



# Eastern Area Focus Group Meeting - Cleveland Ohio June 23, 2016

Periodicals Outlook

# Volume and Revenue - Down

- Volume and revenue losses consistent
- Volume down 2.7% for April & 4.3% YTD
- Revenue down 3.3% for April & 2.8% YTD
- No positive turn anticipated



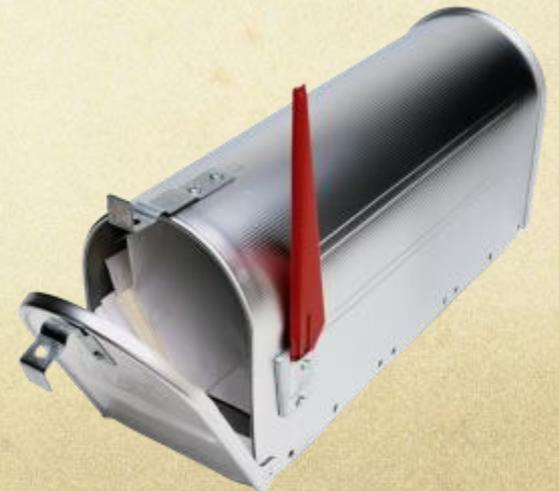
## Short and Long Term Rate Issues

- Exigent rates out (April 10 2016)
- The 4.3 percent surcharge is gone
- Small increase in 2017 – Around 1.6-2%
- Postal Reform proposal is 2.15%
- This is not a return to exigent surcharges



# Periodicals Underwater Issues

- Hovering between 74 and 76% cost coverage
- This failure to cover costs has been a long-term problem
- Reform draft looks at balancing over time
- Immediate 25-30 percent increases are not coming



# Class Survival

- What's in the cards for the Periodicals class?
- Could it be merged into First-Class and Standard Mail
- Possible but strongly doubtful
- No gain by merger



# Delivery Issues

- Weeklies and dailies running up to four days late
- USPS iMB numbers say deliveries are better
- Red Tag state lower on-time numbers
- Neither survey is wrong
- Rationalization is only part of problem



# Counting Digital Copies

- Some digital copies can be used
- Up to 10 percent of copies when applying for Periodicals can be digital
- All digital can be listed for annual audit
- Audit Bureau must be used with digital copies



# Repeat & Reminder – More Stuff You Can Do!

- Digitally embedded ads can be used – called augmented reality
- QR Code references can be in publications at ad rates
- Video images allowed (higher postage but worth it!)
- References to social media expanded



# Discussion and Questions

