



MAXIMIZING DIRECT MAIL COMMUNICATIONS

THE DIRECT MAIL ADVANTAGE

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 **Pitney Bowes**
Every connection is a new opportunity™

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Agenda

- **Defining Standard Mail**
- **Benefits of Standard Mail and value adds**
- **Industry News**
- **Optimization, Mail Tracking & Reporting**

By 2016 Standard Mail
will account for 56% of
all mail volume

- According to The USPS

Industry Trends:

The Growth of Standard Mail

- In 2010 Standard Mail represented 51% of USPS volume...projections show that growing to 69% by 2020
- 77% of households either read or scan advertising mail sent to their household
- Among various shapes of mail, postcards are the most likely to be read

Source ... 2011 DMA statistical factbook

Standard Mail Defined

- Most economical class of mailing offered
- Two sub categories: Regular & Non-Profit Mail
- Postage rates can be based on a number of factors:

Content: What class of mail is it?

Size: How big is it?

Shape: Is it a letter, flat, or parcel?

Weight: How heavy is it?

Distance the mail travels: How far is it going?

Quantity: How many pieces do you have?

Nonprofit status: Does your organization qualify for nonprofit rates?

Standard Mail is an advertisement or solicitation for a product or service.

Non-Profit Standard Mail

Certain organizations may apply for authorization to mail at the Nonprofit Standard Mail rates.

The eight categories of eligible nonprofit organizations are:

- Religious
- Educational
- Scientific
- Philanthropic (Charitable)
- Agricultural
- Labor
- Veterans
- Fraternal

91% of Non-profits
use Direct Mail

- Direct Marketing Association
Response Rate Trend Report

Benefits of Standard Mail

The Direct Mail Advantage!

A major financial institution re-engineered their standard mail process and in nine months:

- Saved over \$1M in postage after optimization
- Reduced average national in-home by almost a day

Benefits of Standard Mail

- Qualifies for "bulk" pricing
- It's tangible.
- Recall is higher than radio and television – *people don't listen to the radio or watch television with a pen and paper in hand!*
- It's targeted. Reach specific audiences based on segmentation
- You can purchase lists to connect with best prospects.

77% of Consumers
Sort Through Their
Mail Daily!

- According to The USPS

Benefits of Standard Mail Continued

Measurable

- ROI and offer-redemption show effectiveness of your campaigns

Personalized

- Technology capabilities enable use of name, information & images to support interests and buying habits
- Personalization increases open & response rate

Multiple Formats

- Postcard: Simplest & least expensive, works well for short offers
- Self-mailing Brochure: Provide space for advertising message.
- Fundraising Letters: Can include reply cards and postage-paid return envelopes.

Complements other Channels

- Direct mail can be used in conjunction with other forms of advertising.
- Examples:
 - Using a post card with messaging that drives traffic to a website via a QR code
 - Calling to follow-up the day a mailing is received

Industry News & Events

The USPS®: Standard Mail

“The Plan”: Effective Utilization; Cost Reduction; Resource Optimization

- The USPS’s proposed changes:
 - Five-day delivery
 - Eliminate expected overnight delivery of First Class mail & Periodicals
 - Processing reduced from over 500 to under 200
 - Relief from contractual no-layoff policy
 - Elimination of 220,000 jobs
 - Change to Health insurance and retirement plans

- No network changes implemented prior to May 15th of this year

- No major consolidations during fall mailing season or election mailing period

The USPS®: Standard Mail

No Changes:

- Service expectation remains at 3-10 days for standard mail
- Business acceptance locations or hours of operation
- Implementation contingent upon outcome of proposed revisions to current service standards.
- DSCF discounts will continue to be available for mailings entered at BMEUs that remain in impacted facilities.
- Continuation of Destination Sectional Center Facility (DSCF) discounts at affected Bulk Mail Entry Units (BMEUs).

Changes:

- Current moratorium intended to give Congress and the Administration an opportunity for alternative plan.
- Expanded Drop Shipment Appointments will be available

Use a 2D Barcode, Get a Discount!

- Summer of 2012 for Presorted and automation Standard Mail® letters and flats bearing two-dimensional mobile barcode.
- Using smart phones consumers can access account data, promotions, educational content and more... from anywhere, at any time.
- Drives interactivity and brand involvement
- Supports an alternative channel of customer communications
- Provides service information on-the-spot & access to communication documents

UNITED STATES POSTAL SERVICE® Mobile Barcode Promotion
Make your mailpieces work harder for less.

Home Resources

Thanks for your interest in the Mobile Barcode Promotion from the U.S. Postal Service®. The promotion ended on August 31, 2011. We hope you will continue to consider using mobile barcodes for your promotional mailings. While you are here, please take a moment to refer to the "Resources" link above and the article at the right for helpful information on the benefits of mobile barcodes.

So what is a "mobile barcode" anyway?

A mobile barcode or QR code (short for Quick Response code) is a specific two-dimensional code readable by dedicated QR code readers and smartphones. The code consists of black modules arranged in a square pattern on a white background. The information encoded can be text, URL or other data.

Mobile Barcode Tips & Tricks:

1. **Search "2D barcode or QR code"** While we can't make a specific recommendation on mobile barcode providers, we can help you look. A quick search will yield dozens of providers who can create your 2-D barcode. You can send your customers to any online destination, including landing pages, videos, and online catalogs.
2. **Create your content.** Your content and destinations must be mobile optimized. Marketers will sometimes make the mistake of sending consumers to an existing web page. However, if that page isn't designed with mobile devices in mind, the page could be difficult to read or even inaccessible. Provide an excellent customer experience by creating a destination made just for mobiles.
3. **Provide directions.** Not everyone is familiar with 2-D barcodes, so you'll need to give them simple instructions on what to do to access the content. Make sure to include something like "Scan this with your smartphone's QR Reader to see videos about our newest products." Also, include a URL below the 2-D barcode for them to follow so they know where they'll be going.
4. **Track it.** Use unique tracking codes for each 2-D barcode, so you know which media and creative was the most effective. By tracking customer behavior online, you can learn which messages are most relevant and what your customers do when they get to their destination.

QR codes
provide value
for mailers! Add
them to
transactional mail!

USPS® Mobile Bar Code Applications

QR codes encourage desired consumer actions

- Register to receive future documents electronically (eConsent).
- View a video
- Redeem a discount for service or offer
- Make a purchase

“Make no mistake about it. Nothing beats direct mail in terms of its ability to target and generate an order,” says a director of promotional services for a major clinic. “But the more ways we can find to expand and work with the digital channel, the more we will do so.”



Mail Piece Design

- Effective January 5th, 2013
- Folded mail piece changes:
 - Number of tabs
 - Position of fold
 - Paper weight
 - Dimensions
- Other changes
 - Mailers must use at least basic IMb (full IMb required by 2014)



Optimization

Approaching Optimization

Combine Strategies to Maximize Postage Savings & Optimize transportation

- Merge multiple letter size mailings into a single mail stream
- Optimizes postage rates
 - Stamped mail
 - Permit mail
 - Metered mail
 - Machine Sorted
 - Computer Manifested



Commingling Value Proposition

- Improved consistency
- Reduce Postage costs
 - As postage rates and transportation costs continue to rise, being able to offer money saving solutions makes you more valuable.
- Operational Cost savings
 - Just about every letter shop can save money because they do not have to sort mail off the belt, prepare it for the USPS or take it to the BMEU. You can run equipment faster and drive more revenue per hour worked.
- Quality Assurance
 - Vendors should have the highest quality standards available and strong relationships with The USPS

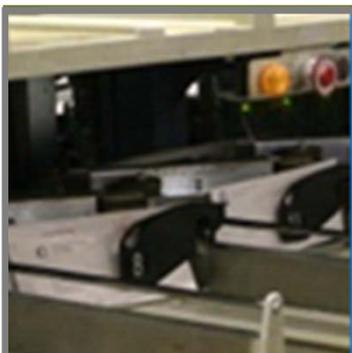
What Sort of Mail “Fits”?



National Mailings of 500,000 pieces or less



Mailings that have multiple versions or “cells”



All “Origin Entry” Mail, including the residual (non-drop ship) portions of mail-streams



Multiple job streams that make production complicated

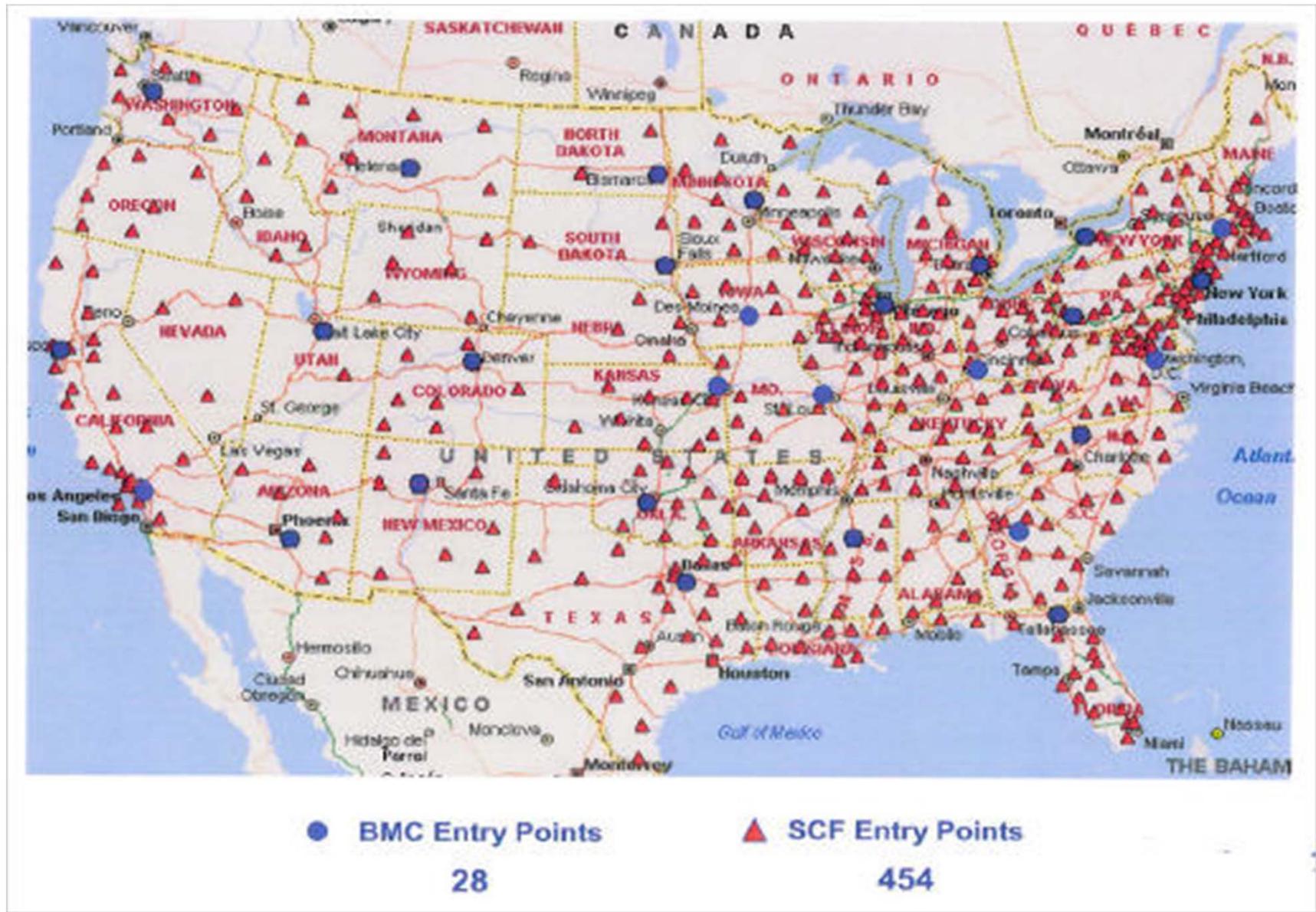


Large mailings that can drop on multiple days but have to be staged and dropped all at once to maximize postage saves

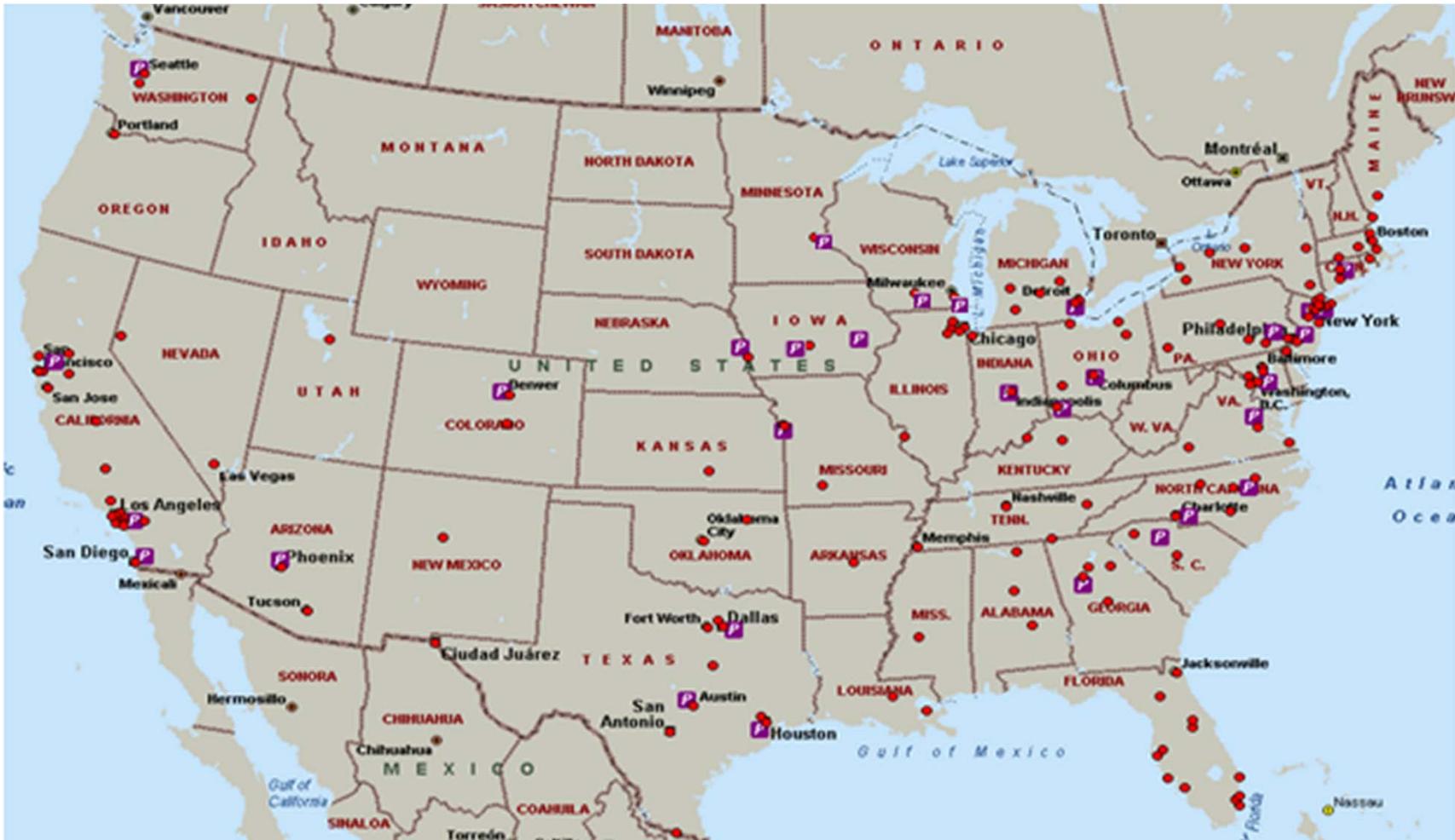
Logistics - Postal Optimization

- USPS Network Reduction
- Further distanced to SCF drops
- What is the impact on logistics after the USPS changes
- Transportation partnership

USPS Entry – BMC & SCF



TOP 150 SCF Points



 PBPS Locations

 SCF Entry Points

These dense geographic clusters account for nearly 75% of US population.

What to Look For in a Postal Optimization Partner

- National Network
- Postal Knowledge
- Automation
- Logistics
- Security
- Volume Discounts
- Technology

Tracking & Reporting

Mail Tracking and Reporting

Get more visibility into your mailstream . . .

Track jobs from when they are first processed by Pitney Bowes Presort Services, right up to the last processing scan with the USPS:

- Verification of acceptance
- First USPS scan
- Out for delivery Scan
- Mail Transparency
- Reporting detail
- Secure Web access
- Exportable data

[View Parameters](#)

Geographic Delivery & Tracking Pitney Bowes PresortXtra

First Class

From Date: Sunday, February 19, 2012

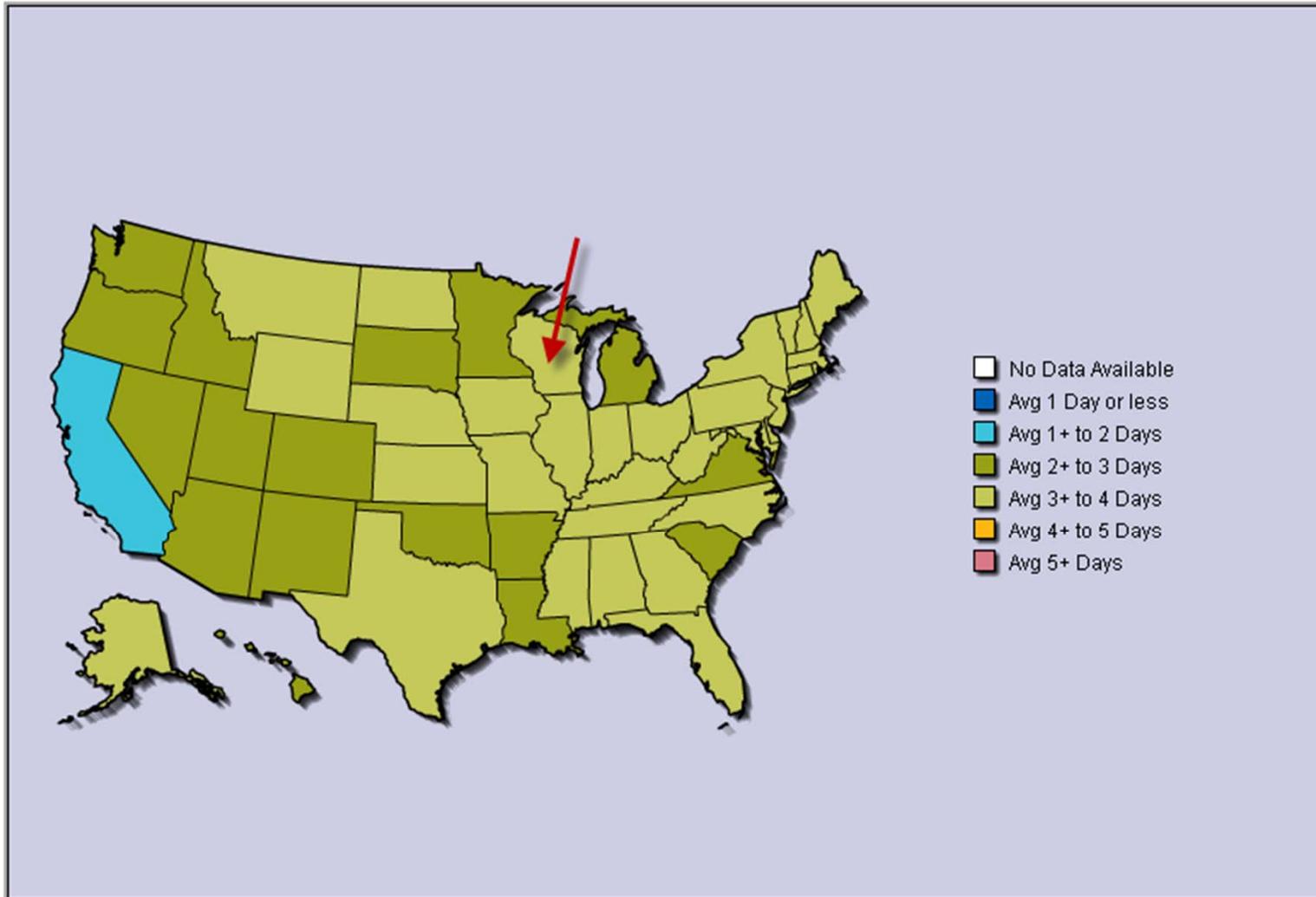
To Date: Saturday, February 25, 2012

[Save Data](#)

Nationwide

Average: 1.9 days

Job: All



5-Digit ZIP Code Detail

Geographic Delivery & Tracking

Pitney Bowes PresortXtra

First Class

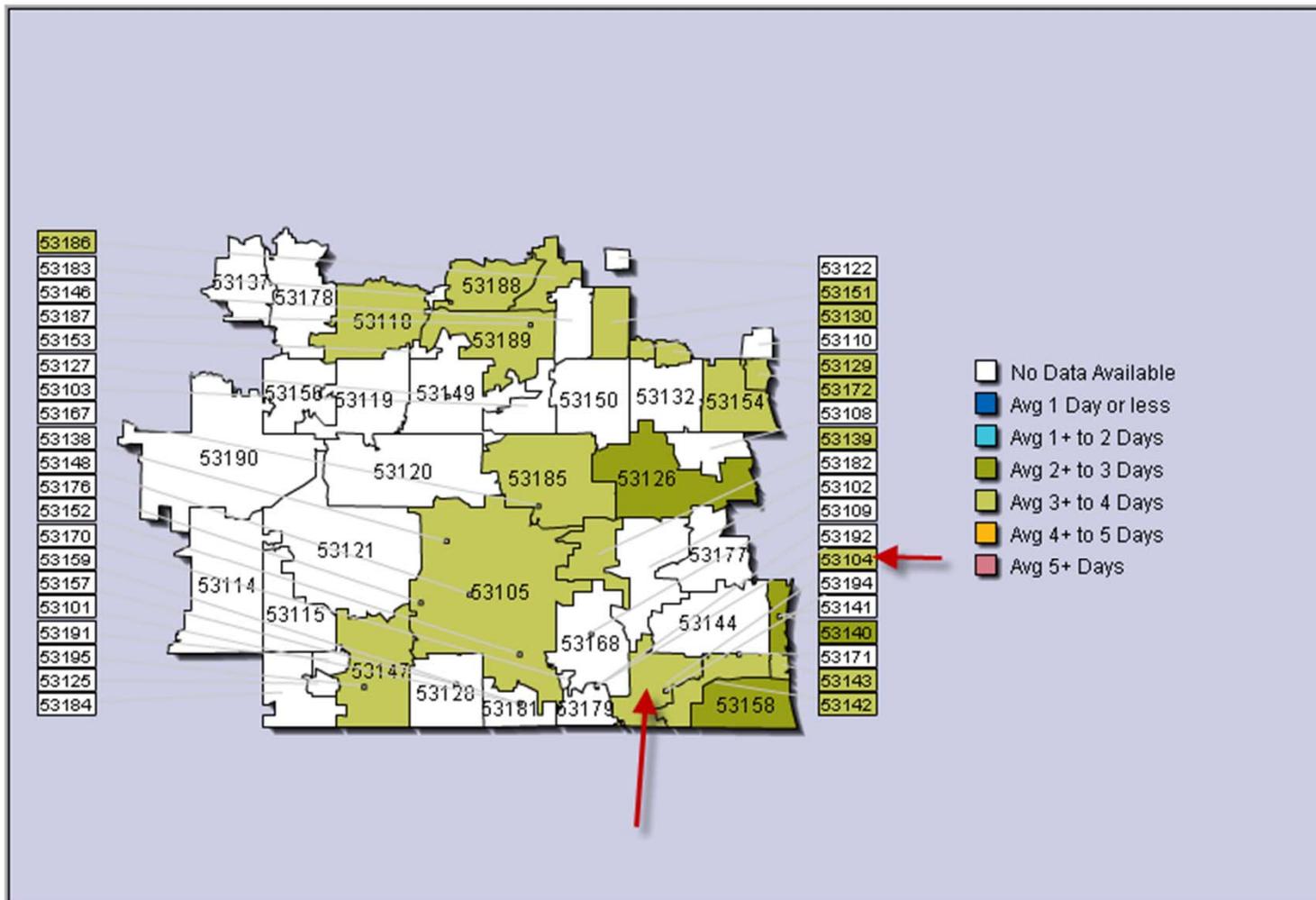
From Date: Sunday, February 19, 2012

To Date: Saturday, February 25, 2012

Wisconsin 531 ZIP

Average: 3.6 days

Job: All



Pitney Bowes Presort Services

- Experts in mail processing and transportation with systems and technology you can count on.
- Partnerships between mail owners, mail producers and the USPS.
- Our client focus is not just on your mail, but your business - postal experts who will act as your consultants on postal issues.
- Solutions to save postage and improve delivery for origin-entry mail.
- Flat-rate per piece pricing - makes it easy.
- Leaders in implementing the Intelligent Mail Barcode and the Intelligent Mail Tracking Program.

Questions and Answers

For more information:

- Website: www.pb.com/maileervices
- Email: maileervices@pb.com

THANK YOU.

