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Tailor made incentives

Tailor Made Incentives (TMIs) comprise postage credits that enable you to offset some of the commercial risk you accept by using Royal Mail services in an innovative way. You may be eligible for a TMI if you are planning to carry out one of the following activities:

- testing mailing communications relating to your existing products or services to a new target audience not previously mailed in relation to those existing products or services before. This target audience can be a cold/lapsed list not mailed within the previous 12 months. A list of new names bought by the customer ("Mailing Lists") will not constitute a new target audience if the customers on the lists have the same profile as existing customers.
- testing mailing communications which relate to your new or redesigned products or services;
- testing mailing communications which relate to your existing products or services that you have not previously sold or advertised by post before;
- testing using a Royal Mail service that is more expensive than the one you usually use for promotional mailings (e.g. switching from Mailsort 3 to Mailsort 2);
- testing the effectiveness of promoting your products or services using a new design of mail pack in parallel with your existing mail packs. In this case the new pack should not be sent to more than 30% of the target audience. The new design must include either a significant change in graphics or contents.
- testing the effectiveness of an increase in the frequency of your communications with your own customer base, in relation to an underlying change in your activity. There must be a significant change in the frequency and material that the customer intends to mail. e.g. the introduction of additional editions of catalogues or leaflets to test the potential of seasonal markets. Simply mailing the same material more frequently does not constitute eligibility for a TMI.
- From Monday 12 March 2007 a new activity will be available for customers. This is as follows: Testing the effectiveness of using direct mail plus at least one other medium (e.g. radio/TV/email/SMS/cinema) in a single multimedia campaign for the first time. No more than 15% of the customer's total target audience for the single multimedia campaign will be eligible for a TMI. In order for a marketing campaign to qualify as a single multimedia campaign, the customer must be able to demonstrate that direct mail will be used to reach the same audience (or part thereof) as the other media, with the same message (brand/product) at the same time (direct mail element must be within 4 weeks of the use of other medium element(s)).

Where you are considering one of the activities set out above Royal Mail may be prepared to offer you postage credit in relation to a proportion of your mailing so that you are able to test your proposition.

How much of an incentive can I get?

Royal Mail may be able to offer you a rebate off standard postage rates in respect of your new mailing activity in the form of a postage credit. The postage credit will be paid into your account after postage and payment of the full price, and can be redeemed against a future mailing. The calculation of the postage credit depends on the service that you wish to use, and the level of commercial risk involved in your proposed activity.

TMIs are available with Mailsort, Walksort, Cleanmail, Packetsort, Packetpost Returns, Presstream, Mailmedia, Response Services, Door to Door and selected international services, and are subject to a minimum claim of £300.

What's in it for Royal Mail?

We are prepared to share some of the commercial risk that you are taking because we think it will grow the use of mail as a medium in the long term. We will only grant a TMI where your proposal meets our eligibility criteria.

How do you get a TMI?

If you think you might be eligible for a TMI and to find out rebate you could receive please contact your account handler or call 08457 950 950.

[Click here to view the TMI Customer Agreement \(warning - this opens in a window.\)](#)

TMI Case Studies?

We have set out below a couple of examples of TMIs that have been given, so that you can get a flavour of what type of risk sharing we may be able to help with.

Case 1 - Magazine-style CD-ROM test mailing

XYZ Company has developed a new product that it is intending to promote to 13 million customers. XYZ proposes to use Mailsort 3 700 to mail a leaflet containing product information, competitions, offers, etc to 10% of these customers as part of a TMI, as a test to see what level of interest there will be. The product has never been promoted by post before and the response rate to the mailing cannot easily be predicted.

The test will not take place without TMI support and, should a TMI not be given, XYZ will use e-mail instead, with links to take their customers through to the relevant sections of their website.

Should the test provide a successful response rate, XYZ plan to make similar mailings to the remainder of the target audience, within a 12-month period.

A postage credit of £18,278 will be offered to XYZ Company.

Case 2 - Brand extension test mailing

ABC Company proposes to mail a catalogue to 175,000 customers by Mailsort 3 1400 over a 3 month period. ABC is moving into an entirely new product area and the catalogue will contain its entirely new product range.

Previously only the over 30s have been mailed by ABC, but it believes this audience will be too old for its new propositions. The under 30s will now be targeted for this mailing.

ABC has decided to test with a TMI following a number of meetings with Royal Mail. Until now, this type of activity has never been envisaged because of the high risk involved.

ABC believes a 4% response rate would deem the test a success and has the intention to mail the remaining 1,575,000 customers in its total identified target audience base should this response rate be obtained. ABC also intends to mail the target audience on an ongoing basis once it has seen this type of mailing works.

Royal Mail will award a postage credit of £4,000 towards ABC Company's future mailing costs.

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