Periodical Mail Product Development

MTAC

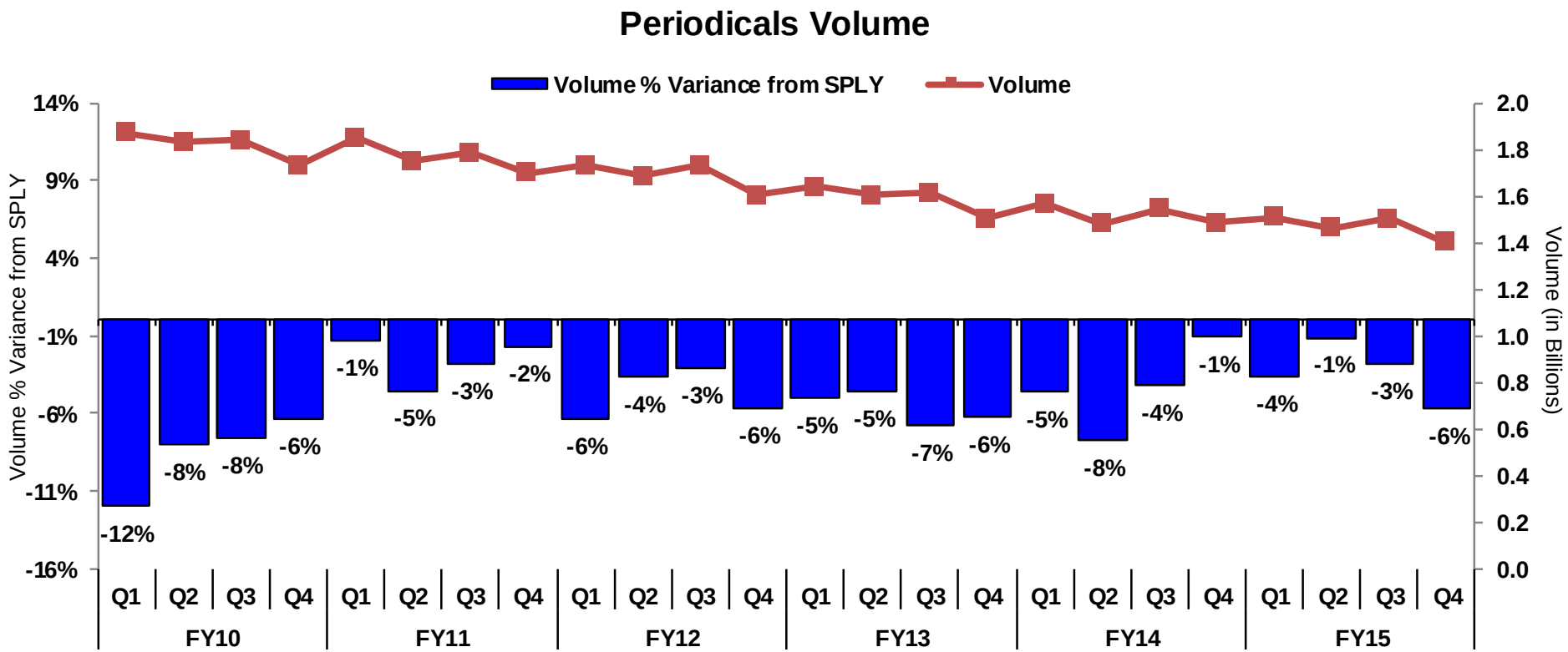
November 18, 2015

Agenda

- Pulse of the Industry
  - Periodical Mail Volumes and Trends
- 2015 Promotions Update
- 2016 Promotions Update
- Overview 2016 New Technologies
- Re-launch/Re-brand Alternate Postage: Simplification
- Informed Delivery Update
- Pricing
- Open Discussion

Pulse of the Industry

Periodicals Volume



Source: RPW Quarterly Reports

2015 Promotions - Update

2015 Promotion Calendar

UNITED STATES POSTAL SERVICE®

As of: 5/7/15

JAN – FEB - MARCH	APRIL – MAY - JUNE	JULY – AUG - SEPT	OCT – NOV - DEC

FIRST-CLASS MAIL®

Earned Value Promotion

Registration March 15 – April 30

Promotion Period May 1 – July 31

Color Transpromo Promotion

Registration April 15 – Nov 30

Promotion Period June 1 – November 30

STANDARD AND FIRST-CLASS MAIL

Emerging and Advanced Technology Promotion

Registration March 15 – Nov 30

Promotion Period June 1 – November 30

STANDARD MAIL®

Mail Drives Mobile Engagement Promotion

Registration May 15 – Dec 31

Promotion Period July 1 – December 31

Download the free Zappar App

Zap for a live experience

2015 Promotions Update

Earned Value

- BRM: Total pieces: 37.1M Total Credits: $859.9K
- CRM: Total pieces: +451.4M Total Credits: +$10.4M
  488.5M $11.3M
- Over 300 companies agreed to their credits; released $11.3M in credits

Color Transpromo

- 1.0B mailpieces; $395.6M in revenue
- Over $8.0M in discounts received by participating cus

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Emerging & Advanced Technology

- 3.7B mailpieces; $800.5M in revenue
- Over $16.2M in discounts received by participating customers

Mail Drives Mobile Engagement

- 3.8B mailpieces; $990.5M in revenue
- Over $20.1M in discounts received by participating customers

2016 Proposed Promotions Update

2016 Proposed Promotions

- USPS filed proposed 2016 promotions calendar with PRC on November 16
- PRC has 45 days to approve
- Draft promotion requirements were shared with User Group 8 for their review and comments

UNITED STATES POSTAL SERVICE®

Version 4 11/16/2015

Proposed 2016 Promotion Calendar*

*This calendar is PRELIMINARY and subject to PRC approval

JAN — FEB — MARCH | APRIL — MAY — JUNE | JULY — AUG — SEPT | OCT — NOV — DEC

FIRST-CLASS MAIL®

Earned Value

Registration
February 15 –March 31

Promotion Period (3 months)
April 1 – June 30

DRAFT

Personalized Color Transpromo

Registration
May 15 - December 31

Promotion Period (6 months)
July 1 – December 31

STANDARD MAIL® AND FIRST-CLASS MAIL

Emerging and Advanced Technology/Video In Print

DRAFT

Registration
January 15 – August 31

Promotion Period (6 months)
March 1 – August 31

STANDARD MAIL

Tactile, Sensory & Interactive Mailpiece Engagement

DRAFT

Registration
January 15 – August 31

Promotion Period (6 months)
March 1 – August 31

Mobile Shopping

Registration
May 15 – Dec 31

Promotion Period (6 months)
July 1 – December 31

Proprietary & Confidential

Proposed 2016 Promotion Calendar*

*This calendar is PRELIMINARY and subject to PRC approval

Great Mailing Opportunities

The 2016 "Proposed" USPS Mailing Promotions* continues to build on the engagement strategies of the 2015 Promotions. The promotions focus on providing marketers with the opportunity to engage their customers by using dynamic color, new print techniques, mobile technology as well as traditional and innovative mail techniques. The promotions are designed to create excitement about mail and provides multiple opportunities for mailers to enhance the value of their mail.

First Class Mail Promotions

Earned Value Reply Mail (April 1 – June 30, 2016) - This promotion is designed to encourage mailers to promote First-Class Mail as a primary reply mechanism for their customers and to keep the CRM/BRM envelopes in their outgoing mail pieces by providing a financial benefit when the CRM/BRM envelopes are used. Mailers who register their MID information and use eligible Intelligent Mail® barcodes (IMbs) on their reply pieces will receive a postage credit for each mailpiece that is returned to the mailer during the promotion period. **Registration runs February 15 – March 31.**

Personalized Color Transpromo (July 1 – December 31, 2016) – Since 2014, the USPS has provided this promotion to encourage mailers of bills and statements to use color messaging in order to create a greater connection to and response from consumers. This promotion will provide an upfront 2% postage discount to mailers who use dynamic/variable color print for personalized transpromotional marketing messages on their bills and statements. This approach is intended to continue to grow the value of First-Class Mail and encourage mailers to invest in color print technology. **Registration runs May 15 though December 31, 2016.**

DRAFT

Great Mailing Opportunities - Cont.

First Class & Standard Mail Promotion

Emerging & Advanced Technology/Video in Print (March 1 – August 31, 2016) – The USPS continues to encourage mailers to integrate direct mail with mobile technology and now, with video/print technology. Mailers can earn an upfront 2% postage discount on mailpieces that include the use of standard NFC, or an "enhanced" augmented reality experience (augmented reality superimposes digital images or content over a live image of a mailpiece – "*Enhanced* AR" introduces additional animation and user interaction features). These mobile-based technologies allow the recipient to engage in innovative digital experiences triggered from their mailpiece. New for this year is the inclusion of *Video in Print* to generate opportunities that leverage new video technologies incorporated with a printed mailpiece. **Registration runs January 15 though August 31, 2016.**

Standard Mail Promotions

Tactile, Sensory & Interactive Mailpiece Engagement (March 1 – August 31, 2016) – Tactile, sensory and interactive mailpieces were included in 2015's Emerging & Advanced Technology Promotion. Due to its popularity, this year includes a new promotion focused solely on these applications. Advancements in paper, ink and interactive mailpiece elements provide marketers exciting new ways to enhance customer engagement opportunities. The engagement can be achieved through the innovative use of specialty inks, sensory elements, textural papers, and the use of folds or other dimensional elements that the recipient can interact with and manipulate on the mailpiece. This promotion provides mailers with the opportunity to earn an upfront 2% postage discount by incorporating these features. **Registration runs January 15 though August 31, 2016.**

DRAFT

Proposed 2016 Promotion Calendar*

*This calendar is PRELIMINARY and subject to PRC approval

Great Mailing Opportunities - Cont.

Mobile Shopping (July 1 – December 31, 2016) - This promotion provides mailers with the opportunity to earn an upfront 2% postage discount by integrating mobile technology with direct mail. Using technology platforms such as Quick Response (QR) Codes, Snap Tags, Watermarks and other advanced technologies, the consumers is launched from the mailpiece into online shopping experiences. This year adds *social media* opportunities through "Buy It Now" features highlighted to support shopping during social media activities. This promotion encourages mailers to adopt technologies that create consumer excitement and highlight the connection between the mailpiece and the digital shopping experience. **Registration runs May 15 though December 31, 2016.**

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- **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-and-incentives.htm

- **Registration**

  https://gateway.usps.com

- **PostalOne Help Desk:**

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

Proposals for 2017 promotions can be sent to:
MailingInnovations@usps.gov

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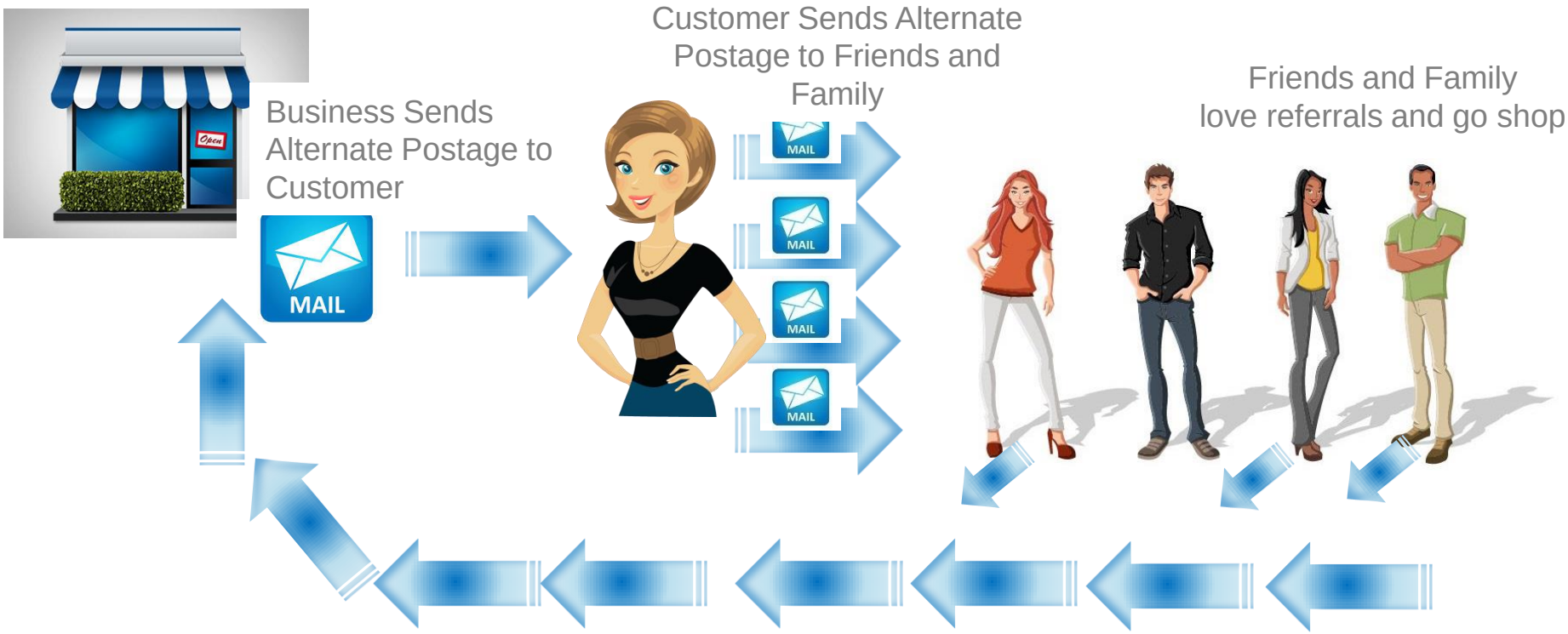
Overview of 2016 New Technologies

Re-launch/Re-brand Alternate Postage: Simplification

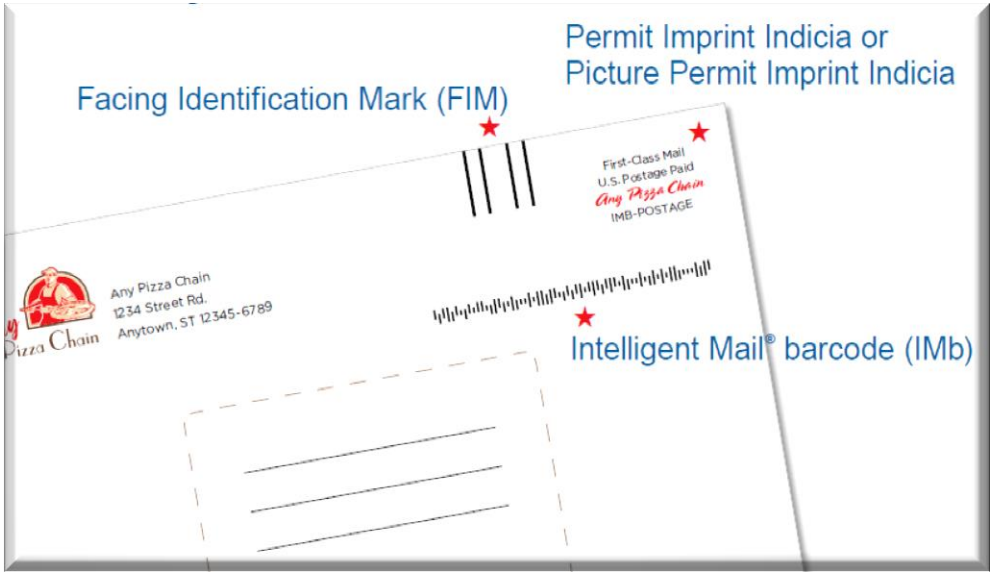
Share Mail

Enable Your Customers to Promote Your Business



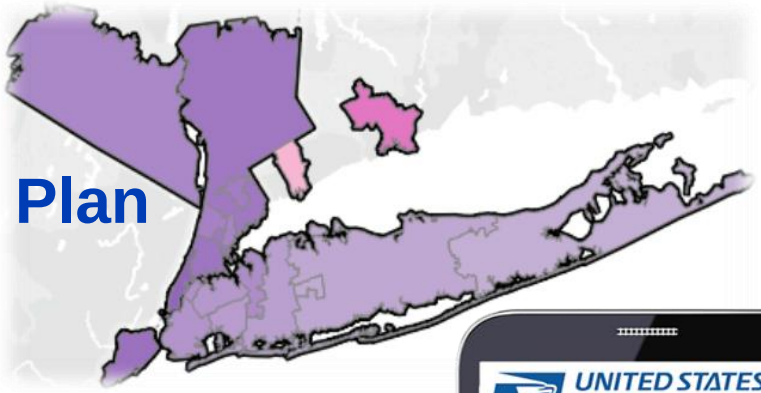
Planned Changes

- **New Name – Share mail (applied for TM – alternative Social Mail)**
- **Easy Onboarding**
- **Fewer Requirements / Testing**
- **Proposed Price Structure – eliminate tiers (2017)**



Informed Delivery

Informed Delivery (prev. Real Mail)



New York Metro Area Expansion Plan

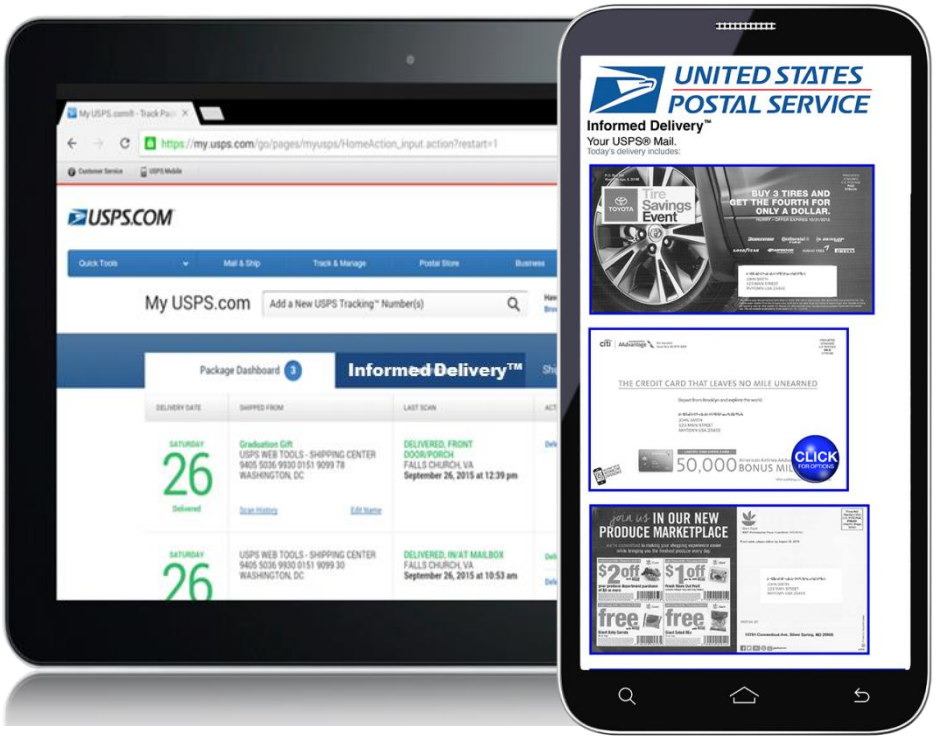
- ★ ZIP Codes: 066, 069, 100-119
  - Rolling launch began November 2
    - Systems ready (Starting with Western Nassau)
    - Test with Employees – this week
    - Test with consumers – marketing starting Nov. 13
      - Projected goal of >100k customers
  - Over 40 Mailers interested in participating
    - Direct Mail (Letter)
    - Catalogers

Eventual Home on My USPS

-- January --

Consumers will be able to:

- Check mail and package deliveries
- Download My USPS Package and Mail Mobile App



Informed Delivery Key Success Metrics

Consumers

- ★ Response Rate to our Marketing
  - Users Acquired
- ★ User Behavior:
  - Frequency checking alerts
  - When in the day
  - Qualitative feedback (Survey)
  - Retention Rate of Users
  - Frequency for checking Mailbox

Mailers

- ★ Direct Mail Response
  - Users vs. Non-Users
- ★ Click-throughs
- ★ Mailer Testing
  - ★ Mailer Feedback
- ★ Industry Use Cases

Pricing

Open Discussion

Open Discussion

- MSP additional credit
- Pre-Approval/Mail Acceptance samples
- 2017 Promotion Idea Template
- USPS Innovations Lab--tour sign up