

USPS Product Innovation

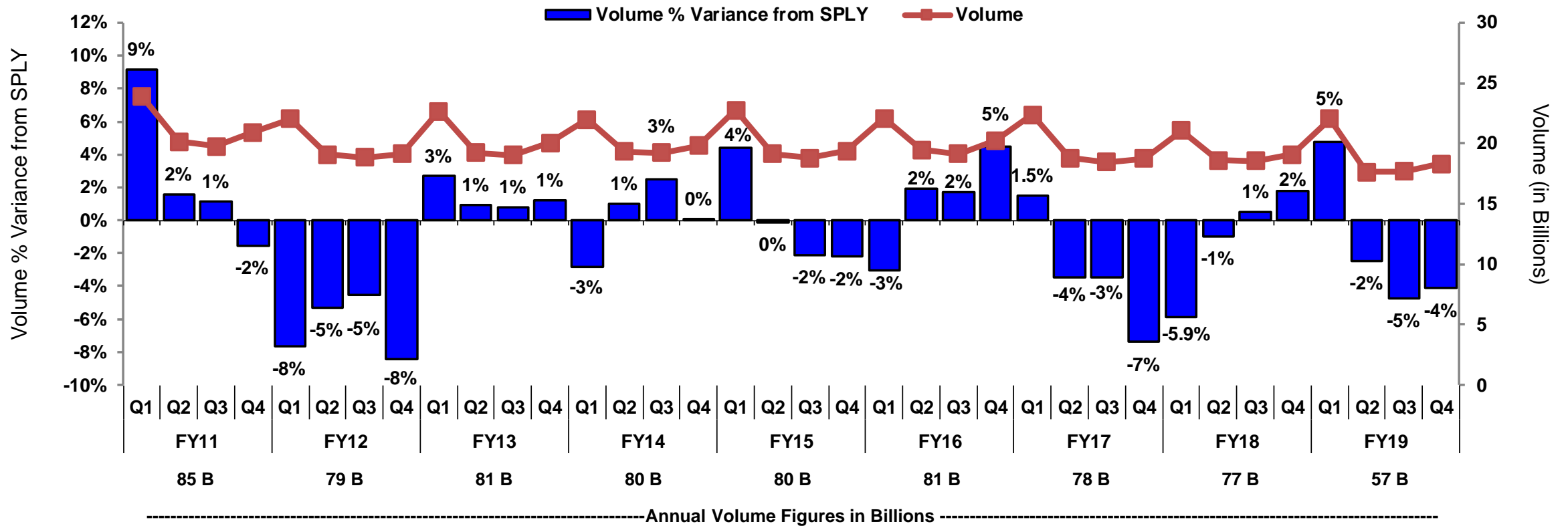
MTAC, Marketing Mail®

October 30, 2019



Marketing Mail Volume

Marketing Mail Volume



Notes:

1/ Sources include RPW Quarterly Reports; Excludes Parcels and International Mail volumes



Marketing Mail: Volume Changes

Marketing Mail: Annual FY Volume

	FY10	FY15	FY16	FY17	FY18	FY19 YTD
	80,098,273	81,159,933	78,369,843	77,303,357	75,686,407	
Annual Volume (% Growth Over SPLY)		-0.3%	1.3%	-3.4%	-1.4%	-2.1%

Marketing Mail: % Change SPLY

	FY17Q1	FY17Q2	FY17Q3	FY17Q4	FY18Q1	FY18Q2	FY18Q3	FY18Q4	FY19Q1	FY19Q2	FY19Q3	FY19Q4
High Density and Saturation Letters	8.6	4.6	(0.7)	(6.5)	2.3	(0.6)	2.7	5.7	0.7	(0.1)	0.2	(0.6)
High Density and Saturation Flats and Parcels*	5.7	1.9	0.9	(2.8)	(4.4)	5.2	7.2	5.8	12.9	5.0	(5.8)	(3.2)
Carrier Route	2.3	8.0	12.9	8.5	4.5	(3.6)	(4.3)	(3.8)	7.4	(2.6)	(18.5)	(17.8)
Flats	(0.8)	(25.8)	(31.8)	(33.6)	(38.1)	(12.1)	(0.6)	(1.6)	2.4	(2.4)	(11.7)	(9.8)
Letters	(0.4)	(4.5)	(3.5)	(7.4)	(4.6)	(0.5)	(0.1)	2.0	3.9	0.0	(2.7)	(2.3)
Total Marketing Mail (Excludes Parcels & Intl)	1.5	(3.5)	(3.5)	(7.4)	(5.9)	(1.0)	0.5	1.8	4.8	(2.4)	(4.7)	(4.1)

Notes:

*Includes EDDM Retail

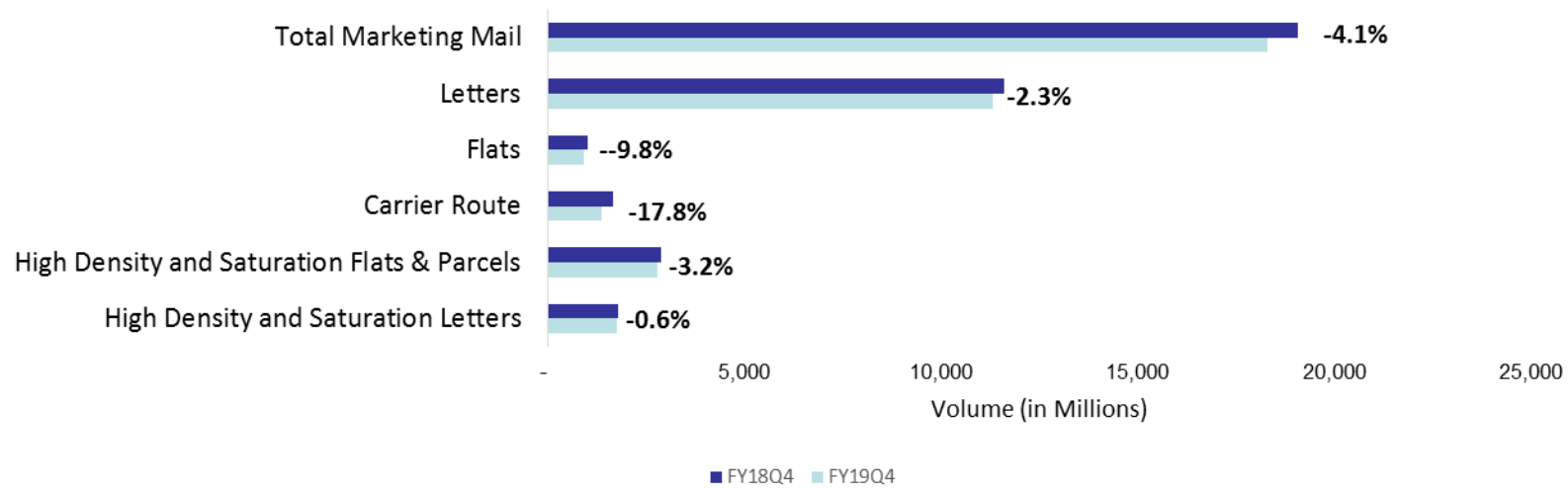
Source:

*RPW Quarterly Files



Marketing Mail: Volume Changes

Marketing Mail Volume FY18Q4 & FY19Q4



Marketing Mail: % Change SPLY

	FY16Q1	FY16Q2	FY16Q3	FY16Q4	FY17Q1	FY17Q2	FY17Q3	FY17Q4	FY18Q1	FY18Q2	FY18Q3	FY18Q4	FY19Q1	FY19Q2	FY19Q3	FY19Q4
High Density and Saturation Letters	6.6	8.6	7.1	9.4	8.6	4.6	(0.7)	(6.5)	2.2	(0.6)	2.6	5.7	0.7	(0.1)	0.2	(0.6)
High Density and Saturation Flats and Parcels*	(7.0)	(3.1)	0.1	4.1	5.7	1.9	0.9	(2.8)	(4.5)	5.5	7.2	5.8	12.9	5.0	(5.8)	(3.2)
Carrier Route	(30.1)	(22.0)	(19.1)	2.5	2.3	8.0	12.9	8.5	4.6	(3.8)	(4.2)	(3.8)	7.4	(2.6)	(18.5)	(17.8)
Flats	35.9	31.8	21.4	(2.4)	(0.8)	(25.8)	(31.8)	(33.6)	(38.1)	(12.1)	(0.6)	(1.6)	2.4	(2.4)	(11.7)	(9.8)
Letters	(1.1)	3.4	2.6	5.2	(0.4)	(4.5)	(3.5)	(7.4)	(4.6)	(0.5)	(0.1)	2.0	3.9	0.0	(2.7)	(2.3)
Total Marketing Mail (Excludes Parcels & Intl)	(3.0)	1.9	1.7	4.5	1.5	(3.5)	(3.5)	(7.4)	(5.9)	(1.0)	0.5	1.8	4.8	(2.4)	(4.7)	(4.1)

Notes:

*Includes EDDM Retail

Source:

*RPW Quarterly Files



2019 Mailing Promotions Calendar

FINAL version, 11-13-2018

FIRST-CLASS MAIL®

JAN – FEB – MARCH

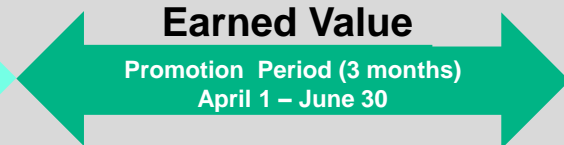
APRIL – MAY – JUNE

JULY – AUG – SEPT

OCT – NOV – DEC

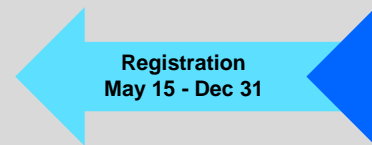


*registration closes Mar 31, 2019



Earned Value

Promotion Period (3 months)
April 1 – June 30



Registration
May 15 - Dec 31

Personalized Color Transpromo

Promotion Period (6 months)
July 1 – December 31

MARKETING MAIL® AND FIRST-CLASS MAIL



Registration
Jan 15 – Aug 31

Emerging & Advanced Technology

Promotion Period (6 months)
March 1 – August 31



Registration
July 15 – Nov 30

Informed Delivery

Promotion Period (3 months)
September 1 – November 30

MARKETING MAIL



Registration
Dec 15 – July 31

Tactile, Sensory & Interactive Engagement

Promotion Period (6 months)
February 1 – July 31



Registration
June 15 – Dec 31

Mobile Shopping

Promotion Period (5 months)
August 1 – December 31



2019 Emerging Technology Promotion

Emerging and Advanced Technology Promotion

Promotion Dates: March 1, 2019 – August 31, 2019

As of September 1, 2019:

- Participants – 286
- Volume – 4,722 M
- Revenue – \$989 M
- Final Surveys sent out September 17th (survey response rate currently 35%)

Post Promotion Analysis: 2019 vs. 2017 – 8% volume decrease (440M pieces)

- Decrease in top mailer participation: Several top mailers from 2017 did not participate in 2019 and some had significant volume declines (30 – 50%)
- At CRID level, more drop outs (233) than new participants (99)
- At CRID level, repeat participants were more likely to decrease volumes (57%) in 2019 than increase (43%)



Earned Value Promotion

Last Day to use credits: December 31, 2019 (Credit Acceptance/Redemption Period began July 1, 2019)

Enrollment – 557 participants (907 CRIDs total)

- 642 CRIDs were repeat participants
- 272 of 642 repeat participant CRIDS qualified for a rebate (42%)

Credit Use: 69% of released credits have been used by participants



2019 Personalized Color Transpromo Promotion

Personalized Color Transpromo Promotion

Promotion Dates: July 1, 2019 – December 31, 2019

Inquiries may be sent to FCMColorPromotion@usps.gov

As of October 21, 2019:

- Participants – 56
- Volume – 816 M
- Revenue – \$308 M



2019 Mobile Shopping Promotion

Mobile Shopping Promotion

Promotion Dates: August 1, 2019 – December 31, 2019

Eligible mail: USPS Marketing Mail™ letters and flats,
Nonprofit USPS Marketing Mail™ letters and flats

Inquiries may be sent to mailingpromotions@usps.gov

As of October 21, 2019:

- Participants – 530
- Volume – 2,437 M
- Revenue – \$537 M



2019 Informed Delivery Promotion

Informed Delivery Promotion

Promotion Dates: August 1, 2019 – December 31, 2019

Eligible mail: USPS Marketing Mail™ letters and flats
Nonprofit USPS Marketing Mail™ letters and flats

Inquiries may be sent to Promotion-InformedDelivery@usps.gov

As of October 21, 2019:

- Participants – 377
- Volume – 1,195 M
- Revenue – \$270 M

Note: Two repairs were processed each totaling approx. \$40K in refunds. A third refund repair is pending. An issue with non-promo statements included in BCG promotion reports has been corrected, and report clean up is in progress.

2019 Requirements Clarification (As of 10/23/2019): Pop-ups that have an option to bypass them and/or URL destinations requiring an email will not make a campaign ineligible.



2020 Mailing Promotions Calendar

Subject to PRC Approval

Version Date 10-22-2019

JAN – FEB – MARCH

APRIL – MAY – JUNE

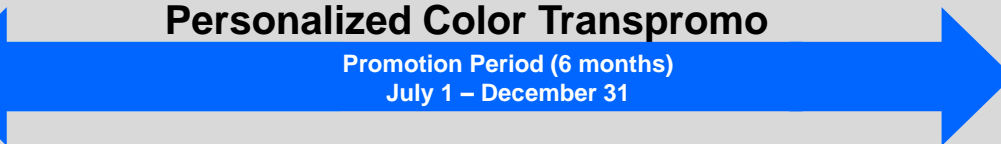
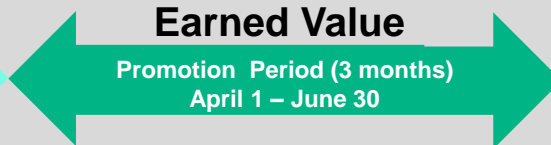
JULY – AUG – SEPT

OCT – NOV – DEC

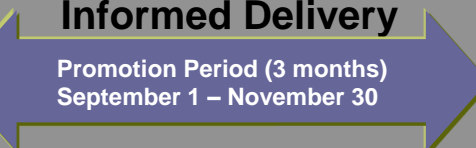
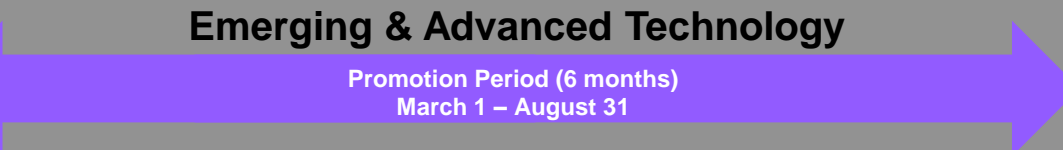
FIRST-CLASS MAIL®



*registration closes Mar 31, 2020



MARKETING MAIL® AND FIRST-CLASS MAIL



MARKETING MAIL



Promotion subject to PRC review and approval



Proposed 2020 Earned Value Promotion

Earned Value Promotion:

- **Eligible Mail:** BRM, CRM, and Share Mail (Permit Reply Mail is excluded)
- **Registration Period:** February 16 – March 31, 2020
- **Promotion Period:** April 1 – June 30, 2020

Credit Tiers:

- New Participants: \$0.02 credit for each BRM, CRM, and/or Share Mail piece counted
- CY 2019 Earned Value Participants:
 - If 2020 volume if meet or exceed 93%, but does not exceed 100% of 2019 volume counted: \$0.02 credit for each BRM, CRM, and/or Share Mail piece counted
 - If 2020 volumes exceed 100 percent of 2019 threshold volumes: \$0.04 credit per BRM, CRM and/or Share Mail piece counted
 - If 2020 volume does not meet or exceed 93% of 2019 volumes, no credit is earned

Other change: STID 700 volumes will no longer be counted

Other Pulse Survey Items:

- Impact of California Privacy Law
- Announcing Future Promotions
- Vetting New Promotion Ideas with Industry
- Communicating Early Regarding Promotion Requirements
- Promotions Audit Process

USPS Informed Delivery® Updates

MTAC, Marketing Mail®

October 30, 2019



User Acquisition Goal For FY19 Achieved

20 MILLION USERS



Informed Delivery Overview



20.08M

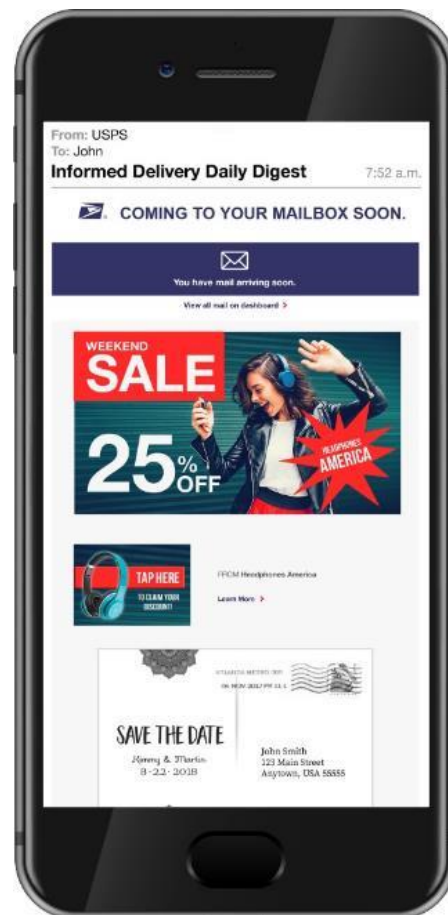
Registered Users

15.0M

Email-enabled Users

212K+

Weekly User Registrations



25,698

Campaigns Created

4,635

Brands Represented

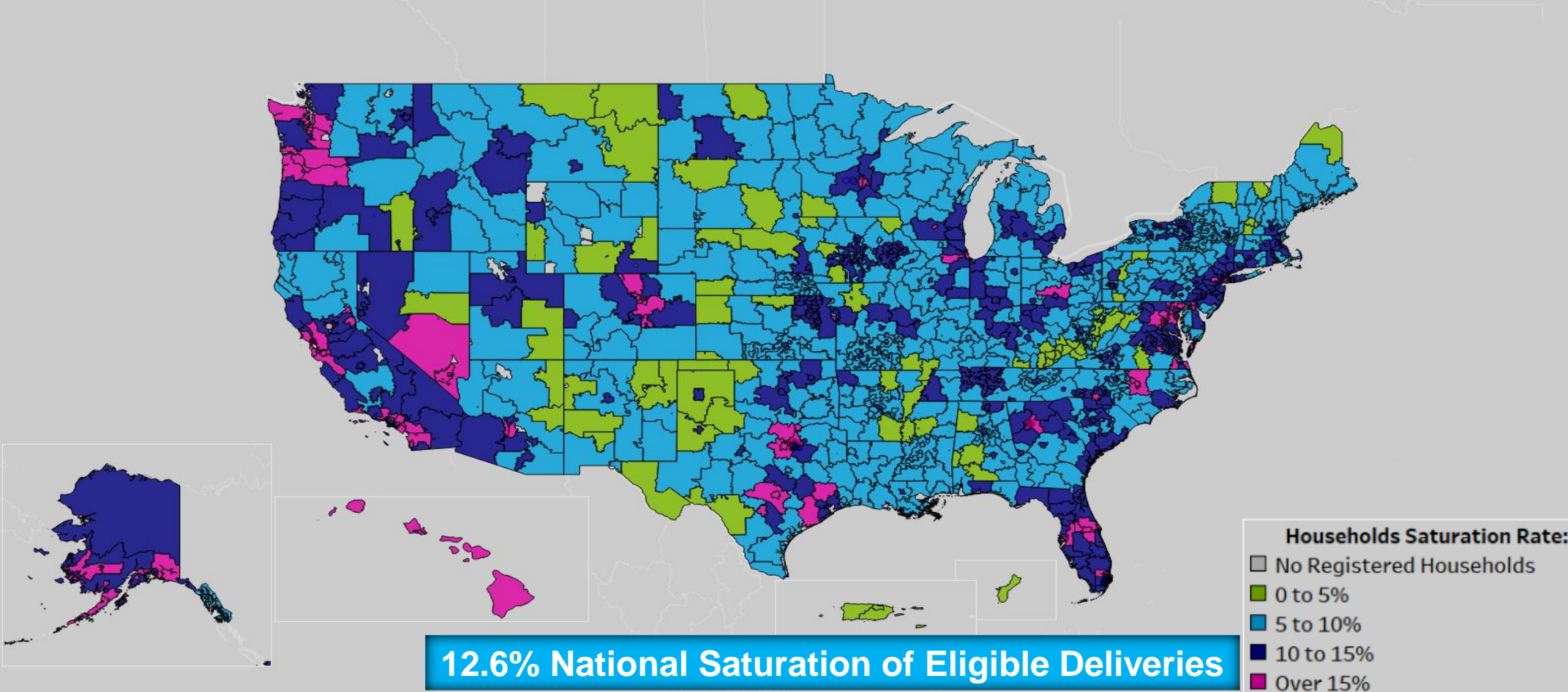
59%

Average Email Open Rate

*Registered users and email-enabled users as of week of October 21, 2019.
Daily user registrations as of October 21, 2019 (8-week average).
Campaigns completed and brands represented as of October 21, 2019.
Average email open rate from October 2019.*



Household Density Saturation



Household Saturation Rate as of October 21, 2019.



A recent update to the Mailer Campaign Portal has changed how mailers access post-campaign reports.

Mailer Campaign Portal (MCP) Release Updates

Post-campaign report performance improvement was released on **Thursday, October 24th, 2019**:

- Mailers now receive post-campaign reports through “batch reporting” in the Mailer Campaign Portal. This allows for Post-Campaign Summary and Post-Campaign Detailed reports to generate daily overnight rather than be generated on-demand by mailer request.



Rules for Campaign Submission

PostalOne! validates **all data fields** as part of the campaign submission process.

The following business rules **must be followed** when submitting an Informed Delivery campaign using *PostalOne!*:

- **When using the PDR or PBC linkage, the *Container Quantity (CQT) Database ID is required as part of the RMR data set.*** This CQT Database ID in the RMR allows mailers to bypass validations for the RMS and RMR parent-child relationship. This allows for transmittal of a subset of RMRs with the Mail.dat job, which usually takes place when a mailing is being mailed across multiple days.
- Campaign data in the RMR data set can be updated up until the associated Containers (CSM Container Status records) are set to “R” for Ready-to-Pay (USPS Processing Due (UPD) status) in the CSM file.
- If RMR and RMS files are submitted as part of the original eDoc submission, these files do not need to be submitted again when the container statuses in the CSM are set to “R” for Ready-to-Pay.
- Mailers **can provide Campaign Start and End Dates** as part of the **Container Summary (CSM) record** for the pieces in a container; however, ***keep in mind that the Campaign Start and End Dates in the CSM record take precedence over those provided in the RMS record.***

USPS Product Management

MTAC, Marketing Mail®

October 30, 2019



Plus One Market Test

Market Test of potential new Marketing Mail product (Plus One) for Marriage (or Shared) mail market segment

Plus One is an additional mailpiece (card) which is mailed with a saturation letter marriage mail “host” mailpiece at a lower price

- A means to maintain marginal territories while growing new ones which were not formerly profitable
- A “gateway” for small business to try solo mail at a lower price point
- Maintains and grows USPS Marketing Mail volume
- Operationally very efficient

Market Test

- Limits duration – up to two years from October 2019
- Provides ability to analyze market demand and price
- Four regions have been identified to test different prices from \$0.085 to \$0.10
- Allows USPS ability to stop test or proceed with new product at our discretion

More Information on PostalPro:

- * Program Requirements
- * FAQs
- * Regional Pricing List by ZIP

Program Office Contact: Plusone@usps.gov

Questions?



Thank you!