

New Product Development update for 2020/21

April 2020

Agenda

New product development activity

1. Economy Letter product for Mailmark machinable letters
2. New Magazine subscription product
3. Refreshing our Environmental Product Offer

1. Economy Letter product

At the Contract Review Workshop in March we said:

We are investigating the introduction of a new DSA Economy service for letters

- Available on Mailmark machinable letters: Business Mail & Advertising Mail
- Provide a variable D+2 to D+5 delivery service:
- All items delivered by D+5
- The Economy product would not require separate York presentation
- Priced below the equivalent D+2 product

Next Steps:

- Discussion with Wholesale customers and industry on the merits of a DSA Economy product

Outline Economy Letter product specification

- There will be five new Economy variants for Mailmark: Advertising; Ad Responsible Entry; Ad Responsible Intermediate; Partially Addressed and Business Mail
- Economy will be in separate containers but these can be in Yorks with standard DSA
- The price, TBD, will be less than the standard services
- Access slots, Mailmark uploads, User Guide and specifications will be all in line with existing standard services
- The product will not have a daily fall to earth target though we anticipate it will be around: 45% D+2, 25% D+3, 15% D+4 and the remaining 15% on D+5

DSA day	Day D	D+1	D+2	D+3	D+4	D+5
DSA Economy	Mailing house hands over to DSA Carrier	Carrier hands over mail to RM at IMC	RM delivers mail, or defers delivery	RM delivers mail, or defers delivery	RM delivers mail, or defers delivery	RM delivers mail to specification
DSA Standard	Mailing house hands over to DSA Carrier	Carrier hands over mail to RM at IMC	RM delivers mail to specification			

Outline Economy Letter product specification feedback

- What would be the benefit to you and your customers of having access to an Economy product?
 - Are there elements of the current specifications you would want to see amended or removed from the Economy service?
 - Are there any additional features you think we should include?
 - Is this new service something that you and your customers will use?
 - Would the introduction of a wholesale Economy service with a lower price have any impact on mail volumes?
 - Other than price, what are the key factors that would influence Economy take up?
 - Would it help if this new Economy service was VAT exempt? Why is that?
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2. New Magazine subscription product

We are investigating the introduction of a new DSA Magazine subscription service

- The new variant will enable the mailing of items that are above the current limitations of the Subscription Mail service i.e. above 10mm and/or above 345mm x 245mm x 10mm
- Sortation – 70 way sort to achieve economies of scale in production
- The service will allow the mailing of items that are within the current Subscription Mail specification items including the 2k entry level and 1k for new launches
- Mail producers will be required to adhere to all the existing Magazine subscription mail specifications but up to the full large letter sizes
- A unique Mailmark barcode and eManifest will be required

Outline Magazine subscription product specification feedback

- Do you have subscription magazines that sit outside of the current Magazine subscription mail specification that you are sending Business Mail?
- Would a price point lower than you currently pay for you larger magazines (above 10mm or larger than 345mm x 245mm) encourage you to send larger subscription magazines?
- Would you increase the size/thickness of existing magazines sent through the current Mag sub service? How would you use the extra space? Editorial, advertising, inserts, mounts?
- Where do you see the gaps, if any, in our current Subscription Mail Service?
- Are there any additional features you think we should include?
- Is this new service something that you and your customers will use?

3. Refreshing our Environmental Product Offer

- Products in scope: Advertising, Business, Publishing, Subscription. Both Mailmark & manual
- We have seen a significant increase in societal concern about the environment. An increasing sense of urgency is accelerating action across all business sectors in a bid to reduce carbon footprints and mitigate the effect of carbon use
- We also aim to ensure that we optimise the carbon footprint of mail, and give brands an opportunity to be seen to operate in the most sustainable way when using mail
- The existing Responsible Advertising Mail product is primarily focused on rewarding best practice in mail production. The product's sustainable credentials were developed over a decade ago, and may not reflect current environmental practices
- Engagement with Industry experts and the supply chain to understand; current environmental standards, specific sector requirements, government legislation and local practices. The outputs will shape future product specification which can be measured against national and global standards