2025 Production Day

The USPS and Postal Logistics

DAVE LEWIS,
PRESIDENT

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Direct Mail Insights & Solutions

AGENDA

- Shipping and mailing basics
- Service performance - how long to deliver mail
- Postage rates increase
- Promotions
- Postal News!

Shipping and Mailing Basics

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CLASSES OF MAIL

- First-Class Mail
  - Required for some mail (invoices, account information) and travel faster – generally 3-5 days. Given priority in processing
  - May get better response in marketing – generally for high-dollar
- Marketing Mail
  - Travels by ground – lower priority
  - Requires sortation
  - Most common for marketing – **commercial and nonprofit are both "Marketing Mail"**
- Periodicals
  - Magazines and other publications – not for marketing

HOW MAIL IS PREPARED

- Unsorted – OK for First-Class Mail only
- Presorted
  - Discounted First-Class Mail
  - Minimum sortation requirement for Marketing Mail
    - Loaded into trays, tubs or pallets depending on volume
    - New this year – SCF Pallets!
- Automated
  - Includes Intelligent Mail barcode (IMb)
  - Technical paperwork - eDocs
  - Most common sortation level for all commercial and nonprofit mail

HOW STUFF GETS MAILED

First-Class Mail

- Most commercial quantities are presorted or automated
- Origin induction – mail is deposited at local post office
  - USPS handles transportation
  - No discount for inducting near destination
- Change in regulations may encourage some drop shipping

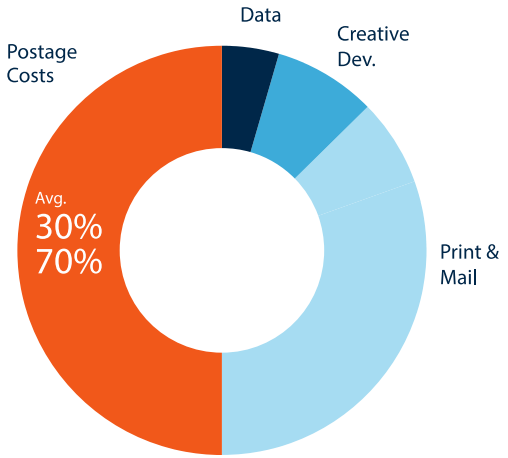
HOW STUFF GETS MAILED

Marketing Mail

- Mail must be presorted, generally automated
- Induction method varies with volume
  - Local mail may be inducted at origin (local post office)
  - Small nationwide mailings may be origin-inducted, too
  - A portion or all of a mailing may be commingled
  - For large or concentrated mailings, mail may be drop shipped
- Postal discounts available for transporting closer to destination
- Commercial and nonprofit are handled exactly the same – only the rates are different

POSTAL LOGISTICS STRATEGIES

1. **Local Entry Point**
2. **Drop Shipping**
3. **Co-Palletization or Co-Mailing**
4. **Commingle**
5. **Hybrid**



" Did you know that postage accounts for such a significant part of a campaign budget?"

DECISION DRIVERS

- Cost factors:
  - Freight costs
  - Postage discounts
  - Preparation costs
- Service factors:
  - Predictable delivery
  - Logistics visibility

USPS Performance – How Long Does a Letter Take?

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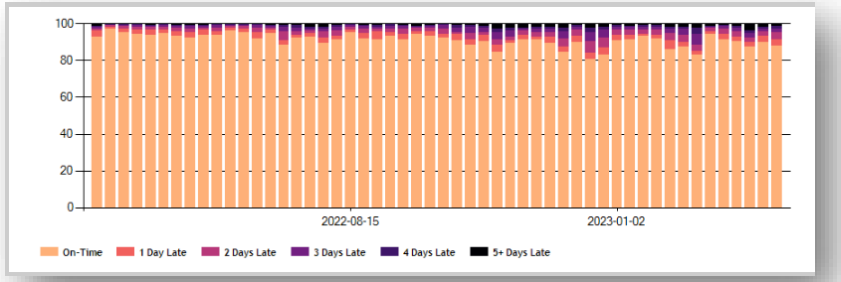
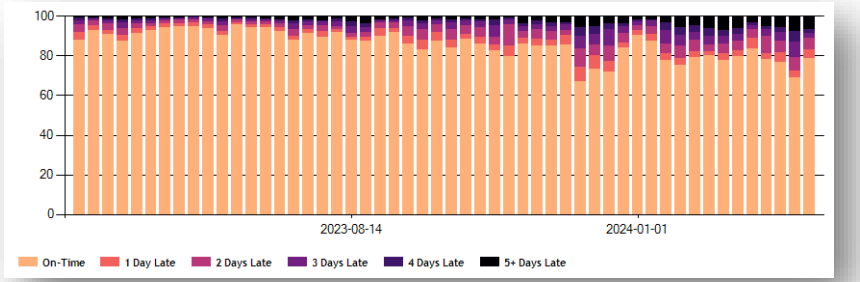
HOW IS SERVICE THIS YEAR?

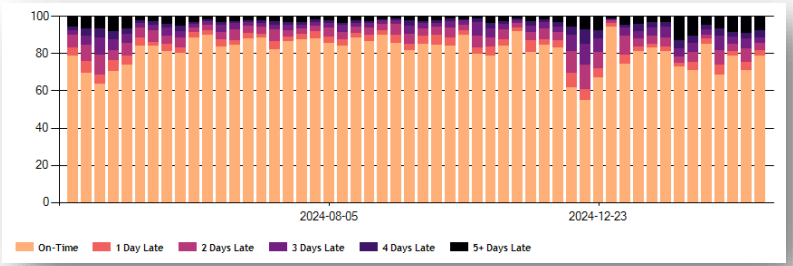
First-Class Letters – 2023 Production Day



First-Class Letters – 2024 Production Day



First-Class Letters – 2025 Production Day



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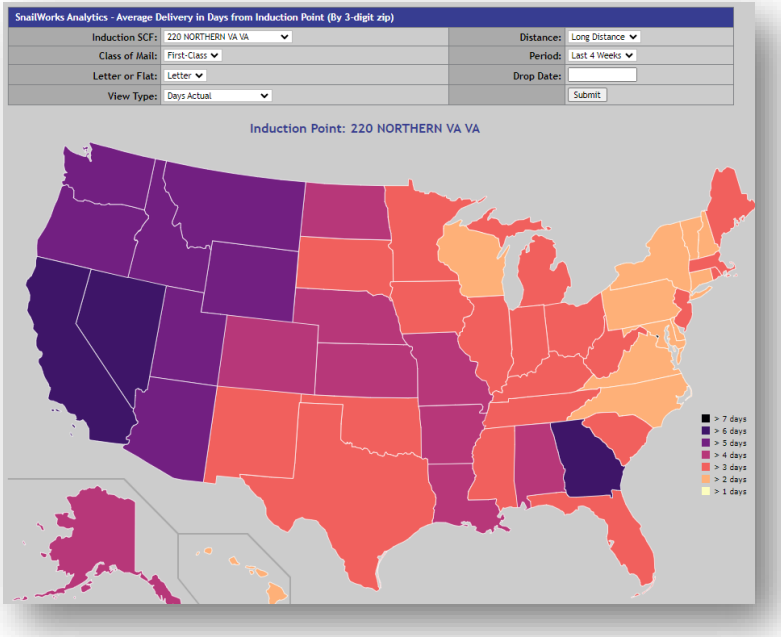
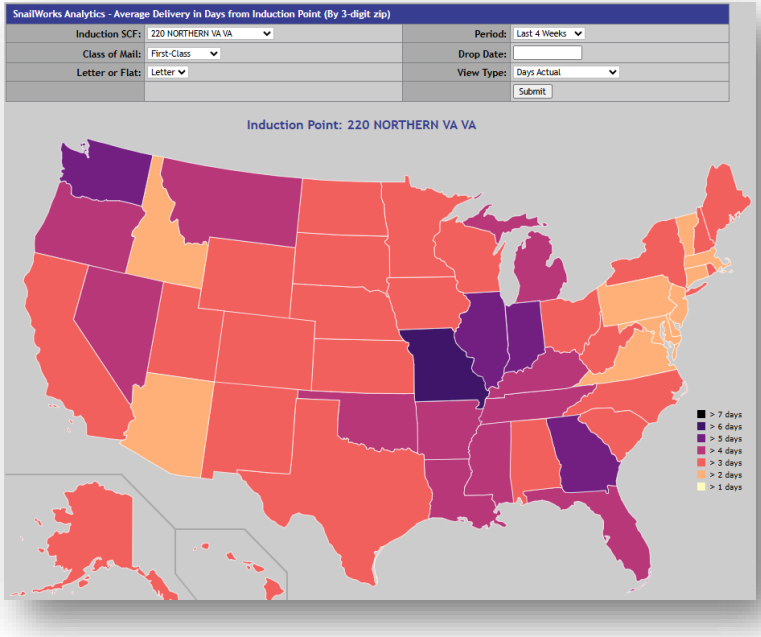
HOW LONG DOES A LETTER TAKE?

First-Class Letter 2024



First-Class Letter 2025



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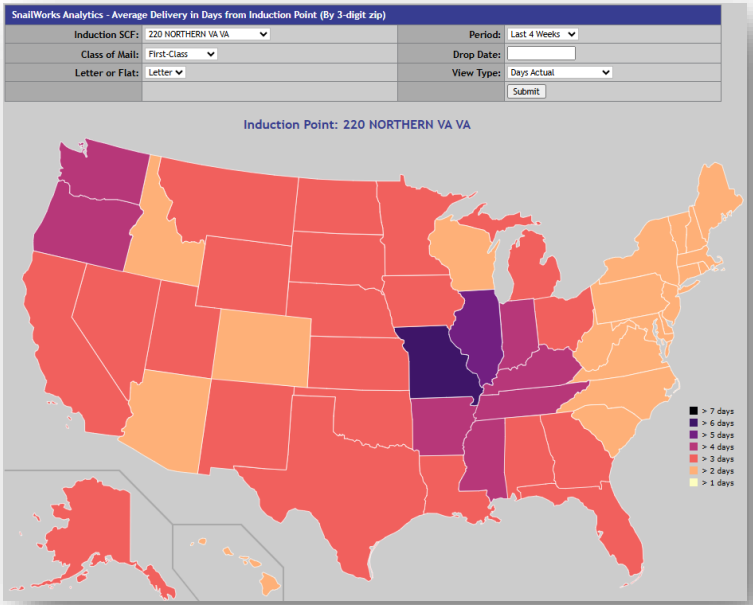
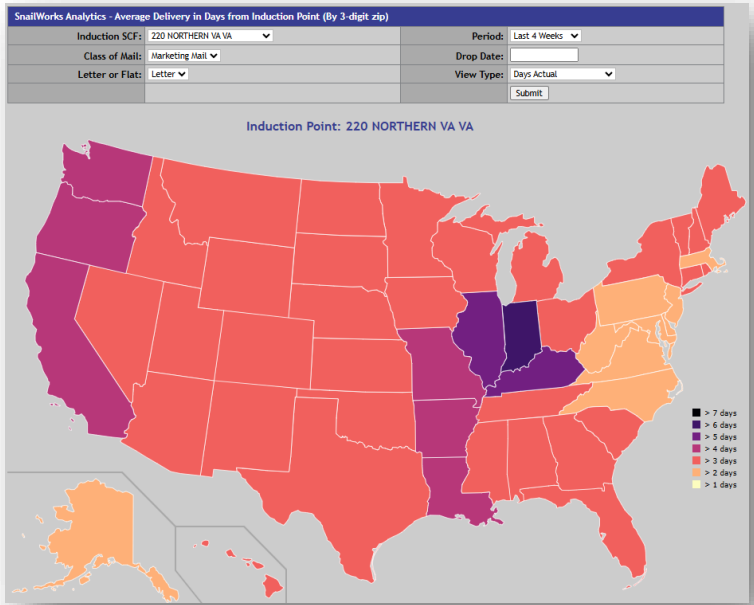
HOW LONG DOES A LETTER TAKE?

First-Class Letter 2025



Marketing Mail Letter 2025



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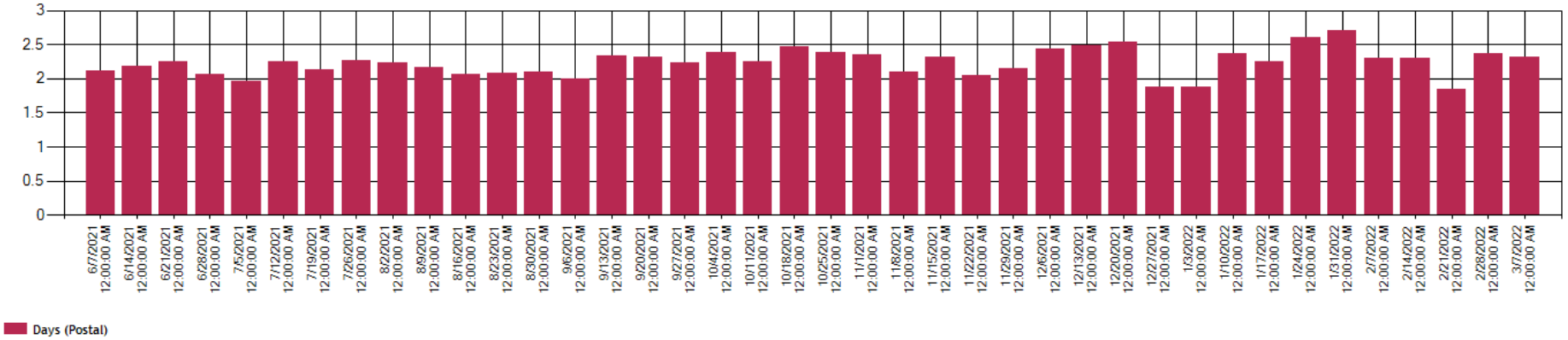
DROP SHIP/COMMINGLE

INDUCTION TO DELIVERY – INTRA-SCF



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HOW IS SERVICE?

- Service performance remains unpredictable, but comparable to service last year
- Marketing Mail – in many cases – is about as fast as First-Class
- Not tracking mail today is irresponsible

Tracking Your Mail

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TRACKING MAIL

- Informed Visibility from USPS uses the Intelligent Mail barcode (IMb) to follow mail as it travels through the Postal system
- The Postal Service feeds this data to the mailer, or their service provider
- Reports are created to show what mail is being delivered and when

WHAT'S IN AN INTELLIGENT MAIL BARCODE

00747222221234567892170112240 8

- Barcode ID – 2 digits, applies to flats, assigned by presort software
- STID – 3 digits – indicates services requested and type of mail
- MID – 6 or 9 digits – Mailer ID – whose mail is it?
- Serial Number – 6 or 9 digits – unique number for each piece
- Routing Code – 0, 5, 9, or 11 digits – the destination ZIP+4 code and delivery point, as available

WHY TRACK YOUR MAIL?

- Coordinate other marketing efforts
- Anticipate – and prepare for – response
- Confirm that all mail was deposited on time
- Document postal possession of mail
- Track response with inbound tracking

INBOUND (RESPONSE) TRACKING

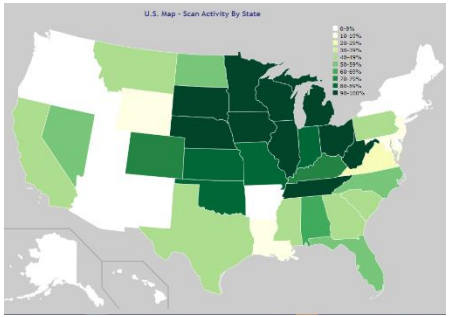
- Non-unique IMb
  - Generally printed on return envelope
  - Can be distinguished by USPS Unique Piece ID
- Unique IMb
  - As part of remittance
  - On return envelope matched to sender
  - On return envelope, unmatched

HOW TO START MAIL TRACKING

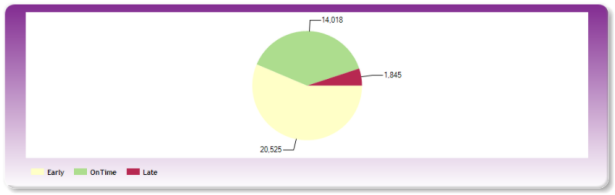
- Signing up with USPS
  - Go to USPS Business Customer Gateway
  - Create Informed Visibility account
  - Weep in confusion, and then…
- Using a service provider
  - Like SnailWorks, Gray Hair Software
    - Service providers will walk you through the process

MAIL TRACKING BEST PRACTICES

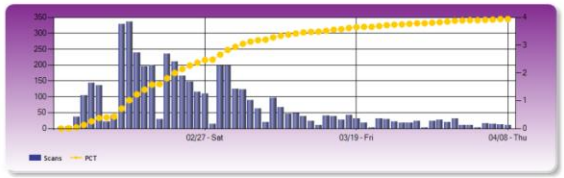
1. Full Service IMb on every outbound mail piece
2. Monitor and review tracking
3. Add IMbs to Response Mail Envelopes – both Unique and Non-Unique available.



On-Time Performance By NDC



Unique Piece Id Counts by First Scan Date



On-Time Performance By NDC

NDC	Mailed	Scanned	% Scanned	Target Date Start	Target Date End	*Delivered	% Delivered	Early	% Early	On-Time	% On-Time	Late	% Late
ATLANTA	2,907	2,897	99.66	03/08	03/15	2,844	97.83	2,249	77.36	594	20.43	64	2.20
CHICAGO	686	681	99.27	03/08	03/15	666	97.08	415	60.50	251	36.59	20	2.92
CINCINN	1,115	1,112	99.73	03/08	03/15	1,094	98.12	1,075	96.41	18	1.61	22	1.97
DALLAS	1,839	1,836	99.84	03/08	03/15	1,783	96.95	538	29.26	1,227	66.72	74	4.02
DENVER	2,191	2,166	98.86	03/08	03/15	2,065	94.25	1,360	62.07	704	32.13	127	5.80
DES_MOINES	493	492	99.80	03/08	03/15	483	97.97	465	94.32	18	3.65	10	2.03
DETROIT	1,709	1,707	99.88	03/08	03/15	1,670	97.72	1,617	94.62	51	2.98	41	2.40
GREENSBORO	1,552	1,534	98.84	03/08	03/15	1,499	96.59	1,423	91.69	76	4.90	53	3.41
JAXVILLE	3,339	3,329	99.70	03/08	03/15	3,256	97.51	2,287	68.49	957	28.66	95	2.85
KANS CITY	453	452	99.78	03/08	03/15	444	98.01	408	90.07	36	7.95	9	1.99
LOS ANGELES	4,172	4,123	98.83	03/08	03/15	4,032	96.64	951	22.79	3,075	73.71	146	3.50
MEMPHIS	996	996	100.00	03/08	03/15	971	97.49	598	60.04	338	33.94	60	6.02
MPLS/STP	649	648	99.85	03/08	03/15	613	94.45	337	51.93	276	42.53	36	5.55
NEW_JERSEY	1,206	1,204	99.83	03/08	03/15	1,165	96.60	1,158	96.02	6	0.50	42	3.48
PHILA	899	897	99.78	03/08	03/15	884	98.33	803	89.32	81	9.01	15	1.67
PITTSBURGH	648	645	99.54	03/08	03/15	631	97.38	545	84.10	86	13.27	17	2.62
SAN FRAN	3,299	3,217	97.51	03/08	03/15	3,071	93.09	237	7.18	2,804	85.00	258	7.82
SAN JUAN	114	113	99.12	03/08	03/15	112	98.25		0.00	111	97.37	3	2.63
SEATTLE	4,366	3,882	88.91	03/08	03/15	3,740	85.66	996	22.81	2,742	62.80	628	14.38
SPFLD	1,059	1,058	99.91	03/08	03/15	1,004	94.81	636	60.06	368	34.75	55	5.19
ST LOUIS	292	291	99.66	03/08	03/15	287	98.29	266	91.10	20	6.85	6	2.05
WASHINGTON	2,404	2,397	99.71	03/08	03/15	2,342	97.42	2,161	89.89	179	7.45	64	2.66
Totals:	36,388	35,677	98.05	03/08	03/15	34,656	95.24	20,525	56.41	14,018	38.52	1,845	5.07

Unique Piece Id Counts by First Scan Date

Date	Scan Count	Cumulative Total	Cumulative %	Elapsed Days
2021/02/08 - Mon	4	4	0.00	0
2021/02/09 - Tue	6	10	0.01	0
2021/02/10 - Wed	36	46	0.04	0
2021/02/11 - Thu	104	150	0.13	0
2021/02/12 - Fri	144	294	0.26	0
2021/02/13 - Sat	135	429	0.38	1
2021/02/14 - Sun	22	451	0.40	2
2021/02/15 - Mon	42	493	0.43	3
2021/02/16 - Tue	328	821	0.72	4
2021/02/17 - Wed	336	1,157	1.02	5
2021/02/18 - Thu	238	1,395	1.23	6
2021/02/19 - Fri	195	1,590	1.40	7
2021/02/20 - Sat	200	1,790	1.58	8
2021/02/21 - Sun	30	1,820	1.60	9
2021/02/22 - Mon	235	2,055	1.81	10
2021/02/23 - Tue	210	2,265	2.00	11
2021/02/24 - Wed	165	2,430	2.14	12
2021/02/25 - Thu	147	2,577	2.27	13
2021/02/26 - Fri	115	2,692	2.37	14
2021/02/27 - Sat	110	2,802	2.47	15
2021/02/28 - Sun	15	2,817	2.48	16
2021/03/01 - Mon	198	3,015	2.66	17
2021/03/02 - Tue	197	3,212	2.83	18
2021/03/03 - Wed	125	3,337	2.94	19

Informed Delivery

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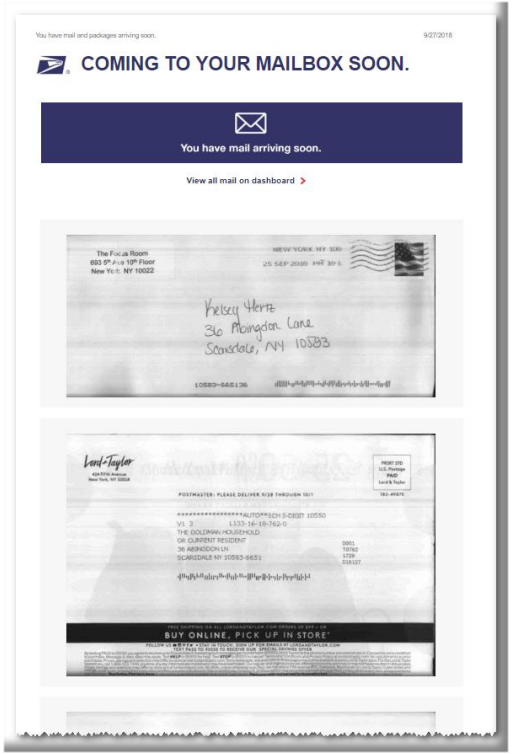
INFORMED DELIVERY

- What it is
- How to participate
- Benefits
- Gathering and using data
- Participating in the promotion

WHAT IS INFORMED DELIVERY?

- A consumer facing USPS service
- USPS sends black and white images of the day's mail to consumers before the mail is delivered
- These images are captured from barcode sorting equipment at the Postal Service
- Flat-Size mail is a different process – mailer must provide image
- Mailers can add and replace images



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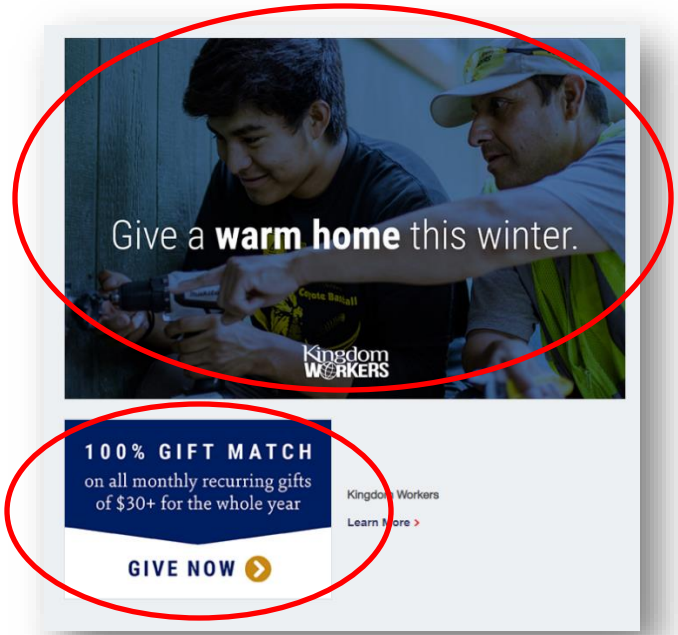
THREE PRIMARY ELEMENTS

1) Representative Image (Optional)

2) Ride-Along Ad (Required)



3) Target URL (For Ride-Along) (Required):
https://kingdomworkers.com/give-now/

THE WHY OF AN INFORMED DELIVERY CAMPAIGN

- Better Response
- Online Channels
- Control Your Brand
- New Customer Data
- Save Postage

INFORMED DELIVERY REPORTING

After campaign completes, view and evaluate reports

Summary:

Campaign(s) for Job June 2020 C3 Low/Mid Appeal										
Campaign Code	Campaign Title	Mailed Quantity	Subscribers		Emails Sent		Emails Opened		Emails Clicked	
			Quantity	%	Quantity	%	Quantity	%	Quantity	%
June 2020 C3 Low/Mid Appeal P2	RWT - 275692	102,610	19,424	18.93%	15,945	15.54%	6,840	42.90%	39	0.20%
June 2020 C3 Low/Mid Appeal P1	RWT - 275692	173,066	34,355	19.85%	28,459	16.44%	12,679	44.55%	68	0.20%
	Totals:	275,676	53,779	19.51%	44,404	16.11%	19,519	43.96%	107	0.20%

Campaign Details

Postage Rates

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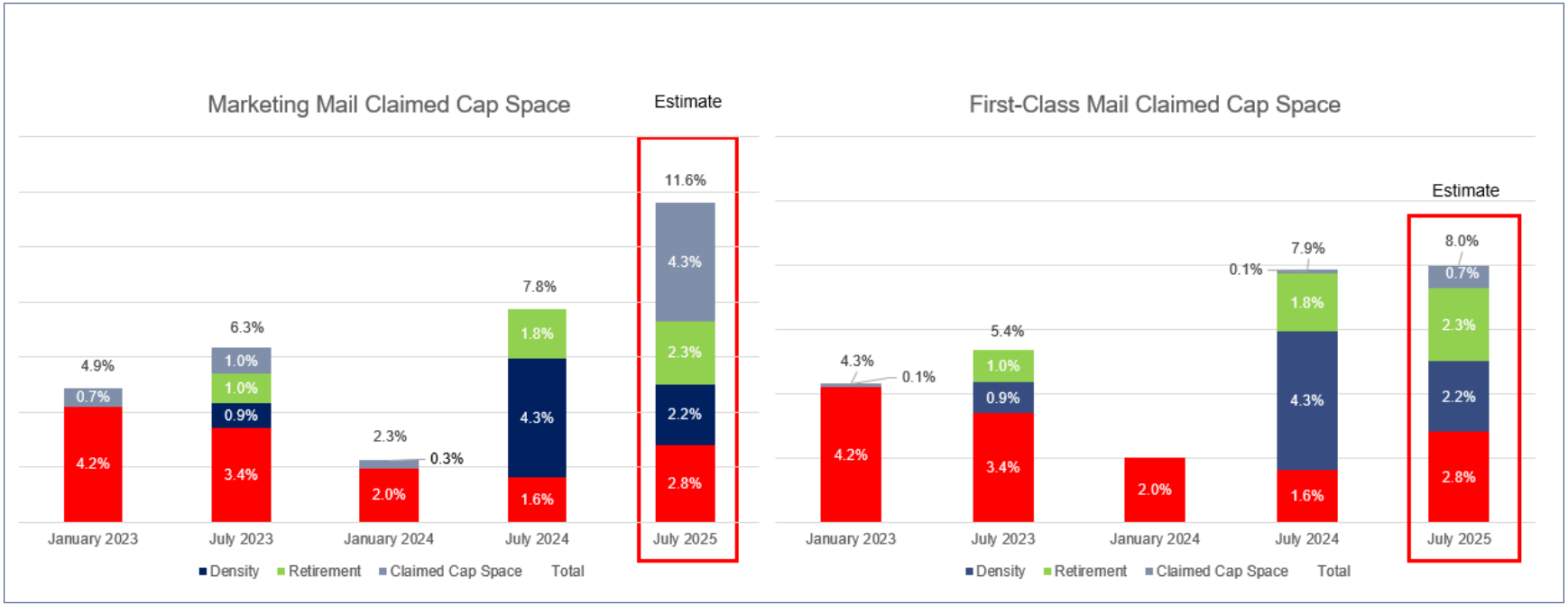
HOW 2X/YEAR POSTAGE INCREASES WORK

- January Increase:
  - CPI only for preceding 6 months
  - Additional increases for Periodicals, flats - 2%
- July increase:
  - CPI
  - “Density” adjustment – Death Spiral
  - Retirement funding adjustment
  - Additional increases for Periodicals, flats - 2%
- NEW BONUS INCREASE! Add what was saved from promotions to new rates!

JULY, 2025, INCREASE



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POSTAGE COPING STRATEGIES

- Budget Appropriately – Guess the CPI and pray for the rest
- Participate in promotions – Just make it part of your process
- Stay away from flats where possible
- Keep your list accurate – NCOA, ACS
- Support mail with other channels to boost response

2025 Postal Promotions

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2025 PROMOTIONS CALENDAR

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ADD ONS

- **Informed Delivery** and **Sustainability** add-ons are available all year when stacked on other promotions
- eDoc submitters can still earn .5% postage credit for Informed Delivery – now, all year long

2025

CONTINUOUS CONTACT PROMOTION

Increase touchpoints with customers and contacts.

CONTINUOUS CONTACT

- Dates: April 1 – December 31, 2025
- Discount: 3%
- Send an initial mailing to “start the conversation” (no discount on this mailing) and continue associated mailings to the same prospect that complement or build upon the initial mailing. Cannot be the same piece.
- Eligible mail: Marketing Mail and Nonprofit letters and flats

CONTINUOUS CONTACT

- How to participate:
  - Register for promotion
  - Design initial mailing
  - Submit initial mailing for approval
  - Subsequent mailing need to be approved before mailing
  - Claim discount on eDocs. Initial mailing is “CCR Type C”, follow-up mailings are “CCR Type I”
  - Characteristic Code: “CC”
  - Don’t forget to stack your add-ons!

CONTINUOUS CONTACT
WHO AND HOW

- A no-brainer for anyone using Marketing Mail or Nonprofit with regular mailings
- Anyone using marketing mail or nonprofit
- The add-ons may make it worth the trouble
- The initial mailing does NOT get a discount and can NOT have add-ons.
- List needs to be within 90% of original list. Smaller quantities in subsequent mailings OK

2025

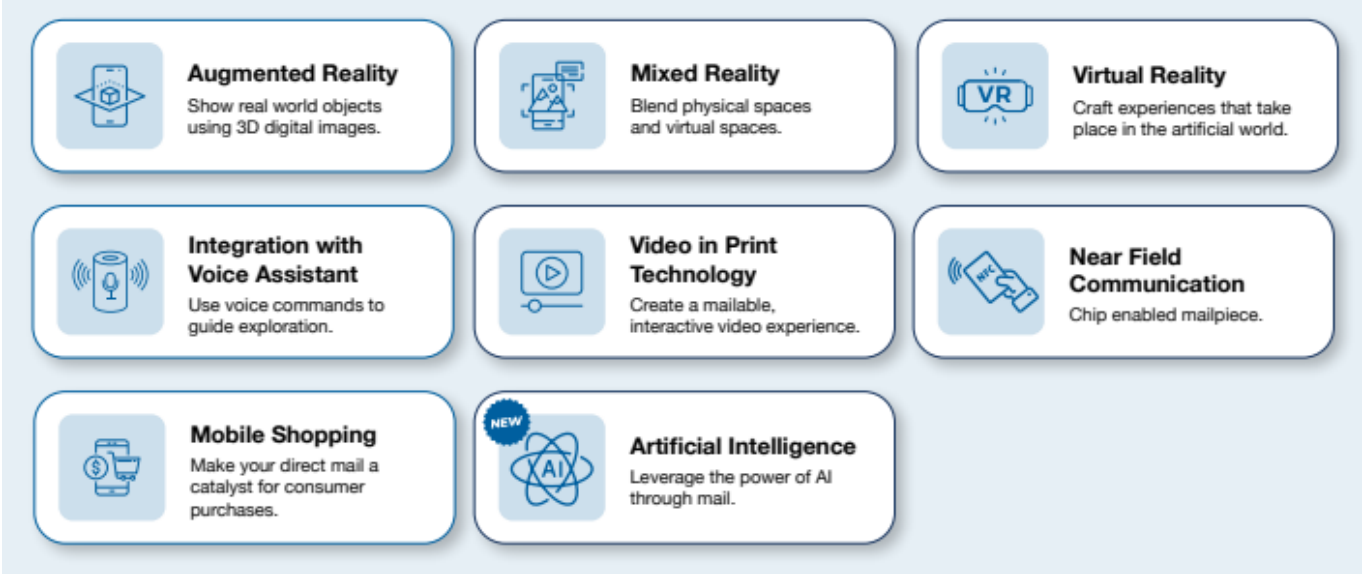
INTEGRATED TECHNOLOGY PROMOTION

Use mail to wow your customers with an unexpected experience that guides how they watch, listen, or speak to your brand.

INTEGRATED TECHNOLOGY

- Dates: Any consecutive six months between January 1 and December 31, 2025
- Discount: 3%
- Use 1 of 8 eligible technologies – easiest may be Mobile Shopping or AI
- Most must have trigger – QR code most popular
- First-Class, Marketing Mail, Nonprofit are eligible

ELIGIBLE TECHNOLOGIES



INTEGRATED TECHNOLOGY

- How to participate:
  - Design the mail piece – choose your technology
  - Register in the Business Customer Gateway
  - Obtain pre-approval from USPS in Mailing Promotions Portal
  - Claim discount on eDocs – Characteristic code: “IT”
  - Don’t forget to claim add-on discounts as well!

INTEGRATED TECHNOLOGY – WHO AND HOW

- Our favorite technologies:
  - Mobile shopping
  - Artificial Intelligence
- **Registration must be by mail owner – Pick your six months**
- Eligible to stack with Informed Delivery and Sustainability

2025

TACTILE, SENSORY, INTERACTIVE PROMOTION

Enhance how consumers can interact and engage with your brand through mail.

TACTILE, SENSORY, INTERACTIVE

- Dates: February 1 – July 31, 2025
- Discount: 4%
- Use specialty inks, Sensory treatments, Interactive elements
- First-Class, Marketing Mail, Nonprofit are eligible

TACTILE, SENSORY, INTERACTIVE

- How to participate:
  - Design your mail piece
  - Upload sample of mail piece through promotions portal – Mail samples as requested by USPS – allow at least a week before mailing for approval
  - Claim discount on eDocs – Characteristic Code: “SS”
  - Don’t forget to claim Informed Delivery and sustainability discounts!

TACTILE, SENSORY, INTERACTIVE
WHO & HOW

- Choose your technology. Embossing is popular, as is spot varnish. Many other options available. Coated stock alone will not qualify.
- Registration can be done by MSP
- Approval can take time – allow more than usual
- Eligible to stack with Informed Delivery and Sustainability

2025

REPLY MAIL IMbA® PROMOTION

Streamline your reply mail processes with Intelligent Mail® Barcode Accounting.

REPLY MAIL IMbA

- Dates: July 1 – December 31, 2025
- Discount: 3% for static barcode, 6% for dynamic/serialized
- Enroll in IMbA, QBRM

REPLY MAIL IMbA

How to Participate:

- Set up a permit for QBRM and IMbA (Form 6805)
- Work with an MDA – They can and must approve your BRE samples or create the art for you
- Work with a rep from Mailing Shipping Solutions Center (MSSC) on setting up and linking accounts
- Enter IMbA parallel program (no discount while parallel)

REPLY MAIL IMbA

- Parallel will be 2 weeks – 2 months
- Once out of parallel, obtain pre-approval from USPS promotions portal
- Enroll in promotions

How do I get started?
Contact the MSSC. Customers new to BRM must complete PS 3615 and PS 6805 and work with the MSSC and Mail Design Analyst (MDA). Customers cannot mail with QBRM pricing prior to having samples approved by the MDA. Attempts to mail prior to sample approval will result in an annual permit fee request from the system. Existing BRM customers wishing to move into QBRM must complete a PS 6805 and complete the QBRM steps prior to moving into IMbA.

TO SERIALIZE OR NOT – THAT IS THE QUESTION

- If you use a preprinted BRE (static IMb) you will get a 3% discount
- If you use a serialized IMb the discount is 6%
- Serialization generally required digital print BRE, or at least the IMb
- Serialized IMbs give you an improved tracking experience – measure how much response and from whom – SnailWorks can help with this

REPLY MAIL IMbA
WHO AND HOW

- Any users of business reply mail
- You not only get a discount – that can add up – you also get much quicker handling of your BRM
- The promotion doesn't start until July, but getting set up can take months – get on it now

GROWTH INCENTIVES

- 30% Postage credit on any volume in excess of the prior year “base volume”
  - Base volume is total volume in USPS FY 2024 – October 1, 2023 – September 30, 2024
  - Minimum base volume is 1 million pieces. If base volume is less 1 million is default
- This is not a discount. It is a postage credit to be applied to a permit for future mail.
  - For most mailers, no cash benefit at all until 2026
- Encourage customers to re-evaluate their marketing mix
- Does a 30% credit on increased volume make mail more attractive?
- Hardest part is verifying base volume and choosing permit

GROWTH INCENTIVES

- Registration has already begun
- **Registration request must be initiated by May 30, 2025**, and have an approved baseline by June30, 2025
- Growth is based on CRID or multiple CRIDs

So, Any News?

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POLITICS AND THE PMG

Louis DeJoy – The PMG we love to hate is gone

- His DFA plan is failing:
  - Lousy service
  - Higher prices
  - Losing more money
  - No more packages
- Will it continue?
- Can USPS be put back together again?

POSTAL NEWS

- Louis DeJoy resigns, all of a sudden like
- Department of Commerce? Privatize? We'll see.
- Search is underway for new PMG – it will indicate direction
- Catalog Discount planned 10%+
- Major changes in sortation, destination entry discounts
- If you don't participate in promotions, you'll pay for those who do

Great Resources

PostalPro.usps.com

SnailWorks.com - Resources

Ask your suppliers!

Dave Lewis
President, *SnailWorks*
dlewis@snailworks.com