

Welcome

FOCUS AREA:

Customer Experience,
Product Innovation &
Marketing



**Wednesday
November 18, 2020**



FOCUS AREA: Customer Experience, Product Innovation & Marketing

| | | |
|----------------------|---|---|
| 3:00 PM – 3:20 PM | Product Innovation/Promotions Overview | Gary Reblin |
| 3:20 PM – 3:50 PM | Flats Marketing Mail/Periodicals/ Bound Printed Matter | Rose Flanagan Steve Smith Carol Kliewer |
| 3:50 PM – 4:20 PM | Parcels | Rose Flanagan John Medeiros |
| 4:20 PM – 4:50 PM | Letters First Class/Marketing Mail | Rose Flanagan David Marinelli Kurt Ruppel |

November MTAC Session

Product Innovation

November 18, 2020

CY20 PROMOTIONS

Industry Overview – Key Takeaways

Background

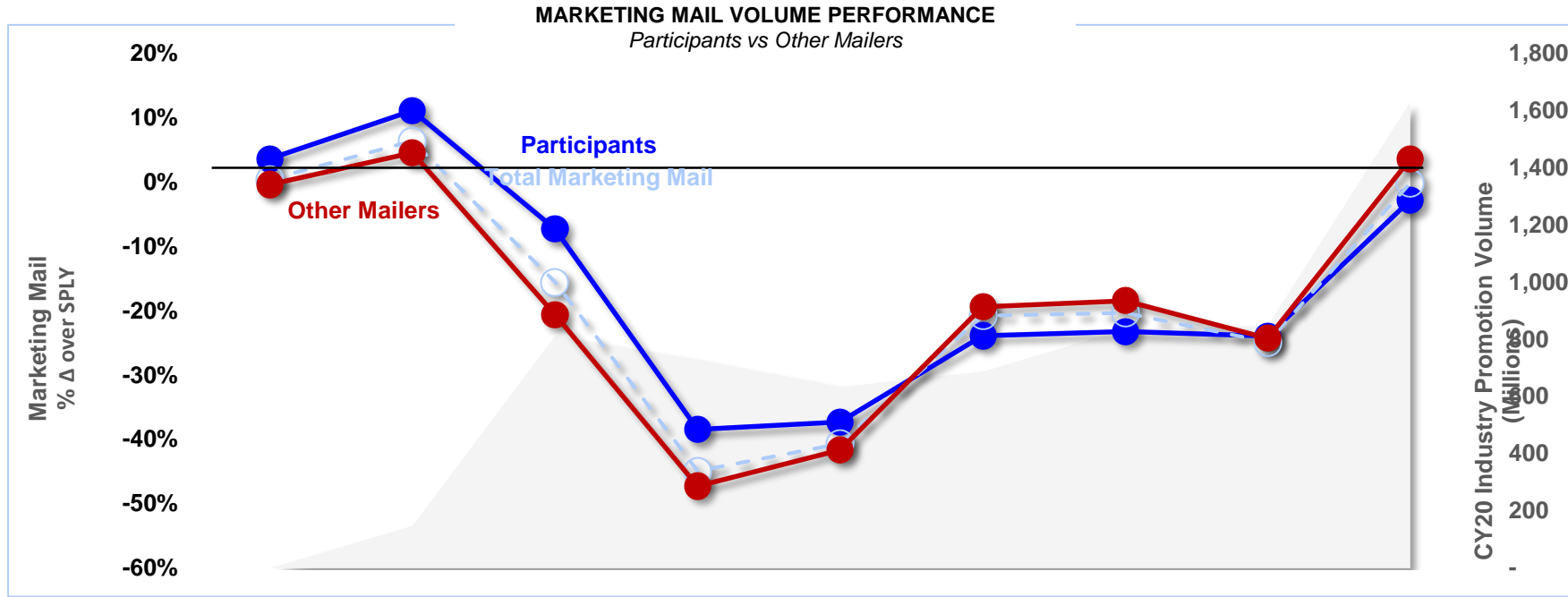
- This analysis provides an overview of CY20 promotion participant performance by industry
- Participants include Repeat participants, Come-back Participants (Re-engaged), and New participants
- Other Mailers includes CRIDs that have not participated in the CY20 promotions

Key Takeaways

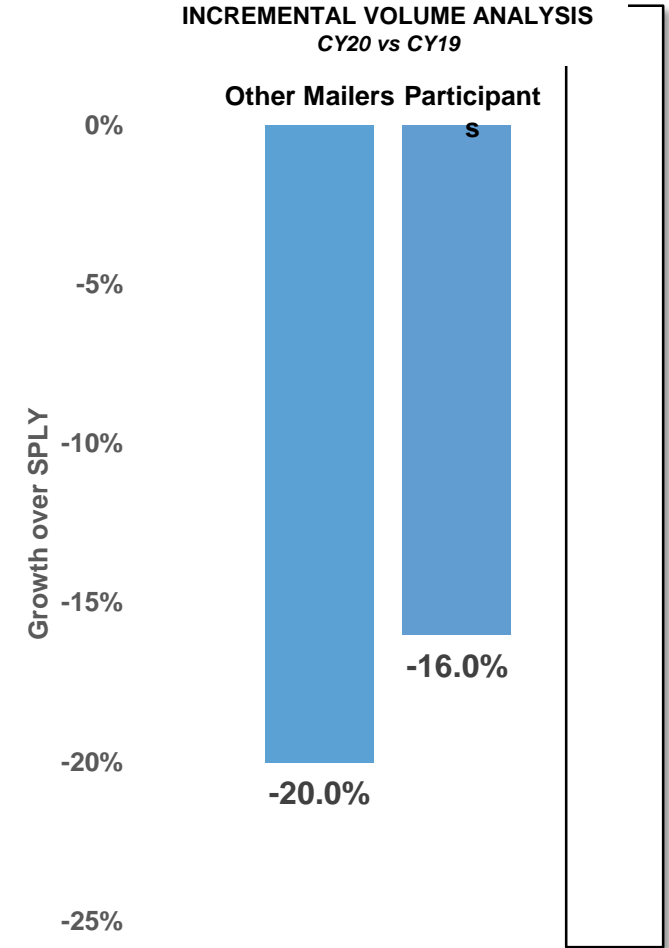
- Promotion participants declined by -16% over SPLY from February through September, compared to -20% for Other Mailers
- Promotion Participants had a slower rate of decline compared to Other Mailers earlier in the Calendar Year
 - Participants have also recovered slower than Other Mailers in the latter part of the Calendar Year.
- Professional/Scientific, Retail, and Finance & Insurance make up about 80% of total promotion volume
- Participants in Professional/Scientific and Retail industries are out-performing Other Mailers
- Finance & Insurance Participants are dragging down the overall recovery of Participants' Marketing Mail volume

MARKETING MAIL VOLUME PERFORMANCE CY20 YTD through September

Overall, Promotion Participant Marketing Mail volume¹ is down -16% over SPLY, compared to -20% for other mailers who did not participate in the CY20 promotions



| | Jan 2020 | Feb 2020 | Mar 2020 | Apr 2020 | May 2020 | Jun 2020 | Jul 2020 | Aug 2020 | Sep 2020 | YTD |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------|
| Marketing Mail | 0% | 6% | -16% | -45% | -41% | -21% | -20% | -25% | 0% | -18% |
| Participants | 4% | 11% | -7% | -38% | -37% | -24% | -23% | -24% | -3% | -16% |
| Other Mailers | 0% | 5% | -21% | -47% | -42% | -19% | -18% | -24% | 4% | -20% |
| Promotion Volume (M) | | 148 | 811 | 727 | 632 | 687 | 835 | 847 | 1,629 | |



Note(s): 1/ promotion participant volume is determined by specific CRIDs that participated in the 2020 promotions, and the specific products that earned a discount; It includes volume outside the promotion windows

MARKETING MAIL VOLUME PERFORMANCE

Participants vs Other Mailers

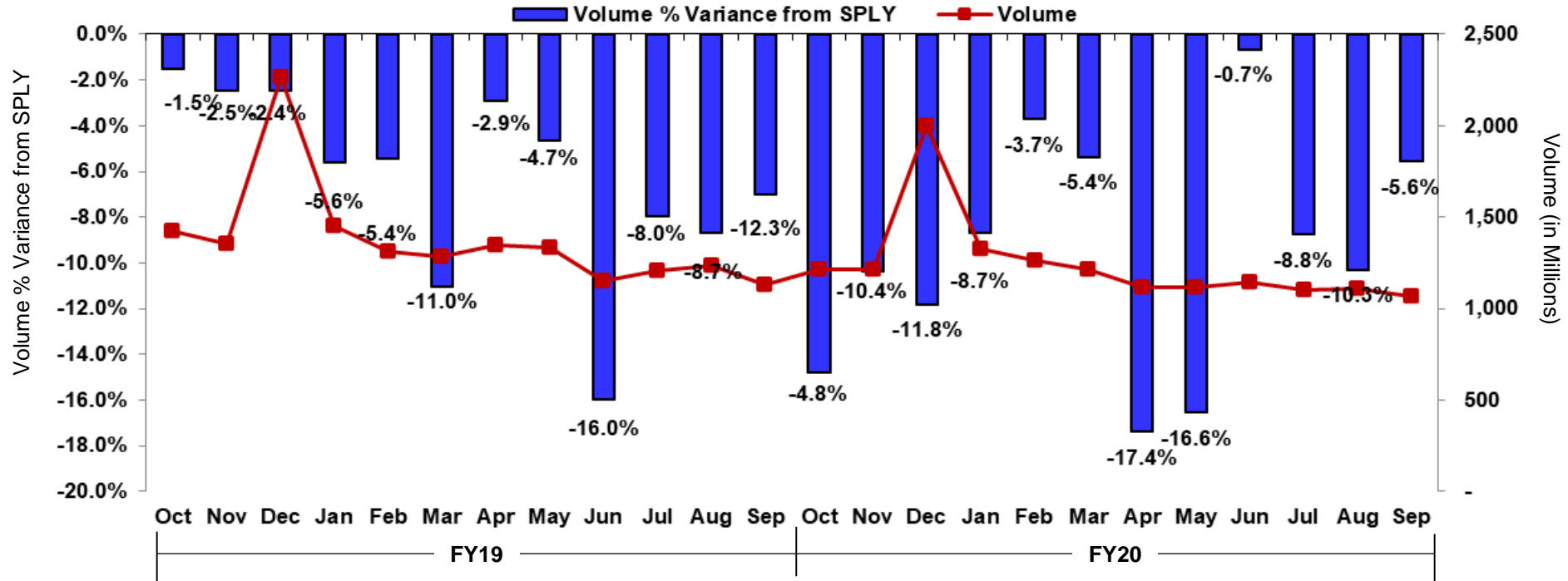
The top 3 industries by promotion volume (Professional/Scientific, Retail, Finance) are also the top 3 industries for Marketing Mail decline.

Professional/Scientific and Retail Participants declined at a slower rate than Other Mailers.

| Industry | Total Marketing Mail | Participants | Other Mailers |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| <i>Ranked by Marketing Mail Δ over SPLY</i> | <i>Year over Year Volume Change</i> | <i>Year over Year Volume Change</i> | <i>Year over Year Volume Change</i> |
| | (M) | (M) | (M) |
| Public Administration | 205 | 30 | 175 |
| Other Services (except Public... | 119 | 99 | 21 |
| No Industry Designation | 111 | 2 | 108 |
| Management of Companies and... | 77 | 6 | 70 |
| Utilities | 1 | 7 | -6 |
| Mining | -3 | 0 | -3 |
| Transportation and Warehousing | -5 | -110 | 105 |
| Agriculture, Forestry, Fishing and... | -26 | -5 | -20 |
| Construction | -34 | 0 | -34 |
| Real Estate Rental and Leasing | -96 | -22 | -73 |
| Wholesale Trade | -191 | -9 | -182 |
| Accommodation and Food Services | -193 | -35 | -158 |
| Health Care and Social Assistance | -207 | 110 | -317 |
| Arts, Entertainment, and Recreation | -291 | -6 | -285 |
| Administrative and Support and... | -326 | 2 | -328 |
| Educational Services | -336 | -19 | -318 |
| Manufacturing | -413 | -32 | -381 |
| Information | -777 | -212 | -565 |
| Professional, Scientific, and... | -997 | -200 | -796 |
| Retail Trade | -2,903 | -625 | -2,278 |
| Finance and Insurance | -3,239 | -1,563 | -1,676 |

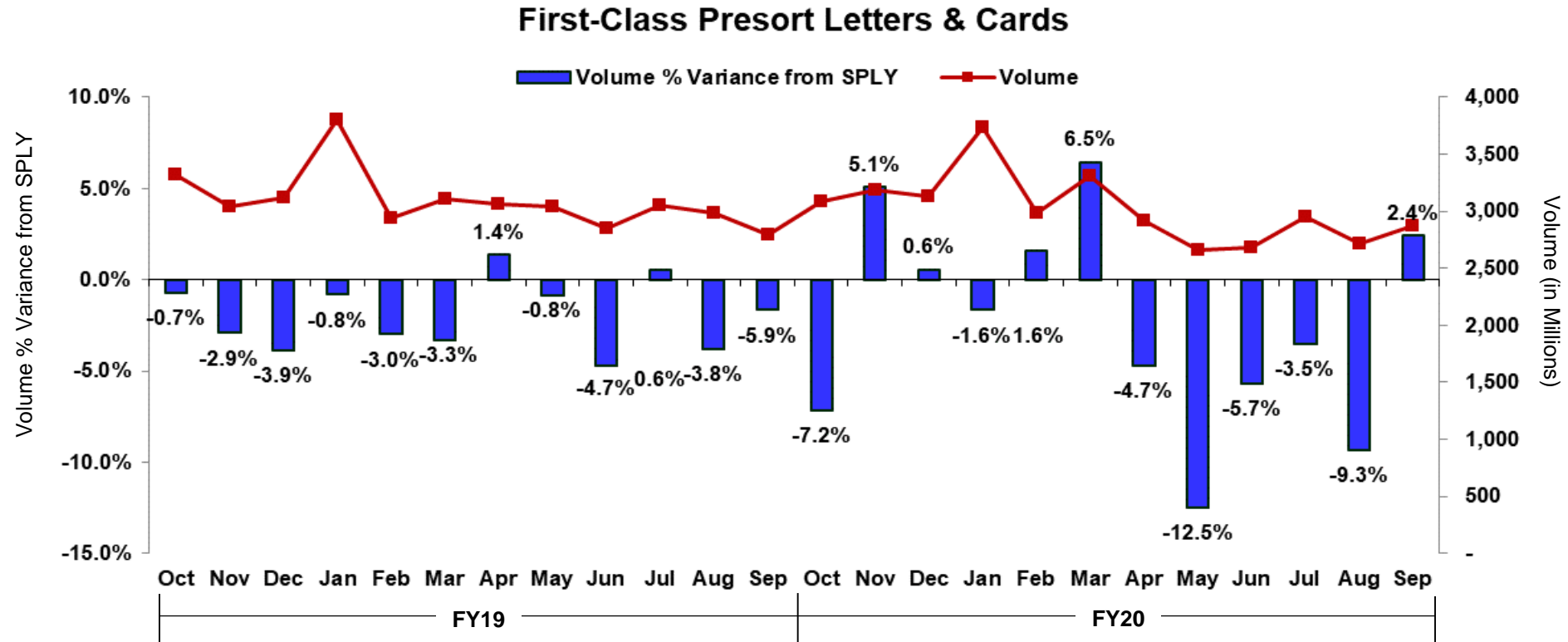
First-Class Mail Volume

First-Class Mail Single-Piece Letters & Cards



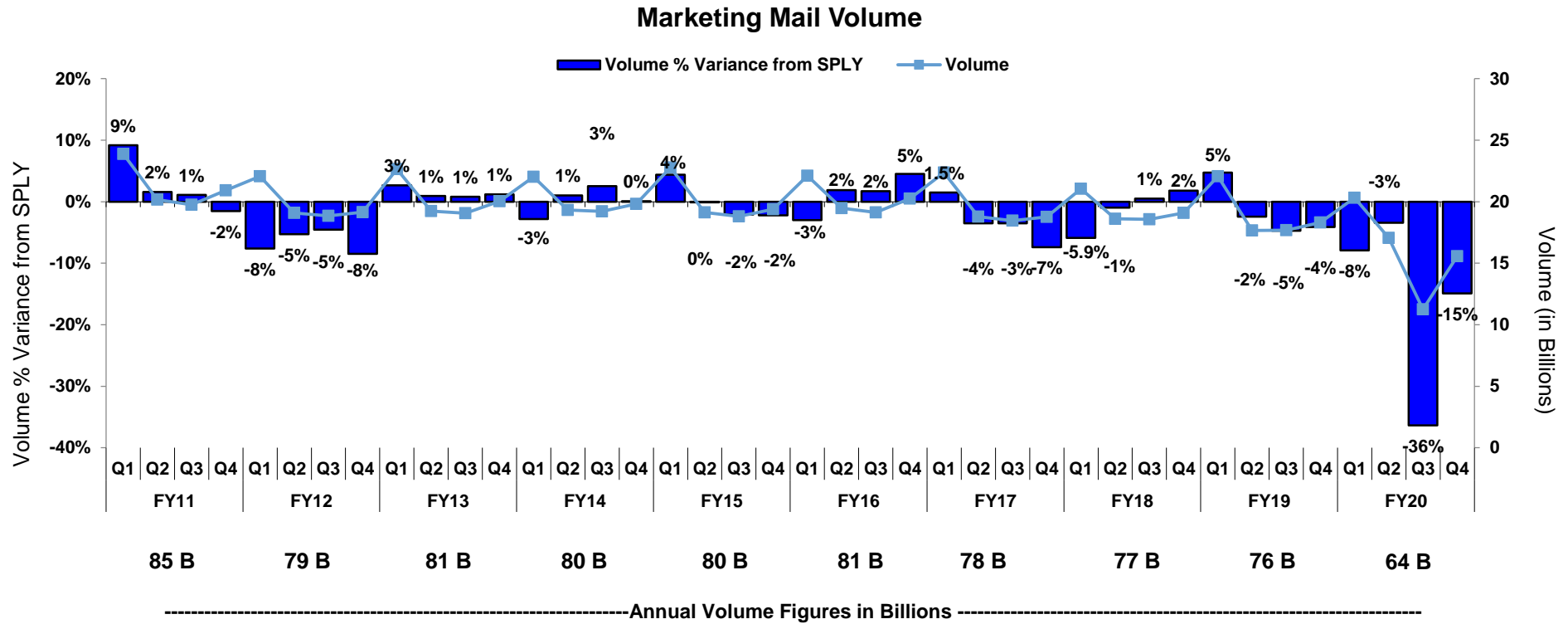
Notes:
1/ Sources include RPW Monthly Reports

First-Class Mail Volume



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1/ Sources include RPW Monthly Reports

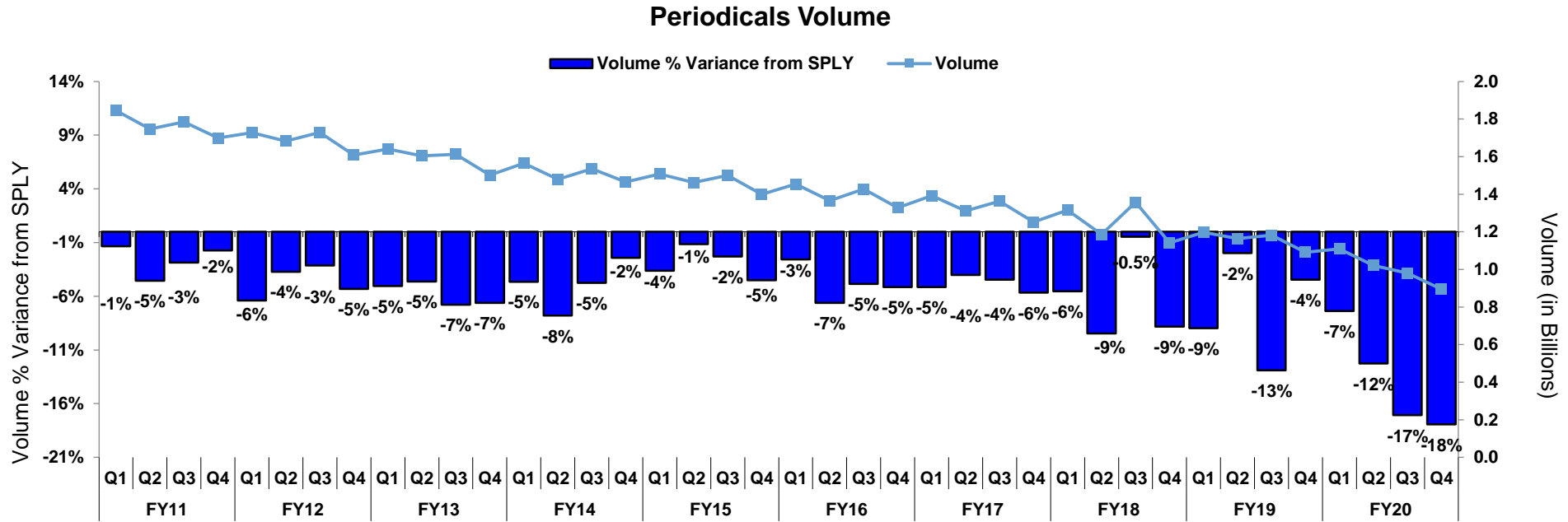
Marketing Mail Volume



Notes:

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

Periodicals Mail Volume



Notes:

1/ Sources include RPW Quarterly Reports

PROPOSED 2021 MAILING PROMOTIONS CALENDAR

Proposed promotions subject to PRC approval

JAN – FEB – MARCH

APRIL – MAY – JUNE

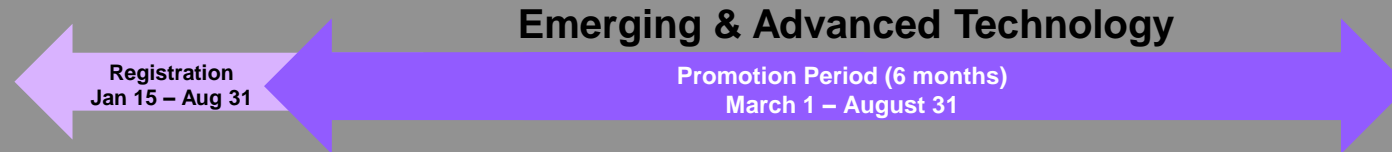
JULY – AUG – SEPT

OCT – NOV – DEC

FIRST-CLASS MAIL®



MARKETING MAIL® AND FIRST-CLASS MAIL



MARKETING MAIL



2021 Promotions

Filed with PRC on 10/9

All Promotion Requirements
will be posted
Nov/December 2020

Requirements in two parts
(except Earned Value)

Part I: Specific program
requirements

Part II: General participation
requirements (registration,
mail entry, audit, etc.)

Emerging Tech and Mobile Shopping –

- Option to use electronic sample submissions

Tactile Sensory Promotion

- Removing linen embossing treatment

Earned Value Promotion

- Tier structure removed; all participants qualify for a 2-cent credit

Color Transpromo Promotion

- Full-service requirement removed

Mobile Shopping Promotion

- Added Voice Assistant Integration to eligible technologies
- Eliminating some digital experience requirements (email opt-in, guest checkout, pop-ups)

FOCUS AREA: Customer Experience, Product Innovation & Marketing **FLATS Discussion Topics**

Moderator: Rose Flanagan, Focus Area Industry Leader

BPM/ Marketing Mail/Periodicals

Industry Leaders: Steve Smith/Carol Kliever

- PRC 10 year review and its impact on flats
- Service performance -- COVID 19 leave issues, FIFO and other compliance
- Develop a standard, consistent template for USPS mail disruptions
- Update on TT 32 (First Class larger PC)
- 2021 promotions
 - Change log for minor tweaks
 - When to expect requirements documents
 - Plan for them all to release at once?
 - Splitting the requirements and technical information for all promotions into 1 single document and then individual documents for the promotion itself

FLATS: 3:20 – 3:50 pm

Customer Experience, Product
Innovation & Marketing

FOCUS AREA: Customer Experience, Product Innovation & Marketing **PARCELS Discussion Topics**

Moderator: Rose Flanagan, Focus Area Industry Leader

Parcels Industry Leader: John Medeiros

- Hazmat Electronic Indicators – Federal Register Notice
 - Current files contain indicators
 - Is there discussion to develop a single communication format?
 - STC's by mail class can result in multiple indicators on a single piece?
 - First Class package and PM ground lanes included – why?
 - Is there a completed business plan design?

PARCELS: 3:50 – 4:20 pm

**Customer Experience, Product
Innovation & Marketing**

FOCUS AREA: Customer Experience, Product Innovation & Marketing **LETTERS Discussion Topics**

Moderator: Rose Flanagan, Focus Area Industry Leader

First-Class/Marketing Mail Industry Leaders: Dave Marinelli & Kurt Ruppel

- Discuss developing a standard, consistent template for USPS mail disruptions
 - Possibly develop an app which to standardize information as well as speed notifications?
- 2021/2022 pricing changes
- Update TT 32 (First Class larger PC)
- 2021 promotions
 - Expanding UG8 to include all incentives (not simply promotions)
 - Change log for minor tweaks
 - When to expect requirements documents
 - Plan for them all to release at once?
 - Splitting the requirements and technical information for all promotions into 1 single document and then individual documents for the promotion itself

LETTERS: 4:20 – 4:50 pm

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