



5 October 2018

Royal Mail Wholesale

4th Floor
185 Farringdon Road
London
EC1A 1AA

Trial of a new advertising mail service: Royal Mail Partially Addressed Mail™

Dear Customer,

We are very pleased to launch the trial of the Royal Mail Partially Addressed Mail™ service. We hope that with your consent, we can start accepting customer postings from as early as 8 November 2018. We are introducing the service with a great introductory offer of up to 4p per item discount off the advertising price.

We have tested the service with a small number of customers. In doing so we compared the return on investment (ROI) achieved when sending advertising mail to targeted addresses with that achieved when sending mail to targeted individuals. Initial results show that once you take into account the lower price of purchasing data and postage, the ROI is just slightly lower when sending mail to targeted addresses. We believe the ROI can improve through testing and learning.

From 17 December 2018, or an earlier date of 8 November 2018 with your consent, we will start a year-long trial of the Royal Mail Partially Addressed Mail™ service. Today we are publishing full details of the trial's terms and conditions on www.royalmailwholesale.com.

What is Partially Addressed Mail?

Partially Addressed Mail is for advertisers prospecting to new customers. It enables targeted mail marketing without the use of personal data about recipients. It does so, by targeting households using geo-demographics at postcode level (c.15 households). Instead of addressing a mailing item to an individual prospective customer, the mail item will be addressed to the household. Customers need to exclude existing customers from the Partially Addressed Mail posting and ensure that the mailing items contain no personal information. This is very important. To produce a Partially Addressed Mail posting, customers may use PAF data, excluding all personal data (i.e. Roberts' household) and any single household postcodes, and a geo-demographic solution (for example, CAMEO or MOSAIC).

Please see the trial's terms and conditions for more details on the specification.

How does it compare with fully addressed Advertising Mail?

The new service has the following features compared to Advertising Mail:

- **Lower postage costs** – We appreciate that when using Partially Addressed, response rates may not be as high as advertisers would receive from personalized, cold list mailings. Therefore, we have set the prices of the Partially Addressed Mail service lower than the Advertising Mail service. It is 4p per item less for letters and 2p per item less for large letters.¹
- **Significantly reduced data costs** – As you do not need to purchase personal data, you can typically save up to 5-10p/item on average over a cold list mailing.

- **Estimated 30% more reach²** – For the same budget spend, you can communicate with 30% more households in one mailing than with a personalised, cold list mailing.
- **Minimum 10,000 items per mailing** and requirement to **mail all households within each targeted postcode** removing personal addresses, existing customers and suppressed customers.

When will the trial start?

A number of customers have told us that there is an urgent demand for the service. We normally allow 30 days' notice for the launch of a trial. But, as this trial introduces new prices, under USPA 7.3 we must provide customers with at least 70 days' notice of the price changes – unless we have the consent of all Access customers to change the prices sooner.

Given the desire to launch quickly, in this notice we provide you with the statutory 70 days' notice and a shorter notice of 30 days subject to your consent.

If we receive unanimous consent from all our Access customers by 5 November 2018, the trial will start from 8 November 2018. If we do not receive consent from all customers by 5 November 2018, the trial will start from 17 December 2018. We will confirm by email whether we have received unanimous consent or not by 17:00 on 7 November 2018 and the actual start date.

Please sign a copy of this letter at Annex A below and return by email to ravi.chauhan@royalmail.com.

If you have any queries relating to the trial, please contact your Account Director. If you would like to participate in the trial, please note that we will ask you to agree to the trial terms and conditions before you start the trial.

Yours sincerely,



Luisa Fulci
Regulated Products Director
Consumer and Network Access

Annex A: Customer consent

I provide consent on behalf of _____ (Access Letters Contract holder) for the trial of the Royal Mail Partially Addressed Mail service to commence on 6 November 2018.

Authorised Signatory

Name

Date

¹ If you post Partially Addressed items between the start date and 31 Dec 2018, we will charge these items at our 2018 Advertising Mail prices. This is because we are unable to change our systems before 1 January 2019. We will refund the sum relating to the per item price difference for your Partially Addressed items in a single credit note in January 2019.

² Coverage will vary from customer to customer.