Harnessing Digital Printing to Capture Postal Discounts
Program Mission

- Key trends in direct mail
- Review the USPS promotions planned for 2017
- The impact of digital printing devices on qualification for discounts
- Direct mail print samples that fit promotion requirements
Direct Mail is Big Business!

2014 Direct Marketing Spending ($Billions)

- U.S. direct marketing spend was **$101.2 billion** in 2014
- Direct mail remains a central component of direct marketing

Source: DMA Statistical Fact Book/Winterberry Group 2015 (excludes Teleservices)
2016: Direct Mail is on the Rise!

How do you expect the amount of direct mail that your company sends out next year to change in relation to last year?

- “Our direct mail volume is up and the number of jobs is up even more to hit that volume; shorter runs get messages out faster and are more variable.”

  Large U.S. PSP with strong marketing service capabilities

We will send fewer direct mail pieces 12.0%
We will send about the same number of direct mail pieces 56.0%
We will send more direct mail pieces 32.0%

N = 25 U.S. Respondents
Source: Direct Marketing Production Printing & Value-Added Services, InfoTrends 2015
“Direct mail is far more persuasive than digital media. It generates a motivation score that is 20% higher than digital media – even more so when the direct mail creative appeals to senses beyond touch.”

Source: A Bias for Action, Canada Post and True Impact Marketing, July 2015
Direct Mail is Easy!

It’s simple — Direct Mail gets noticed

“Direct mail is easier to understand than digital media. It requires 21% less cognitive effort to process.”

Source: A Bias for Action, Canada Post and True Impact Marketing, July 2015
Direct Mail is Easy!

“Brand recall was 70% higher among participants who were exposed to direct mail ads rather than digital ads.”

Source: A Bias for Action, Canada Post and True Impact Marketing, July 2015
Mail is Valued

86% take the time to look through the mail

Mail is preferred over telemarketing and e-Mail

76% value the privacy, reliability, & security of mail

70% enjoy receiving mail

“If someone I don’t know wants to do business with me, I’d advise them to use mail.”

73%

Source: Mail Moment Survey 2016
Findings: Consumer Behaviors (2)

EXCITEMENT ABOUT MAIL

Consumers say they like to discover what is in the mail and consider time with mail to be time well spent.

- **47%** like to discover what the mail brings every day and consider time spent looking at/reading mail to be time well spent.
- **34%** are a little more like.
- **15%** are a little more like.
- **4%** do not give mail much attention.

**Millennials enjoy receiving mail—even MORE than non-Millennials!**

- **Millennials**=50%
- **Non-Millennials**=44%

The Bottom Line on Millennials

- Despite the digital ethos, Millennials value the mail!
- Millennials seek valuable, authentic experiences.

They:
- Respond favorably to relevant, well-designed, interactive mailpieces
- Spend more time sorting mail than any other age group
- Enjoy mail more than non-Millennials

HUGE opportunity!
Direct Mail Response Rates (1)

Source: 2015 DMA Response Rate Report; N=63
Direct Mail Response Rates (2)

Direct mail achieves a **3.7% response rate** with a house list and a **1.0% response rate** with a prospect list. All digital channels combined only achieve a **0.62% response rate**.

Source: 2015 DMA Response Rate Report; N=63
http://www.iwco.com/blog/2015/04/14/dma-response-rate-report-and-direct-mail/#sthash.1kN8zI1i.dpuf
The Statistics Tell the Story

Targeted directed mail boasts a 4.4% response rate, compared to e-mail’s rate of 0.12%.
PRWeb.com, November 2013

56% of consumers think printed marketing is the most trustworthy of all communication channels.
Direct Marketing Association survey, November 2013

75% of consumers are examining their mail more closely in the recent months to search for coupons and discounts.
Journal of Marketing, January 2013

Direct mail has the highest rate of success in new customer acquisition at 34% compared with other marketing channels.
Target Marketing magazine, February 2013

40% of consumers have tried a new business after receiving direct mail, and 70% have renewed relationships with businesses that they had ceased using.
Journal of Marketing, January 2013

40% of consumers regularly make purchases because of direct mail they’ve received. 77% of Gen X and 63% of Gen Y consumers have purchased products through direct mail.
Print catalogs encourage online and offline purchases, InfoTrends December 2015
The Integration of Mail with Mobile Technology
Mobile Trends

- **2014**: 4.5 Billion smartphone users worldwide

- **2014**: Mobile ad spend increased 84% to $32.7 Billion, representing 25% of all digital spend

- **2017**: Smartphones = #literate adults, and 77% will make purchases via mobile

- **2018**: Smartphone ad spending will triple

- **2020**: Internet of Things (IoT) will result in 75 Billion connected devices

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1 2014 eMarketer estimates
Mobile Dominates Online Traffic

- Nearly 60% of online traffic occurred via mobile during the 2015 holiday season
- 36.2% of all sales occurred via mobile

Source: IMB Commerce: U.S. Retail Black Friday 2015
Mail and Mobile: An Optimal Connection

- Provides a “jumping-off point”
- Ideally, the customer lands on:
  - A mobile coupon
  - A mobile-optimized website
  - A responsive website
    - Dynamically adapts its content and layout to fit a multi-screen world.
    - Content is tailored to device type
## Mobile-on-Mail Interactions

### A Range of Possibilities

<table>
<thead>
<tr>
<th>Call to Action</th>
<th>Capture</th>
<th>Resulting Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scan</td>
<td>Feature Phone</td>
<td>Learn</td>
</tr>
<tr>
<td></td>
<td>Dialer, SMS</td>
<td>Instructions, Reviews, Information, Augmented Reality</td>
</tr>
<tr>
<td>Launch</td>
<td>Smart Phone/ Tablet</td>
<td>Contact</td>
</tr>
<tr>
<td>NFC</td>
<td>Camera, Apps (3rd Party, Retailer or USPS)</td>
<td>Customer Service, Confirm Receipt of Mail</td>
</tr>
<tr>
<td>Enable</td>
<td>Mobile Wallet</td>
<td>Play</td>
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<tr>
<td>Beacons</td>
<td>Apple Pay, Android Pay, Samsung Pay, Google Wallet...</td>
<td>Sweepstakes, Gaming</td>
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<tr>
<td>Play</td>
<td>Video</td>
<td>Pay</td>
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<tr>
<td></td>
<td></td>
<td>Buy, Bill Pay, Donate, Postage</td>
</tr>
</tbody>
</table>

- **Learn**: Instructions, Reviews, Information, Augmented Reality
- **Contact**: Customer Service, Confirm Receipt of Mail
- **Play**: Sweepstakes, Gaming
- **Pay**: Buy, Bill Pay, Donate, Postage
- **Save**: Coupon, Loyalty Card
- **Authenticate**: Signature, Account Login
- **Share**: Social Media, Blogs, Email
Mailing Promotions
Mail that Works for You

USPS Promotes mail innovations

Enhanced mailpiece

Increased ROI

Enhanced customer acquisition

Improved consumer engagement

Greater response rate
USPS Discounts to Drive Mail Effectiveness

Embrace technology, encourage mail integration

**STRATEGY**

- Drive long-term product value
  - Relevance
  - Effectiveness
  - Responsiveness
  - Engagement

- Lead innovation
- Accelerate best practices
- Promote awareness and engagement

**TARGETS**

- Marketers and business customers
- Consumers

**MOBILE BARCODE**

**IMAGE RECOGNITION**

**AUGMENTED REALITY**

**NFC**
Promotions that Leverage:

Marketing and Tech Trends

Innovations in Print Industry

Unique Value of Mail
Approved 2017 Promotion Calendar

**FIRST-CLASS MAIL**

- **Earned Value**
  - Promotion Period (6 months)
  - January 1 – June 30
  - Registration closes Dec. 31, 2016

- **Color Transpromo**
  - Promotion Period (6 months)
  - July 1 – December 31
  - Registration May 15 - Dec 31

**STANDARD AND FIRST-CLASS MAIL**

- **Emerging & Advanced Technology**
  - Promotion Period (6 months)
  - March 1 – August 31
  - Registration Jan 15 – Aug 31

- **Tactile, Sensory & Interactive Engagement**
  - Promotion Period (6 months)
  - February 1 – July 31
  - Registration Dec 15 – July 31

- **Direct Mail Starter**
  - Promotion Period (3 months)
  - May 1 – July 31
  - Registration March 15 – July 31

- **Mobile Shopping**
  - Promotion Period (5 months)
  - August 1 – December 31
  - Registration June 15 – Dec 31

*As of June 24, 2016
PRC approved as of June 16, 2016*
Mailing Promotions: Why Should You Understand and Care?

- Postage is the most expensive part of a direct mail campaign
- The discounts are significant
  - And don’t forget the Return on Marketing Investment (ROMI)!
- Opportunity to try something new; to innovate with customers and add more value
  - Offset development cost with the discount
- Connect physical mail to digital experiences
- Make mailpieces more appealing to recipients
To keep First-Class Mail® relevant and slow its decline, the Earned Value Promotion offers earned credits to eligible businesses who use Business Reply Mail (BRM) and Courtesy Reply Mail (CRM) enclosures. Alternate Postage (also known as Share Mail™) has been added to the promotion. Participants must register their Mailer IDs (MIDs) and permit(s) to ensure future earned credits are correctly applied on the Business Customer Gateway.

- **Promotion Period** January 1 – June 30, 2017
- **Registration** November 15 – December 31, 2016
- **Eligible Mail** Business Reply Mail, Courtesy Reply Mail, and Alternate Postage Cards & Letters

- **Acceptance Period for Credits**
  - Quarter 1: January 1 – March 31, 2017
  - Quarter 2: April 1 – June 30, 2017

- **Earned Value Credits** $0.05 per BRM, CRM, and Alternate Postage pieces counted based on their enrolled MID’s. Credits are available for their use once they have been released to the respective permit(s). *Note: The credits will be released when the participant agrees to their volumes after each quarter. The volumes must be accepted by September 15th 2017; otherwise the credits will be forfeited.*

- **Expiration Date for Credits** December 31, 2017

- **Questions** [EarnedValue@usps.gov](mailto:EarnedValue@usps.gov)
Earned Value

- Don’t leave money on the table
  - If you’re using reply mail, you should be participating!
- This one is a little different…
  - Registration in advance
  - Rebate rather than discount
  - Work with service provider to have rebate credited to appropriate permit
  - Advise service provider when credit is available so it can be claimed
Leveraging the physical aspects of mail, as well as the advances in print technology, marketers and mailers can enhance how customers interact and engage with mail. During this promotion, eligible mailers who incorporate a multi-sensory experience in their mailpiece may receive a postage discount.

- **Promotion Period** February 1 – July 31, 2017
- **Registration** December 15, 2016 – June 30, 2017
- **Discount** 2% of eligible postage
- **Eligible Mail** Standard Mail® letters and flats
  Nonprofit Standard Mail letters and flats
- **Questions** tactilesensorypromo@usps.gov
You Might be Doing this Today

Tactile, Sensory & Interactive Mailpiece Engagement (2% Discount)

Special Inks:
- Conductive inks: become part of a circuit and activate a device
- Leuco Dyes: change color with variations in temperature
- Hydrochromics: change color upon contact with liquid
- Photochromics: change color with UV light exposure

Textures/scents:
- Coated, laminated, textured paper surfaces (velvet finish, fuzzy touch)
- Unique materials (“turf” paper, sandpaper)
- Scented: paper infused with scent (e.g., catnip, fresh bread)

Interactive/3-Dimensional:
- Sound: paper that incorporates sound chip/speakers (e.g., car sound)
- Visual: special effects with filters, holographics, lenticular
- 3-Dimensional, pop-ups, infinite folding
New print technologies deliver unique, creative materials that generate experiences you cannot have in a singularly digital way. The 2017 Personalized Color Transpromo Promotion incorporates marketing messages that use color, dynamic variable print, and personalization. By using color messaging in bills and statements, business mailers can enhance the value of First-Class Mail and foster a better connection and response from customers.

- **Promotion Period** July 1 – December 31, 2017
- **Registration** May 15 – December 31, 2017
- **Discount** 2% of eligible postage
- **Eligible Mail** First-Class Mail® commercial letters that are part of an IMb Full-Service mailing
- **Questions** FCMColorPromotion@usps.gov
Why Use Color?

Use of Color in Mail

- Recipients are 69% more likely to open mail pieces with color text/graphics on envelope; 247% more likely to open those with color graphics first\(^1\)
- 4-color vs single-color: > 2x more valuable\(^1\)
- USPS Color Transpromo Promotion:
  - Incorporate dynamic color printing of marketing messaging and data
- Evolution of print technology for color
  - Offset quality color has been the standard
  - Digital color emerged, but speed was a limit
  - High-speed variable 4-color inkjet is changing the landscape of printing – “seismic shift”

\(^1\) Leflein Associates: Mail Openability Study
The Emerging & Advanced Technology Promotion encourage mailers to integrate direct mail with advances in mobile technology using NFC technology, Video in Print (ViP), Beacon technology, “Enhanced” Augmented Reality, Virtual reality or a Digital to Direct Mail experience to allow the recipient to engage in innovative digital experiences triggered from their mailpiece. New for this year is the inclusion of Virtual Reality and Digital to Direct Mail to elicit a higher response from consumers by using immersive experiences and dynamically printed, personalized messaging.

- **Promotion Period** March 1 – August 31, 2017
- **Registration** January 15 – August 31, 2017
- **Discount** 2% of eligible postage
- **Eligible Mail** First-Class Mail® presort and automation letters, cards, and flats
  Standard Mail® letters and flats
  Nonprofit Standard Mail letters and flats
- **Questions** tactilesensorypromo@usps.gov
Augmented Reality...In the Mail

Content that is worthwhile for the Recipient

Content that is fun

find Geoffrey
and Win!

The fun you’ll find on the pages that follow will come to life in our new app!

Here’s how to play!

1. Parent: Download the Geoffrey Shuffle app from the App Store® or Google Play® and select Augmented Reality (AR) mode when starting the game.
2. Kids: Open the app on a smartphone or tablet. When you open it, the interactive scene to load the game!
3. Geoffrey and his friends will “do the shuffle” and you’ll have to choose which box he’s hiding in. Find it gold card, and win! Plus, parents will be able to enter Geoffrey’s Awesome Christmas Sweepstakes for a chance to win some awesome prizes.

$2,000 Toys”R”Us Gift Card Off a 5-day Beachfront Resort Luxury Included® Family Vacation in the Caribbean
(Winner’s prize determined by date of drawing.)

Daily Prize: $100 Toys”R”Us Gift Card

Visit ToPrint.com for complete details.

Augmented Reality in the Mail

To create your perfect, don’t just set the table—bring it to life with a stunning place setting. Whether you go with a classic look or an arrangement that’s noticeably you, the key to a successful setting is in the details. By mixing different textures and colors, you add interest and dimension to your table.
The Direct Mail Starter Promotion is offered to first-time mailers to promote events and offers that incorporate the use of print-mobile technology on up to 10,000 mailpieces during the length of the promotion. Any print-mobile technologies, such as (QR codes, barcode tracking technology, enhanced augmented reality (AR), Near Field Communications (NFC), or other print-mobile technologies currently approved in our promotions can be used to qualify for this promotion.

- **Promotion Period** May 1 – July 31, 2017
- **Registration** March 15 – July 31, 2017
- **Discount** 5% of eligible postage
- **Eligible Mail** Standard Mail® letters and flats
  Nonprofit Standard Mail letters and flats
- **Questions** mailingpromotions@usps.gov
Quick Response (QR) Codes

- QR code: A barcode machine-readable optical label that contains information about the item to which it is attached and can be linked to various data sources

- New: Dotless, Visual, Voice

- Today
  - Purchase/link to URL
  - Information access
  - App download
  - Analytics

- Future
  - ????
Near-Field Communications (NFCs)

- NFC is a set of technologies that enables smartphones and other devices to establish radio communication with each other by touching the devices together or bringing them into proximity (~10 cm, or 3.9 inches)

- Today
  - Payments
  - Exchange information
  - Print/display engagement
  - Coupons

- Future
Small Business Opportunity

Jill,

Get $15 off your next studio visit!
This map shows the quickest route from 3028 Holford Road, Richardson, TX to 101 East Campbell Rd. Richardson, TX 75081 (7.4 miles). Approximate drive time is 15 minutes.

KidPix
101 East Campbell Rd.
Richardson, TX 75081
972-654-3210

GET THESE DRIVING DIRECTIONS ON YOUR MOBILE DEVICE:
Scan this code, or text:
HOLIDAY to 313131

Jill Smith
3028 Holford Rd.
Richardson, TX 75082
The Mobile Shopping Promotion encourages mailers to send mailings that highlight the connection between the mailpiece and the digital shopping experience. It is designed to enable customers to conveniently go from the mailpiece, directly to a mobile-optimized online shopping experience using platforms, such as Quick Response (QR) Codes, Snap Tags, Watermarks, and other advanced technologies.

- **Promotion Period** August 1 – December 31, 2017
- **Registration** June 15 – December 31, 2017
- **Discount** 2% of eligible postage
- **Eligible Mail** Standard Mail® letters and flats
  Nonprofit Standard Mail letters and flats
- **Questions** mailingpromotions@usps.gov
Mobile Shopping Promotion
Summary & Conclusions
Recommendations:

Determine Which Promotions are Right for Your Customers

- What fits your marketing or customer/member communications program?
- What class of mail are you using?
- Overlapping promotions
Recommendations:

Interacting with the Postal Service

- Usually Managed by Service Providers
- eDoc Requirements
  - Correct coding of mail.dat or mail.xml files
  - Drives inclusion of discounts on mailing statements
- Getting Registered: Two Options
  - Marketers register directly on USPS Business Customer Gateway
  - Register through your service provider (a significant value add for your customers)
- Pre-Approval
  - Varies by promotion
  - Engage the program office early
  - Mailpiece as well as digital elements
Recommendations:

Interacting with the Postal Service

- Understanding the Requirements
  - Rules change year-over-year
  - Requirements documents on PostalPro or RIBBS

- The Mailpiece
  - What design elements qualify?
  - Is specific text needed?
  - Is it the right class of mail?

- Digital Interactive Experience
  - Make it easy for the recipient
  - Make it mobile-friendly
  - Personalize the engagement
2017: Which Promotion Will You Try?

**Earned Value**
- Promotion Period: January 1 – June 30
- Registration: Nov 15 - Dec 31, 2016
- *Registration closes Dec. 31, 2016*

**Color Transpromo**
- Promotion Period: July 1 – December 31
- Registration: May 15 - Dec 31

**Emerging & Advanced Technology**
- Promotion Period: March 1 – August 31
- Registration: Jan 15 – Aug 31

**Tactile, Sensory & Interactive Engagement**
- Promotion Period: February 1 – July 31
- Registration: Dec 15 – July 31

**Direct Mail Starter**
- Promotion Period: May 1 – July 31
- Registration: March 15 – July 31

**Mobile Shopping**
- Promotion Period: August 1 – December 31
- Registration: June 15 – Dec 31

*As of June 24, 2016
PRC approved as of June 16, 2016*
Summary & Conclusions

- Direct mail is critical to marketers
  - It drives action, is memorable, and builds brands
- Consumers expect personalized and interactive communications
- Postal promotions are designed to drive engagement and response rates
- It represents a critical opportunity for you to improve ROI and expand value for your customers
For More Information

- **Program Office contact:**
  Email: mailingpromotions@usps.gov
  Facsimile: 202-268-0238
  Mail: US Postal Service
  Post Office Box 23282
  Washington, DC 20026-3282

- **Program Requirements & Documents:**

- **Registration:**
  [https://gateway.usps.com](https://gateway.usps.com)

- **PostalOne Help Desk:**
  (800) 522-9085 or [postalone@email.usps.gov](mailto:postalone@email.usps.gov)

- **Irresistible Mail website:**
  [www.IrresistibleMail.com](http://www.IrresistibleMail.com)

Follow USPS:
- [https://twitter.com/USPS](https://twitter.com/USPS)
- [http://www.linkedin.com/usps](http://www.linkedin.com/usps)
- [https://www.facebook.com/USPS](https://www.facebook.com/USPS)
- [https://www.youtube.com/usps](https://www.youtube.com/usps)
Thank You