



30th November 2017

Royal Mail Wholesale

4th Floor
185 Farringdon Road
London
EC1A 1AA

Renewal of Royal Mail Incentives

Dear customer,

As you already know we have introduced a number of incentives during the last two years with the aim to encourage companies to use mail. Following positive feedback from the industry and increasing customer take up of the incentives, we are pleased to inform you that from 1st January 2018 we are renewing all of our incentives.

Renewal of current incentives

There are currently four active incentives which encourage the use of mail. All incentives are being renewed meaning that customers can apply for the incentives from now until 31st December 2018.

Advertising Content Growth Incentive

The incentive offers postage credits to advertisers on all incremental advertising mail posted during a 12 month period.

Apply for this incentive at:

www.royalmailwholesale.com/schemeformgrowth/.

First time User Incentive (Advertising Mail)

Advertisers can earn postage credits for each of their first three advertising mailings, provided they send a minimum of 10,000 items per mailing.

Apply for this incentive at:

www.royalmailwholesale.com/ftu/.

Advertising Mail Testing and Innovation Incentive

This incentive offers postage credits to support you in the testing of new advertising mail items over a 6 month period.

Apply for this incentive at:

www.royalmailwholesale.com/tis/.

Business Mail Testing and Innovation Incentive

This incentive offers postage credits to support you in the testing of new business mail items over a 6 month period.

Apply for this incentive at:

www.royalmailwholesale.com/tis/.

You can find out more information about each of the above incentives at www.royalmailwholesale.com/promotions/.

New incentives

We are very keen to build on the success of the incentives and find additional ways to promote the growth of letters.

Last week we wrote to customers to inform them about the Advertising Volume Commitment Incentive. This new incentive complements the Advertising Growth Incentive by awarding postage credits to customers who post the same volume of advertising mail as they posted during their Advertising Growth Incentive period. Customers will also receive additional postage credits if they post more volume than they posted during their Advertising Growth Incentive period. The incentive is currently open for new applications until 31st December 2018. To find out more information and to apply, visit www.royalmailwholesale.com/avc/.

We are also developing new incentives to benefit customers, including the Publishing Volume Commitment Incentive aimed at companies that send publications. We will send out customer communications in due course providing full details of new incentives and how to apply.

Updates to incentives

There are two further updates which will impact on customers:

1. From 2nd January 2018 we are increasing the postage credit rates for all incentive. The new rates can be seen on our website at www.royalmailwholesale.com/promotions/.
2. We are decreasing the minimum volume eligibility level for the Advertising Growth Incentive from 250,000 mail items to 150,000. This means that if a customer posts 150,000 advertising mail items above their baseline (as determined by Royal Mail) they will be awarded postage credits on the incremental volume posted. This change is only applicable to customers signing up for the Advertising Growth Incentive for the first time.

Lastly, in response to customer feedback we have worked to simplify the processes and documentation to make it easier and quicker for customers to apply for and use our incentives. This includes improvements to the way we publish terms and conditions for each incentive, and simplifying the application process.

The value of incentivising volume growth

Since the introduction of the first incentive in 2016, Royal Mail has approved 182 applications from customers. In total incentives have generated a combined volume of circa 153 million items. Feedback on our testing incentive has been extremely positive with one customer stating: "We needed to take some risk to establish what we might be able to achieve in terms of new customers. The test was very successful, demonstrating we could achieve acceptable response rates from data more than 60 months old. It has supported year on year growth and allowed us to expand mailing volumes quicker than we were otherwise able to do."

In total customers have accrued £4.2 million in discounted savings from the mailings they have posted through the incentives.

We intend to continue to encourage customers to reap the benefits of our incentives to strengthen their business proposition by using mail as an effective and efficient communication.

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 to ensure you and your customers continue to maximise the advantages of our incentives.

Yours sincerely,

A handwritten signature in black ink that reads "Luisa Fulci". The signature is written in a cursive style with a large initial 'L'.

Luisa Fulci
Regulated Products Director
Consumer and Network Access