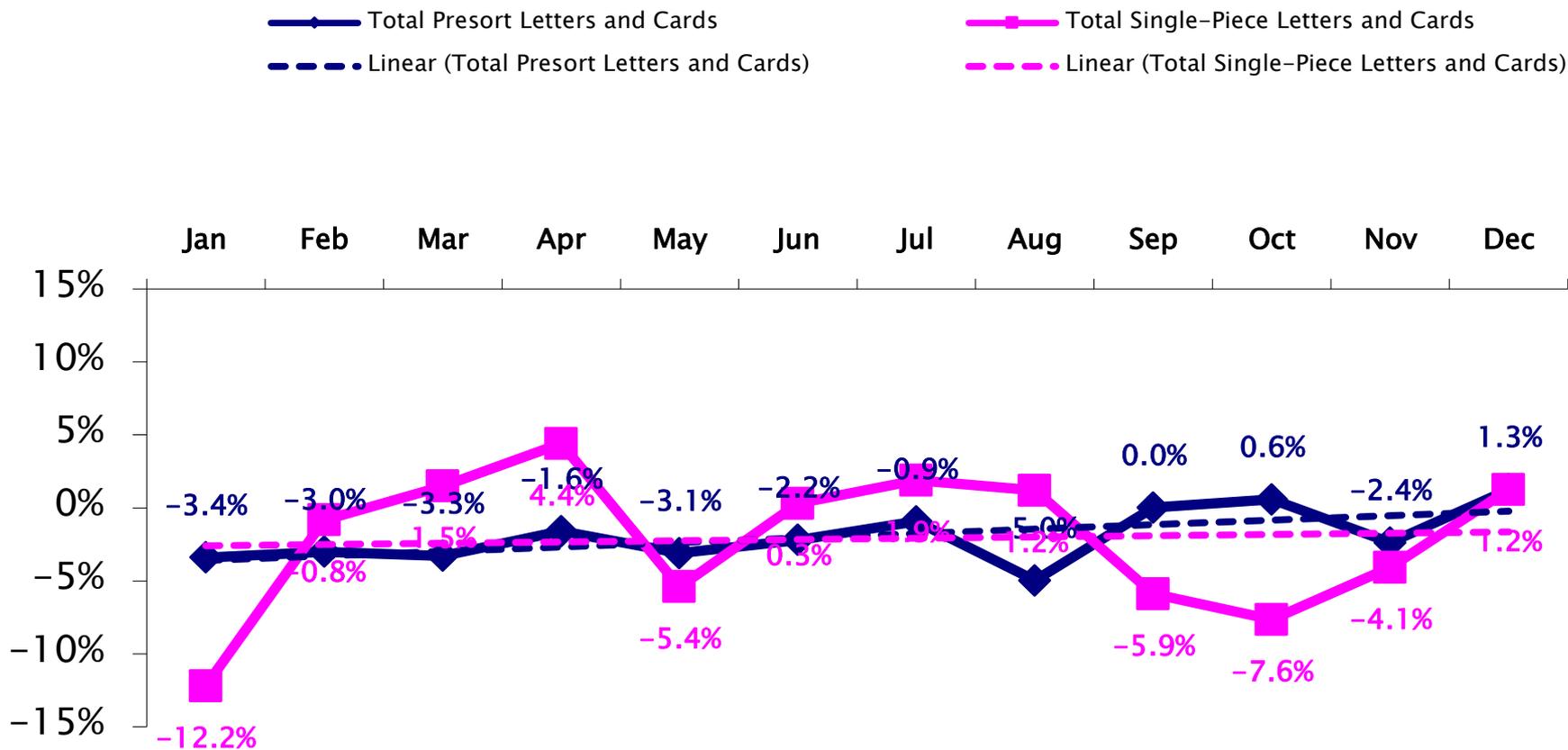
**MTAC**

**February 18, 2015**

- **Pulse of the Industry**
  - **First-Class Mail Volumes and Trends**
  - **Action Items - Update**
- **First-Class Mail Billing Study**
- **2014 Promotions Update**
- **2015 Proposed Promotions**
- **Secure Destruction Update**
- **Open Discussion**

# Pulse of the Industry

## First-Class Mail Volume (% Change over SPLY)



- **Protecting business-sensitive information to be used for testimonials and promotion success stories**
  - **Working with Legal department to modify Non-Disclosure Agreements**
  
- **Working with User Group #8 to coordinate on pre-verification requirements as part of enrollment in 2015 promotions**
  - **The Postal Service took guidance from members of U#8 and will not put in place mandatory pre-verification requirements for the CY15 promotions**
  
- **First-Class Mail Billing Study**

# First-Class Mail Billing Study

OIG performed study of hardcopy and electronic transactional mail to better understand customers' preferences for receiving and paying bills from a U.S. utility company

- Costs of sending and processing bills electronically less expensive; however, they did not consider late payment penalties, defaults and costs of setting up and maintaining electronic systems
- Call center costs lowest for customers receiving and paying their bills by mail

Call Center Costs per Customer	
Deliver by Mail, Pay by Mail	\$0.23
Deliver by Mail, Pay Electronically	\$0.30
Deliver Electronically, Pay Electronically	\$0.26

- 91% of utility company's customers chose to *receive* their bills by mail, but only 25% *paid* bills by mail
- Customers choose hardcopy delivery for filing purposes, a reminder to pay, distrust in electronic delivery, or lack of access to a computer

# 2014 Promotions Results

## Promotions by the numbers...

FY 2014 Promotions (7 promotions) generated:

- 7.8B mailpieces



- \$1.8B in revenue

=



- 1,487 participating customers

- Over \$48M in discounts received by participating customers

# Proposed 2015 Promotions

# Promotions Objectives

- **Mobile Technology Integration**
  - Build upon previous promotions and continue strategy to encourage mailers to integrate direct mail with mobile technology
- **Technology Drives Relevance**
  - Leverage the value of innovative direct mail techniques that are effective but less widely used
- **Leverage Value of First-Class Mail**
  - Promotions intended to slow the declining volume trends in transaction mail and ensure reply mail and FCM advertising remain a relevant part of the FCM mix

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

As of: 11/24/14

JAN – FEB - MARCH

APRIL – MAY - JUNE

JULY – AUG - SEPT

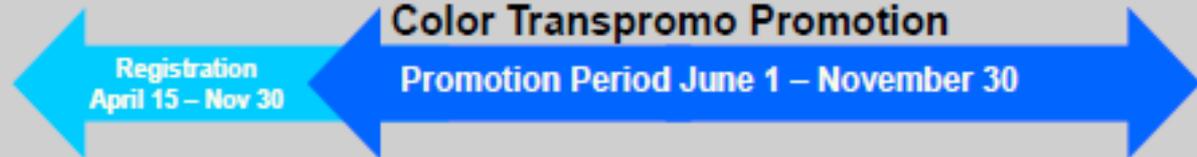
OCT – NOV - DEC

## FIRST-CLASS MAIL®

### Earned Value Promotion

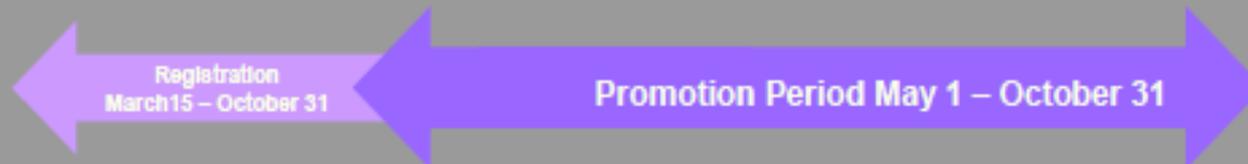


### Color Transpromo Promotion



## STANDARD AND FIRST-CLASS MAIL

### Emerging and Advanced Technology Promotion



## STANDARD MAIL®

### Mail Drives Mobile Engagement Promotion



## 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.

## Earned Value Promotion – Speeding up Credit Release

### ■ Situation in 2014

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

### ■ Improvements for 2015

- New functionality in Program Registration:
  - Automated threshold calculation based on enrolled MIDs
  - Automated credit per piece adjustment for mailers meeting or exceeding their volume thresholds

## 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



## Mail Drives Mobile Engagement

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

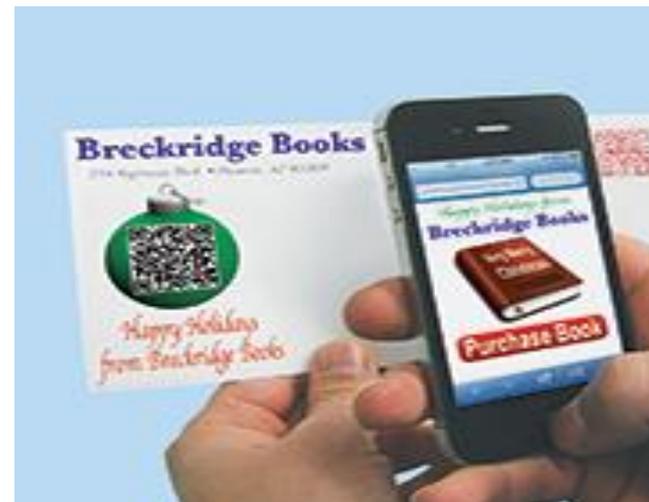
**Registration Period:** May15 – December 31

**Promotion Period:** July1 – 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



## Emerging and Advanced Technology

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

### *New features proposed for 2015*

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

<http://youtu.be/suwappe3qnw> (Lexus NFC)  
<http://youtu.be/vDNzTasuYEw> (IKEA AR)

- NFC/AR Demos

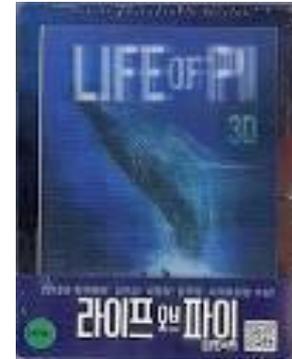
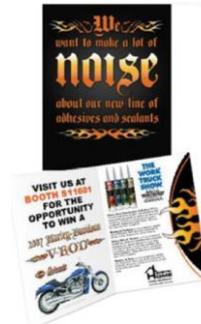


- Emerging/Advanced Technology Promotion is not limited to devices, circuits or software...
- Expanding this category to include innovative advances in papers, ink, and other interactive elements
- Case studies show significantly higher customer engagement, response rates, and even *delight* when mail pieces incorporate materials with advanced properties

## Emerging and Advanced Technology New Entrants

- Advances in Paper characteristics – provide new levels of sensory engagement to help drive increased customer response

- Textural, Scented, Sound, Visual



- Interactive mailpieces

- 3-Dimensional, pop-ups, infinite folding, etc.



<http://youtu.be/ZzTRtUS66Hg> (Piggy Bank interactive)

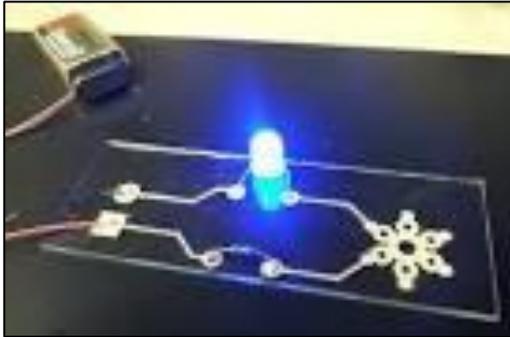
<http://youtu.be/PJWAf0IAu70> (Exploding Map interactive)

- Advances in Inks

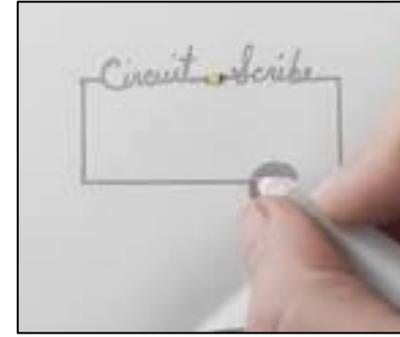
- Change color based on variations in temperature, pressure, exposure to liquid or light
- Conductive inks can print a “circuit” which can be used to activate other components 19 (light, sound)

- Inks may include (but are not limited to):
  - Conductive inks**: become part of a circuit and activate a device
  - Leuco Dyes**: change color with variations in temperature
  - Hydrochromics**: change color upon contact with liquid
  - Photochromics**: change color with UV light exposure
  - Optically Variable Ink**: contains metallic materials that change appearance when viewed from different angles
  - Piezochromic Ink**: change appearance under pressure

*Conductive inks*: become part of a circuit and activate a device



Printed conductive inks create the circuit for conductive flow



Conductive Ink Pen

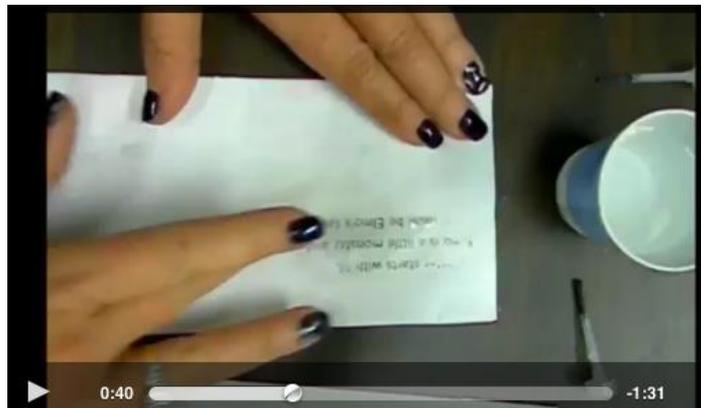
- **Conductive inks contain metals, such as copper, and are printed onto paper and substrates like any other ink.**
- **Tiny, flexible batteries power the printed circuits**
- **Users press a “button” to close the circuit, and can actuate other devices, such as lights, sound chips, or other electronic sensors and components.**



Printed circuit rear-window defrosters and antennas



# Hydrochromics: change color upon contact with liquid



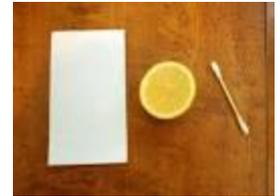
# Photochromics: change color with UV light exposure



*Optically Variable Ink*: contains metallic materials that change appearance when viewed from different angles

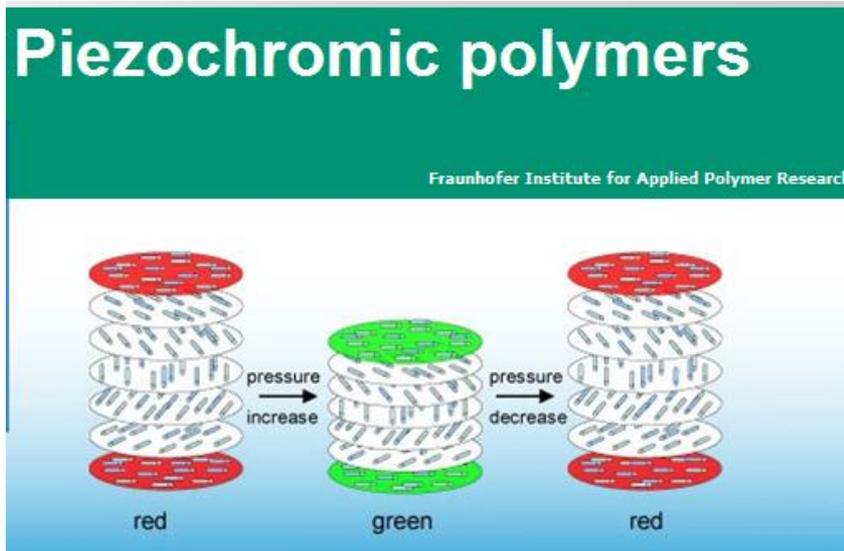


Security, anti-counterfeiting applications



No kidding, Invisible Inks

*Piezochromic Ink*: change appearance under pressure



- **Program Office contact:**

**Email:** [mailingpromotions@usps.gov](mailto: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-and-incentives.htm>

- **Registration**

<https://gateway.usps.com>

- **PostalOne Help Desk:**

(800) 522-9085 or [postalone@email.usps.gov](mailto:postalone@email.usps.gov)

Proposals for 2016 promotions can be sent to:

[MailingInnovations@usps.gov](mailto:MailingInnovations@usps.gov)

Follow USPS:     

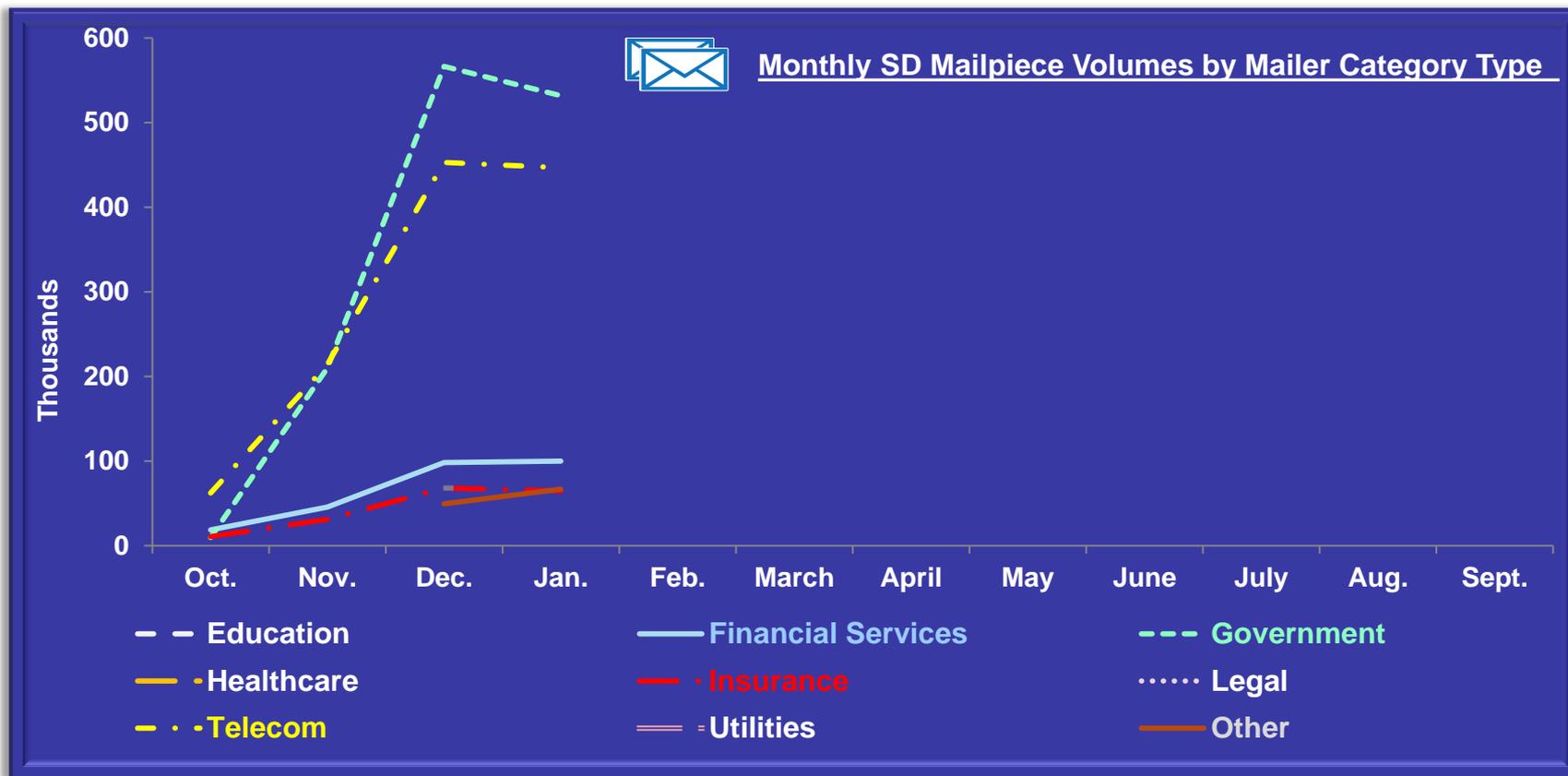
<http://usps.com/news>, <https://twitter.com/USPS>, <http://www.linkedin.com/usps>, <https://www.facebook.com/USPS>,  
<http://www.pinterest.com/uspsstamps/>, <https://www.youtube.com/usps>



# Secure Destruction Program Update



- 6 Major Mailers currently participating
- 3,474,040 pieces of SD mail processed thru 1/31/15
- Approx. 87 metric tons of paper shredded and recycled





## Summary of Efforts Completed Thus Far to Increase Mailer Awareness of SD Mail Service:



- **Issued Secure Destruction Industry Alert (Nov 2014)**
- **SD Presentations (2014 -2015)**
  - ✓ Panel Presentation of Participating Mailers at Nat'l Postal Forum (May)
  - ✓ Major Mailers Association Conf. Presentation (Sept)
  - ✓ PostCom Presentation (Sept)
  - ✓ MTAC Presentation (Nov)
  - ✓ National Industry Webinar on Secure Destruction (Nov)
  - ✓ Nat'l Postal Policy Conf. Presentation (Dec)
  - ✓ Direct Presentations to Major Mailers (Aug 14 to Jan 15)



## Summary of Efforts Completed Thus Far to Increase Mailer Awareness about SD Mail Service (continued):



### Awareness Tools and Resources

#### RIBBS Secure Destruction Webpage

- ✓ SD Checklist for Interested Mailers
- ✓ SD Primer for Mailers PowerPoint Presentation
- ✓ SD Fact Sheet
- ✓ SD Pamphlet for Mailers
- ✓ SD Frequently Asked Questions
- ✓ Information Security Cross Comparison Matrix
- ✓ SD eNotification Requirements Guide
- ✓ SD PCC Workshop in Box (RIBBS PCC webpage)

<https://ribbs/index.cfm?page=securedestruction>





## Ongoing Efforts Planned for FY15:

- Bi-Monthly Meetings with the SD External Stakeholder Workgroup (ongoing)
- Direct Customer Contact and Support via our Business Alliance, National Strategic Accounts and Sales Staff
- Presentations via WebEX to Interested Major Mailers
- Follow-up Panel Presentation at National Postal Forum
- Other Marketing and Sales Strategies Under Discussion



**For Additional Information on Secure  
Destruction visit the RIBBS SD Webpage at  
<https://ribbs/index.cfm?page=securedestruction>**

**SD Enrollment Questions?... Contact the  
National Customer Support Center at:  
Phone: [877-640-0724](tel:877-640-0724), option 1  
Email: [acs@usps.gov](mailto:acs@usps.gov)**



**Questions?**

# Open Discussion