

# 2<sup>nd</sup> Ounce Free Fact Sheet

## Overview

This is a new price by which the second ounce will be free for First-Class Mail® Presort and Automation letters.

The Postal Service™\_ developed 2nd Ounce Free for First-Class Mail® Presort and Automation letters to encourage mailers to use the free 2nd ounce for their operational or marketing purposes to realize more value from their mailings. The one price for up to 2 ounces is not a blended price, and it is in direct response to recommendations from major mailers. The free 2<sup>nd</sup> ounce is only for First-Class Mail Presort and Automation letters and does not apply to First-Class Mail single piece letters or residual single piece letters.

## Transaction Mail Facts<sup>1</sup>

- Bills and statements are opened over 95% of the time and, on average, the receiver spends two to three minutes with each piece. <sup>2</sup>
- In 2010, 55% of consumers received bills and statements only by print, 18% by print and electronically, and 27% only electronically.
- Convenience attributes are the highest rated benefits for receiving bills and statements by mail:
  - It's a reminder to pay (48%)
  - Provides a good back-up copy (45%)
  - It is easy to review (42%)
- Customers who receive both hardcopy and electronic copies identified three key reasons why they do not want to convert to an electronic only delivery method:
  - Perception that provider /biller has not made it easy to do so
  - Need for archiving
  - Security concerns

## Benefits of the 2<sup>nd</sup> Ounce Free

- Allows mailers to effectively reach and target customers!
- With 2<sup>nd</sup> Ounce Free, mailers can turn transaction mail from a Cost Center to a Revenue Center by combining more promotional messages with bills, invoices and statements!
- With 2<sup>nd</sup> Ounce Free, bill and statement mailers who operate on a “fill the ounce” principle can incorporate extra materials to all of their customers. Whereas with the “fill the ounce” approach, customers with the most spending activity often do not receive these extra materials, now the best customers will receive all appropriate offers.

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<sup>1</sup> Source: “The Future of Electronic Bill Presentment & Payment in North America”, December 2010, InfoTrends, Inc.

<sup>2</sup> Source: Trans Meets Promo... Is it More than Market Hype? InfoTrends, August 2008

## 2<sup>nd</sup> Ounce Free Fact Sheet

- 2<sup>nd</sup> Ounce Free provides bill and statement mailers with the ability to look at the paper and envelope quality of their mailings without having to worry about additional postage costs. It becomes possible to create greater impact by using better paper stock, larger envelopes etc.!
- 2<sup>nd</sup> Ounce Free also can be used to inform, educate, and instill loyalty by
  - Providing additional information such as:
    - Announcements
    - Disclosures
    - Notifications
  - Conducting consumer research with:
    - Surveys
    - Reply Cards
- Bills and statements can be redesigned to better position products and services!

$$\begin{aligned}
 &\text{Transacting Business} \\
 &+ \text{Promoting Business} \\
 &= \text{TransPromo !}
 \end{aligned}$$

- TransPromo can help save money—it can reduce operational expenses (including postage and call center costs)!
  - Add more inserts and “onserts,” up to 2 ounces, without additional postage costs.
  - Sell advertising space to other companies and lower the cost of mailing bills and statements.
- TransPromo is a highly targeted, measurable form of direct mail that helps companies increase revenues based on an “opt-in” relationship.

### Prices

#### Automation Letters

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
1	0.350	0.374	0.374	0.404
2	0.350	0.374	0.374	0.404
3	0.600	0.624	0.624	0.654
3.5	0.725	0.749	0.749	0.779

#### Machinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.424
2	0.424
3	0.674
3.3	0.799

#### Nonmachinable Letters

Maximum Weight (ounces)	Presorted (\$)
1	0.624
2	0.624
3	0.874
3.5	0.999