

Black Friday Incentive

Black Friday as a Retail Event is Here to Stay!

- 39% of internet users bought something during Black Friday
- Given that it was a normal working day purchases were heavily skewed towards online. 33% bought online (85% of buyers) and only 11% (a third of buyers) bought in-store.
- Black Friday is predominantly an electricals event – half of all shoppers had bought electrical products.
- 67% of those who bought something over Black Friday said they bought something as a gift while the consumer research shows that 27% of internet users bought at least one gift over Black Friday and this was skewed towards those who gave electricals as gifts



Source: PwC Consumer Survey - October 2018.

Black Friday Signs of Disillusionment?

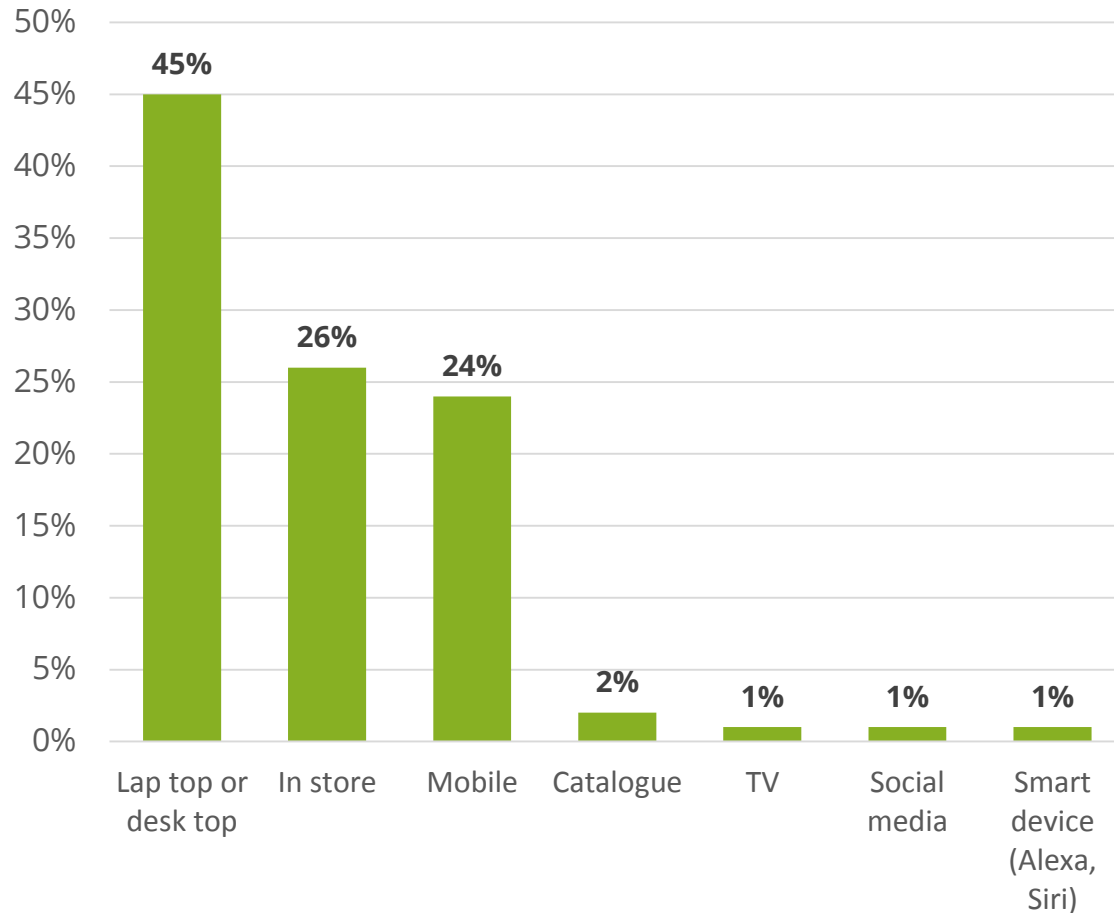
- MINTEL found that 45% of those who bought something on Black Friday 2017 thought that the discounts weren't as good as in the previous year (i.e. November 2016). In 2018 57% of buyers thought they weren't as good as in 2017.
- In 2018 Black Friday took a bigger share of retail sales than in 2017. Scepticism among consumers did not stop people going out and buying any more than it's stopped retailers taking part.
- Retailers plan for Black Friday well in advance and MINTEL found that the majority of offers, especially in electricals, are of special purchase merchandise rather than core merchandise



Source: PwC Consumer Survey - October 2018.

No Risk of Crowds on the High Street?

How much of your Black Friday / Cyber Monday spending will be via these channels?



Source: PwC Consumer Survey - October 2018.

- Only a quarter of all Black Friday spending is expected to take place in physical stores

- Perhaps not surprisingly, those least likely to be spending on the High Street are the time pressured families, particularly 35-44 year olds, who expect less than a fifth of their Black Friday spending to be in physical stores

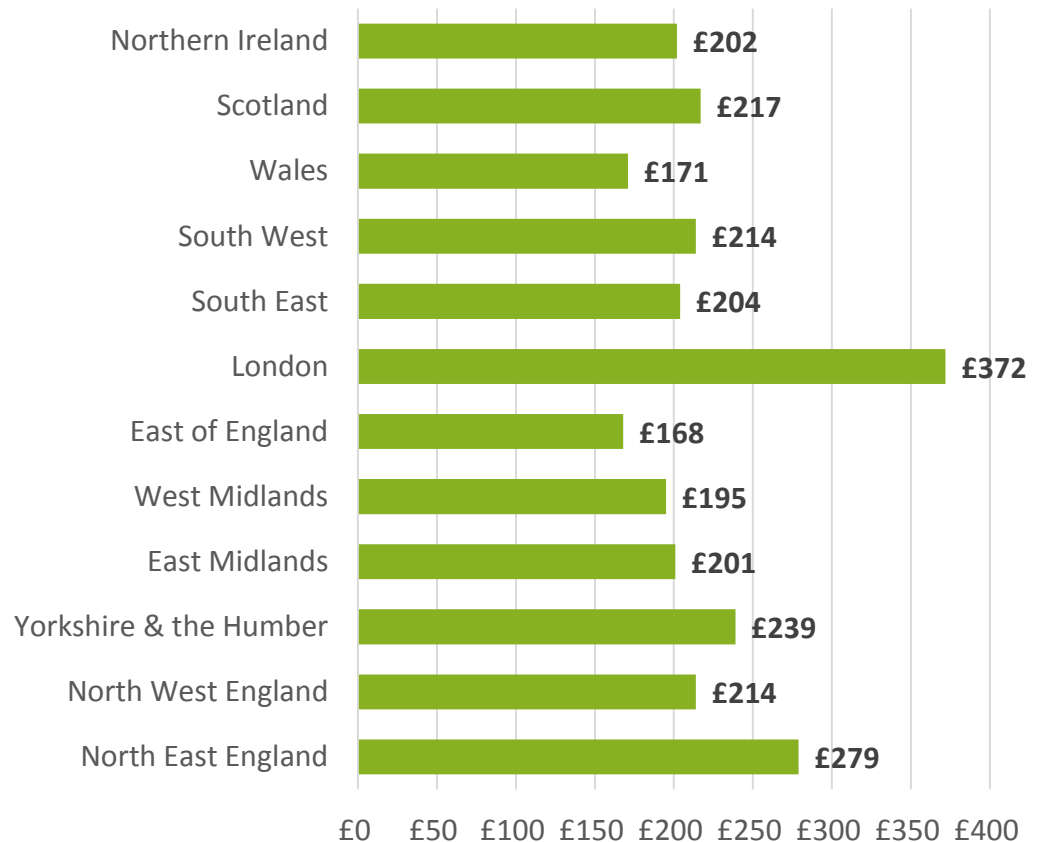
- Over a third of 35-44 year olds' spend overall will be via mobile, and a third of that mobile spend is expected to be through retailer apps rather than their general web browser

- So, who will be spending on the High Street? It looks set to be a meeting of young and old, with the highest proportions of in-store spending amongst under 25s and over 55s. However, even amongst over 65s, over 60% of their spending is expected to be online, albeit overwhelmingly via desktop or laptop, rather than by mobile.

Spending Hits the Regions

- The shoppers of London are planning to spend the most this Black Friday (2018), with almost one in ten Londoners saying they'll spend over £1,000 this year
- By contrast, the most careful shoppers are from East Anglia and Wales, both regions where consumers say they'll spend less this year (2018)
- Only a quarter of all Black Friday spending is expected to take place in physical stores

How much did / will you spend on Black Friday /Cyber Monday?

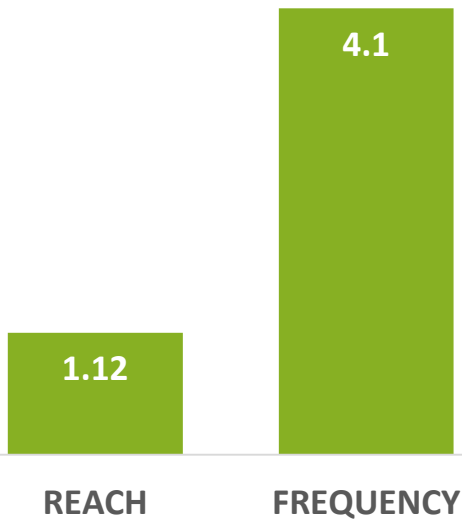


Black Friday, Where Next?

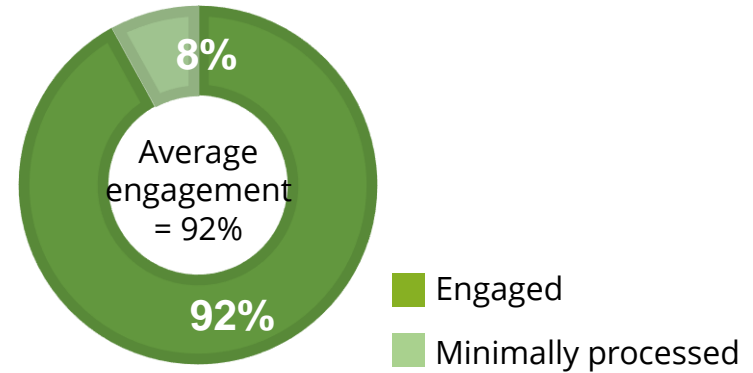
- There is clear disillusionment with Black Friday but that did not stop people from buying. In fact 58% of Black Friday buyers delayed making a purchase until they had seen the promotions
- MINTEL research concluded that the fear of losing sales in today's highly competitive market is the driving force. Retailers seem to feel that they can't afford to stand aside. Even Asda joined in in 2018, having stood aside for the previous three years (the event was called 'Green is The New Black' but Asda promoted heavily at the end of November)
- So, for better or worse, Black Friday looks set to be a feature of the retail landscape for some time to come



Mail Order / Online Retailer Interactions with mail



Addressed mail
Time in the home



ENGAGED: % of mail processed in some way including - opening, reading, sorting, put aside for later, filed, put on display, put in the usual place.

MINIMALLY PROCESSED: % of mail thrown away only.

Source: Addressed advertising and mail order / online retailer. JICMAIL Q2 2017 - Q1 2019. Base: 5,952.

Mail Order / Online Retailer Additional Commercial Actions

25% of those receiving mail order / online retailer mail go on to do one of these commercial actions



Source: Addressed advertising and mail order / online retailer. JICMAIL Q2 2017 – Q1 2019. Base: 5,952.

Mandatory Requirements

There are six physical requirements for entry to Black Friday



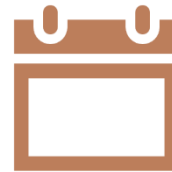
For Mailmark Advertising Mail & Partially Addressed Letters and Large Letters up to 250g



Post at least 50,000 incremental items to qualify for this incentive



No Postcards.
(Single piece mailers are allowed)



11th - 30th November 2019



Trays only.
Letters must be submitted in trays to ensure sorting is quick and easy.



Discounts are paid as postage credits that will be valid for 12 months.

The Application Process

APPLY ONLINE FOR YOUR CREDIT AND RECEIVE YOUR DISCOUNT

Once your mailing has been sent, you will receive your discount in the form of postage credits

12 MONTHS

You have 12 months to redeem your credits

ROYAL MAIL CONFIRM YOUR ACCEPTED VOLUME



COMPLETE ONLINE APPLICATION FORM AND SUBMIT EVIDENCE

Fill out the application form attached with your information, company details, proposed volume and product specification

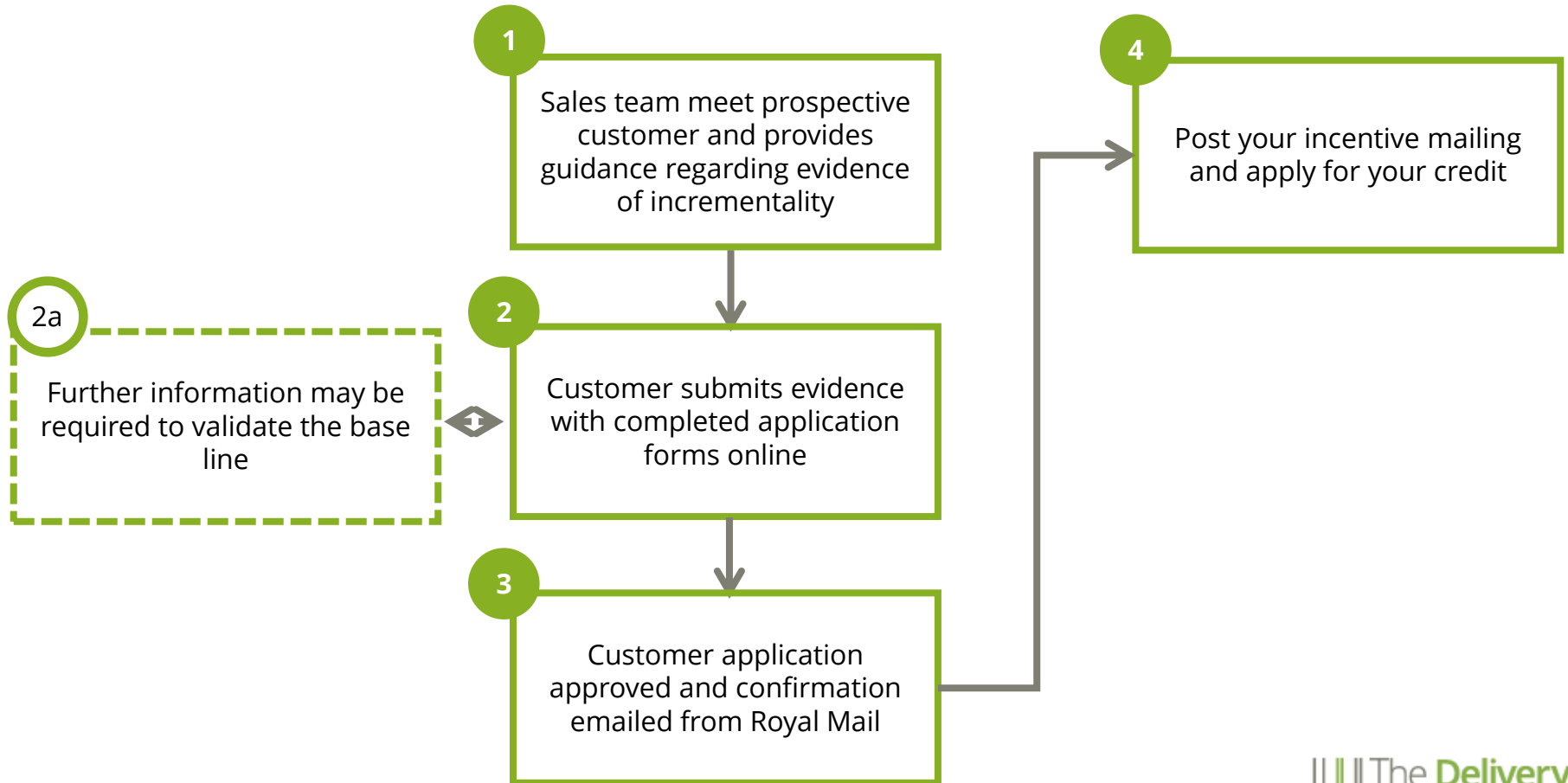
POST YOUR COMMUNICATIONS

Print your communications

REDEEM ON FUTURE MAILINGS

Use your postage credits on any future mailings

The Validation Process



The Special Offer

Advertising Mail, Responsible Mail & Partially Addressed Mailmark in trays offer prices at a glance

FORMAT	WEIGHT	UNIT PRICE
LETTER	Up to 100g	12p
LARGE LETTER	Up to 100g	21p*
LARGE LETTER	101-250g	25p

*Offer price is higher than the Partially Addressed rate card price.

Credit is based on Wholesale National price plan Advertising Mail in Trays.
Unit Price is consistent for all Wholesale price plans.

Please note you will be charged logistics costs in addition to the above as per your current rate card

Key Dates



OPENING DATE



**APPLICATION
DEADLINE**



VALID DATES

Possible Business Case

	BASE LINE @ RATECARD	INCREASED TEST VOLUME
VOLUME	65,000	115,000
RESPONSE RATE	1.00%	1.00%
RESPONSES	650	1150
POSTAGE	£0.172	£0.120
PRINT AND PRODUCTION	£0.20	£0.20
COST PER ITEM	£0.37	£0.32
TOTAL COST	£24,180	£36,800
AVERAGE CONTRIBUTION PER RESPONSE	£50	£50
TOTAL CONTRIBUTION	£32,500	£57,500
INCREMENTAL REVENUE	£8,320	£20,700

Additional spend volume of 50,000 increases spend by just over £12k but might deliver additional revenue of £12,380

How to Apply for This Special Offer

1. Talk to your Account Manager or email incentives@thedeliverygroup.co.uk for more information and to apply

2. Royal Mail may request additional documentation to provide evidence of incremental volume:

- 12-month mailing/campaign plans dated before and after the announcement of the incentive showing volume that was in the plan
- Dated internal communication showing the decision-making process agreeing to use the incentive; or internal business case showing an increase in advertising budget to accommodate more volume
- If you do not have any of the above, we require an email from a director of the company confirming that the volume is incremental and exceeds the volume posted in the corresponding period in 2018 and is only being posted because of the incentive.