

Scan Based Payment for Returns

Richard Thornton-Manager, Solutions Development

Kevin Gunther-Manager, Business Development

June 10, 2014

To listen to a recording of this presentation please visit:

<https://usps.webex.com/usps/lsr.php?RCID=81b96a46dc79448f88177bf13d56a7c5>

Note: The following slides have been updated in this presentation. The recording does not reflect this change. Slide 7: Slide subtitle was changed from “USPS Return Services, Process Flow” to PRS-Full Network, Process Flow” to accurately describe the product being discussed. Slide 33: Title changed from “Merchant Charged Upon Delivery” to “Merchant Charged Upon Scan” to more accurately describe the process applicable to new Scan Based Payment Returns permit holders who apply after August 24, 2014.

USPS Return Services

General Requirements

- Minimum of 10,000 Returns Annually (for SBP)
- Any Combination of Eligible Products may be combined
- Eligible for CBP & may be eligible for CPP pricing.
- Local or National (Preferred) MRS Account
- MRS Permit and Account Maintenance Fees
- CAPS Account Required
- IMpb Required
- Unique Mailer ID Required

USPS Return Services



First-Class™ Package Return Service

Fast and affordable service for envelopes and packages weighing up to 13 oz.

1 – 3 Day Delivery



Priority Mail® Return Service

Best choice for shipping packages up to 70 pounds, offering the fastest delivery time of any return

1 – 3 Day Delivery



Ground Return Service

Reliable and economical choice for less-than-urgent deliveries and oversized packages

2 – 9 Day Delivery

PRS-Full Network



PRS-Full Network

Labels look identical to Ground Return Service labels. Requires a 50,000 annual minimum per location

2 – 9 Day Delivery

USPS Return Services, Process Flow



PRS-Full Network, Process Flow



Label Options

- **Customers Receive/Create labels**
- **Customers have four ways of obtaining a label ...**



1. Labels enclosed in the outbound shipment
2. The merchant's website interfaces with the USPS Merchant Returns Label Tool so the customer can print their own label
3. The customer creates a label directly through the new USPS Merchant Returns Label Tool
4. The merchant's call center agent creates label and emails to customer



Call Center

Generating a Returns Label is as Easy as 1-2-3.

Fill out a couple simple pieces of information, and you'll be on your way. We'll help you get your shipping label in minutes.

IDENTIFY MERCHANT

Merchant Name **Tim's Toys**
RMA:

ENTER YOUR INFORMATION

*Customer Name

*Address Line 1
Enter Street Address

Address Line 2
(If Applicable) Enter Apartment or Suite Number

*City

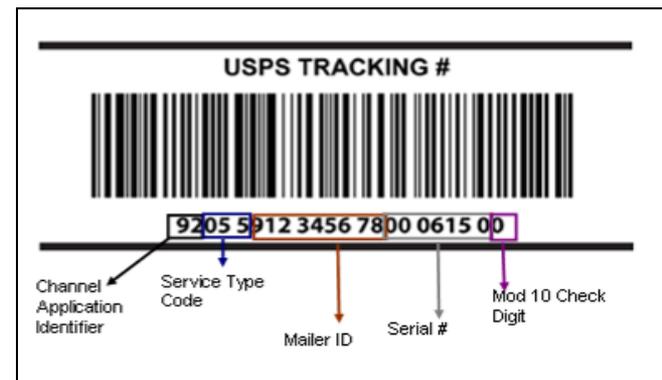
Scanning

- Packages are scanned up to 11 times
Visibility allows you to...



- Payment triggered on first physical scan event

- Track activity
- View reports
 - Pieces returned
 - Sampling data
 - Packages in transit



Scan Based Payment

- All mail pieces are scanned at acceptance, enroute, and delivery
- Pricing is determined by sampling mail pieces to determine average piece weight and distance traveled
- Rates are adjusted monthly based on piece sampling
- Merchants charged automatically, on a daily basis, based on package activity – no manifesting



Determining an Initial Average Price

- **Pricing Process:** An initial average uniform price is established based on historical shipping data. As USPS Return Services items are presented at a postal retail window, package information is captured for the sampling process. At the end of each month the average uniform per piece price is recalculated and the rate is adjusted on the 11th day of the following month. The Sampled Pieces Report lists each package that was sampled and the new calculated price per piece using this formula:

$$\begin{array}{l} \textit{Sum of the prices for all} \\ \textit{pieces of a single class} \\ \textit{included in a sample set} \\ \textit{(past three months)} \end{array} \div \begin{array}{l} \textit{Total number of pieces in} \\ \textit{that mail class included in} \\ \textit{the sample set (past three} \\ \textit{months)} \end{array} = \begin{array}{l} \textit{Price for each returns} \\ \textit{piece for that mail class} \\ \textit{that is sent via SBP} \end{array}$$

PostalOne! Scan-Based Payment (SBP) Reports

There are several reports available in the Scan-Based Payment module of *PostalOne!*

- Postage Statement Summary Report — Total amount of postage paid each day.
- Pieces Paid Report — Total postage for each individual package.
- Duplicate Parcels Report — Any packages with duplicate IMpb.
- Labels Created Report — Packages that use a label created through the Merchant Returns Label tool.
- Pieces Pending Report — Packages that have not been delivered but are enroute.
- Sampled Pieces Report — Sampled packages including weight and postage; also displays a projected average per-piece price.

Marketplace Can View Sampled Data

Total Pieces Sampled is the sum of all sampled packages for all three mail classes

Monthly Sampling Summary					
Sampled Pieces Report					
Total SBP Records Processed:					
Total Pieces Sampled: 127					
Computation of Average per Piece Price:					
	Total postage of sampled pieces:	Divided by	Total pieces sampled:	Equals	Average Per Piece Postage:
First-Class Package Return Service	\$151.96	+	32	=	\$4.72
Ground Return Service	\$160.20	+	22	=	\$7.28
Priority Mail Return Service	\$309.31	+	73	=	\$4.24

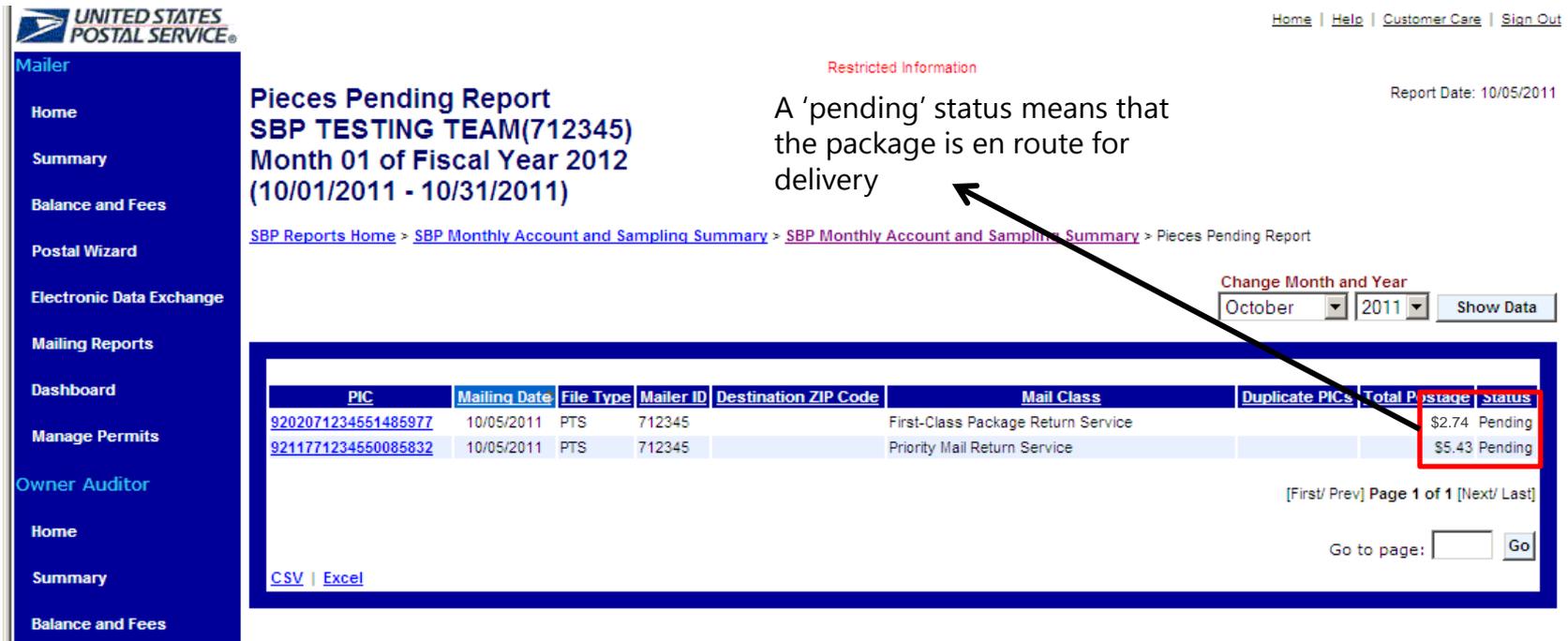
Sampled Pieces Report shows information about each piece sampled, including weight, destination ZIP code, and postage

Projected average per piece price: \$19.39

Delete	Date Of Sample Collection	PKC	Package ID	Mailcar ID	Sample Source	Sampling Facility Type	ZIP Code Aligned Sampled	Destination ZIP Code	Mail Class	Sample Weight	Sample Postage
<input type="checkbox"/>	01/01/2012	92032200000001676708266	2878836	000000016	POS		50311	50311	Ground Return Service	40.87	\$31.67
<input type="checkbox"/>	01/01/2012	92032200000001660600402	6698849	000000016	POS		15603	15603	Ground Return Service	39.60	\$27.25
<input type="checkbox"/>	01/01/2012	92032200000001626488429	2648842	000000016	POS		15603	15603	Ground Return Service	42.58	\$28.74
<input type="checkbox"/>	01/01/2012	92032200000001626488429	2648843	000000016	POS		15603	15603	Ground Return Service	43.58	\$29.23

This screenshot is the marketplace view of the SBP module in PostalOne! (<https://gateway.usps.com/bcg/login.htm>) where the marketplace can view a summary of the monthly sampling.

Merchant Can View a Pieces Pending Report



UNITED STATES POSTAL SERVICE®

Home | Help | Customer Care | Sign Out

Mailers

Home

Summary

Balance and Fees

Postal Wizard

Electronic Data Exchange

Mailing Reports

Dashboard

Manage Permits

Owner Auditor

Home

Summary

Balance and Fees

Pieces Pending Report
SBP TESTING TEAM(712345)
Month 01 of Fiscal Year 2012
(10/01/2011 - 10/31/2011)

Restricted Information

A 'pending' status means that the package is en route for delivery

Report Date: 10/05/2011

[SBP Reports Home](#) > [SBP Monthly Account and Sampling Summary](#) > [SBP Monthly Account and Sampling Summary](#) > Pieces Pending Report

Change Month and Year

October 2011 Show Data

PIC	Mailing Date	File Type	Mailer ID	Destination ZIP Code	Mail Class	Duplicate PICs	Total Postage	Status
9202071234551485977	10/05/2011	PTS	712345		First-Class Package Return Service		\$2.74	Pending
9211771234550085832	10/05/2011	PTS	712345		Priority Mail Return Service		\$5.43	Pending

[First/ Prev] Page 1 of 1 [Next/ Last]

Go to page: Go

[CSV](#) | [Excel](#)

This screenshot is the merchant view of the SBP module in PostalOne! (<https://gateway.usps.com/bcg/login.htm>) where the merchant can view a summary of pieces that have not yet been delivered.

Merchant Can View Sampled Data

Total Pieces Sampled is the sum of all sampled packages for all three mail classes

Monthly Sampling Summary

[Sampled Pieces Report](#)

Total SBP Records Processed:

Total Pieces Sampled:

Computation of Average per Piece Price:

	Total postage of sampled pieces:	Divided by	Total pieces sampled:	Equals	Average Per Piece Postage:
First-Class Package Return Service	\$151.96	÷	56	=	\$2.71
Ground Return Service	\$160.20	÷	22	=	\$7.28
Priority Mail Return Service	\$309.31	÷	59	=	\$5.24

Sampled Pieces Report shows information about each piece sampled, including weight, destination ZIP code, and postage

Projected average per piece price: **\$19.39**

Delete	Date Of Sample Collection	PIC	Package ID	Mailer ID	Sample Source	Sampling Facility Type	ZIP Code Where Sampled	Destination ZIP Code	Mail Class	Sample Weight	Sample Postage
<input type="checkbox"/>	01/01/2012	9202290000061676788366	7678836	900000616	POS		50311	50311	Ground Return Service	40.57	\$31.67
<input type="checkbox"/>	01/01/2012	9202290000061656088407	5608840	900000616	POS		15683	15683	Ground Return Service	39.60	\$27.25
<input type="checkbox"/>	01/01/2012	9202290000061626488429	2648842	900000616	POS		15683	15683	Ground Return Service	42.58	\$28.74
<input type="checkbox"/>	01/01/2012	9202290000061636488439	3648843	900000616	POS		15683	15683	Ground Return Service	43.58	\$29.23

This screenshot is the merchant view of the SBP module in PostalOne! (<https://gateway.usps.com/bcq/login.htm>) where the merchant can view a summary of the monthly sampling.

Merchant Can View Payment Status

- Mailer
- Home
- Summary
- Balance and Fees
- Postal Wizard
- Electronic Data Exchange
- Mailing Reports
- Dashboard
- Manage Permits
- Owner Auditor
- Home
- Summary
- Balance and Fees
- Mailing Reports
- View Permits
- SBP Customer (SBP)
- SBP Monthly Account

Restricted Information

Report Date: 10/05/2011

Pieces Paid Report SBP TESTING TEAM Month 01 of Fiscal Year 2012 (10/01/2011 - 10/31/2011)

[SBP Reports Home](#) > [SBP Monthly Account and Sampling Summary](#) > [SBP Monthly Account and Sampling Summary](#) > Pieces Paid Report

Change Month and Year

Transaction Number	PIC	Mailing Date	File Type	Mailer ID	Destination ZIP Code	Mail Class	Duplicate PICs Paid	Total Postage	Status	Date Processed for Payment
4005	92117712345 79654304	09/15/2011	PTS	712345	21045	Priority Mail Return Service		\$5.43	Complete	10/01/2011

1 Piece(s) Paid

[First / Prev] 1 of 1 [Next / Last]

Go to page:

[CSV](#) | [Excel](#)

Screenshot of the SBP module in PostalOne! (<https://gateway.usps.com/bcq/login.htm>) where the merchant can view a pieces paid report.

Just some of the benefits of the New Returns Platform include...



Flexible Label Printing

- New website / API for consumers to generate labels on-demand
- Merchant call center interface to allow agents to print labels on behalf of consumers
- Consumers may pre-print labels for insertion into an outbound package

Increased Visibility

- Tracking included in the price of the product – no charge
- Eliminates delays in time-in-transit caused by manual rating

Low Cost

- USPS offers a uniform low price that is adjusted monthly for every mail class

USPS Onboarding Process Flow

**1. Obtain a
National MRS
Permit**



**2. Set up a
CAPS
Account**



**3. Set up a
Cust. Reg
Account**



**4. Set up Prog
Reg and SBP
Services**



**5. Set up Account
on Returns Tool**





1. Consumers Receive/Create Labels

Consumers have four ways of obtaining a label ...

a. Consumer already has a pre-printed label

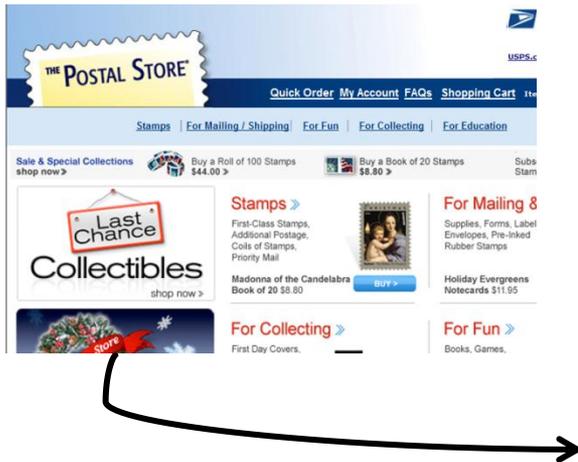
The merchant is certified to create their own labels. The merchant inserts a return label in their outgoing shipments in case the consumer chooses to return the shipment.



b. Consumer creates a label through the USPS Returns Web Service (API)

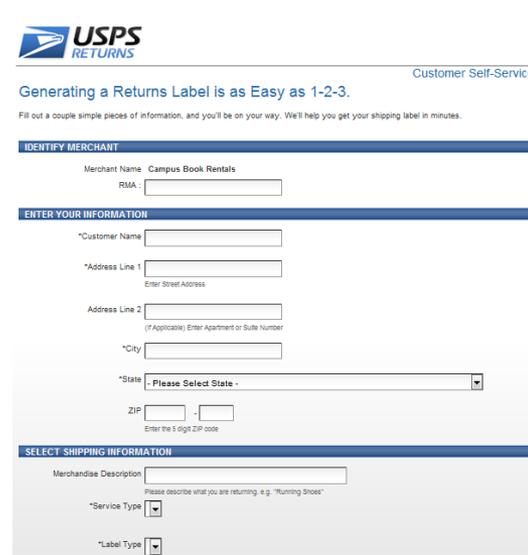
1

Consumer initiates the Returns process on **Merchant Website** ...



2

... is then redirected to the **USPS Returns Application** ...



3

... application builds your label that you are now ready to ship with.



- Integration with the **USPS Post Office Locator API** to easily find your nearest location to drop-off a package
- Integration with **USPS Schedule a Pickup API** if you choose to have the return picked up by your mail carrier

c. The merchant has the option to use their own website to 'call' the USPS Returns Web Service (API) in order for the consumer to create labels

- Merchants can keep the same 'look and feel' on their website while still allowing the consumer to create labels using the returns tool
- The merchant can tailor the returns website to fit their needs and promote their products



Returns Web Service

Labels could be created here while using Merchant's User Interface



d. Consumer calls Merchant Call Center

Consumer contacts a Call Center Agent, who uses the USPS Returns website to generate a label and send it to the consumer.



Call Center

Generating a Returns Label is as Easy as 1-2-3.

Fill out a couple simple pieces of information, and you'll be on your way. We'll help you get your shipping label in minutes.

IDENTIFY MERCHANT

Merchant Name **Tim's Toys**

RMA :

ENTER YOUR INFORMATION

*Customer Name

*Address Line 1

Enter Street Address

Address Line 2

(If Applicable) Enter Apartment or Suite Number

*City

		<small>NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES</small>
P		
PRIORITY MAIL® RETURN SERVICE		
<small>Ricky Returner 301 D ST SW STE 101 WASHINGTON DC 20024-2198</small>		
<small>ABC Company 475 LENFANT PLZ SW WASHINGTON DC 20260-0004</small>		
USPS TRACKING #		
		
9211 7912 3456 7800 0043 35		



2. Consumer Drops Off Return with USPS

Consumer has two options ...

After the returns label is placed onto the package the consumer has the following two options:

a. Request for Pickup at Home

- Daily presence at 132 million delivery points
- Free Carrier Pickup, Monday through Saturday



b. Drop-off at any Post Office

- Over 31,000 retail Post Office locations
- Approximately 160,000 collection boxes

With either option USPS has made it easy with its convenient access and presence across the nation





3. Packages Shipped, Scanned & Sampled

Scan Based Payment processes at work...

Shipping

- The shipping process begins as soon as the consumer drops off the package or the mail carrier picks it up and ends when the merchant receives the package

Scanning

- Packages are typically scanned 9-11 times during the shipping process
- Scans tabulate total shipping volume for SBP billing
- Allows piece visibility - allows Merchants and Consumers to see exactly how many packages have been delivered as well as the ones that are 'enroute' to delivery

Consumer Visibility

- Consumers can use the USPS.com Track & Confirm page to obtain the status of the package

Merchant Visibility

- **PostalOne!**: Application allows merchants to track Scan Based Payment activity. Merchants can view reports on sampling, pricing, delivery, and more.
- **Product Tracking and Reporting (PTR)**: Database of all scan events. PTS extract files can be sent to merchant and include all shipping events.



Sampling

- Portions of the merchant's returns are sampled **(weighed and rated)** to determine an accurate price (per piece)
- USPS uses **a statistically valid number** of samples to represent the merchant's shipping profile
- **USPS uses multiple sampling methods** to randomly sample from the returns shipment's total population
- Sampling can occur at **multiple points** in the shipping process





Acceptance	In Transit	Delivered
Local PO/DDU	USPS Processing Facilities	Merchant's Address
<ul style="list-style-type: none"> • Consumer delivers package with label to retail clerk at a local PO or a mail carrier picks up package 	<ul style="list-style-type: none"> • Merchant waits as the package is processed through the shipping process 	<ul style="list-style-type: none"> • Mail Carrier may deliver package to merchant's address
Scan Event: scanned as 'Accepted'	Scan Event: scanned as 'Enroute' (multiple scan events occur during the 'enroute' stage)	Scan Event: scanned as 'Delivered'
Sampling: Package may be weighed and rated		Sampling: Package may be weighed and rated

How are Packages Scanned?

Packages are scanned at multiple stages in the shipping process with hand-held and mail processing scanners

How are Packages Sampled?

Weight and rate (origin to destination shipping distance) are sampled during the shipping process



4. Merchant Receives Return

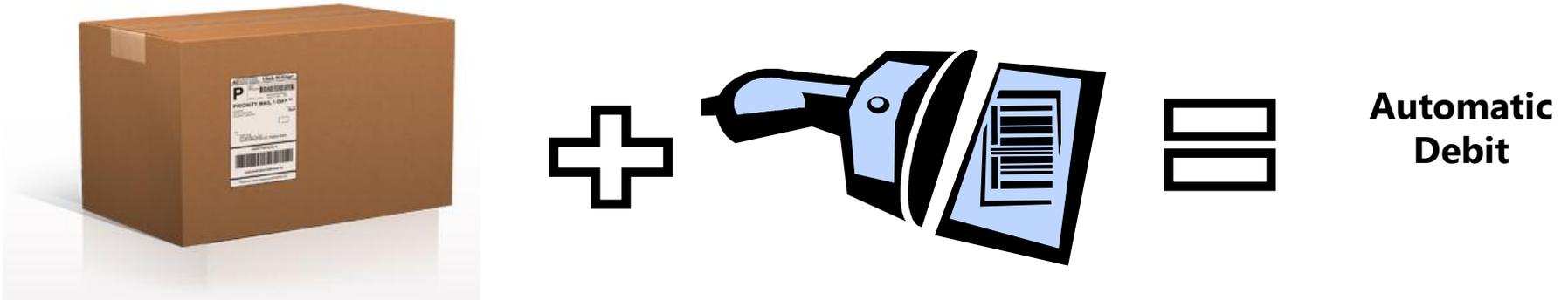
The mail carrier delivers the returned packages to the merchant

- **Package(s) delivered to the merchant's address-** A mail carrier delivers the returns to the merchant from the local USPS Processing and Distribution Center (P&DC) or the Destination Delivery Unit (DDU)





5. Merchant Charged upon Scan



How and when is the merchant charged for the Return?

The merchant will sign up for an automatic payment process (CAPS) that is linked to the merchant's bank account. Whenever a package receives the first physical scan event the merchant will be charged for the package on the next business day.

Can the merchant view a consolidated list of all charges?

Yes, the merchant will have access to many reports, including a pricing summary that lists charges

Pricing

Will the merchant receive a Flat Rate Price?

Merchants are offered a uniform price that is adjusted monthly

How are merchant rates (prices) determined?

- **The merchant is eligible for one of the two pricing discounts below:**
 - Commercial Base Pricing (all merchants qualify)
 - Commercial Plus Pricing (some merchants qualify)

- **For the first month pricing is assigned based on one of the following (listed in priority):**
 - Established pricing data according to historical returns characteristics
 - Outbound mailing activity prices
 - Another agreed upon method

- **After the first month of activity, pricing is determined by sampling**
 - An average rate is calculated by using the sampled data (weight and rate) for mail class
 - Average price is multiplied by scanned mail volume to determine charges



**Example:
Priority Mail**

Zn.	Lbs	Rt.	Avg.		Qty.		Total
4	2	\$6.20	\$5.65	x	10	=	\$56.50
1	1	\$5.10					

Scan Based Payment for Returns

Webinar

The webinar is now concluded

**A copy of this PowerPoint presentation will be posted on the
Industry Outreach Page on RIBBS**

RIBBS Website:

<https://ribbs.usps.gov/index.cfm?page=industryoutreach>