



4 December 2020

## Royal Mail Wholesale

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# Incentives News

2020 has been another successful year for our incentive portfolio. Customers are seeing real benefit from using our schemes, ensuring that mail remains a cost-effective communication tool during a difficult year. We approved 680 applications, providing £9.2 million in postage credits that customers offset against their postage.

This year has been particularly challenging for UK businesses across all sectors with the Covid-19 pandemic adversely impacting trading levels. To provide extra support to businesses during this difficult period we launched Open for Business and Back to Business which unlocked significant discretionary mail volume. We are keen to continue the success of our incentives and find additional ways to work with Wholesale customers and the wider mail industry to promote the growth and retention of letters. I am delighted to confirm that we are renewing our incentives for a further year, details of which you can find via the links in this letter.

Thank you for your support in ensuring that brands continue to enjoy the benefits of the Royal Mail Letters Group Incentives

Yours sincerely,

Tim Cable  
Wholesale Product Director  
Royal Mail

### Renewal of Incentives

We are renewing our incentives for a further year: customers can apply until 31 December 2021. Please note that from 4 January 2021 we are changing the postage credit rates for all incentives. You can find the new rates on our website at [www.royalmailwholesale.com/incentives](http://www.royalmailwholesale.com/incentives).

In 2020:

680

incentive applications  
approved.

£9.2m

accrued in postage  
credits by incentives.

### News features

[Renewal of Incentives](#)

[Introducing Fixed Percentage Discount](#)

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For more information about all our incentives please visit [royalmailwholesale.com](http://royalmailwholesale.com).

### Introducing a Fixed Percentage Discount

To simplify the offering for all our incentives, we will move to a fixed percentage discount off the Access price paid, rather than the current individual pence per item credit rate.

## Advertising Growth and Volume Commitment

We are simplifying the postage credit structure to help customers benefit more from sending incremental Advertising Mail:

Incremental volume bands	Postage credit rate
Up to 3m incremental volume	15%
More than 3m incremental volume	20%

To enable a prompt turnaround to **credit applications**, and based on customer feedback, customers will be required to complete an online postage credit application as set out in the [Incentive Framework Terms](#).

Historically we have set the customer **baseline** for this incentive at the out-turn volume for the previous year. Given the impact that Covid-19 has had on mail volumes in 2020, we felt that it would be reasonable to apply a 20% uplift on 2020 volumes to reflect the constrained activity during that period and the fact that the market continues to improve.

To find out more about the Advertising Growth and Volume Commitment Incentive visit [www.royalmailwholesale.com/advertising-mail-growth](http://www.royalmailwholesale.com/advertising-mail-growth).

## First Time User

Our First Time User Incentive provides a price incentive for customers that have either never used advertising mail or have lapsed for a period of 2 years. We are improving the offer so that customers can post **unlimited mailings** for the first 12 months, up to a **maximum of 1m items**, as well as increasing the credit rate from 15% to **20%**.

To find out more about the First Time User Incentive visit [www.royalmailwholesale.com/first-time-user](http://www.royalmailwholesale.com/first-time-user).

## Subscription Mail

Many customers have already moved to our Mailmark Subscription Mail service to post their magazines, which gives our lowest price for machine readable large letter titles up to 10mm thick. We announced a new manual Magazine Subscription Service for publications up to 25mm thick, going live on 4 January 2021. Like its machine-readable counterpart, the new service will also benefit from 12 months' notice of pricing.

For 2021, we are offering the Publishing Volume Commitment and New Title incentives on Subscription Mail products only, so any customers still posting on Business Mail should consider moving over to these products if they want to take advantage of the offer.

Lastly, we would like to thank you for the continued support your business is giving in helping us all to deliver these benefits for you and your customers. We look forward to working with you further in 2021.