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Market Research Report Prepared by National Analysts (“The Potential for Customized MarketMail”)

Information required by Rule 31(b)(2)(iv)

- A) This library reference provides the conclusions of market researchers commissioned by the Postal Service to study the market aspects of Customized Market Mail. It is a secondary source.
- B) This is a Category 2 library reference sponsored by witness Ashe (USPS-T-1). Its contents include the findings of National Analysts, a market research firm, on focus groups convened to discuss the prospects of Customized Market Mail.
- C) Witnesses Ashe (USPS-T-1) and Hope (USPS-T-2) use this library reference to describe the market factors related to Customized Market Mail.
- D) The principal author of this library reference was Beth Rothschild, Vice President, National Analysts.
- E) Witnesses Ashe (USPS-T-1) and Hope (USPS-T-2) rely upon this library reference to describe the market factors related to Customized Market Mail.
- F) This library reference does not rely on other witnesses' library references or testimony in this docket or in previous dockets.
- G) This library reference does not update a previous library reference or other study.

An electronic version is provided.

The Market Potential for Customized MarketMail™

- Qualitative Insights -

prepared for



November 4, 2002



**NATIONAL ANALYSTS
RESEARCH & CONSULTING**

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Background...

THE POSTAL SERVICE'S DESIRE FOR MORE MACHINABLE STANDARD MAIL PIECES AND ADVERTISERS' DESIRE TO BREAK THROUGH THE CLUTTER HAVE CONSPIRED TO IMPEDE DIRECT MAIL GROWTH

- Over the years, the Postal Service has been aggressively pushing advertisers to produce automation-compatible, standardized mail pieces to reduce its processing costs and increase the speed with which such mail is delivered to its intended recipients
- At the same time, advertisers and their business partners have been looking to “push the envelope” on developing more impactful advertising campaigns by...
 - Augmenting their use of interactive media
 - Relying upon alternative delivery systems to avoid standardization
 - Pushing the boundaries on the content and format of direct mail pieces
- In short, these activities have conspired to reduce direct mail volume and, in some instances, to produce lower than anticipated response rates

Background...

TO ENHANCE DIRECT MAIL'S GROWTH, THE POSTAL SERVICE IS CONSIDERING INTRODUCING A NEW STANDARD MAIL OPTION CALLED *CUSTOMIZED MARKETMAIL™* THAT RELAXES SIZE AND SHAPE REGULATIONS, BUT REQUIRES NEW ACCEPTANCE PROCEDURES

- *Customized MarketMail™* would be a uniquely shaped (non-rectangular), creatively designed, high impact marketing mail piece that is disseminated without being enclosed in an envelope
 - At its longest, highest, and thickest points, each piece could be 15" x 12" x ¾"
- Advertisers would be able to use a variety of sizes, shapes, and materials to develop more impactful awareness and brand building, lead generation, traffic inducing, and direct response standard mail pieces
- Other salient characteristics of *Customized MarketMail™* would be that it...
 - Is shipped directly to the Destination Delivery Unit by Parcel Select, Priority, or Express Mail
 - Bypasses all mechanized sorting equipment
 - Is sorted and prepared for delivery by the mail carrier
 - Carries the carrier route number in the address block
- Although the exact price per piece has not been determined yet, it is likely to be priced as a premium, rather than commodity service, because of its intended high impact

Objectives...

THE POSTAL SERVICE COMMISSIONED NATIONAL ANALYSTS TO ASSESS THE MARKET POTENTIAL FOR *CUSTOMIZED MARKETMAIL™* AND TO DETERMINE THE VALUE, IF ANY, THAT PROSPECTIVE USERS WOULD ATTACH TO IT

- Qualitative research with both advertisers and advertising agency decision-makers was commissioned to determine the viability of introducing a “customized” standard mail alternative
- Specifically, the research was designed to...
 - Ascertain how the direct mail design, production, and distribution process currently works
 - Identify the limitations and concerns surrounding available direct mail design options today
 - Gauge interest in and potential use of the *Customized MarketMail™* concept
 - Determine what barriers would dissuade its use
 - Explore price sensitivity, naming preferences, and acceptable approval processes
- The insights gleaned from this research are to be used to guide future development, pricing, and positioning of *Customized MarketMail™*

Methodology...

FOUR FOCUS GROUPS WITH ADVERTISERS AND SELECTED BUSINESS PARTNERS WERE CONDUCTED TO ACCOMPLISH THE STATED OBJECTIVES

- The focus groups were conducted in two cities between September 26 and October 10, 2002 with a range of types and sizes of participants, as shown below:

Type of Participant	New York	Chicago	Total
Advertisers	1	1	2
Advertising Agencies	1	1	2
Total	2	2	2

- For the *advertiser groups*, mid-to senior-level marketing, advertising, and media planning decision-makers who have responsibility for development or oversight of layout, design, and/or copy decisions for their company's direct mail and/or web advertising were included
- For the *agency groups*, creative directors, copy directors, account executives, and other mid- to senior-level decision-makers for major accounts were included along with one representative from the Direct Marketing Association (DMA)
- The screening forms, topic guides, and stimulus materials (concept description) that were used were developed in close collaboration with the Postal Service project team (See Appendix for copies)

Caveat...

AS WITH ALL QUALITATIVE RESEARCH, THESE RESULTS SHOULD BE USED TO UNDERSTAND THE DIFFERENT DECISION-MAKING PROCESSES AND TO IDENTIFY THE LIKELY RESPONSES TO THIS NEW CONCEPT, BUT NOT TO QUANTIFY THEM

- These results are derived from a non-statistically representative group of participants
- They are not designed to indicate how many respondents feel and would behave in a particular way should *Customized MarketMail*™ be made available to them
 - It is not appropriate to quantify how many individuals or companies would use this new product, nor how much volume they would generate
 - Similarly, it is not appropriate to make inferences to the broader population of advertisers or the agencies they use to design, produce, and distribute their direct mail pieces

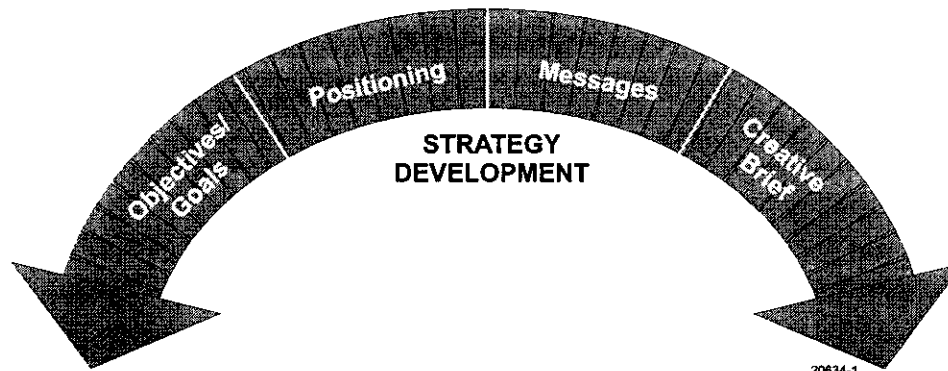
Direct Mail Development Process...

TYPICALLY, EVERYONE BEGINS THE DEVELOPMENT PROCESS WITH A CREATIVE BRIEF THAT ADDRESSES BOTH STRATEGIC AND TACTICAL OBJECTIVES, DESIGN AND PRODUCTION ISSUES

- All are concerned about creating *IMPACT*; to that end, the brief identifies targets, messages, offers, timing, budget, and the like
- This brief is essentially the same, whether a new or legacy campaign is being developed
 - The trick is coming up with innovations – new taglines, new messages, etc. – especially if the piece is going to a “well-communicated with audience”

“You have to re-evaluate it every time.”

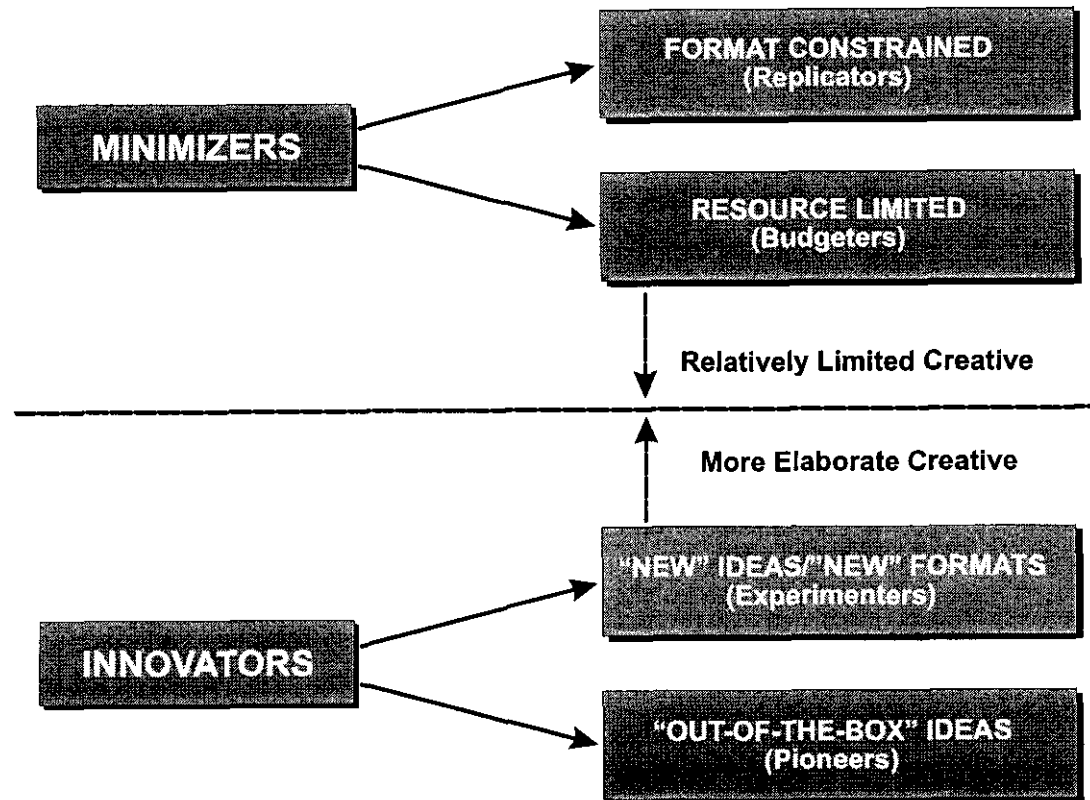
“Basically it’s like starting from scratch. We have to decide if what we did before was right, or to find the inconsistency and change something.”



Direct Mail Development Process...

THEN, IT DEPENDS UPON WHETHER THE ULTIMATE DECISION-MAKER IS SEEKING INNOVATION, ATTEMPTING TO MINIMIZE CHANGES, OR IS OPERATING SOMEWHERE IN BETWEEN

- Four segments emerge – *Replicators*, *Budgeters*, *Experimenters*, and *Pioneers*



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Direct Mail Development Process...

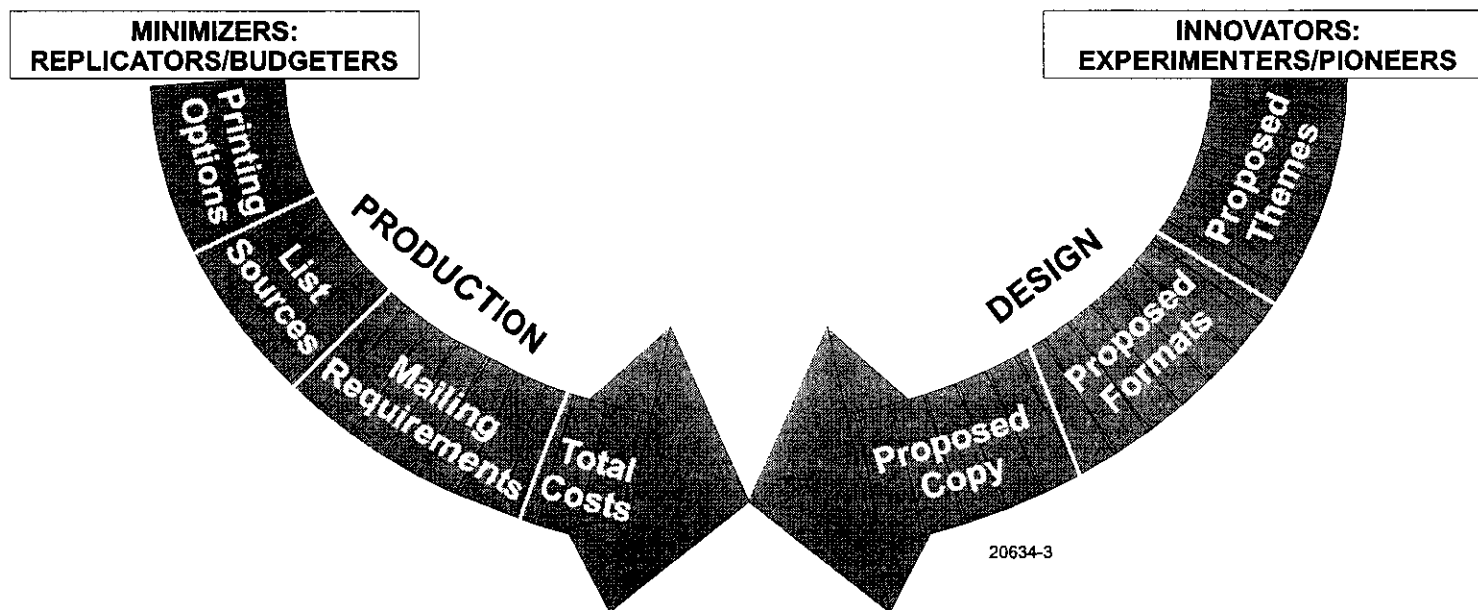
TYPICALLY, FROM A DESIGN VIEWPOINT, THREE “CONCEPTS” ARE DEVELOPED AND EVALUATED WITHIN EACH SEGMENT; THE RANGE OF OPTIONS CONSIDERED VARIES WIDELY ACROSS SEGMENTS, HOWEVER

- **Replicators** may tweak colors, text, and even the offer, but the variations in concepts are minimal
- **Budgeters** are a bit more adventurous, but only within their strict budget guidelines; they worry about...
 - Costs to design
 - Costs to print (e.g., size, shape, and per piece costs)
 - Costs to mail (e.g., addressing and postage)
- **Experimenters** are more than willing to entertain new ideas/formats to push the envelope, but may scale back to a less novel approach, depending upon costs and the perceived technical/logistical difficulties executing an innovative idea
- **Pioneers** are likely to abandon constraints if the creative process reveals the potential for truly breakthrough results
 - New sizes and shapes are routinely considered
 - New delivery channels are frequently explored

Direct Mail Development Process...

THUS, *MINIMIZERS* MORE OFTEN THAN NOT INVOLVE THE PRODUCTION DEPARTMENT EARLY ON, WHILE *INNOVATORS* ARE LARGELY TAPPING INTO THEIR CREATIVE/DESIGN SPECIALISTS BEFORE PRODUCTION COSTS ARE CONSIDERED

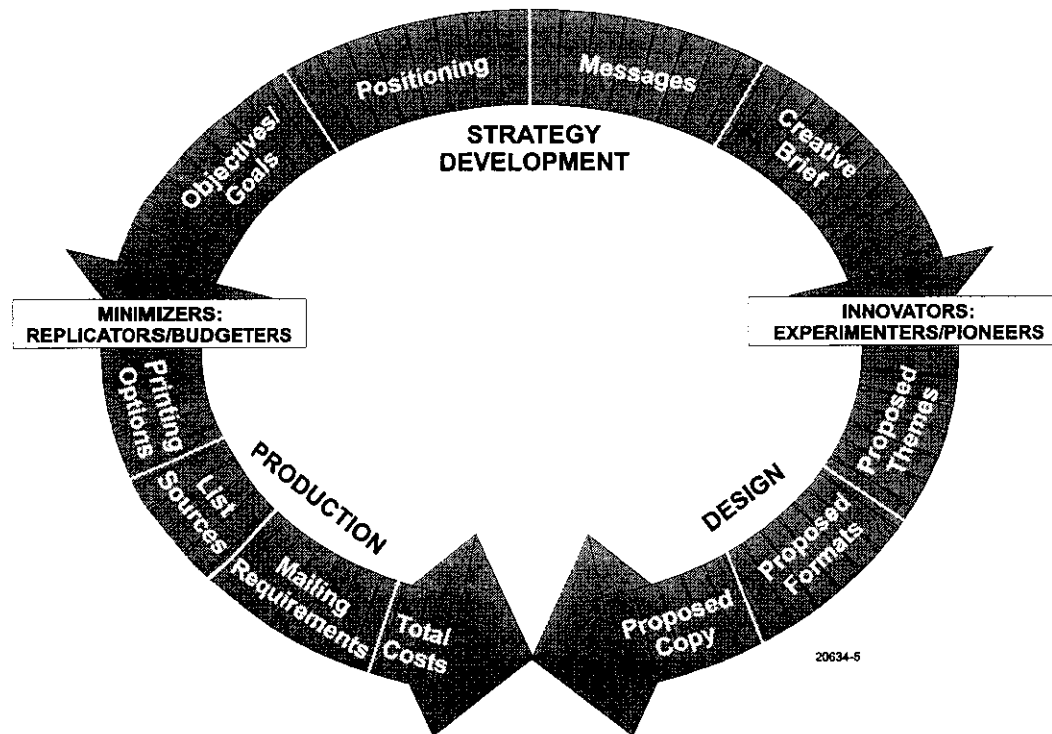
- *Minimizers* are designing very much within production/distribution budget constraints
- *Innovators* have a budget in mind, but are likely to design one or more alternatives that exceed articulated plans with the hope of finding a novel approach



Direct Mail Development Process...

IN SHORT, THE INTERRELATIONSHIPS AMONG THE OBJECTIVE-SETTING, DESIGN, AND PRODUCTION ASPECTS OF DIRECT MAIL DEVELOPMENT DEPEND UPON THE DECISION-MAKERS' CAMPAIGN-SPECIFIC ORIENTATION

- Importantly, the size/shape decision is made very early by **Minimizers** and much later by the **Innovators**
- **Minimizers** rarely change the size/shape decision because of the budget implications



Direct Mail Development Process...

IT IS IMPORTANT TO RECOGNIZE THAT NO SINGLE MODEL IS USED FOR ALL DIRECT MAIL DECISIONS AND THAT “ADVERTISER EXECUTIVES” -- NOT THEIR AGENCY -- HAVE THE FINAL SAY

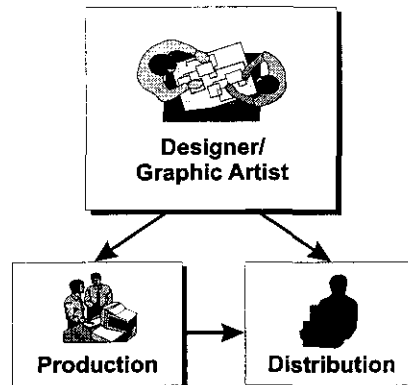
- Some advertisers use a single source, while others interact and coordinate multiple sources for the different design and production activities – ad agencies are not always consulted
- Even within a single organization, all three models are used; which one is selected depends upon the campaign objectives, budget, timing, and the like

MODEL 1: AGENCY



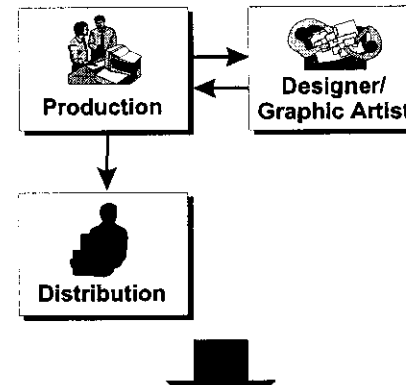
**SINGLE SOURCE
FOR ALL DESIGN,
PRODUCTION &
DISTRIBUTION
DECISIONS**

MODEL 2: NO AGENCY



**MULTIPLE SOURCES
WITH DESIGN/CREATIVE TEAM
PLAYING LEAD ROLE IN LOOK
& FEEL OF DM PIECE**

MODEL 3: NO AGENCY



**MULTIPLE SOURCES
WITH PRINTER LARGELY
GIVING "SPECS"
TO DESIGN TEAM**

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Today's Direct Mail Constraints...

TODAY'S ECONOMIC CLIMATE HAS FORCED BOTH ADVERTISERS AND THEIR AGENCIES TO SHRINK THEIR AD BUDGETS AND, AT TIMES, TO POTENTIALLY JEOPARDIZE THE SUCCESS OF THEIR DIRECT MAIL CAMPAIGNS

- Nearly everyone commented on the size of their dwindling advertising budgets
 - This was especially true of travel, lodging, banking and other service businesses
 - Pharmaceutical companies and those in allied health care fields (e.g., nursing) seemed to be better off and largely immune to the economic downturn
- Reduced budgets appear to...
 - Impede development of “out of the box” ideas
 - Limit the willingness of advertising executives to produce dimensional pieces
 - Increase concerns about wasting dollars on unnecessary design and production costs
 - Heighten needs for better ROI
- Notwithstanding these increased concerns about expenses, there was no mention of reducing the number of campaigns, but rather a desire to exceed objectives through better use of...
 - Less costly materials (e.g., different paper)
 - Less costly mailouts (e.g., smaller sized pieces, fewer pages, etc.)

Today's Direct Mail Constraints...

EVEN IF ADVERTISERS AND THEIR AGENCIES WANTED TO PRODUCE UNUSUAL PIECES WITHOUT GOING ALL THE WAY TO DIMENSIONAL SHAPES, THEIR THINKING IS CONSTRAINED BY THE POSTAL SERVICE'S TECHNICAL REGULATIONS

- Today, some simply produce larger size postcards – 8 1/2" x 11" – and/or different shapes that they enclose in an envelope (e.g., trifold)
- However, others would really like to produce more elaborate pieces or address them differently, but refrain from doing so in order to ensure receipt of postage discounts

"All these things restrict the creative so that basically you have to have a white envelope and it can't be much bigger than this because they can't get their 7% discount. A lot of this has to do with money."

- According to some, larger sizes not only cost more money, but raise concerns about the recipients' inclination to read the piece before discarding it
 - Larger postcards cost significantly more money, even if they require less investment to read
 - Unusual shapes enclosed in envelopes have less impact unless expensive see-through envelopes are used, and even then there is a question about the piece being read quickly

Today's Direct Mail Constraints...

MOST AGREE THAT THEY ARE NOT IN A POSITION TO TRADE OFF FEWER PIECES BEING MAILED IN FAVOR OF LARGER OR MORE UNUSUAL SHAPES – THE GOAL IS TO BREAK THROUGH THE MAILBOX CLUTTER WITHIN EXISTING BUDGET CONSTRAINTS

- Designers, in particular, complain about not being able to break through the mailbox clutter without resorting to much more expensive, non-traditional alternatives (e.g., self-delivered items, integrated broadcast/Web/mail campaigns) or unusually shaped pieces (e.g., dimensionals)

"If money were no object, I would put stuff in a box or make different size boxes, or some other dimensional."

- Because response rates can be so highly variable and it is difficult to assess what will and won't break through the clutter, a large contingent is reluctant to recommend that fewer pieces be mailed
 - Membership, subscriber, and customer lists are of a certain size anyway
 - Prospect lists may vary in size depending upon the definitions used, but require large mailouts
- Rather, they are inclined to design and disseminate pieces that look more like traditional shapes, but carry innovative messages, offers, and/or contain bright colors and "funky" graphics

Reactions to Customized MarketMail™ Concept... *Overall Impressions*

IT IS NOT SURPRISING THEN THAT ADVERTISERS AND THEIR AGENCY PARTNERS LOVE THE *CUSTOMIZED MARKETMAIL™* CONCEPT, PARTICULARLY THE ABILITY TO GENERATE AN ODDLY-SHAPED PIECE AND NOT BE REQUIRED TO PLACE IT IN AN ENVELOPE OR BOX FOR MAILING

- It was not uncommon to hear such words as “fabulous” or “terrific” when the concept was first presented to group participants – *“It needs to be part of the arsenal!”*
 - Advertisers like the idea of featuring different products or services in an unconventional way
 - Account executives love the idea because they feel their clients will be interested in it
 - Creative directors feel it is intriguing because their creative juices will be stimulated

“I see it being an option that people would certainly consider. They might use it a lot to start with, then other things will come into play, but it would be nice to have it as an option. Who knows, it could be almost retro-chic.”

- Even though die-cuts are available today, it is the lack of an envelope or box that makes the concept so special; these types of pieces would...
 - Require no “**open** and read” to be immediately noticeable
 - Be highly differentiating, at least before they are widely used

“The concern for me in the past has always been how do I get somebody to open a piece. I think that this can really help in that respect.”

Reactions to Customized MarketMail™ Concept... *Overall Impressions*

IN FACT, A LARGE CONTINGENT BELIEVES THAT *CUSTOMIZED MARKETMAIL™* HAS MANY OF THE DESIGN AND RESPONSE ADVANTAGES OF DIMENSIONAL PIECES WITHOUT THE HIGH PRICE TAG

- It is recognized that *Customized MarketMail™* would be more costly to produce than a traditional Standard Mail letter or postcard
- However, many believe it would be less costly to produce than other types of dimensional pieces
 - Most dimensional pieces today require boxes or other costly outer “wrappings”
 - Even if a dimensional piece were flat, as in the *Customized MarketMail™* pieces shown, they still require an envelope today which adds to the printing and production costs

"I know it would be worth a little extra if we were allowed to do this. Everyone needs to differentiate – whether it's a tongue depressor or chalk or candy you need something and this would definitely help."

- In short, both advertisers and agency personnel feel that *Customized MarketMail™* should be positioned as a smaller, more contained dimensional alternative

"It is almost like a smaller version of doing a dimensional mailing. If you can't afford a dimensional mailing and want to do something attention getting, this might fall in between for special things."

Reactions to Customized MarketMail™ Concept... *Likely Adopters*

ALTHOUGH THE CONCEPT IS REALLY APPEALING, *MINIMIZERS* WOULD BE VERY UNLIKELY TO USE IT; *INNOVATORS*, ESPECIALLY *PIONEERS*, WOULD BE AMONG ITS EARLIEST ADOPTERS

- Since *Minimizers* are either interested in replicating previous successes (with or without a new offer) or working within limited budgets, *Customized MarketMail™* would not be considered
 - It would be too costly – both production and mailing costs
 - It would require more attention to design/produce than this segment is often willing to give
 - *Budgeters* may, for a specific campaign, be willing to explore *Customized MarketMail™* if and when there is proof that this type of Standard Mail generates higher response rates
- *Innovators – Pioneers and Experimenters* – would be likely to include such designs in one or more of their campaigns; these segments are...
 - Somewhat insensitive to production and distribution prices
 - Communicating regularly with difficult to reach customers or prospects (e.g., doctors, pharmacists, wine distributors, etc.)
 - Always looking for new ways to break through the clutter at reasonable prices

"If I could do something like that to target wholesalers where I did a St. Pauli Girl bottle and sent it without an envelope that is going to get their attention."

Reactions to Customized MarketMail™ Concept... *Likely Adopters*

SOME OF THE HEAVIEST DIRECT MAIL USERS – FINANCIAL SERVICE COMPANIES – ARE LESS LIKELY TO BE *EARLY ADOPTERS*, WHILE SOME OF THE MORE INFREQUENT USERS ARE APT TO BE VERY ATTRACTED TO IT

- Financial service firms, in particular, are wedded to their “#10” mailings; they have...
 - Many test cells with explicit data on response rates
 - Private information they do not want to expose
 - Confidence in their existing activities
- In contrast, pharmaceutical companies, hospitals, real estate firms, high-end retailers, manufacturers, and wholesalers are likely to find it very appealing; they would be the *Early Adopters* because they are...
 - Communicating with audiences that need to be “wowed”
 - Looking for reasonably-priced dimensional alternatives
 - Advertising a product/service that has “pizzazz” similar to the proposed *Customized MarketMail™* concept

Reactions to Customized MarketMail™ Concept... *Likely Usage Occasions*

AS NOTED EARLIER, CUSTOMIZED MARKETMAIL™ IS NOT LIKELY TO REPLACE CONVENTIONAL STANDARD MAIL; AS A LESS-EXPENSIVE DIMENSIONAL ALTERNATIVE, IT IS LIKELY TO HAVE NICHE APPLICATIONS

- Everyone agrees that its production and mailing costs, as well as preparation and acceptance requirements, are likely to make *Customized MarketMail™* a “once in a while” selection
- Furthermore, odd size pieces without an envelope have a certain “modern” or “contemporary feel to them; as such, they are *not* necessarily appropriate for...
 - Certain professional situations (e.g., communicating with CEOs)
 - When privacy is an issue (e.g., communicating with existing bank customers)
- In contrast, they are considered appropriate for...
 - Hispanics or other less frequently tapped segments who would be impressed by such pieces
 - Certain business people (e.g., MIS directors) because mail is delivered to offices in bins and not typically stuffed into small boxes
 - Selected consumer populations who are looking to be trendsetters (e.g., fashion-conscious, etc.)

(Continued)

Reactions to Customized MarketMail™ Concept... *Likely Usage Occasions*

- Similarly, *Customized MarketMail™* is likely to be used in certain specific advertising situations; for example...
 - As a teaser to obtain more detailed product information
 - To get past the gatekeeper in certain business situations (e.g., receptionist in physician's office)
 - For awareness building (e.g., save the date, launch a new store or product)
 - To draw traffic to the Web or a store or even a meeting

"It may need backup. The impact would be wow, but how much information would you be able to put on the back or on a response card. This is limited because it is visual. It would be an impactful piece, but it may need follow-up."

"This has a launch feel to me. Like a new product, especially in the beauty category where it is very competitive. I can say look try this and look at what is coming out. This is my new product and this (MarketMail) is the innovative product to use (to raise awareness and trial interest)."

- According to a large group, *Customized MarketMail™* would be considered non-traditional advertising (i.e., a supplement to what is already in place) until it became the norm

Reactions to Customized MarketMail™ Concept... *Likely Usage Occasions*

**TO MOVE FROM BEING CONSIDERED NON-TRADITIONAL TO THE NORM,
THERE IS A DESIRE TO TEST THE PRODUCT BEFORE ENGAGING IN
WIDESPREAD MAILINGS, EVEN AMONG ITS MOST LIKELY USERS**

- There are a number of reasons why both advertisers and their agencies say they want to test *Customized MarketMail™*; chief among them is a concern about the real effect/impact of such a product and the timing of its delivery
 - Because direct mail is costly and subject to scrutiny, the need to test is very high
 - Similarly, potential users are accustomed to testing new executions before allocating significant advertising dollars to a particular approach

"I am going to want to send the pieces to my home, to my office, to several employees. We all have different mail carriers and have different shaped mail boxes. I want everyone to bring them in and we will look at them. I want to send it to several DDUs and I want to see how long everything takes before I do a big drop."

- Although the nature and substance of tests are likely to vary across potential users, there are a few common links; namely...
 - The size is likely to range from a few hundred to a few thousand pieces -- less than 2,000

(Continued)

Reactions to Customized MarketMail™ Concept... *Likely Usage Occasions*

- There is likely to be seeding with company officials
- They are likely to test *Customized MarketMail™* against a similar piece in an envelope or their most preferred execution
- *Customized MarketMail™* would have to produce at least the same ROI as its control, but for a large group, it needs to outperform other executions by at least 20%
- There is agreement that if it were tested and it worked it would be used much more extensively because being on the leading edge of new marketing concepts is a necessity
 - Today, many advertisers, according to their agency partners, are asking for guerilla and viral marketing – new tactics such as writing on buildings or using broadcast to stimulate lots of emails or other explosive communications to spread the word
 - It seems likely that if *Customized MarketMail™* were to produce higher rates of return at lower costs than other executions, many would jump on the bandwagon

"If we tested it and if it worked we would use it all the time. We wouldn't reserve it only for holidays or whatever. I mean if something works, we just go for it and use it."

Reactions to Customized MarketMail™ Concept... *Likely Volume*

GIVEN ITS DESIGN/PRODUCTION COST AND ADVERTISERS' NEEDS TO TEST NEW EXECUTIONS AGAINST "KNOWN PERFORMERS", *CUSTOMIZED MARKETMAIL™* ADOPTION IS LIKELY TO PROCEED SLOWLY AT FIRST; OVERALL, INCREMENTAL VOLUME CAN BE ANTICIPATED

- All test mailings are likely to be incremental volume
 - Advertisers are reluctant to jeopardize existing campaigns
 - Tests of new pieces are commonly used as augments
- When implemented on a wider scale, *Customized MarketMail™* pieces are likely to come from...
 - Larger postcards that convert to odd size/shaped pieces
 - Dimensional mailings (i.e., boxes, flats, etc.) that are now sent via the Postal Service and alternative carriers
- In addition, some new campaigns are anticipated
 - Distribution of samples (e.g., cosmetics, perfumes, patches, etc.) previously inserted into magazines
 - Announcements (e.g., store openings, new product availability, etc.) that have migrated to the Web

Reactions to Customized MarketMail™ Concept... *Barriers to Use*

DESPITE ALL OF THIS EXCITEMENT ABOUT CUSTOMIZED MARKETMAIL™, CONCERNS ABOUT ITS VISUAL IMPACT UPON DELIVERY AND CARRIERS' POTENTIAL NEGATIVE REACTIONS TO HANDLING ODD SHAPED PIECES DAMPEN ENTHUSIASM

- Even though participants were instructed to imagine smaller odd shaped pieces, they tended to focus on larger more impactful pieces, and when doing so, had real concerns about these pieces fitting nicely into consumers' mailboxes and the carriers' willingness to deliver them
- They repeatedly expressed concerns about the overall size and number of angles of these pieces; they felt pieces would be...
 - Folded before being placed in the mailbox
 - Jammed or crammed into the mailbox so the edges would be mangled
 - Bent or damaged in the carriers' bags even before being placed in the mailbox
 - Left beside mailboxes, especially in apartment houses or cluster mailbox locations
 - Tossed or discarded by the mail carrier before ever reaching the mailbox

"I am really concerned about wear and tear. Without an envelope there is no protection."

"Most of us live in Manhattan and they (carriers) stuff everything into the doorway. I don't know how appealing that would be when it is bent."

Reactions to Customized MarketMail™ Concept... *Barriers to Use*

WHILE ADVERTISERS' ADMIT THAT THEIR ISSUES WITH DAMAGE AND NON-DELIVERY ARE LIKELY TO BE ADDRESSED, CONCERNS ABOUT CUSTOMIZED MARKETMAIL'S™ PREPARATION AND DROP SHIPPING REQUIREMENTS APPEAR TO BE MORE SIGNIFICANT IMPEDIMENTS TO FUTURE USE

- To begin, there is considerable uncertainty among a small group of advertisers that they will be required to do the “leg work” to identify local post offices so that the correct packages can be easily assembled

“You would have to find the local post office. That could be quite ominous.”

- Furthermore, there is a great deal of angst about the amount of work that would be required to prepare the actual drop ship packages; specifically, the...
 - Feasibility of preparing several hundred to several thousand drop ship packets
 - Printer's or mail house's ability to actually perform the tasks required
 - Lack of DDU designations on existing customer or prospect lists
 - Time it would take to acquire the packaging materials needed to prepare the drop ship packets
 - Inability to mechanize the process because of the varying number of pieces in each packet

“In short, more material, more postage, and more time.”

(Continued)

Reactions to Customized MarketMail™ Concept... *Barriers to Use*

- In addition to the amount of work involved, advertisers and their agency partners are especially concerned about the increased costs that would accompany such activities
 - A sizeable segment is afraid that the mail house will tack on added preparation fees

"Any time anyone touches anything that is added mail cost."

- And, if such costs were incurred that these dollars would be added to the already inflated design and production costs that routinely accompany larger, dimensional-type pieces

"Because you are going to have packages of different sizes, somebody at the mail house will actually have to stand there and say that this one only gets 300 and this gets 500. Somebody has to weigh them and put postage on them. So (we will be) paying for a lot of man hours at the mail house. They will do it once they figure out how, but we will pay for it."

Reactions to Customized MarketMail™ Concept... *Barriers to Use*

NOT SURPRISINGLY, ALL OF THE COST COMPONENTS – DESIGN, PRODUCTION, AND DISTRIBUTION -- APPEAR TO BE A FUNDAMENTAL PROBLEM FOR MINIMIZERS, BUT NOT SO TROUBLING FOR INNOVATORS

- As noted earlier, everyone agrees that the design and production costs for odd-shaped pieces will be higher than standard size letters or postcards
 - Therefore, any *Minimizers* who are trying to contain their costs for a particular campaign will not be inclined, on the basis of production costs, to think about *Customized MarketMail™*
 - In contrast, any *Innovators* who are not so constrained by costs will be willing to entertain production of *Customized MarketMail™* pieces as long as they fit within the overall budget they have allocated for the campaign
- The added costs for preparing the DDU drop shipments, at least for *Innovators*, would be considered as part of the total budget; in fact, some see the potential for saving money on the individual envelopes that would no longer be needed and using these savings to fund, in whole or part, the DDU drop shipment costs

"What this does for me is it eliminates the costs of the envelopes. So that this cost could well take care of other things like the postage and delivery charges."

Reactions to Customized MarketMail™ Concept... *Price Sensitivity*

SIMILARLY, THE PROPOSED CUSTOMIZED MARKETMAIL™ POSTAGE PRICES ARE EITHER VERY WELL RECEIVED OR RESOUNDINGLY REJECTED

- Those who believe that *Customized MarketMail™* is much closer to a dimensional piece have little or no complaints about the \$.55 to \$1.25 that was tested so far
 - Die cut costs – \$1,500 to \$2,000 – would be amortized across thousands or millions of pieces
 - Printing/assembly costs would be significantly lower than that of a truly dimensional piece
 - The per piece postage price would also be much less than what it costs now for a box or tube

"The price of the mail piece seems fair. That doesn't sound unaffordable for a special piece."

"They might be able to charge a premium for this."

- Some concern is expressed, however, among potential users that the drop shipment costs could get "out of hand" but these would have to be factored into the overall costs, as mentioned earlier
- Nevertheless, objection to the proposed pricing is most noticeable among those who are resource-constrained and might best be labeled as "penny pinchers"; this group is...
 - Not inclined to do even a quasi-dimensional mailing like *Customized MarketMail™*
 - Looking to reduce per piece postage costs to the bare bones by taking advantage of worksharing discounts -- \$.16, for example

Reactions to Customized MarketMail™ Concept... *Naming Requirements*

WHEN EXPLAINED, THE NAME -- CUSTOMIZED MARKETMAIL™ -- HAS MEANING, BUT A PRODUCT NAME THAT CONVEYS “OUT OF THE BOX” THINKING WOULD BE MUCH PREFERRED

- Nearly everyone agreed that the name *Customized MarketMail™* without description or discussion is unclear
 - Typically, customization is used to describe targeted mailing lists with names and titles
 - MarketMail is not a familiar term, and, as such, simply means something to do with the mail
 - The word “market” is ambiguous because all mail is addressed to “the market”
- When asked about the types of words or phrases that should be used, advertisers and agency “creatives” felt that innovation, novelty, and garnering high visibility were important elements

“Breakthrough, breakout or something like that. Like outside the box or thinking outside the box!”

“Mail outside the envelope or thinking outside the envelope.”

- In addition, creativity and high impact are other avenues to pursue in the product name, such as...
 - Maximum Impact Mail or Max Mail
 - Impact or High Impact Ad Mail

Reactions to Customized MarketMail™ Concept... *Approval Process Considerations*

SIMILAR TO THE PROPOSED PRICES, TWO SEGMENTS EMERGE WITH RESPECT TO THE APPROVAL PROCESS – ONE WOULD BE CONTENT TO WORK WITHIN STATED GUIDELINES WHILE THE OTHER WANTS ACCESS TO A REVIEW BOARD MANDATED TO RESPOND WITHIN 48-72 HOURS

- Generally, there is agreement that stated guidelines or rules are necessary for *Customized MarketMail™* to work efficiently and cost effectively
 - No one wants to go to the expense of designing and producing pieces that will subsequently be rejected by the Postal Service
 - Size, weight, addressing, and other preparation regulations are very helpful during the creative and pricing processes
- A small, but vocal group is adamant about having these guidelines and only these because they are fearful that any review process by the Postal Service would take much too much time to complete in what is usually a very tight schedule
- A larger, and more reasonable group, is willing to submit design specifications to the Postal Service if given two important guarantees...
 - A definitive “yes or no” answer was received within 48 to 72 hours of their email submission
 - Once approved, the *Customized MarketMail™* piece would be delivered as promised

(Continued)

Reactions to Customized MarketMail™ Concept... *Approval Process Considerations*

- If the review process were mandatory, the Postal Service would have to be...
 - Willing to live with specification drawings and not an actual production piece because the latter would involve too much time and expense
 - Able to set up both centralized and decentralized review centers to accommodate those who want to email their specs and others who want to hand deliver them to a local review team situated in major cities around the U.S.
- No one is willing to pay for such a review; rather, they believe that the Postal Service should provide the service without a fee because it will benefit from added mail volume if such pieces were permitted
- Even if the Postal Service were to make pilot tests available, most advertisers and account executives believe the Postal Service should not charge a premium for the postage at this time
 - Until such time as there are statistics that demonstrate improved “open and read” rates or higher response rates, the Postal Service will have difficulty convincing these advertisers to spend more money on postage as they will already be paying higher production costs
 - However, when such statistics do become available the Postal Service can expect *Innovators* and, perhaps *Budgeters* from time-to-time, to produce *Customized MarketMail™* for several different mailings each year

Conclusions and Recommendations...

THERE IS CERTAINLY AMPLE INDICATION THAT THERE IS A MARKET FOR *CUSTOMIZED MARKETMAIL™*

- Although not everyone endorsed the proposed product or even indicated that they would be in a position to use it, there are several different types of advertisers who appear very interested in it
 - Pharmaceutical companies
 - Allied health-care fields (e.g., nursing, hospitals, etc.)
 - Specialty retailers (e.g., cosmetic stores)
 - Specialty manufacturers/distributors (e.g., cosmetic companies, wine wholesalers, etc.)
 - Real estate brokers
- In addition, prospective users identified a variety of situations in which such a product could be used; namely to...
 - Launch a new product
 - Announce an event, store opening, upcoming meeting
 - Create general brand awareness
 - Stimulate store or web traffic (e.g., did you know that...)
 - Obtain a response (e.g., obtain more specific product information, sales literature, etc.)
 - Speak to both consumers and selected business professionals – primarily prospects and some customers

Conclusions and Recommendations...

IT WOULD APPEAR, AT LEAST AT THIS JUNCTURE, THAT *CUSTOMIZED MARKETMAIL*™ WOULD BEST BE POSITIONED AS A LESS EXPENSIVE, HIGH IMPACT QUASI-DIMENSIONAL PIECE

- The proposed concept was most frequently compared to standard dimensional pieces, and, as such, received very favorable responses, especially in terms of its potential pricing
 - The per piece postage costs for most dimensional pieces are significantly higher than the proposed prices
- It should be noted that there does not appear to be much room to raise the proposed per piece postage prices because of the additional costs associated with the DDU drop shipments
 - There are costs for assembling the DDU packets
 - There are the actual DDU shipping costs
 - Both of these would be compared against putting the dimensional piece in some sort of mailer
- Establishing credibility for the “high impact” claim may be more challenging as some potential users want demonstrable evidence that such a piece “pulls” more than a traditional one
 - Setting up a pilot program with little or no change in postage costs may be one way to gather the necessary statistics as advertisers say they would be willing to participate and exchange information
 - Another alternative may be for the Postal Service to do its own market test

Conclusions and Recommendations...

ULTIMATELY, ADVERTISERS WILL BE THE ONES TO DECIDE WHETHER THEY WILL USE *CUSTOMIZED MARKETMAIL*™ OR NOT; THEIR AGENCY PARTNERS WILL ONLY BE INVOLVED IN A PORTION OF THE PIECES THAT MAY BE GENERATED

- There was universal agreement that the advertiser has the ultimate decision-making power when it comes to what types of pieces will actually be distributed
 - Account executives can, and do, lobby for particular executions
 - However, the final say rests with the individual who “pays the bill”
- In addition, as noted previously, advertising agencies are not always used for the design and production of direct mail pieces
 - There are several models that rely upon use of freelance designers
 - With desktop publishing being much more pervasive, in-house design is common as well
- Therefore, it is best to think of advertising agencies, freelance designers, mail houses, and other business partners as ad-hoc “sales” channels for *Customized MarketMail*™
- However, when it comes to thinking about the market potential for this product, it may be best to present this concept to the advertisers directly and to ask them to report, which, if any, of their existing campaigns would be replaced and what new campaigns, if any, they might introduce if this option were available to them

Conclusions and Recommendations...

LASTLY, IT WOULD BE WISE FOR THE POSTAL SERVICE TO PLAN FOR A SLOW, BUT STEADY RAMP UP AND TO ANTICIPATE ADVERTISERS' NEEDS FOR DROP SHIPMENT ASSISTANCE

- Given advertisers' desire to market test, the initial volume is likely to be manageable; it should give the Postal Service time to...
 - Educate mail acceptance clerks and carriers
 - Iron out the delivery kinks (e.g., non-damaged placement in mailboxes)
 - Gather data on recipients' impressions and likely responses
- The so-called "test period" will also allow the Postal Service to work with its sales force and business partners to ensure that adequate lists and consolidator networks are in place to handle advertisers' drop shipment needs
 - Develop lists of post office addresses
 - Construct lists linking delivery addresses to DDUs
 - Identify consolidators willing and able to handle drop shipments
 - Educate mail houses and printers as to the new procedures, drop shipment options, and reasonable cost alternatives
- Anticipating and addressing advertisers' stated concerns should accelerate *Customized MarketMail's*™ successful adoption

APPENDIX

- **Screeners**
- **Discussion Guides**
- **Stimulus Materials**

**SCREENER -- CHICAGO
MARKETMAIL - AD AGENCY**

ASK TO SPEAK TO THE CREATIVE DIRECTOR, COPY DIRECTOR, ACCOUNT EXECUTIVE, HEAD OF MEDIA PLANNING OR OTHER MID- TO SENIOR-LEVEL CONTENT, COPY, OR CREATIVE DECISION-MAKERS FOR MAJOR ACCOUNTS THAT USE PRINT MEDIA (FREE STANDING INSERTS (FSIs), NEWSPAPER, DIRECT MAIL, MAGAZINE INSERTS, RIDE-ALONG INSERTS, ETC.)

NAME: _____

TITLE: _____

COMPANY: _____

ADDRESS: _____ ZIP CODE: _____

TELEPHONE #: _____ FAX #: _____

GROUP SCHEDULE

ATTENDING:

Wednesday, October 9, 2002

() Group 2-- 8:00 AM to 10:00 AM Agency Group

SUGGESTED INTRODUCTION: Hello, I'm _____ calling for National Analysts, a market research and consulting company. We are conducting a research study for the U.S. Postal Service about possible innovations in design, layout, and copy for print advertising and especially, direct mail. These changes could have a major impact on direct mail in the future. We are inviting people who meet certain qualifying specifications to participate in an informal group discussion on (DAY/DATE).

Are you free on that date?

Yes ()

No () **THANK AND TERMINATE**

I'd like to ask you a few questions.

MUST READ: *All of your comments and answers in this study will remain strictly confidential and will be used for research purposes only.*

1. Are you one of the decision-makers in your organization who is responsible for or heavily involved in key content, copy, or creative decisions for accounts that use print media in their advertising mix?

Yes ()

No ()

**ASK TO SPEAK TO PERSON RESPONSIBLE;
REPEAT INTRODUCTION AND Q1. IF AGENCY
DOES NOT USE ANY PRINT MEDIA, TERMINATE**

2. What is your title? _____

RECRUIT MID-TO SENIOR-LEVEL DECISION-MAKERS

3. Do you, or does anyone in your household or family, work for: **(READ)**

	<u>Yes</u>	<u>No</u>
The U.S. Postal Service or a company that delivers mail, or mail related materials such as Federal Express, UPS, etc.	()	()
A market research company, or	()	()
Newspaper	()	()

IF "YES" TO EITHER, TERMINATE

4. Have you ever attended a group discussion for market research purposes?

Yes ()

No () **SKIP TO Q.6**

5. When was the last time you attended?

MONTH

YEAR

TERMINATE IF WITHIN PAST "6" MONTHS

6. Which, if any, of the following are you responsible for or heavily involved in? (**READ ENTIRE LIST BEFORE SELECTING AN ANSWER**) (**CHECK ALL THAT APPLY**)

	<u>Yes</u>	<u>No</u>
A. Layout/design of direct mail pieces ?	()	()
B. Layout/design of other print pieces (e.g., newspaper, magazine, ads, inserts, etc.)?	()	()
C. Layout/design for web advertising?	()	()
D. Copy or text of direct mail pieces?	()	()
E. Copy or text of other print pieces?	()	()
F. Copy or text for web advertising?	()	()
G. Managing accounts that allocate a portion of their ad budget to direct mail?	()	()
H. Managing accounts that allocate a portion of their ad budget to other print pieces?	()	()
I. Managing accounts that allocate a portion of their ad budget to web advertising?	()	()

**PREFER FOR ALL TO BE DIRECT MAIL USERS "A", "D", "G"
BUT CAN RECRUIT 1 OR 2; OTHERS GET A MIX OF "A", "D", "G"**

**IF ANSWER IN Q.6 IS "A", "D", OR "G" THEN ASK Q.7;
OTHERWISE SKIP TO Q.9**

7. What kind of direct mail pieces do you design/produce/manage? (**READ LIST AND CHECK ALL THAT APPLY**)

	<u>Yes</u>	<u>No</u>
Flyers/postcards?	()	()
Oversized postcards?	()	()
Letters?	()	()
Catalogs?	()	()

**RECRUIT ONLY 1 WHO IS INVOLVED WITH "CATALOGS ONLY"
GET A MIX**

8. What type of postage is used on these direct mail pieces? Is it: **(READ)**

First-Class Mail postage, ()

Standard A Mail postage, or () **TRY TO GET A MIX**

Some other postage (Priority Mail, etc.) ()

9. On a scale from "1" to "6" where "1" means "Extremely Unlikely" and "6" means "Extremely Likely", how likely or unlikely would you be to consider developing an irregular shaped direct mail piece if there were fewer or no restrictions for sending it through the mail?

WRITE IN NUMBER

RECRUIT NO MORE THAN TWO CODE "1" OR "2"

10. What are the types of companies for whom you produce your print advertising? **(READ LIST)**
(CHECK INDUSTRIES THAT APPLIES)

() Financial Services

() Hospitality

() Retailing

() Educational institutions

() Entertainment

() Museums

() Publishing

() Media companies

() Real Estate

() Healthcare/pharmaceuticals

() Manufacturing

() Telecommunications

() Other (Specify): _____

GET A MIX

11. What type of agency do you work for? Is it a: **(READ)**

Full-service agency, ()

Specialized agency:

Creative agency, ()

Media-buying agency, ()

Interactive agency, or ()

Some other specialized agency? ()

(SPECIFY)

GET A MIX

12. What is the approximate annual revenue of your agency? Is it: **(READ)**

Under \$5 million, ()

Between \$5 and just under \$25 million, () **GET
A**

Between \$25 and just under \$250 million, or () **MIX**

Over \$250 million? ()

EXTEND INVITATION TO ELIGIBLE RESPONDENT AND RECORD INFORMATION ON FRONT.
We'd like to invite you to participate in this informal group discussion.

You will receive an honorarium of \$_____ for participating in this research project.

**SCREENER -- CHICAGO
MARKETMAIL - ADVERTISERS**

*ASK TO SPEAK TO A MID- TO SENIOR LEVEL MARKETING, ADVERTISING, MEDIA PLANNING
DECISION-MAKER OR OWNER WHO HAS RESPONSIBILITY FOR DETERMINING ADVERTISING
EXPENDITURES, BUDGETS, MIX (TV, RADIO, PRINT, WEB, ETC.), AND HAS OVERSIGHT OF
OR INPUT INTO ADVERTISING DESIGN/CONTENT*

NAME: _____

TITLE: _____

COMPANY: _____

ADDRESS: _____ ZIP CODE: _____

TELEPHONE #: _____ FAX #: _____

GROUP SCHEDULE

ATTENDING:

Tuesday, October 8, 2002

() Group 1 – 6:00 PM to 8:00 PM – Advertisers Group

SUGGESTED INTRODUCTION: Hello, I'm _____ calling for National Analysts, a market research and consulting company. We are conducting a research study for the U.S. Postal Service about possible innovations in design, layout, and copy for print advertising and direct mail. These changes could have a major impact on direct mail in the future. We are inviting people who meet certain qualifying specifications to participate in an informal group discussion on (DAY/DATE).

Are you free on that date?

Yes ()

No () **THANK AND TERMINATE**

I'd like to ask you a few questions.

MUST READ: *All of your comments and answers in this study will remain strictly confidential and will be used for research purposes only.*

1. Are you one of the decision-makers in your organization who is responsible for or heavily involved in determining your company's advertising mix; that is, what proportion of your advertising dollars should be allocated to TV, radio, print, direct mail, web, etc.?

Yes ()
No () **ASK TO SPEAK TO DECISION-MAKER;
REPEAT INTRODUCTION AND Q1.**

2. What is your title?

RECRUIT MID- TO SENIOR-LEVEL DECISION-MAKERS

3. Do you, or does anyone in your household or family, work for: (READ)

	<u>Yes</u>	<u>No</u>
The U.S. Postal Service or a company that delivers mail, or mail related materials such as Federal Express, UPS, etc.,	()	()
A market research company, or	()	()
Newspaper	()	()

IF "YES" TO ANY, TERMINATE

4. Have you ever attended a group discussion for market research purposes?

Yes ()
No () **SKIP TO Q.6**

5. When was the last time you attended?

MONTH

YEAR

TERMINATE IF WITHIN PAST 6 MONTHS

6. Which, if any, of the following are you responsible for or heavily involved in...? **(READ ENTIRE LIST BEFORE SELECTING AN ANSWER) (CHECK ALL THAT APPLY)**

1. Selection of overall advertising media (e.g., TV, radio, print, direct mail, etc.) ()
2. Selection of specific print media (e.g., newspaper, magazines, FSIs, direct mail) ()
3. In-house development or oversight of ad agency layout/design or design of direct mail pieces ()
4. In-house development or oversight of ad agency layout/design of other print pieces (e.g., newspaper, magazine, ads, inserts, etc.) ()
5. In-house development or oversight of ad agency layout/design for web advertising ()
6. In-house development or oversight of ad agency copy or text of direct mail pieces ()
7. In-house development or oversight of ad agency copy or text of other print pieces ()
8. In-house development or oversight of ad agency copy or text for web advertising ()

**TWO-THIRDS MUST HAVE CODES "3" OR "6";
REMAINDER MUST HAVE CODE "2"
GET A MIX OF CODES "2", "3", OR "6" IN COMBINATION WITH OTHER THINGS**

7. **[IF ANSWER IN Q.6 IS "3" OR "6", THEN ASK; OTHERWISE, SKIP TO Q.13]** What kind of direct mail pieces does your organization send out? **(READ LIST AND CHECK ALL THAT APPLY)**

Flyers/postcards	()	GET
Oversized postcards	()	A
Letters	()	MIX
Catalogs	()	RECRUIT NO MORE THAN 1 THAT IS INVOLVED WITH CATALOGS EXCLUSIVELY

8. What type of postage is used on these direct mail pieces? Is it... **(READ)**

First-Class Mail postage,	()	TRY
Standard Mail postage, or	()	TO GET
Some other postage (Priority Mail, etc.)	()	A MIX

9. To what types of recipients are your organization's direct mail pieces sent?

Consumers,	()	GET A MIX
Businesses, or	()	
Both	()	

10. What is the primary destination(s) for these pieces?

Local	()	GET A MIX
Regional	()	
National	()	
International	()	

11. For its direct mail pieces, does your organization perform this function in-house using internal personnel or is it outsourced?

	<u>In-House</u>	<u>Outsourced</u>
Creative/Design	()	()
Printing/Production	()	()
Addressing/Labeling	()	()

GET A MIX OF IN-HOUSE/OUTSOURCED "CREATIVE/DESIGN"

12. What percentage of your advertising budget is devoted to direct mail? Is it... (READ)

Under 25%,	()	GET
Between 25% and 50%,	()	
Between 50% and 75%, or	()	A
Over 75%?	()	MIX

RECRUIT AT LEAST 2 WHO ANSWER "50%" OR MORE

13. How large is your annual advertising/promotions budget including all forms of advertising that are used?

Under \$5,000	() NO MORE THAN 2
\$5,000 to \$24,999	()
\$25,000 to \$99,999	() GET
\$100,000 to \$499,999	() A
\$500,000 to \$1,000,000	() MIX
\$1,000,000 or more	()

14. On a scale from "1" to "6" where "1" means "Extremely Unlikely" and "6" means "Extremely Likely", how likely or unlikely would you be to consider sending an irregular shaped direct mail piece if there were fewer or no restrictions for sending it through the mail?

(WRITE IN NUMBER)

RECRUIT NO MORE THAN TWO CODE "1" OR "2"

15. What type of industry best describes your company? **(READ LIST) (CHECK INDUSTRY THAT APPLIES)**

- | | |
|---|---|
| <input type="checkbox"/> Financial Services | <input type="checkbox"/> Hospitality |
| <input type="checkbox"/> Retailing | <input type="checkbox"/> Educational institutions |
| <input type="checkbox"/> Entertainment | <input type="checkbox"/> Museums |
| <input type="checkbox"/> Publishing | <input type="checkbox"/> Media companies |
| <input type="checkbox"/> Real Estate | <input type="checkbox"/> Healthcare/pharmaceuticals |
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Telecommunications | |

GET A MIX

16. How many employees does your organization have?

- | | | |
|-------------|--------------------------|------------|
| Under 10 | <input type="checkbox"/> | GET |
| 10 to 99 | <input type="checkbox"/> | |
| 100 to 499 | <input type="checkbox"/> | A |
| 500 or more | <input type="checkbox"/> | MIX |

EXTEND INVITATION TO ELIGIBLE RESPONDENT AND RECORD INFORMATION ON FRONT.
We'd like to invite you to participate in this informal group discussion.

You will receive an honorarium of \$_____ for participating in this research project.

**Customized MarketMail Study
Ad Agency Discussion Guide**

I. INTRODUCTION

- **Ground Rules:** Audiotaping, confidentiality, candor, one person at a time, no cell phones or pagers, etc.
- **Background & Discussion Objectives:** The purpose of our discussion is to focus on three topics: 1) process for creating print and direct mail advertisements; 2) emerging client needs and requirements for developing such mail pieces; and 3) reactions to new ideas/new regulations

Please think about the objectives of the various campaigns you work on and how those objectives are translated into direct mail piece designs and executions

- **Introductions**
 - Type and size of agency work for
 - Primary types of clients
 - Role/responsibilities (Probe: direct mail creative vs. account management)

II. PRINT/DIRECT MAIL DESIGN & IMPLEMENTATION PROCESS

(Goal is to develop a detailed process map outlining the steps and key players for specific types of objectives/applications)

- **Identification of Process Steps – differentiate legacy vs. new campaigns**
 - What are the specific steps? Where is the emphasis placed? Why?
 - Idea generation
 - Media selection
 - Content and Design
 - Production
 - Distribution
 - Who generates the ideas to do...
 - Print vs. other media (e.g., broadcast)?
 - Type of print (e.g., FSI vs. magazine)?
 - Type of direct mail (e.g., stand alone, shared)?
 - How, if at all, does this vary by different direct mail campaign objectives?
 - Traffic building
 - Direct response
 - Awareness & brand building
- **Identification of Key Decision-makers and Influencers**

- Who is responsible for the content? (especially direct mail)
 - Role of account executive
 - Role of creative director
 - Role of other agency people
 - Role of client/advertiser
- Who is responsible for the design/layout/format – size and shape, etc.? (Probe role of each type of individual noted above)
- Who is responsible for postal-related decisions?
 - Type of postage – Standard, First-Class, etc.
 - Amount of worksharing
 - Type of working relationship with USPS (e.g., have account rep)?
- Who is responsible for mail distribution for large campaigns?
 - Use of internal personnel vs. outsourcing
 - Why or why not?

III. CURRENT DIRECT MAIL REGULATIONS & CONSTRAINTS (Goal is to identify level of knowledge and specific problem areas)

- **Knowledge of Current Restrictions**
 - What are current parameters for designing direct mail pieces? Probe...
 - Size of client budgets
 - Postal restrictions (e.g., size/shape constraints, delivery windows, etc.)
 - Stringent development timetables
 - Mailbox clutter
 - Consumer perceptions and consumer response
 - Etc.
- **Impact & Perceptions of Current Restrictions**
 - What is the impact of specific postal restrictions on direct mail use? Probe...
 - Size and shape requirements
 - Thickness/stiffness requirements
 - Sortation requirements
 - Delivery standards
 - Addressing requirements
 - Etc.
 - Which of these has the greatest limitation on the creative? Why?
 - Specific ideas/designs that get “nixed” because of existing constraints
 - What are the characteristics of these ideas/designs?
 - Where in the process do these get rejected?
 - Who decides?
 - What, if anything, gets developed instead?
 - How often, if at all, is *direct mail rejected* because of constraints?
 - How often, if at all, is the *campaign rejected* because of constraints?
 - Which constraints, if any, should be lifted? Relaxed? Eliminated? Why?
 - How might these be implemented?

IV. PERCEIVED FUTURE DIRECT MAIL DESIGN NEEDS/REQUIREMENTS *(Goal is to determine desired creative characteristics without constraints)*

- **Potential New Direct Mail Design Ideas**
 - Suppose no USPS constraints, what types of pieces might be created?
 - Over-sized or irregularly shaped
 - Free-standing (not in envelopes)
 - Product sample-like
 - Different colorings/aesthetics/materials/printing
 - Etc.
 - Would these changes improve direct mail or not? Why or why not?
- **Specific Examples of How Design Characteristics Would Change Today**
 - Ask participants to describe how one of their current direct mail pieces might have changed if they could produce an “unconstrained” piece
 - Why would such a change have been made?
 - Ask how changes would have impacted...
 - Creativity
 - Design process
 - C