

## MTAC Focus Group Session Notes

Wednesday, July 13, 2016

### EMERGING TECHNOLOGY & PRODUCT INNOVATION

Gary Reblin, USPS VP-New Products and Innovation

Steve Colella, MTAC Industry Leader, Emerging Technology & Product Innovation

#### Session 1: FIRST-CLASS MAIL

(Mike Tate, MTAC Industry Leader)

Gary Reblin welcomed all and provided an agenda overview.

Pulse of the Industry – Mike Tate provided and praised the Postal Service for providing earlier notice of the 2017 promotions. Gary wants to keep the process creative especially with promotions such as the tactile which offers much opportunity for innovation. Mike said the other topic on the mind of the Industry is Informed Delivery. The Industry wants to be informed about the timetable and the Industry wants to see data behind why the Postal Service feels it should move forward in early 2017.

First-Class Mail Volume-trend line fairly stable-around zero.

Single piece is still going down but trend has positive slope in decline. Overall First-Class Mail decline is around 2%.

#### **2015 Promotions Recap:**

##### Earned Value:

BRM Total Pieces	37.1MM	Total Credits:	\$859.9K
CRM Total Pieces	451.4MM	Total Credits:	\$10.4M
Total Pieces	488.5MM	Grand Total:	\$11.3M

##### Color Transpomo

- 1.1B mailpieces over \$433 Million in revenue
- Over \$8.8 million in discounts received by participating customers

##### Emerging and Advanced Technology

- 4B mailpieces \$859M in revenue
- Over \$17.5M in discounts received by participating customers

##### Mobile Shopping

Updated: \_\_\_7/19/16\_\_\_\_\_

- 5.6B mailpieces
- \$1.4B in Revenue
- Over \$28.8M in discounts received by participating customers

### **2016 Promotions Recap:**

#### Earned Value:

- 480 customers enrolled
- As of 7/7/16: CRM pieces-over 386M, BRM pieces over 33M
- 2016 credits release begins 7/11/16
- 2013 credits expire 8/15/16

#### Emerging and Advanced Technology:

Through 7/6 - promotion ends 8/31/16

- Registered: 219
- Participants: 179
- Volume: 3B pieces
- Discount: \$15Milion
- No participation in A/B testing

#### Tactile, Sensory and Interactive

Through 7/6 - promotion ends 8/31/16

- Registered: 209
- Participants: 123
- Volume: 982M pieces
- Discount: \$4M

#### Personalized Color Transpomo

Registration began May 15

- Registered: 44
- Participants: 11
- Volume: 3MM pieces
- Discounts: \$33K

#### Mobile Shopping:

Through 7/6 – promotion ends 12/31/16

- Registered: 377
- Participants: 100

Updated: \_\_\_7/19/16\_\_\_\_\_

- Volume: 121 M pieces
- Discounts: \$642K

Vicki Stephen, Director Mailing Services introduced Angela King who has taken over responsibility for Earned Value Promotion from Elke Reuning-Elliot who is now working with Steve Monteith.

#### Promotion Survey Support

- Surveys are required for every promotion
- All promotion participants agree to complete an end of promotion survey
- 2015 promotion survey trend currently averages about 40% completion
- 2016 Promotion surveys (Earned Value, Emerging & Advanced Technology, Tactile, Sensory & Interactive Engagement) will begin this fall
- UG8 input to support survey completion

#### Final Mailpiece Submission Requirements

- Required at Promotion Office for Tactile, Sensory & Interactive Engagement
- Required at BMEU for all mailings

#### Action Items Discussed: For User Group 8

- how to incorporate A/B testing into future promotions with goal of encouraging mailers to test while eliminating barriers that prevented previous participation.
- Consider how to increase survey participation.
- Target to have zero disputes between USPS and Industry participants over whether mail piece qualifies for promotion.

#### **2017 Promotions**

##### Earned Value

- Increased discount to 5 cents per piece credit
- Runs for 6 months-January 1 to June 30, 2017
- Includes Shared Mail
- No additional credits to mailers who meet or increase prior year's volume

Vicki Stephen emphasized the average value of referred customers is high and Gary mentioned there are a lot of uses for Shared Mail in the political arena for instance. Vicki stressed any concerns about requirements should be made known to her or her staff now since requirements for 2017 are now being written. She also invited anyone wanting to get involved with User Group # 8 on promotions should contact her, Steve Colella or Coakley Workman.

Updated: \_\_\_7/19/16\_\_\_\_\_

### Color Transpromo

July 1-December 31

First time participates can qualify by only adding color and then moving to personalization.

### Emerging and Advanced Technology

March 1-August 31 New in 2017:

- Adding virtual reality and technology that facilitates programmatic and retargeting marketing strategies
- Will not offer an A/B testing option

Action Item discussed: User Group 8 is to help USPS define “retargeted customer” as part of Emerging and Advance Technology requirements.

### Tactile, Sensory and Interactive Engagement

- Slight adjustments to requirements will most likely remove some qualifying characteristics
- Will work with UG8 for input on our final requirements.
- Plan is still to require final finished mailpiece on file for USPS to be in compliance for auditing

### Personalized Transpromo

- New Personalized Color Transpromo

### Direct Mail Starter Promotion: May 1-July 31, 2017

Intended to encourage small business mailers to design direct mail marketing campaigns that incorporate a qualifying technology such as a QR code which leads the consumer to a mobile optimized website

- Targeting companies not presently in the mail.
- Cap of 10,000 piece per CRID
- Promotion will run for 3 months
- Discount is 5% for regular and nonprofit Standard Mail letters and flats that meet promotional requirements

### Mobile Shopping Promotion: August 1 –December 31, 2017

This promotion encourages mailers to integrate into their direct mail pieces mobile technology that facilitates an online shopping experience, and in turn, creates a convenient method for consumers to do their online shopping, particularly during the holiday season. Regular and nonprofit standard mail letters and flats that meet the promotion requirements will be eligible for an upfront two percent postage discount during the promotion period

Updated: \_\_\_7/19/16\_\_\_\_\_

Additional Notes:

- August-program requirements estimate release
- Industry Promotion suggestion update
- MTAC Task Team #24 – considering promotion options for Mail Service Providers (MSPs)

Irresistible Mail

- Contest continues in 2017
- Quarter 2 submissions due online by September 26<sup>th</sup>
- Quarterly winners compete to become Grand Champion
- Winning Client, Agency and Printer will be announced at NPF 2017

[www.irresistiblemail.com/award](http://www.irresistiblemail.com/award)

Gary Reblin showed examples of winning mailpieces of the IRRESISTIBLE Mail contest including a health care piece which cost \$300 (very targeted to sell expensive medical equipment). The call to action and purchase in these mailpieces is key.

Informed Delivery Update:

- Still getting high daily open rate
- No marketing effort presently on going
- Have another 35,000 people to “on board” week of 7/18 which brings total of participants to over 100,000
- Over 20% of people move annually, USPS feels this is an opportunity to sign individuals up as USPS at that time validates individual and address moving from and to.
- Also opportunity to capture new users when they request hold on their mail.
- 40% of people in program stated they previously never used to look at mail because mail reviewed and/or screened by other family member – thus this is an opportunity to tap a whole new group of customers via Informed Delivery.

Mailer Campaign Testing

- 25 Retailers
- 15 Insurance
- 14 Financial Services
- 9 Mail Order Catalog

11 completed campaigns

Updated: \_\_\_7/19/16\_\_\_\_\_

3 Active campaigns

30+ campaigns projected for completion by August

### **Operational Pilot**

Goal: Test Service and Increase Awareness

#### Priorities

- Increase broad mailer awareness
- Onboard willing early “test” mailers
- Enroll initial consumer users
- Analyze post campaign results/mailer to improve capabilities/data needs
- Define general value proposition for mailers
- Data Analysis and campaign results quality checks

User Acquisition (as of 7/5)

Total Users: 74,556

NY/CT: 71,028

NoVa users: 3,528

Additional 35,000 users to be added week of July 18

#### Current 5 Digit Zip Codes:

In NY/CT: 653 zip codes

NoVa: 192 zip codes

#### National Rollout Schedule: Start January 2017

- 1 Southern CA
- 2 San Francisco
- 3 Houston and Dallas
- 4 Philadelphia and Pittsburgh
- 5 Remainder of NY, Northern NJ and Long Island
- 6 Chicago, Detroit and Minneapolis
- 7 Miami and Atlanta

USPS may add some rural areas during this schedule.

**Pricing/Product Simplification First-Class Mail Considerations-Industry Discussion – Led by Steve Monteith, USPS Executive Director Product**

Updated: \_\_\_7/19/16\_\_\_\_\_

Steve stressed anything being discussed today is the proposed process and specific ideas are only proposals at this point which have yet to receive approval from any of the required parties involved.

6 x9 card and First-Class Drop Ship-still on list but not actively being pursued

Proposed Schedule:

- Share concepts with MTAC 7/12-7/13
- August: Share Technical Changes and Draft Postage Statements with developers
- August: Share Draft Mailing Statements
- Sept/Oct: File PRC Market Dominant
- Nov: Competitive Filing
- Nov/Dec: Publish Final Prices, Standards
- 1/8: Target implementation pre-releases
- 1/22: Targeted Price Effective Date

Three proposals:

- Combine AADC and 3 Digit Auto letters –prices already the same so change will be with prep rules only-not sure if this will create more work for MSP
- 3<sup>rd</sup> Ounce Free-not ready to go to 3.5 or other weight so only moving to 3<sup>rd</sup> ounce for now
  - Industry would like requirement of print “P1 or P2” on mail piece
- 3<sup>rd</sup> Ounce Free for commercial letters

In response to question from Mike Tate on how Industry to provide feedback Steve said this should come to himself and/ or Steve Phelps (introduced as the new Manager Pricing) and / or Becky Dobbins.

**ACTION ITEMS – FIRST-CLASS MAIL**

**User Group # 8 to look at the following:**

- **how to incorporate A/B testing into future promotions with goal of encouraging mailers to test while eliminating barriers that prevented previous participation.**
- **Consider how to increase survey participation.**

Updated: \_\_7/19/16\_\_

- **Target is to have zero disputes between USPS and Industry participants over whether mail piece qualifies for promotion.**
- **Help USPS define “retargeted customer” as part of Emerging and Advance Technology requirements.**

## **Session 2: STANDARD MAIL**

**(Rose Flanagan, MTAC Industry Leader)**

Gary Reblin welcomed all and covered the planned agenda.

Pulse Report: nothing to report.

2015 Promotions: See First-Class Mail Notes

2016 Promotions: See First-Class Mail Notes

2017 Promotions: See First-Class Mail Notes

Standard Mail Volume:

Up 2% in QTR 2 2016-slight growth

Action Item discussed: Promotional Group should send notification to people who are to receive a survey to let them know that one is coming - so if they do not receive it they can contact USPS

Action Item discussed: USPS to send email out explaining where Shared Mail rates are located. Rates are presently under ‘Alternative Mail’ name. The USPS is in process of changing name and simplifying rules.

### **Pricing/Product Simplification Standard Mail Considerations-Industry Discussion – Led by Steve Monteith, USPS Executive Director – Product**

Steve stressed anything being discussed today is the proposed process and specific ideas are only proposals at this point which have yet to receive approval from any of the required parties involved.

Proposed Schedule:

- Share concepts with MTAC 7/12-7/13
- August: Share Technical Changes and Draft Postage Statements with Developers
- August: Share Draft Mailing Statements

Updated: \_\_\_7/19/16\_\_\_\_\_

- Sept/Oct: Final PRC Market Dominant
- Nov: Competitive Filing
- Nov/Dec: Publish final prices, standards
- 1/8: Target implement pre-releases
- 1/22: Target price effective date

Proposed Initiatives:

- Combine AADC and 3 digit letters to one category-price has been same for years so only prep changes
- Eliminate 3.3 oz. -3.5 oz. weight break (Commercial and Nonprofit Letters)
- Simplify Simple Samples - move from 6 tiers to 2 tiers
- Increase Standard Mail flats piece price weight break from 3.3 ounces to 4 ounces
- FSS Standard Mail revert to previous structure - had two pricing IE FSS scheme Pallet and Other FSS - so looking to go back to previous structure eliminating separate price- still need to prepare as FSS (no change to FSS prep rules) but pay non FSS prices

### **ACTION ITEMS – STANDARD MAIL**

- **Promotional Group should send notification to people who are to receive a survey to let them know one is coming - so if they do not receive it they can contact USPS.**
- **USPS to send email out explaining where Shared Mail rates are located. Rates are presently under 'Alternative Mail' name. The USPS is in process of changing name and simplifying rules.**
- **Work Group # 8:**
  - **Work toward goal of zero disputes on promotions**
  - **Refine requirements for 2018 promotions**
  - **Refine requirements for A/B testing**

### **Session 3: PERIODICALS**

**(Randy Stumbo, MTAC Industry Leader)**

Gary welcomed everyone and reviewed the agenda for today.

Periodical Volume QTR 2 down 7%

Updated: \_\_\_7/19/16\_\_\_\_\_

### Shared Mail

- Have eliminated requirement for upfront contract
- No longer need unique IMb

2015 Promotions: See First-Class Mail notes

2016 Promotions: See First-Class Mail notes

2017 Promotions: See First-Class Mail notes

USPS research shows first time users who participate in promotions increase their mail volume 10-12% annually; USPS does not see same type of growth with companies that do not participate in promotions.

Repeat users maintain original growth and continue growth at 1-2% annual rate.

Discussion around why Earned Value Credit cannot be used on Periodicals mail itself.

Action Item discussed: Gary Reblin to check with attorneys to see if there is any reason USPS cannot allow Earned Value Credit to be applied to Periodicals mailings.

### **Periodical Promotion Suggestion Review:**

#### Periodical Sampling Holiday (preferred periodicals)

- Statutory regulations do not allow for this type promotion

#### Periodical Sampling Holiday (non-Preferred Periodicals)

- Statutory regulations do not allow for this type promotion

#### Emerging and Advanced Technology in Periodicals

- Discounts cannot be provided on products not covering costs

#### Periodicals Prospecting with Standard Mail

- Further research needed/potential to participate in current promotions

The group suggested that USPS go directly to Postal Regulatory Commission (PRC) to get answer and bypass USPS attorneys.

There was also discussion regarding earning discount on Periodicals product but apply discount to future Standard Mail mailing.

### **Informed Delivery:**

See First-Class Mail notes

USPS is testing bundle scans-right now - issue with getting scans in timely manner

Updated: \_\_\_7/19/16\_\_\_\_\_

**Pricing/Product Simplification Periodicals Considerations-Industry Discussion – Led by Steve Monteith, USPS Executive Director – Product**

Steve stressed anything being discussed today is the proposed process and specific ideas are only proposals at this point which have yet to receive approval from any of the required parties involved.

Timeline-see First-Class Mail notes

Initiatives:

- FSS Periodicals revert to previous structure-FSS prep still required but FSS special pricing eliminated.

Action Item discussed: Industry would like to model FSS structural changes-Steve Monteith and Steve Phelps to look into how to model new FSS structure. Mid August time frame to get feedback from USPS.

**ACTION ITEMS - PERIODICALS**

- **Gary Reblin to check with USPS attorneys to see if there is any reason USPS cannot allow Earned Value credits to be applied to Periodicals mailings.**
- **Industry would like to model FSS structural changes-Steve Monteith and Steve Phelps agreed to look into how to model new FSS structure (mid August time frame to provide feedback).**

**Session 4: PACKAGE SERVICES**

**(John Medeiros, MTAC Industry Leader)**

Gary Reblin welcomed all and introduced Steve Monteith, Executive Director - Product and Steve Phelps, Manager Pricing who will be working on Pricing and Product changes which Sharon Owens, VP Pricing and Costing discussed yesterday in the MTAC Open Session.

Gary introduced Tiffany Jesse who is acting for Karen Key for this month while Karen is on leave.

Pulse Report:

- Update on Brand Manager
- Update on allowing Packages to participate in promotions
  - Part of issue is Packages is in competitive

Updated: \_\_\_7/19/16\_\_\_\_\_

- Can do NSA for programs that lead to growth

Steve Monteith provided update on proposed changes:

(note: Steve stressed anything being discussed today is the proposed process and specific ideas are only proposals at this point which have yet to receive approval from any of the required parties involved).

Time Line-see First-Class Mail Notes

#### Items under Consideration-January 2017

- Eliminate Permit and Account Maintenance Fee for Outbound and Returns Shipping Products
- Reduce the tiers for Standard Mail Marketing Parcels; Simple Samples reducing from 6 to 2
- Map Street Address to Group E PO Box

Action Item discussed: USPS to distribute Group E PO Box information to Industry

- Establish Price Point for Premium Forwarding Service - Commercial Flat Rate Containers for
  - Priority Mail Express (Half and Full Trays)
  - Priority Mail (Half and Full Trays)
- Create Regional Parcel Return Service - Return Distribution Centers (RDCs) Pickup Locations for Negotiated Service Agreements (NSA) only

Action Item discussed: Retail Premium Forwarding to be made it a feature on MyUSPS.

Electronic Version:

Proposing to eliminate hard copy Form PS 3801 and move to total electronic version

- Pallet Priority Mail Open and distribute International mail
- Pallet Priority mail open and distribute International (PPMODI) container expedite movement of any class or subclass of mail between the acceptance unit and International service Centers (ISC)
  - Eligible International products
  - Priority Mail Express International
  - Priority Mail International

Updated: \_\_\_7/19/16\_\_\_\_\_

- First-Class Package International
- Two International pallet labels must be placed on each pallet , one on each adjacent side

#### Online Refund Applications

- Refund request on USPS.com
  - Priority Mail Express
  - Extra Services
- Claims Bulk File upload on Business Customer Gateway
  - Damaged, missing or lost items

#### USPS Return QR Code

QR Codes on:

- Return shipping labels
- Collection Boxes
- Packaging Supplies
- PS Form 3849 Left Notice

Allow customer to

- Request Redelivery
- Request Package Pickup
- Locate a Post Office

Field SOPs June 1, 2016

Field SOPs:

- Caution Heavy Label (Label 035CH)
- Special Handling-Fragile (Label 875)
- Processing COD Remittance Priority Mail Express

Communications to Field

- Postmasters
- Station and Branch Managers
- Plant Managers

Targeted USPS Functions:

- Retail (including Manual Offices)
- Back Office

Updated: \_\_\_7/19/16\_\_\_\_\_

- Delivery
- Processing Operations

#### CR-1247-RSS Workflow PME11-B

##### Previous

Handwritten address on PME label 11 B are not always legible on 3<sup>rd</sup> play

##### New

Add a daily memo alert

#### PS Form 3665 and 3606 D-Live Cycle Form

March 2016 Created external form fill live Cycle versions

Data can be typed into form on screen

#### China Inbound Shipping Label

No USPS permit numbers

Barcoded label to ensure delivery

For: First-Class Package Services, Parcel Select Lightweight, and Priority Mail™

Action Item discussed: Check to see if Parcel Select is also included in China Label and has new label been communicated to Industry.

#### Hold Mail Proposed Changes

- Online allow Accumulated Mail redelivery option to be the same as delivery location attributes
  - Can instruct where to leave the mail
  - In/at mail box
  - Front door
  - Left with individual (at address)
- Online allow for Next Day Hold Mail Request if submitted by 2AM CST
- Image PS form 8076 authorization to hold mail so that information can be uploaded into the online application
- Add text and email to PS form 8076 Authorization to Hold Mail
- Add barcode to PS Form 8076 to scan when mail goes into/out of hold mail status and upload data to customer
- Establish arrival at unit Hold Mail Alert
- Create MYPO task for Hold Mail end date by address and carrier route
- Online allow Hold Mail request for 2 day to 30 days

Updated: \_\_\_7/19/16\_\_\_\_\_

- Ability to schedule multiple old periods
- Place Hold Mail option in self service Kiosk (SSK)

### **ACTION ITEMS – PACKAGE SERVICES**

- **USPS to distribute Group E PO Box information to Industry.**
- **Retail Premium Forwarding to be made a feature on MyUSPS.**
- **Check to see if Parcel Select is also included in China Label - and confirm if new label has been communicated to Industry.**