

# Keeping you updated with the latest incentive news!

Royal Mail has recently announced that it will be renewing all its current incentives in 2020 with the exception of the Bank Statement Incentive. The new year will see a few changes to incentives, which we have summarised below:

## Postage credits

From the 2nd January 2020 Royal Mail is changing the postage credit rates for all incentives. The new credit rates are available on the Royal Mail Wholesale website under [www.royalmailwholesale.com/incentives](http://www.royalmailwholesale.com/incentives) (Credit rates for 2020 are listed under each individual incentive).

If your incentives run through 2019 and 2020, the credit rate applied will be based on when individual campaigns are released. For example, for campaigns in December and March, the 2019 credit rates will be applied to the December campaign and the 2020 rates to the March campaign.

## Advertising Volume Commitment Incentive

Under this incentive, Year 2 has been rolled into a new incentive called Advertising Volume Commitment Further Years Incentive. The Further Years incentive will give postage credits to customers who match, or exceed, the volumes of advertising mail items posted in the Advertising Volume Commitment Year 1.

Postage Credits are calculated in two parts:

**Matched Volume** - The volume of mail that was incremental during the first year of the Advertising Volume Commitment Incentive is referred to as the Matched Volume Commitment. Royal Mail will award postage credits on the Matched Volume Commitment.

**Incremental Volume** - If you send more items in the second year of the incentive, Royal Mail will award additional postage credits for these extra items.

As a reminder, to be eligible for postage credits, items must be sent as Letter and Large Letter formats, using Mailmark<sup>®</sup> Advertising Mail services. To qualify for the growth incentive, customers must post no less than 150,000 incremental Letter format items or 75,000 incremental Large Letter format items.

\*Poly-wrapped C5 items may be sent using non-Mailmark services

## Advertising Growth Incentive - Application

Royal Mail is simplifying the application process and no longer requires you to provide a 2-year trended growth baseline alongside their application. Instead Royal Mail requires you to provide the total Advertising Mail volume posted in the last 12 months; they will use this data to verify postage credits owed.

## Advertising Growth and Volume Commitment Incentive - credit structure

The postage credit structure is being enhanced to benefit customers who send higher volumes of incremental mailings:

**Up to 1m incremental volume** - Postage credit rate 15%

**1-3m incremental volume** - Postage credit rate 17.5%

**More than 3m incremental volume** - Postage credit rate 20%

## Testing & Innovation (TIS)

You can now submit postage credit claims from the end of the testing period, rather than waiting until the end of the 6-month TIS incentive period (claims must be submitted within six months of this date).

Royal Mail will now pay a higher postage credit rate for tests that utilise innovation and emerging technology in the mail piece. The relevant guidance document can be found at [www.royalmailwholesale.com/testing-and-innovation](http://www.royalmailwholesale.com/testing-and-innovation)

## Incentive framework agreement - changes

Royal Mail is also making changes to the Incentive Framework Agreement and the Voucher Redemption and Reimbursement Agreement, so that the agreements reflect their data validation processes which are solely used for the purpose of validating customer data.

With effect from 2 January 2020, Clause 4.2 of Royal Mail's Incentive Framework Agreement will be amended to read as follows:

*"We may request additional information from you to check your claim for Postage Credits and if you do not provide sufficient information, we may decide not to award Postage Credits to you for the relevant Incentive. To enable us to validate whether we have received accurate and/or up-to-date information from you in response to any request made under this clause, we will have the right to use any other information that you have already provided to us, including the information in Dockethub, the Advertising Mail seed log, and/or in the Mailmark database ( Relevant Information) for the sole purpose of operating and managing any Incentives that we make available pursuant to these Framework Terms. If we have separately entered into an Access Letters Contract in respect of UK Postal Letter Services, clause 9.4 and paragraph 13 of Schedule 6 (Advertising Mail) of that Access Letters Contract shall be deemed amended so as to allow our use of such Relevant Information in accordance with this Clause."*

Similarly, with effect from 30 January 2020, Clause 3.4 of the Royal Mail Voucher Redemption and Reimbursement Agreement shall be amended to read as follows:

*"You agree to provide to us, or to allow a Participating Customer to provide to us, all information (including all relevant Reference/UCID/SCID numbers) which we require for the efficient and effective operation of each Incentive offered from time to time. To enable us to validate whether we have received accurate and/or up-to-date information in accordance with this clause 3.4 from you or a Participating Customer, we will have the right to use any other information that you and/or a Participating Customer has already provided to us, including the information in Dockethub, the Advertising Mail seed log and/or in the Mailmark database ( Relevant Information ) for the sole purpose of operating and managing any Incentives. Clause 9.4 of the Access Contract and paragraph 13 of Schedule 6 (Advertising Mail) to the Access Contract shall be deemed amended so as to allow our use of such Relevant Information in accordance with this Clause."*

We appreciate that incentive eligibility criteria and rates can be complicated, so we are always happy to explain them in more detail for you or check your eligibility. Just give us a call.