

Royal Mail incentive for growth - Simple guide v1.0

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The details in this quick guide are taken from the 'Royal Mail's Incentive for Growth Simple Guide'. The full Royal Mail User Guide must be referred to when preparing your letters, to ensure compliance to all Royal Mail tariff and presentation guidelines. For additional help, please ask your account manager.

What is the Scheme for Growth?

Royal Mail Wholesale is introducing a postage credit scheme which will lower prices for customers who use mail to grow their business. The Scheme rewards senders that grow their advertising mail volumes over a 12 month period - regardless of whether you post through Royal Mail, an Access operator (i.e. Citipost Mail) or another postal delivery provider.

How does it work?

The pilot Scheme offers credits to advertisers of between 2.5p - 10.5p per item on all incremental advertising mail posted during a 12 month period.

An example:

In the past 2 years your company's use of advertising mail has grown by 1 million items per year, to 9 million items per year today. This will mean that your baseline for your 12 month incentive period is 10 million items based on your historic annual average growth rate.

Royal Mail will pay postage credits on items posted over and above this baseline during your 12 month incentive period.* This means if you send 10.5 million items in that period, the additional 500,000 items above the agreed base line will be eligible for postage credits under the Scheme**

For further information on 'calculating the expected baseline volume' please see the bottom of page 3 of this guide.

**subject to a minimum volume requirement of 250,000 items*

*** subject to an upper limit agreed at point of application to the scheme*



Royal Mail incentive for growth - Simple guide v1.0

Who can apply?

You are eligible to apply for the Scheme for Growth if you intend to post at least 250,000 incremental advertising mail items in your 12 month incentive period and currently post:

- Directly with Royal Mail Retail or Royal Mail Wholesale;
- Indirectly with Royal Mail Retail via a mailing agent who has signed a Voucher Redemption and Reimbursement Agreement to participate in the Scheme; or
- Indirectly with Royal Mail Wholesale as a posting customer of an Access operator (such as Citipost Mail) who has signed a Voucher Redemption and Reimbursement Agreement to participate in the Scheme; or
- Indirectly through a posting customer (e.g. mailing house) of a participating Access operator; or
- As a posting customer of another postal delivery provider who has signed a Voucher Redemption and Reimbursement Agreement with Royal Mail and is participating in the Scheme.

Do I have to do anything different with my incremental mailing items?

Existing users of Mailmark®:

If you are already using Royal Mail Mailmark®, then no. Royal Mail will use our Mailmark® automated processes to calculate your incremental volume.

Also, you do not need to do anything different if you send incremental volumes that are Large Letter format or non-machine readable Letter format (e.g. Poly-wrapped C5 letters).

Advertisers who are not yet using Mailmark®:

Mailmark® is the innovative new Royal Mail service for all machine readable letters that gives you full visibility of your advertising mail campaign as it is being processed for delivery. You may still be eligible to apply for the Scheme provided that you commit to using Mailmark® for your machine readable letters from 1 November 2016.

You will still be able to claim postage credits on incremental machine readable Letter mailing items posted prior to 1 November 2016 that were not sent using Mailmark® services so long as you provide your Mailmark® Participant's ID number on your application form.

For further information on Mailmark® please ask your Citipost Mail account manager or visit the Royal Mail website: www.royalmail.com/mailmark



Royal Mail incentive for growth - Simple guide v1.0

What services can I use on the Scheme for Growth?

Scheme for Growth applies only to advertising mail. There are several options that you may use for incremental Scheme for Growth mailings delivered by Royal Mail:

Format:

Letter 240 x 165mm Maximum thickness 5mm Maximum weight 100g	Large letter 353 x 250mm Maximum thickness 25mm Maximum weight 750g
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Responsible Mail:

You can also benefit from the opportunity to earn postage credits under the Scheme by using the Royal Mail Responsible Mail product.

To use these services your incremental items will need to meet the Responsible Mail specification which is aligned to PAS 2020 - the environmental standard for direct marketing developed by the direct marketing industry.

Calculating Your Baseline Volume

Your expected baseline volume is calculated by looking at trend in the volume of Advertising Mail items you have posted over the past 2 years:

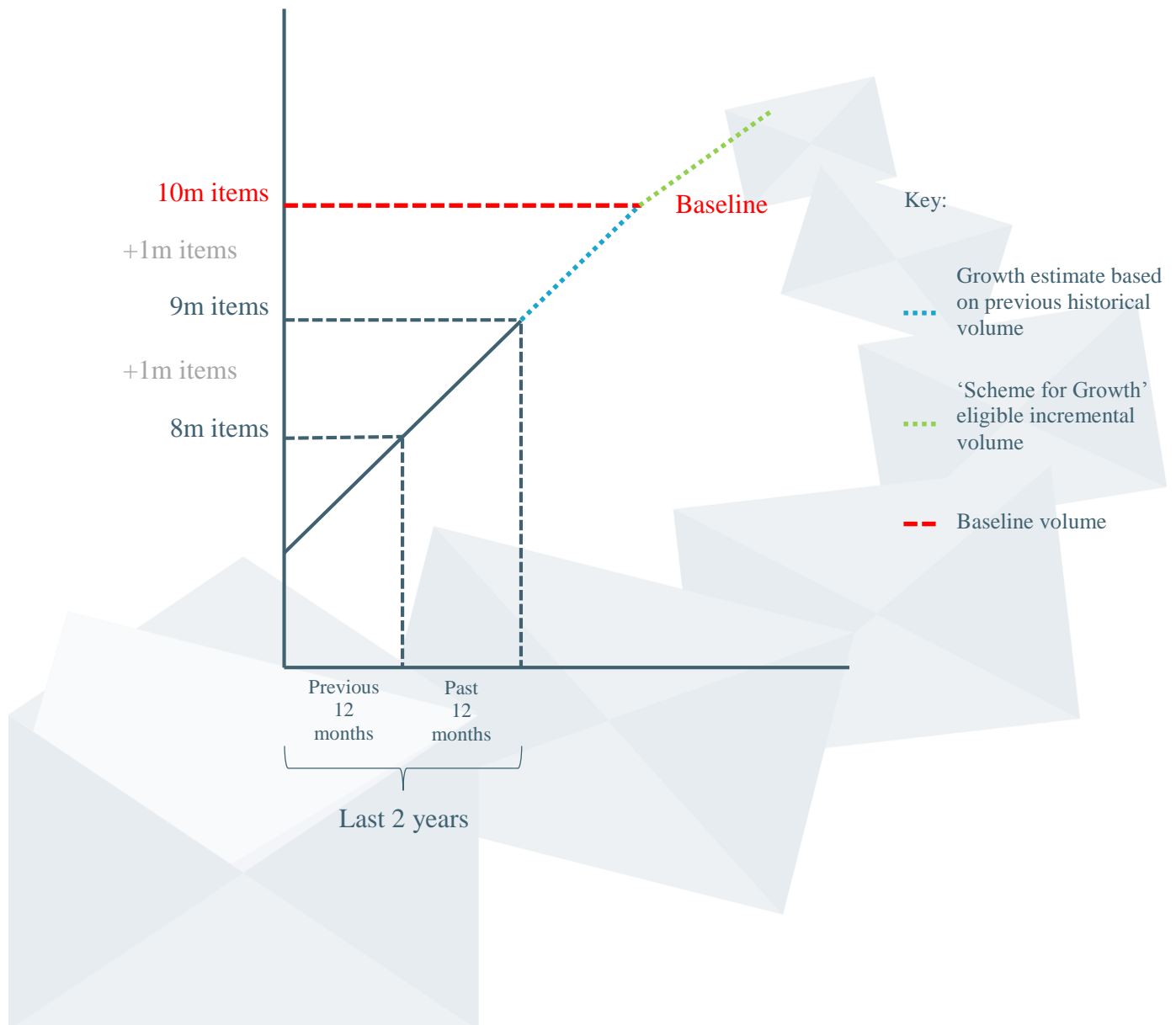
If your trend is positive and the volume of Advertising Mail items you have sent has increased:

Royal Mail will factor this in by adding it to the volume you posted in the 12 months prior to your application to form your baseline volume, please see Figure 1 overleaf.



Royal Mail incentive for growth - Simple guide v1.0

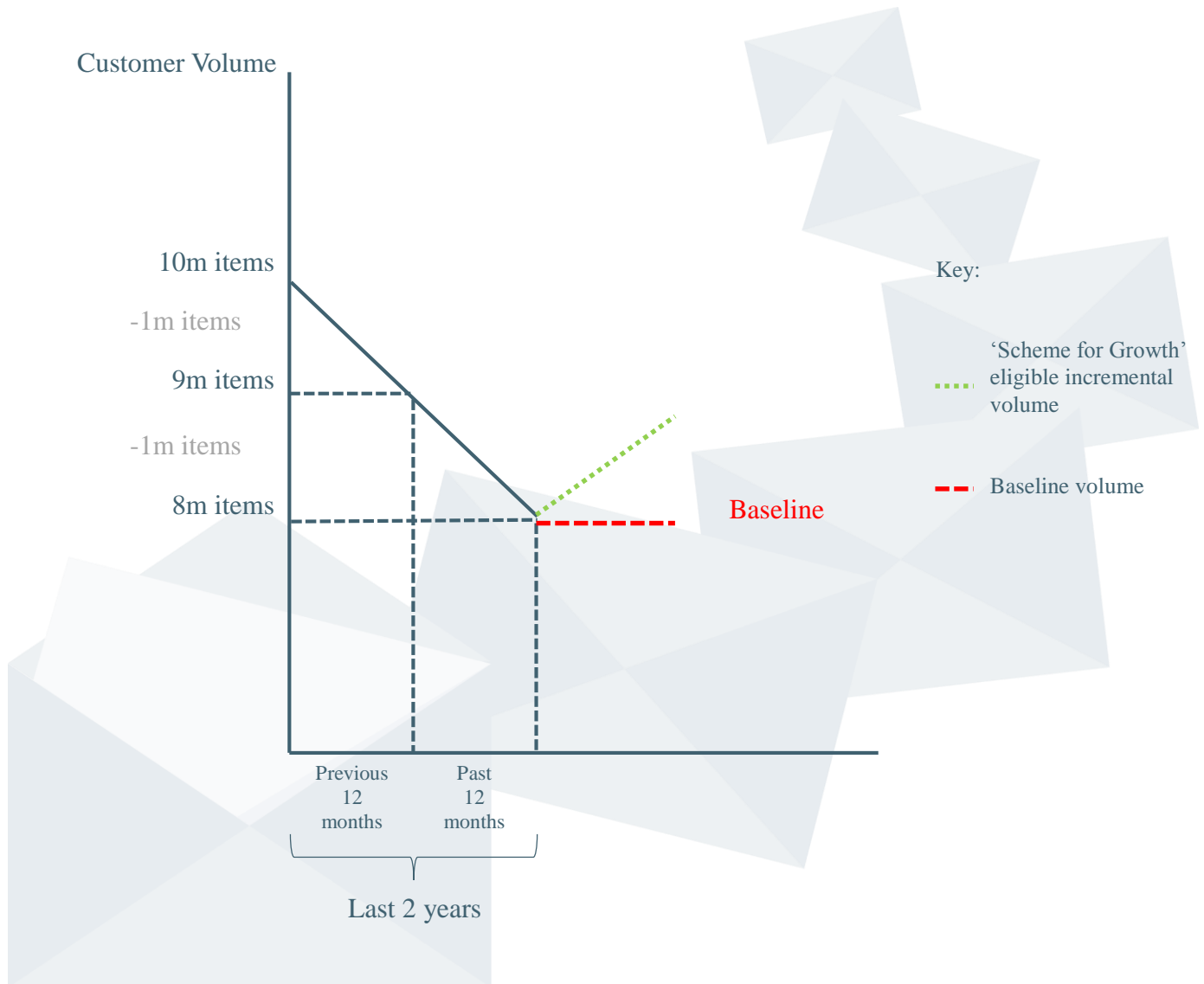
Figure 1: Positive Baseline Calculation Graph



Royal Mail incentive for growth - Simple guide v1.0

If your trend is negative and the volume of Advertising Mail items you have sent has decreased (or stayed flat), see Figure 2 below:

Figure 2: Negative Baseline Calculation Graph



Royal Mail will set your baseline as the same volume as you posted in the 12 months prior to your application.



Royal Mail incentive for growth - Simple guide v1.0

Changes to your forecasted incremental postings:

In your application form you will need to include some details about the incremental mail items that you plan to post under the Scheme for Growth.

Volume:

On your application Royal Mail ask that you provide a forecast of the number of items you intend to send. However, we understand things change - and that you may decide to run additional advertising campaigns during the year. In such cases, you can apply to increase the level of incremental volume that you declared on your original accepted application.

Format and Weight of items:

Your application will also ask that you indicate the format, and weight, of the incremental items that you intend to send. If you decide to change the format and weight of your incremental mailing during the year, you will need to update your original application form to Royal Mail detailing the changes.

Changes that are not notified:

It is important that you notify Royal Mail of any changes to the volume of incremental mailing you plan to send. If you do not, Royal Mail can only award postage credit vouchers against the volume and format advised on your accepted application form plus a 10% tolerance.

Calculating postage credits

The value of a postage credit depends on the mailing item format and weight and, if posting the incremental volume with Royal Mail, the service/product used for the incremental mailings.

Royal Mail will calculate the amount of any Postage Credits to be awarded to you by applying the relevant Postage Credit Rate to the volume of incremental mailing items posted under each service during your 12 month incentive period.

Please see overleaf table to show examples of different postage credit values per mailing item:



Royal Mail incentive for growth - Simple guide v1.0

How to Apply:

Royal Mail Product Description	Format	Weight	Discount (Pence)
Advertising Mail 70 Mailmark	Letter	0-100g	2.5
Responsible Mail (ENT/INT) 70 Mailmark	Letter	0-100g	2.5
Advertising Mail 1400 Manual	Letter	0-100g	2.8
Responsible Mail (ENT/INT) 1400 Manual	Letter	0-100g	2.8
Advertising Mail 1400 Manual	Large Letter	0-100g	3.3
Responsible Mail (ENT) 1400 Manual	Large Letter	0-100g	3.3
Responsible Mail (INT) 1400 Manual	Large Letter	0-100g	2.8
Advertising Mail 1400 Manual	Large Letter	101-250g	4.6
Responsible Mail (ENT/INT) 1400 Manual	Large Letter	101-250g	4.6
Advertising Mail 1400 Manual	Large Letter	251-500g	5.7
Responsible Mail (ENT/INT) 1400 Manual	Large Letter	251-500g	5.7



Royal Mail incentive for growth - Simple guide v1.0

How to Apply:

To participate in the Scheme, you will need to complete an application form that will ask for the following details:

- Your company name and background;
- An overview of the mailing activities you propose to include as new incremental volume and what you expect to achieve from the activities (Key Performance Indicators);
- Details of the postal service providers you use
- A list of your Royal Mail credit account numbers and/or Unique Customer Identifier (UCID) numbers (as applicable);
- Your previous 2 years advertising mail volumes;
- Your forecasted new, incremental volume for the next 12 months.

Submitting your application:

Completed application forms must be submitted, alongside a signed copy of the Terms and Conditions, to Royal Mail. Citipost Mail can submit and manage your application on your behalf. If you do nominate Citipost Mail to manage your application, please note that clients must check and sign the application forms themselves. Please note and include 'Group Incentive Application' in the subject line of your application.

Royal Mail will acknowledge receipt of your application in writing within five working days and will confirm acceptance or rejection of your application within 10 working days after making a decision on your application.*

Royal Mail will email you or your nominated contact to confirm your successful application. This acceptance will confirm:

- your expected baseline volume
- your expected postage credit value under the Scheme

Royal Mail will also return by email to you, or your nominated contact, a counter-signed Terms and Conditions at which time the Scheme agreement will come into effect between you (the Client) and Royal Mail.

** If incomplete forms are submitted, or if Royal Mail asks you to provide further information to help verify your baseline, Royal Mail will confirm acceptance or rejection of your application within 10 working days after the date on which we have received all information that we require in connection with your application.*



Royal Mail incentive for growth - Simple guide v1.0

Frequently Asked Questions:

Q: I don't currently use Mailmark, can I still apply for the Scheme?

A: Yes, if you are not Mailmark® enabled at the time of application you may still be eligible to apply provided that you commit to using Mailmark for your machine readable incremental Letter posting volumes from 1 November 2016.

Q: I send manual mail items that don't qualify for Mailmark, can I still apply for the Scheme?

A: Yes, you do not need to use Mailmark for incremental volumes that are Large Letter format or non-machine readable Letter format (e.g. Poly-wrapped C5 letters).

Q: What will happen if I intend to send more than 250,000 incremental items in the next year, but my actual incremental volume at the end of the scheme is less than 250,000 incremental items?

A: You will not receive any postage credit if you send less than 250,000 incremental items.

Q: I am looking to change mail provider in the next 12 months, will I be able to continue earning credits with my new provider?

A: Yes, the postage credit vouchers can be earned with any participating mail provider and can also be redeemed with any participating provider.

Q: I'm looking to change mail provider next year, will I be able to use credits earned with my current provider with my new provider?

A: Yes, the postage credit vouchers can be redeemed with any participating mail provider.

Q: How do I claim my postage credit vouchers?

A: Within 6 months of the end date of your 12 month incentive period, you must complete a Postage Credit Application detailing each of your new incremental postings and send it to groupincentive@royalmail.com and write 'Postage Credit Application' in the subject bar.

Royal Mail will check that all payments of invoices relating to your incremental postings have been made and will notify you of the amount of postage credits (if any) to be awarded to you within 45 working days of Royal Mail's receipt of your Postage Credit Application.

Q: How will I receive my postage credit vouchers?

A: Postage Credits will be awarded to you via email in the form of a posting certificate which contains a unique voucher code.

Q: How long will my postage credit vouchers be valid for?

A: Postage credit vouchers are valid for 12 months from date of issue.



Royal Mail incentive for growth - Simple guide v1.0

Q: What denominations will postage credit vouchers be issued in, and must I redeem them all at once?

A: You may receive multiple vouchers depending on the size of the credit earned. Postage credit vouchers will be issued in denominations at Royal Mail's discretion.

Q: How do I redeem a postage credit voucher?

A: You may use the postage credit voucher towards payment of an invoice for any future posting. Postage Credit vouchers may be redeemed either:

- (a) directly with Royal Mail Retail; or
- (b) with a mailing house who has signed a Voucher Redemption and Reimbursement Agreement with us and is participating in the Scheme; or
- (c) directly with Royal Mail Wholesale; or
- (d) with an Access operator (such as Citipost Mail) who has signed a Voucher Redemption and Reimbursement Agreement with us and is participating in the Scheme; or
- (e) with a mailing house of a participating Access operator; or
- (f) with any other postal delivery provider who has signed a Voucher Redemption and Reimbursement Agreement with us and is participating in the Scheme.

Your postage credit voucher will contain a unique voucher code and the redemption form will contain further instructions about how to redeem the voucher. To redeem the voucher you will need to complete the redemption form in full and email it to your chosen postal provide.

Q: What type of mail items are eligible for Scheme For Growth credits?

A: Scheme For Growth postage credit vouchers can be earned by sending incremental mailings of Advertising Mail Letters and Large Letters over and above your agreed baseline volume (subject to a minimum volume of 250,000 incremental items)

Q: How long is this scheme open for?

A: Royal Mail is operating the Scheme on a 1 year pilot basis. Your participation in the Scheme however will last for 12 months from your agreed start date, even if the Scheme is closed to new participants during that time.



Royal Mail incentive for growth - Simple guide v1.0

Q: Will incremental mail items sent using the Business Mail service benefit from Scheme for Growth postage credits?

A: No, the Scheme for Growth is only for advertising mail. Business Mail items are not included in the baseline calculation and do not qualify for postage credits under the Scheme.

Q: What is my expected baseline?

A: The expected baseline volume is the volume you would have expected to have posted during your 12 month incentive period without the Scheme incentive. It excludes any new, incremental volume you forecast to mail under the Scheme during your 12 month incentive period.

Q: My advertising mail volumes have decreased in the past 2 years. How will my baseline reflect this?

A: If your growth trend is negative (or flat), your baseline will be set at the level of volume you posted in the previous 12 months prior to your application.

Q: My usage of advertising mail over the last 2 years is not an accurate indication of my expected volume growth for the next 12 months. Will you adjust my baseline?

A: If, exceptionally, the previous 12 months historic volume growth rate is an inaccurate indication of your expected growth rate over the next 12 months Royal Mail will happily review any evidence to support this and may revise your baseline if appropriate.

Enquiries or Additional Information:

You should discuss your application with your account manager or sales manager at Citipost Mail. You can ask us to submit and manage your application on your behalf. Although if you do nominate someone else to manage your application, please note you will have to check and sign the application form yourself before submission.

¹ For Downstream Access Services through Citipost Mail the full Royal Mail Incentive for Growth Guidelines¹. Customers must ensure their posting complies with the most up to date Royal Mail User Guides; this 'Citipost Mail incentive for growth - Simple Guide is a reference guide only.

