



Barcode App for New Container Labels

As you should now be aware, Canada Post will be implementing a new container label with a 2D barcode. This change is effective for mailings being prepared for induction on or after June 14, 2013. All necessary software changes to iAddress™ have been made and approved by Canada Post. There are NO changes to the size or shape of the container label and you may continue to use your existing label stock.

To assist mailers with the new 2D barcode, Flagship Software has developed a **FREE** application for Android and Apple smartphones called **iAdd CA Scan**. This app is able to scan the new 2D barcodes and provide the following information about the mailing:

- Container type and number
- Service type
- Postal Code of the destination
- Customer number
- Drop date

This will allow your staff to verify that the printed barcode is able to be read and that the specs match your ESOM. This **FREE** app will be available soon at the App Store.

Payment Processing Changes

We have made a change to how we process credit card payments as we start to roll out a more automated system to serve you better. For customers paying by credit card, we will now require your CVD number (3 digit number on the back of the card) as well as the cardholder's address. Once we have this system successfully implemented on the back end, we will add a self-serve option to our website's customer portal.

Add Canadian NCOA Transactions

A reminder to our customers that you can add Canadian NCOA transactions to your account from iAddress™. It is available from the NCOA/CMA menu under NCOA Order Form. Please note that you must have a valid NCOA Acknowledgement Form on file; if you do not, you will not be allowed to order. If this happens, please contact our office and we will provide you with a new form.

CPC Executive Forum Series

Canada Post has put together a series of workshops with their Program Ambassador, Mark Morin. Mark is the President of Stratégies Marketing Direct with over 30 years of relationship marketing experience. His agency is focused on "creating powerful, relevant B2Me marketing campaigns" and he is bringing his expertise to direct mail and cross-media. These free forums are designed to look at the relationship between physical, digital and traditional media in order to bring an increased ROI to businesses.

Forums are being held across Canada and are free to agencies and marketers. More information can be found at www.canadapost.ca/directmailworks

Future of the Postal Service in Canada

In April, 2013, the Conference Board of Canada published their report titled *The Future of Postal Service in Canada*. It was researched and written with funding from Canada Post. The full report is available at:

<http://www.conferenceboard.ca/e-library/abstract.aspx?did=5443>

The report examines how electronic communications have impacted the use of postal services by Canadian residents and businesses and suggests possible paths Canada Post could take to ensure sustainability.

Residential and business customers were polled, interviewed and asked to be part of focus groups to determine their attitudes and mailing behaviour. The report is designed to provide a framework for discussion on how to provide a sustainable postal service in the future. We highly recommend downloading and reading the entire report; this is a very short summary of a great deal of research.

In Canada, the volume of mail is decreasing even as the number of addresses increases. Canadians still see the importance of having a postal service, especially in communities without reliable access to telecommunications due to size or distance.

Demographically, older Canadians are not as comfortable with new technologies and still prefer paper communication. Smaller businesses continue to use mail and the rise of e-commerce has increased the demand for parcel deliveries.

In spite of Canadian's desire for a postal service, the needs of the population are evolving and Canada Post is facing the prospect of annual operating deficits going forward. Transaction mail is declining as major mailers push their customers to electronic replacements. The report indicates that advertising mail is facing pressure from electronic alternatives as well, especially e-mail and mobile. Publishers are moving toward digital magazines and books. Only parcel delivery is projected for growth.

The Conference Board looked at other postal authorities and how they have faced the same challenges. Five major approaches were identified including liberalization and privatization, expansion into new lines of business, development of digital products, expansion of parcel delivery and the reduction of service standards. Of these given approaches, Canada Post is actively pursuing digital products (ePost and Vault) and parcels. The report does not provide an opinion on whether Canada Post should be privatized or liberalized. In terms of new lines of business such as financial services which has been discussed in the media over the past two years, the Conference Board feels that Canada's highly developed financial services sector would prevent Canada Post from succeeding in this area.

Rates were examined both from the consumer perspective and the business perspective. The report indicates "there is room for the price to grow without negatively affecting transaction mail revenues." While the Conference Board feels consumers would not object to a significant hike increase due to their infrequent mailings, business users of the mail strongly objected. One quote used in the report was "The way the rates are structured in Canada motivates me to do everything in my power not to use Canada Post." Clearly rate structure for commercial customers is an area that Canada Post must consider very carefully in the future.

New technology was examined as competition for mail. The report states that these new technologies such as smartphones and tablets "will inevitably attract a greater share of the total advertising spending as Canadians adopt and spend more of their time using them." This view does not take into account cross-media campaigns which have shown greater ROI than single media campaigns.

The Conference Board report does not suggest solutions, but rather examines scenarios and the impact these would have on the sustainability of the postal service. It is well worth reading this section of the report (Chapter 6) for more detailed information on their scenarios, including:

- Large price increases
- Wage restraint/reductions and the issue of the pension obligation
- Alternate day delivery models
- Elimination of door-to-door delivery
- Converting corporate postal outlets to retail
- Reducing service standards

The Conference Board of Canada's report is a comprehensive overview of the realities of the postal service at this point in time. It offers a look into the opinions of consumers and small to mid-size businesses which is perhaps an area not examined in detail in recent years. The overall message is that a postal service is still required in Canada but that it will necessarily need to evolve to meet changes in consumer preference and declining mail volumes. Falling outside of the scope of this research is the mailing industry and the work being done by that industry and Canada Post to improve the value of the mail. This work has the potential to change the somewhat dire predictions of this report and does seem an oversight.

We are interested in hearing your feedback on this report and would like to share your comments with the National Association of Major Mail Users (NAMMU). Please e-mail Kristi@flagshipsoftware.com with your thoughts about the report and the future of the postal service in Canada. Please join this important conversation!



Flagship Software continues to offer **Web Training!** If you are a new customer, would like a refresher course on **iAddress™** or if you have new hires, please contact Carolyn at carolyn@flagshipsoftware.com to schedule a web session.

If you wish to be removed from this newsletter list, please email us at newsletter@flagshipsoftware.com or call 1-866-672-0007.