



Strategies to Reduce Postage Costs For Low-Volume Mailers

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 **Pitney Bowes**

Every connection is a new opportunity™

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Webinar Presented by: **Pitney Bowes**

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Agenda

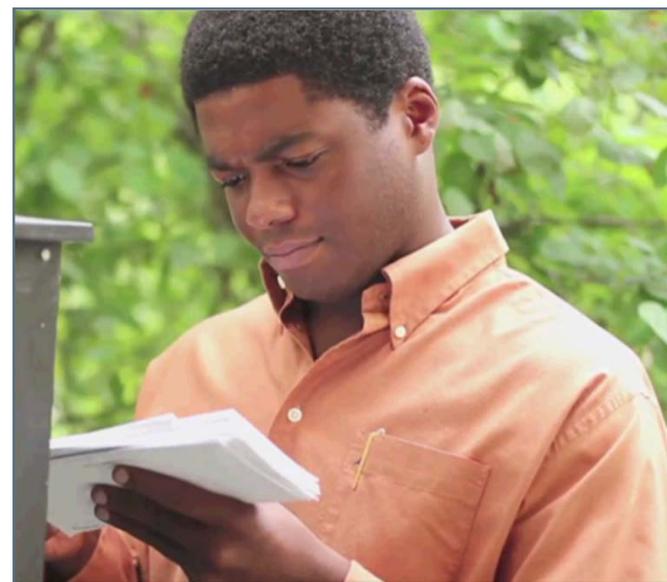
- The significance of mail volume
- Customer communications and your bottom line
- How do customers perceive mail?
- What is “presorting”?
- Presorting with Mail Services
- PresortXtra™ for Low-Volume Mailers

Why are we all here?

Economic pressures are forcing everyone to invest smarter and to become more profitable without compromising quality service

We have to focus on cutting costs... so why not mailing costs? You could:

1. **Mail less...**but this can affect your marketing effectiveness
2. **Shift your marketing to other channels...**but this can be just as costly and will require time to develop strategies
3. **Find cost efficiencies in mailing...**a more long-term solution



Who are low-volume mailers?

Low-volume mailers, like yourselves, are a **unique group that have unique mailing needs...**



Insurance



Real Estate



Dealerships

Customer communications can make a huge impact on your bottom line

Getting the best ROI from a mailing is important to everyone, but may be even more crucial for low-volume mailers

- You need to know that your mail is **delivered on-time, every time**
- Timely deliveries lead to **timely responses from customers for consistent cash flow**

You may be trying new methods of communicating to your customers, but is it a replacement for good old fashioned mail?

How do customers perceive mail?

Pitney Bowes commissioned Leflein Associates to survey approximately 1,500 US adults and examine their preferences

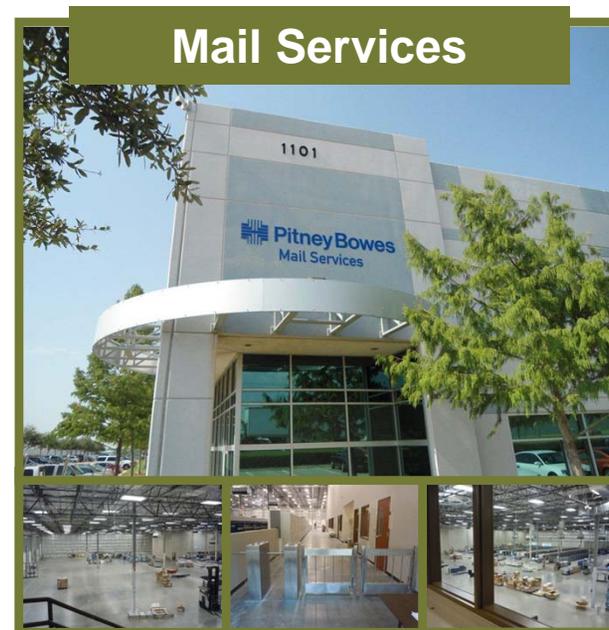
- **66%** prefer to receive catalogs by physical mail
- **61%** prefer to receive bills and invoices by physical mail
- **83%** would open and read bills right away
- **59%** prefer to receive financial/bank statements by physical mail
- **73%** would open and read financial/bank statements right away

By clear majorities, people prefer physical mail to e-mail for bills, invoices and financial statements as well as for most catalogs and promotions

Finding Cost Efficiencies in Mailing Through Presorting

One way to do this is by presorting your mail...you could:

- Optimize your mailroom workflows and invest in **presorting software**
- Invest in your own **presorting equipment** (high volume)
- Outsource your mail presorting to a third party such as **Pitney Bowes Mail Services**



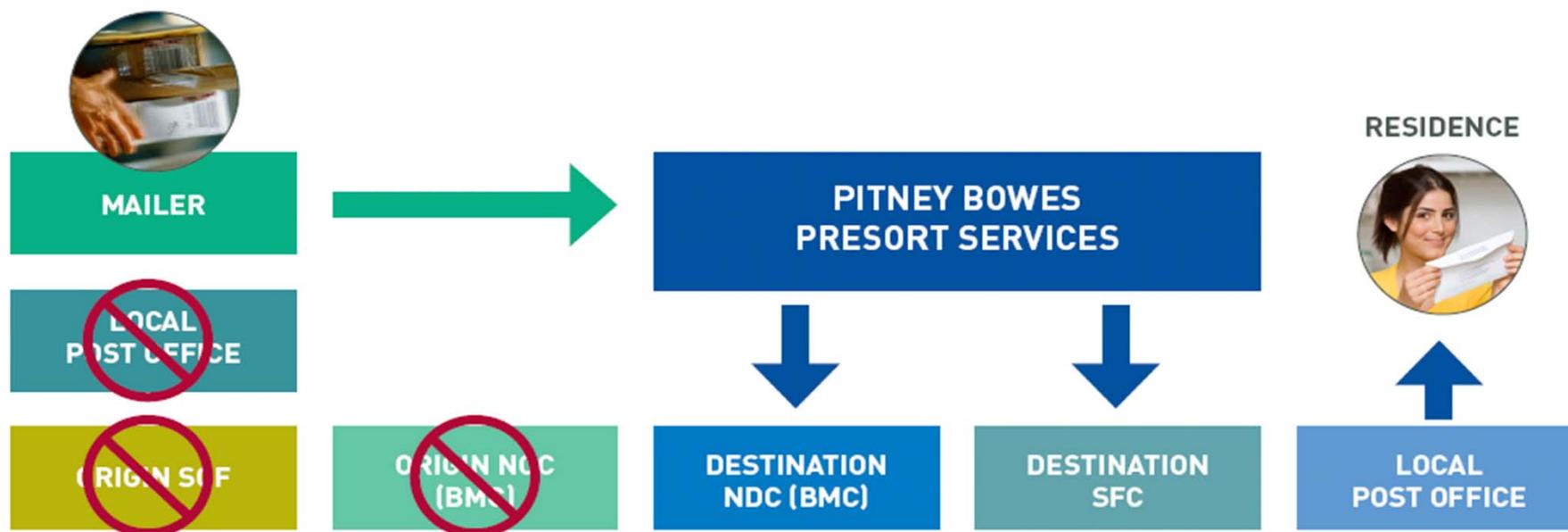
What exactly is “presorting”?

It’s the process by which your First-Class Mail[®], Standard Mail[®], and Flats are **sorted based on ZIP Code[™]** prior to going to the USPS[®]



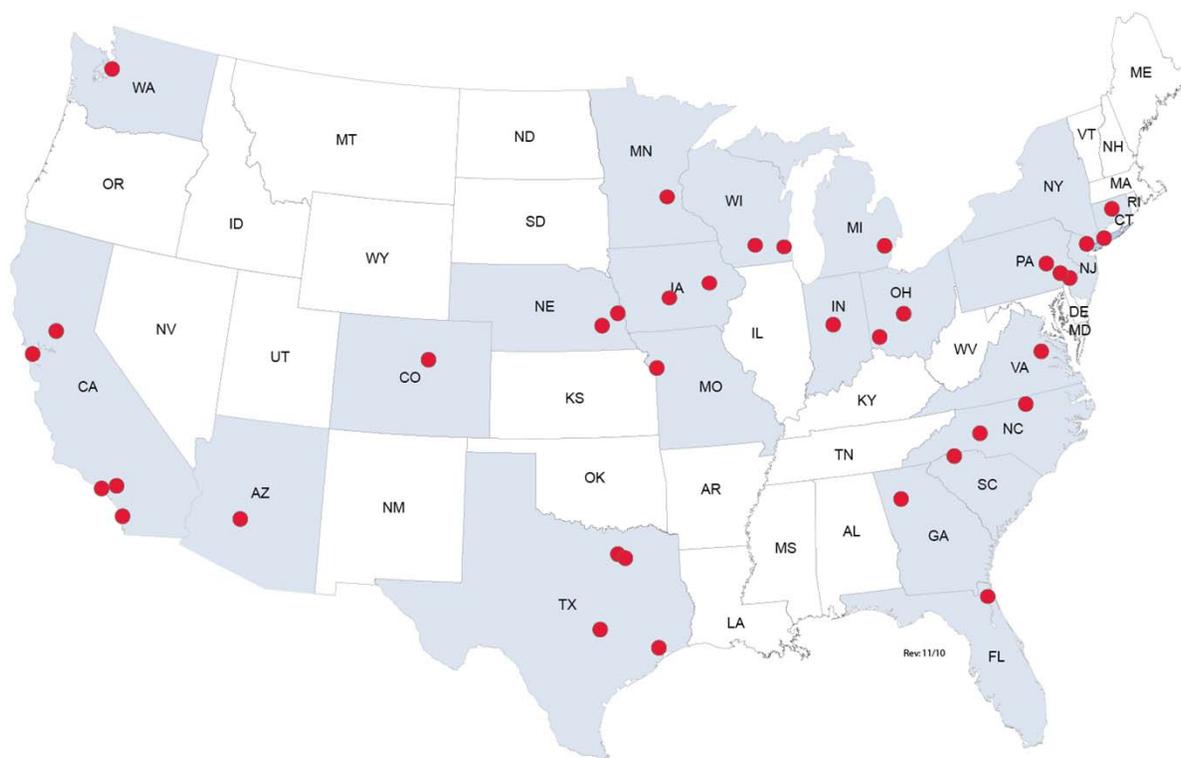
Presorting with Mail Services has major benefits

- Save up to **\$0.226 per mail piece** – that's up to **35% savings!**
- Inject your mail closer to its final destination, resulting in **more efficient delivery times** – and quicker responses from customers



Largest national presort network

- **36 processing centers** across the US – security and dependability
- Innovative **Mail Exchange process** enables deeper presorting discounts



Our systems automatically determine whether you have achieved optimal results – or whether mail can be inducted more efficiently into the USPS® through one of our regional Mail Exchange operating centers

Enjoy the same benefits as high-volume mailers

Typically, presorting has benefited **high volume mailers** because of operational efficiencies!

BUT...

- With Pitney Bowes PresortXtra™, we pick up your **low-volume mail and commingle it with high-volume mail**
- **The result: you gain the same benefits as high-volume mailers!**



What mail qualifies for PresortXtra™?

First-Class™ mail pieces only

- #9, #10, and #11 envelopes, and 6 x 9's up to 3 ounces
- Includes flats up to 7 ounces

Minimum mail volumes

- If daily: 400 letters per day and 50 flats per day
- If weekly or monthly: 800 letters per pick up and 150 flats per pickup

Type-written addresses only

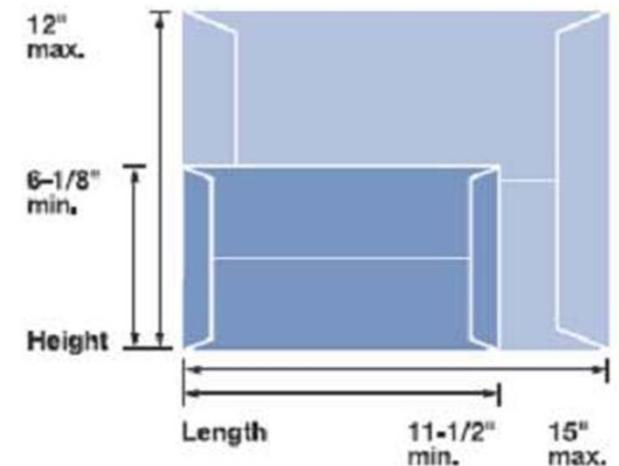
No glossy envelopes/self-mailers

Next day dated

Letters



Flats



The USPS® Rate Change and Impact

Average total savings is approximately 12% when you look at all 3 ounces. Includes FREE FastForward Service for letter customers

Oz	First-Class™ Letter	PresortXtra™ Rates	2012 Savings
1	.45	.424	.026
2	.65	.424	.226 (save 35%)
3	.85	.674	.176

Pick Up Frequency	Quantity	Monthly Savings	Annual Savings
Daily	1000	\$983	\$11,796
Daily	400	\$393	\$4,716
Weekly	800	\$143	\$1,716
Monthly	800	\$35	\$420

The USPS® Rate Change and Impact

Impact on flats mail

Weight (OZ)	22-Jan-12	Customer Meters at 3 Digit Automation Rate	Fee Per Piece Charged on Your Monthly Purchase Power Invoice	Net Charge Per Piece	2012 Customer Savings
1	\$0.90	\$0.574	\$0.250	\$0.824	\$0.076
2	\$1.10	\$0.744	\$0.250	\$0.994	\$0.106
3	\$1.30	\$0.914	\$0.250	\$1.164	\$0.136
4	\$1.50	\$1.084	\$0.250	\$1.334	\$0.166
5	\$1.70	\$1.254	\$0.250	\$1.504	\$0.196
6	\$1.90	\$1.424	\$0.250	\$1.674	\$0.226
7	\$2.10	\$1.594	\$0.250	\$1.844	\$0.256

Pick Up Frequency	Quantity	Monthly Savings	Annual Savings
Daily	100	\$332	\$3,984
Weekly	200	\$132	\$1,593
Monthly	400	\$66	\$796

Average 4 oz. per peice

In conclusion...why are we here?

To invest smarter and become more profitable without compromising quality service – and Pitney Bowes can help

Why choose us?

- The only national presort company with 36 operating centers
- A USPS® workshare partner – we pass on savings to you
- MPTQM Certified through the USPS (similar to an ISO 9000)
- Process more than 20% of the USPS's First-Class automation mail
- On site Postal Inspections and strict security guidelines and policies
- Documented Disaster Recovery Plan (ie Natural disaster, power failure etc)
- Full suite of offerings...First-Class Mail® (letters and flats), Standard Mail®, and International Mail
- Innovative Mail Exchange program designed for optimal delivery standards

Questions & Answers



Frederic J. Tucci

Director Pitney Bowes PresortXtra™

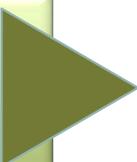
Pitney Bowes Mail Services

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- Video tours of our operating centers
- Complete descriptions of all our solutions

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information or
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THANK YOU.

