

First-Class Mail Product Development

MTAC

May 21, 2014

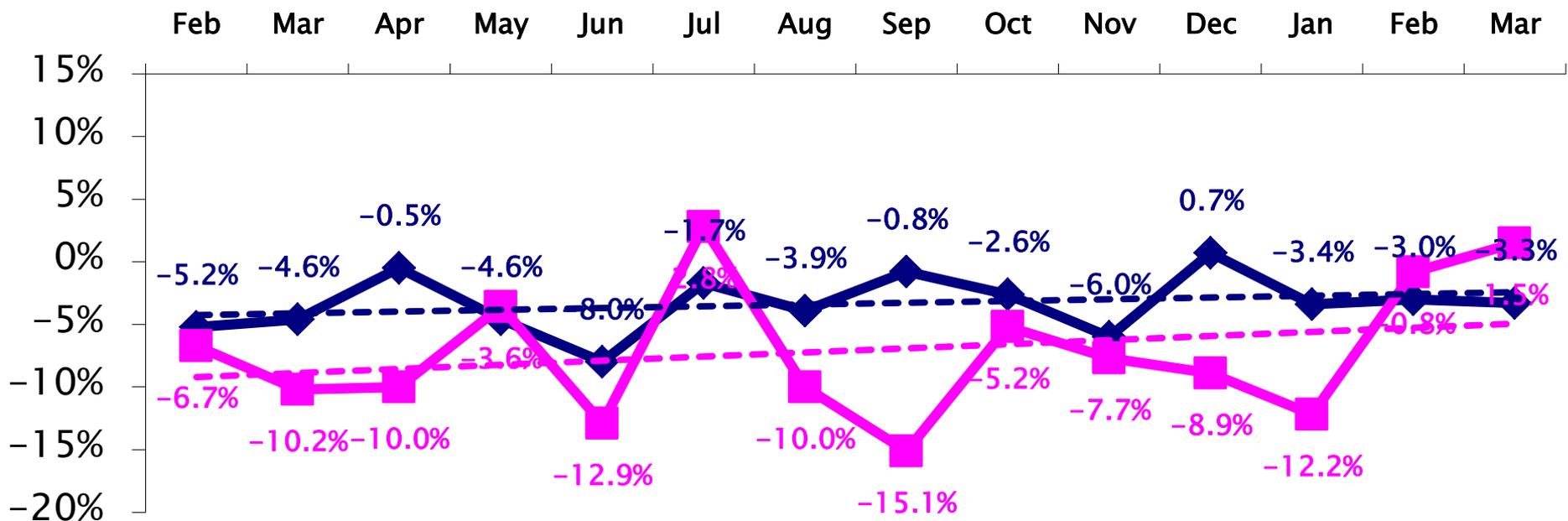
- **Pulse of the Industry**
- **First-Class Mail Billing Study**
- **2014 Promotions Update**
- **2015 Initiatives**
- **Open Discussion**

Pulse of the Industry

- **USPS Direction / Industry Impacts**
- **FCM Single-Piece Prices**
- **Alternate Postage Update**

First-Class Mail Volume (% Change over SPLY)

—◆— Total Presort Letters and Cards —■— Total Single-Piece Letters and Cards
- - - Linear (Total Presort Letters and Cards) - - - Linear (Total Single-Piece Letters and Cards)



- **Postal Service implemented blended price for residual letters and meter price in January 2014**
- **Residuals:**
 - **1 oz. and 2 oz. prices or**
 - **Blended rate for pieces up to 2 oz.**
- **Meter price for all FCM single-piece letters (includes all residuals and commercial stand-alone mailings)**
- **Meter price is NOT available for Single-Piece letters with postage stamps**

Alternate Postage Update

Creating a New Opportunity for the Mail

- **Market push-out May 15**



Highlights:

- Unique mailing product limited only by your creativity
- Using IMb technology to collect postage
- Picture Permit Indicia included free of charge
- Postage maybe partially prefunded or paid in full at time of mailing

For more information, please contact us at

AlternatePostage@usps.gov

Opportunities:

Industry	Uses
Automotive	Referral and Loyalty Program
Entertainment and Travel	Postcards sold at tourist destinations
Franchises	Promotions and Referrals
Healthcare	Affordable Care Act
Retail	Greeting Cards sold at retail Gift Cards sold at retail

First-Class Mail Billing Study

Electronic Diversion Examples

Having trouble viewing this email? [View Online.](#)
Please [add](#) \ 'essbook

[Online Statements](#)

[Prevent Fraud](#)

Your chance to win \$20,000 ends May 31, 2014

[Go Paperless](#)



NO PURCHASE NECESSARY

Dear

There's still time to be entered for your chance to **win \$20,000 cash or one of 50 Samsung Galaxy Note 10.1 2014 Edition tablets.**¹ Switch to Online Statements by May 31, 2014.²

When you go paperless you'll enjoy:

- **Improved security** — Reduce the risk of fraud and identity theft that comes with paper statements.
- **Less clutter** — Quickly and easily access your past statements online.
- **Reduced waste** — Conserve paper and trees by printing only what's needed.

Your chance to win ends soon — go paperless today.

[Switch Now](#)

Go paperless now

1. [Sign on](#)
2. Select **Set all statements and notices to Online**, or select individual statements to Online, then click **Submit** at the bottom of the page.

Switch to paperless statements by May 31, 2014 for your chance to win \$20,000 cash or one of 50 Samsung Galaxy Note 10.1 tablets.

[Sweepstakes Details](#)

Electronic Diversion Examples

Try, get a \$10 Reward Card just for giving free Paperless Billing a try.

Enjoy the freedom of Paperless Billing, plus a **\$10 thank-you gift.**

Set up automatically

Just click once to set up. You will receive a confirmation email for paperless billing enrollment at your address ending in [XXXXXX](#).

Or you can [log in](#) to set up online.



Set up Paperless Billing for your U-verse account and you can view, pay and manage your bill practically anywhere, anytime. Plus, you'll get a \$10 Reward Card* as our thanks.

Enjoy your freedom — go paperless now — it's fast, easy and **free!**



Convenience

Manage your paperless bill almost anywhere, anytime with myAT&T.



Comfort

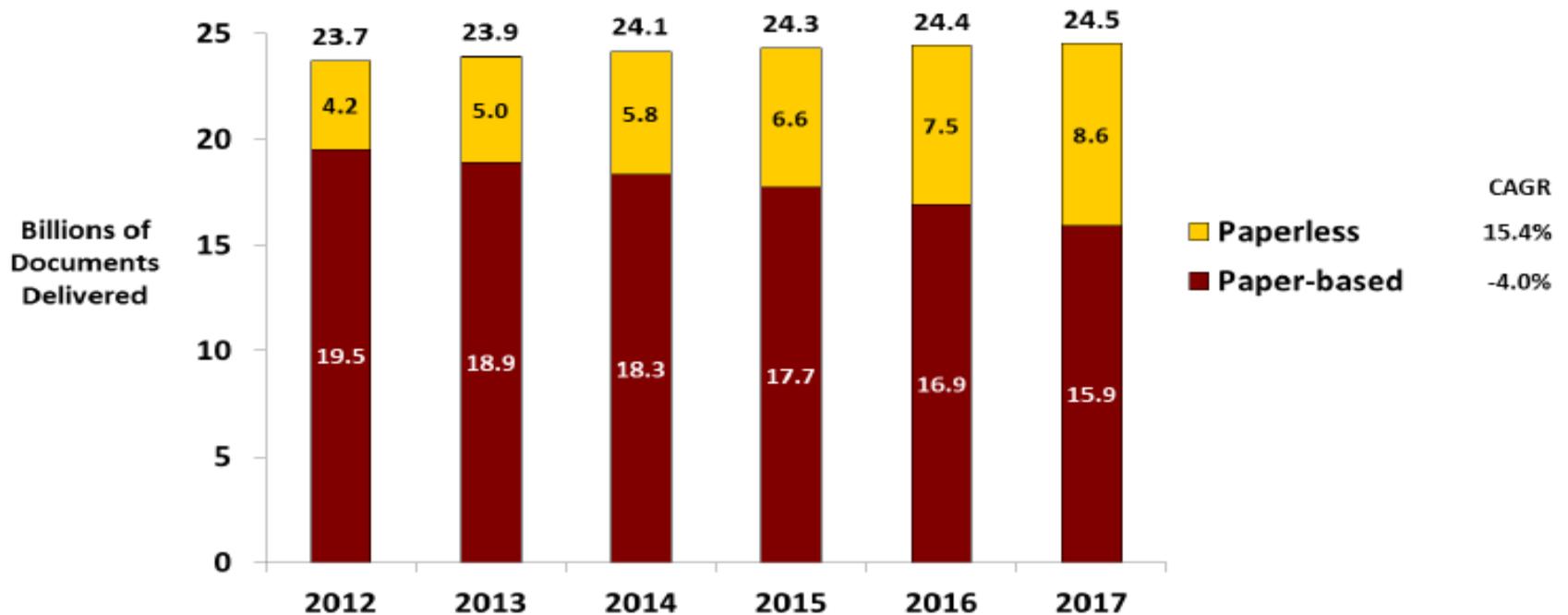
Get a monthly email or text notice when your bill is ready to view and pay.



Control

View up to 16 months of bill details and print them anytime you want.

Erosion of Transactional Print will Continue, **but Not a Cliff** (B2C Bill and Statement Delivery in the U.S.)

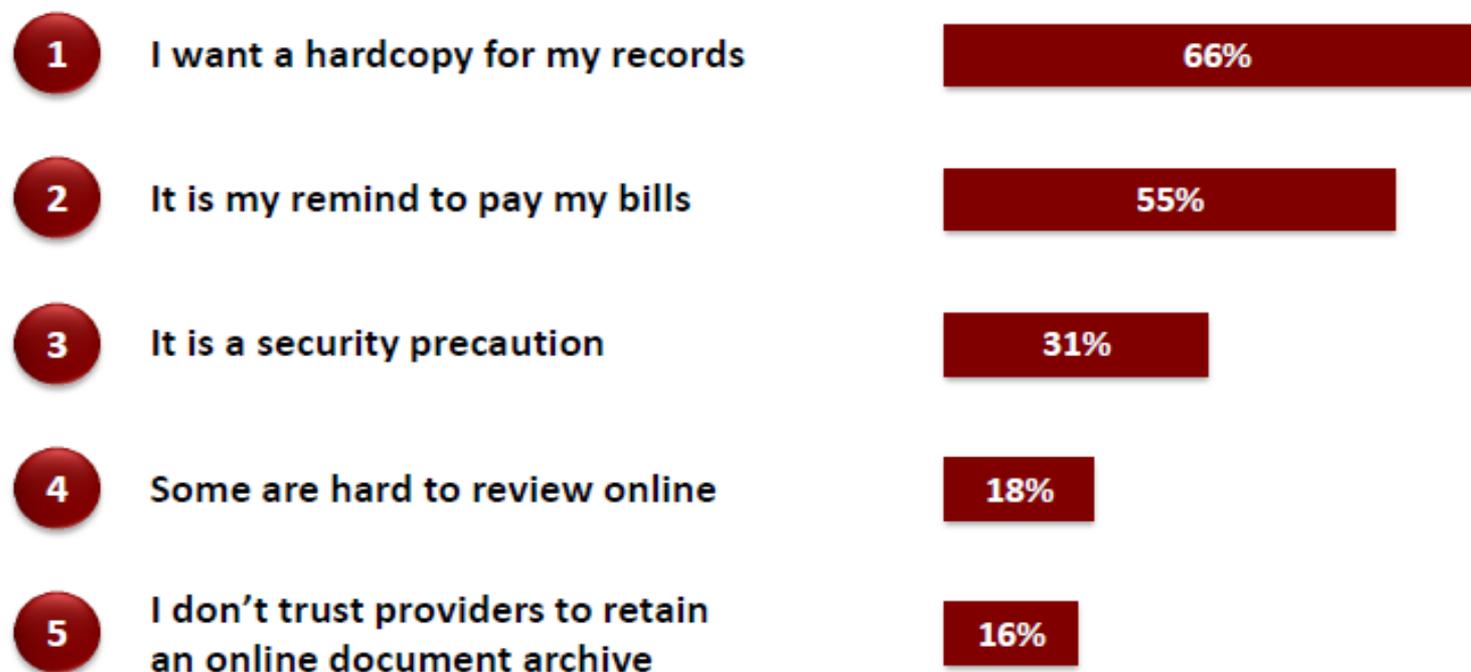


Source: *The Future of Multi-channel Transactional Communications in the U.S.*, InfoTrends, 2013

“Bills and statements are opened more than any other communication received by mail, with average read times between 2 and 5 minutes”

Reasons Why Consumers Embrace Paper Bills and Statements

Why do you still receive paper versions of your bills and statements?



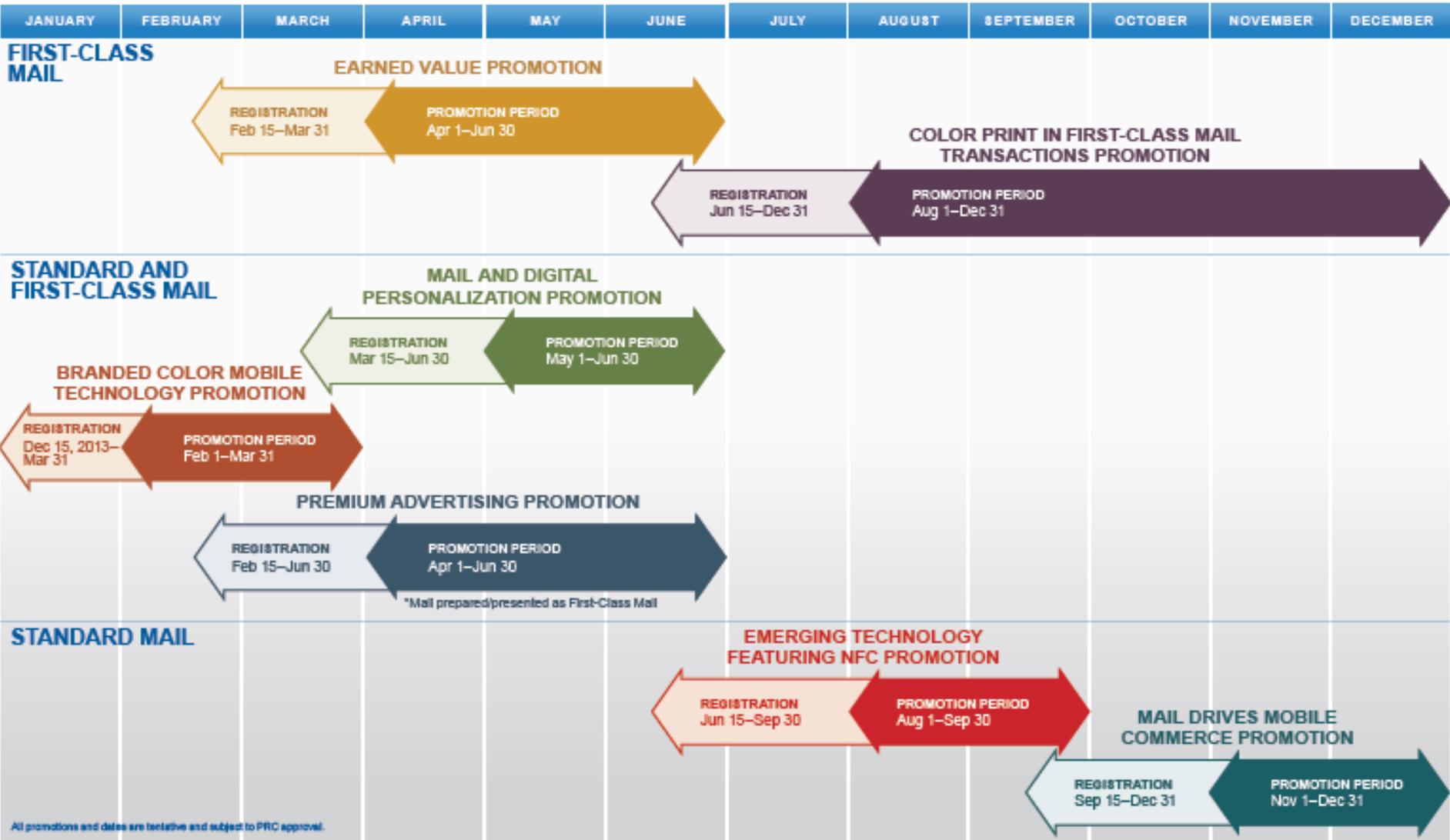
N = 1,846 Consumers age 18+ in the U.S. that receive paper versions of online bills/statements
Source: *The Future of Multi-channel Transactional Communications in the U.S.*, InfoTrends, 2013

John P. Huffman Jr.

Director, Customer Insights & Marketing Services

- Current Segmentation/A&U –Results will help inform direction of study design
- Possible Designs
 - ❖ Past behavior approach-current/new customers
 - ❖ Future behavior approach—new customers
- Timing
 - ❖ Mid-June meeting to discuss possible executions
 - ❖ Late-June, early July report of Mail Segmentation/A&U
- To participate conduct John.P.Huffman@usps.gov

2014 Promotions



All promotions and dates are tentative and subject to PRC approval.

Promotion Results

• **Branded Color Mobile Technology Promotion**

- **Participation:** **Over 350 Participants**
- **Discounted Volume:** **Over 2.5 Billion Pieces**
- **Total Discount:** **Nearly \$12 Million**
- **Seeking anecdotal information about participants experience with color mobile barcodes**
- **Survey to be sent in a few weeks**

▪ **Earned Value Promotion**

- **574 customers enrolled. Registration ended March 31**
- **Counting reply mail pieces April 1 through June 30**
- **Credits will be released after August 24**
- **Extending expiration date**

▪ **Premium Advertising Promotion**

- **19 customers enrolled (Registration is still open)**
- **Promotion Period: April 1 – June 30**
- **Participants who plan to send commingled mail need to contact the program office: PremiumAdMail@usps.gov**

▪ **Color in First-Class Mail Transactions Promotion**

- **Receiving samples for review from mailers**
- **Registration begins: June 15**
- **Program Period: August 1 – December 31**

- **Mail and Digital Personalization Promotion**
 - Registration opened March 15, promotion began May 1
 - Promotion Period: May 1 – June 30
 - Recorded webinar is available on RIBBS
- **Emerging Technology Promotion**
 - Webinar planned for May 22
 - Registration begins: June 15
 - Promotion Period: August 1 – September 30
- **Mail Drives Mobile Commerce Promotion**
 - Registration opens: September 15
 - Promotion Period: November 1 – December 31
 - Requirements posted on RIBBS

Color Print in First-Class Mail Transactions Promotion



CLASSIC

Account Ending In 5017	
Previous Balance	= \$2,255.10
Payments/Credits	- \$0.00
Purchases/Cash Advances +	\$4.99
Interest Charges/Fees +	\$0.00
New Balance	\$2,260.09
Purchases This Year: \$9.98	
Revolving Credit Limit:	\$1,200.00
Available Credit:	\$0
Days in Billing Cycle:	28
Statement Date:	02/26/2014

Your Current Level: CLASSIC
You are \$9,990 away from achieving SILVER status!*

\$0	\$10,000 SILVER	\$25,000 BLACK
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**Subject to credit history.

Cabela's CLUB Points	
(Points shown in dollars)	
Previous Points Balance	= \$0.00
Points Earned at Cabela's	+ \$0.00
Points Earned at Cenex	+ \$0.00
Points Earned Elsewhere	+ \$0.00
Other Points Added	+ \$0.00
Points Redeemed	- \$0.00
CLUB Points Available	\$0.00

Payment Information	
New Balance	\$2,260.09
Amount Over Credit Limit	\$1,060.09
Amount Past Due	\$1,144.00
Minimum Payment Due*	\$1,189.00
Payment Due Date	03/22/2014

*Minimum Payment Due does not include any promotional balance or amount in dispute.

Late Payment Warning:
If your Minimum Payment Due is not received by the Payment Due Date, you may have to pay a late fee of up to \$35.

\$5 FLAT RATE SHIPPING
NO MINIMUM ORDER

Now through 05/31/2014

**MUST USE PROMO CODE:
CLUBFIVE**

Must use your CLUB Visa. Restrictions apply. See cabelas.com/clubfive, or call 1.800.237.4444 for terms and conditions.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

If you make no additional charges on your card & each month you pay:	You will pay off the balance shown on this statement in about:	And you will end up paying an estimated total of:
Only the minimum payment	4 years	\$2,260.00

If you would like information about credit counseling services, go to www.justice.gov/usdo/bapcpa/cde/co_approved.htm or call toll-free 1-855-895-1118.

Please note that your account has been identified to receive a CLUB points addition. This is being provided to address an operational issue associated with a previously made purchase that qualified for a \$5 shipping promotion. We apologize for any inconvenience or confusion. If you have questions, please call 1-800-850-8402.

You've qualified to earn 2% on all CLUB Visa purchases through April 30, 2014. All you need to do is start using your CLUB Visa for everyday purchases and begin to earn more points!

See next page for your list of payments/credits and purchases/cash advances.

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Change of address?

Check here and complete the reverse side.

*Cabela's CLUB Points cannot be used for payment.
*Please use black or blue ink and return this portion with your payment.
*Make Checks Payable to:

Cabela's CLUB Visa
PO BOX 82519
Lincoln NE 68501-2519

PAYMENT METHODS


cabelasclubvisa.com


 Retail


 Mail


 1-800-850-8402

Account Ending In:	5017
Amount Past Due:	\$1,144.00
Amount Over Credit Limit:	\$1,060.09
Minimum Payment Due:	\$1,189.00
Payment Due Date:	03/23/2014
New Balance:	\$2,260.09

AMOUNT ENCLOSED:

PRIMARY TESTACCOUNT
6855 PACIFIC STREET
ONA WV 25545-9782

000001000000433100118900002260092

2015 Promotion Ideas

Evaluation Criteria

Strategic Fit:

How well does idea fit with promotion goals: The general intent of all promotions is to increase the value of mail and sustain its long-term growth and,

- **Build on the goals of past mobile barcode promotions**
- Continue **to build awareness of how mobile technology can be integrated** in direct mail campaigns
- Highlight other direct mail techniques and best practices that we believe increase the value of mail.
- **Create excitement about mail**, keep mail top-of-mind for marketers, reward innovative customers, show customers we want their business and encourage others in the mailing industry to provide similar sale initiatives for customers.

Benefit to USPS

How much will this benefit the Postal Service. Will this slow volume decline in FCM, is there be a possibility of incremental volume increase in Standard Mail, will it improve the overall value of mail, etc.

Benefit to Mailer

How much can the mailer benefit by participating. Will it increase the ROI of the mail campaign or will it offer significant postage savings?

Evaluation Criteria

Level of Innovation	In terms of technology integration, how innovative is the promotion . Is it a new or emerging technology? Is it something many mailers have yet to try?
Volume Retention	If the primary goal of the promotion is to retain mail volumes , how effective do we think it will be?
Cost to USPS	How wide would participation be - would total discount amount be high? Also, would this require significant or costly development of systems ?
Cost to Mailers	Would most mailers need to make significant financial investments in order to participate?
Ability to Implement	Would there need to be significant changes to our systems or processes to implement this? Would this require us to build a new product or system? Would we have to obtain concurrence or approval from internal stakeholders? Would this require significant staff resources at the program office level?

Current List of Promotions Ideas

■ **First-Class Fundraising Promotion**

- Encourages participants to use First-Class Mail® for their fundraising activities.

■ **First-Class Mail Color/Transpromo Promotion**

- Continue to grow the value of First-Class Mail and encourage mailers to invest in color print technology for bills/statements

■ **Alternate Postage Promotion**

- Build awareness and stimulate usage of one of our newest and most exciting products.

■ **Holiday Mobile Shopping Promotion**

- Demonstrate how direct mail, combined with mobile technology, continues to be a convenient method for consumers to do their shopping

Continued

■ **Mail and Mobile Technology Integration**

- Promote use of mobile-print technology that allows a recipient to either download an app or ties into a rewards/loyalty program

■ **2015 Earned Value Reply Mail**

- Slow the decline of First-Class Mail (BRM and CRM) pieces through a postage credit for each returned mailpiece

■ **Advanced or Emerging Technologies Promotion**

- Encourage the use of “enhanced” augmented reality or standard NFC technology in mailing campaigns

■ **Catalogs Drive Action Promotion**

- Use findings from catalog innovation study to encourage mailers to use multi-channel marketing and enhancements that demonstrate power of direct mail to drive consumer action

Open Discussion