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Western States Envelope & Label

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Spring 2014

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Focus on Customer Goals to Counter Postal and Paper Hikes By Steve Brocker

Hammered on Postage Rates

In December of last year, the Postal Regulatory Commission (PRC) approved a 4.3% exigency postal rate increase adding to the 1.6% CPI cap for a 5.9% increase that went into effect January 26, 2014. PRC Chairman Ruth Y. Goldway intended the exigency portion to be temporary. She estimated \$2.8 billion of lost USPS revenue during a 3-year span of the Great Recession. The plan: pay back the loss via the exigency increase over an estimated two years, then 4.3% would be backed out of rates returning to just the CPI increase.

Not liking that plan, both the Senate and House leadership for the committees working on Postal Service oversight want the exigency portion of the rate increase to be permanent. Not surprisingly, so does the Postal Service. The Senate Carper-Coburn substitute to the Postal Reform Bill would remove the PRC from future rate-setting oversight, giving the USPS monopoly full control of future rates.

This is not the postal reform the printing and mailing industry wants or needs. If the exigency rate becomes permanent, we can add about \$3 billion per year in extra postage for mailers over the next 10 years, and that assumes low CPI inflation. Our customers will be paying the tab unless we can alter these bills before they become law.

Must be Gold in Them Thar Trees!

Talk about laying the wood to our industry, we have had two hefty paper price increases within 4 months. Faced with shrinking demand for uncoated free-sheet tonnage, paper mills have systematically shut down capacity over the last decade to keep prices from tanking. I get that, and it is a good business strategy that avoids the yo-yo price fluctuations of the past. What we didn't expect were these back-to-back increases that have forced print and mail

suppliers to raise prices dramatically just to tread water. As if things weren't fragile enough for mail volume, we have added material costs and huge postal increases at the same time.

The end-users and mailers (the folks who actually pay the postage and buy the printing) must be flummoxed. It is not like the good old days before internet, email, or social media. It's 2014 and there are a lot of ways for companies to market themselves (and spend their money). If this has caused angst not knowing how customers will react, remember that adrenalin can be a good thing. Opportunity can arrive at your doorstep in disguise.

What's Your Sales Strategy Now?

Print and mail is still the proven way to reach a targeted audience, but not the only way. Ask your current customers and prospects some questions like:

1. What are your main goals for this year and next year?
 - Finding new customers?
 - Selling more to existing customers?
 - Differing yourself from competition by offering a better customer experience?
2. Are you open to new ways to achieve those goals?

In any selling situation, it is better to listen than talk. Ask questions and take notes. You really have to know what your customers want to accomplish. Sometimes we think we have to offer up some kind of deal or solution right away, but that's the old way. Instead, have those non decision-making, fact-finding meetings with all of your customers. If you are concerned about their business success, don't rush to sell them something they may not need.

Continued on page 2

President's Perspective

After a long drawn out winter that seemed like it would never end, it looks like spring has finally arrived. Summer will be here before you know it. Speaking of summer...have you given any thought to ways in which you might help your customers overcome the typical summer doldrums?



You might tell your customers about a recent Direct Marketing Association study which reports that the average response rate to direct mail advertising is currently at 4.4% while the average response rate to an email advertising message is 0.12%. (Stated another way, the response rate for direct mail promotion is 36 times greater than email promotion!) You might also tell them about the Danish energy company (Natur-energi A/S) who recently conducted a study to determine how much money they could save by converting all of their customer monthly billings from a mailed invoice to an electronic invoice. To their surprise they discovered that it cost them \$3.25 per customer to get paid by paper invoice versus \$5.75 per customer billed by email. This was due to the lower response rates associated with emailed invoices and the additional investment in follow-up efforts required to collect the emailed invoices.

Do you sense something happening here? Relying upon email exclusively to deliver your message is becoming increasingly less effective. But combining the beauty, the touch and feel of a targeted printed piece along with your electronic message is increasingly being recognized as the premium way to communicate. Tell your customers that print is more relevant and necessary than ever when developing an efficient and effective way of getting out their message to current and potential customers. The timing for this conversation with your customers is right because this summer the U.S. Postal Service is offering a Premium Advertising Promotion and a Digital Personalization Promotion to postal customers (see page 2 for details).

We want to help you help your customers avoid the summer doldrums with ideas about using some of our premium envelope and label products to get their message out into the marketplace. Call your Western States Sales Representative and put us to work for you today!

Thankfully Yours,

Mark

Mark Lemberger
President/CEO

Focus on Customer Goals to Counter Postal and Paper Hikes, *continued*

Many of us are paper, ink, and mail centric—our core business. Is the customer saying they need more? You may lose the customer if you can't provide it. Conversely, your business could blossom if you can. Work with willing partners to

help you help the customer if there is a knowledge gap. Your core business could be more as time goes on.

It's your opportunity to be different than your competitors in the way you sell. Let your clients in on what you are doing. Tell them you want to do a better job than you have done in the past. It's about improving the customer experience of your own customers. If you do that, they will see better results because you have considered their goals

in your product offerings. This will help take the sting out of any cost increases, and make you the supplier your customers have always needed and wanted you to be.

Let us help you and your customers prosper in this dynamic industry.

For more industry insights follow Steve's blog at wsel.com/blog.

Mail More. Pay Less.

The United States Postal Service (USPS) has some creative ways you and your customers can add value to your next direct mail campaign without adding to your postage costs.

Here's an overview of just two of the USPS promotions for 2014:

Premium Advertising Promotion

Registration Period: February 15 – June 30, 2014

Promotion Period: April 1 – June 30, 2014

Discount: 15% per Eligible Mailpiece

Encourages existing high-volume mail marketers and advertisers to use First-Class Mail as a marketing vehicle by offering an upfront discount on First Class Mail presort postage on mailpieces composed entirely of marketing or advertising content.

Mail And Digital Personalization Promotion

Registration Period: March 15 – June 30, 2014

Promotion Period: May 1 – June 30, 2014

Discount: 2% per Eligible Mailpiece

Offers an upfront discount to encourage mailers to enhance the value of their mail by using technology to create a more relevant, integrated marketing message through direct mail and digital channels.

To give you an example, we used this promotion for our "Be Our Guest" campaign on the outer envelope of this newsletter. Read the article below to see how you can share your expertise, tips or insights as a guest blogger. If you or your customers participate in this USPS promotion, share or blog about your response results with us. We'll share our results from this promotion with you in our next newsletter issue.

For more about these and other USPS promotions, visit us at www.wsel.com/2014-postal-promotions.

Be Our Guest...

Anyone knows that doing business in a "vacuum" is not a winning approach. All professionals in every industry rely on others to gauge what works and what doesn't. Success happens when experts listen and share their experiences. That's why

we're inviting you to speak up. Hear from others.

Be Our Guest through a blog that could revolutionize the way we all do business in this industry. And enter to win a sweet gift for signing up!



We're launching this new Be Our Guest campaign to open an exchange with professionals like you. We're inviting you to be a guest blogger on our Under the Flap blog. As a featured guest blogger you'll not only have a platform, but an invitation to connect with and learn from others. Don't worry if you want to stay under the radar—we can keep all your contact info confidential so you can communicate without creating any conflicts of interest.

Beyond building an expert exchange, this campaign also demonstrates how you can participate in the current United States Postal Service (USPS) Mail

and Digital Personalization Promotion featured in our "Mail More. Pay Less." article. We used our highly engaging Peel 'n View® envelope to convey our message and created a QR Code that takes you to a personalized landing page where you can reserve your guest blog spot and enter for your free gift. The Mail and Digital Personalization Promotion is a great way for you and/or your customers to market across mediums and yield amazing response rates while saving on mailing costs! We're showing you how it works through this Be Our Guest campaign.

FREE Guest Gift

Even if you're not sure about guest blogging yet, sign up for our blog using the unique URL on the provided reply card, so you don't miss any valuable information. You can decide to guest blog at any time in the future, plus you'll still be eligible for our drawing for these great prizes:

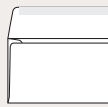
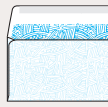
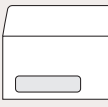

- A \$50 Amazon Gift card
- A Portable USB Charger
- Google-Chromecast HDMI Streaming Media Player

Ready to talk, share and succeed together? Be Our Guest—scan the QR Code located on the reply card included with this newsletter, or use the unique URL shown underneath it.

New Guide, New Products

What has 77 pages, 22 new products and endless possibilities in one convenient source? Our Stock Products Guide!

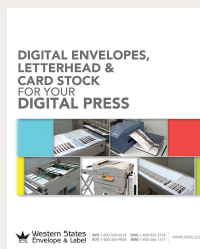
Before we created our latest Guide, we listened. We implemented. And now we delivered. The new offerings are a result of your comments and suggestions to expand our digital products. We created new products with an even broader ability to function on digital equipment, such as:

- **#9 and #10 Flap Extended** for efficient feeding and printing on digital equipment without needing specially designed envelope feeders. 
- **#10, 2653 Side Seam** offers a special inside security tint with flaps extended to work on many kinds of digital equipment. 
- **#10, 3185 Digi-Clear®** envelopes with laser compatible, heat-resistant window material to run on high-temperature laser equipment. 
- **Western States Laid in Soft Ivory with Imaging Finish** an addition to our Laid stationery designed to run smoothly on digital equipment. 

NEW Digital Products Catalog

In addition to our Stock Products Guide, we've created a new Digital Products Catalog featuring 300 products specially designed for digital presses. See how these offerings are all you need to help build your digital business. Learn more and get your free copy at www.wsel.com/digitalcatalog/itel.

Didn't receive your new Envelope Stock Products Guide? Call 800-558-0514 or go to www.wsel.com/view-catalog to download your free copy.



Clever Marketing in One Complete Package

A Western States customer and printer from Missouri created an all-in-one calendar package that was nothing shy of exceptional.

This all-inclusive piece featured a pen in a pouch and these 4-color items: a desk calendar pad, letter-sized pad with 12-month calendar, magnets, brochure and business card, and a sheet of calendar event stickers created by Western States. Everything was sealed in a large, clear poly sleeve. The holiday version was wrapped in ribbon.

“We wanted to do a significant promotional package that we’d never done before. To make it more attractive yet cost-effective, we combined promotional elements we already

had with new ones,” noted Kevin, production manager for this Missouri printer.

These calendar packages were hand-delivered to customers and prospects before the holidays and at the beginning of 2014. The results were as merry as the season: “The feedback was great. We received everything from additional package requests to additional assignments from current clients and initial assignments from new clients,” Kevin noted.

This package also helped build awareness of their offerings. “We’d certainly do this again—it created a positive buzz for our business. For example, we had

customers who didn’t realize we had a 4-color large press.”

Feeling inspired? Share your creative idea with us in a future issue!

Call your Western States Sales Rep, our Customer Service team at 800-558-0514 or go to www.wsel.com.



How Labels Tell Stories and Build Brands

Imagine you’re at the store looking for a new but decent bottle of wine. Since drinking wine is as much about the experience as the wine itself, you’re probably looking for a label that draws you in. One with attractive colors and lettering. Or perhaps the bottles proudly displaying golden award stickers are ones you’re most drawn to.

Either way, the purpose of putting you in this anecdote is to convey the importance of storytelling in product label and packaging design. Building a brand is like telling a story. This doesn’t mean add a “Once upon a time...” paragraph with a self-serving history of your product. It means that all elements on labeling and packaging (design, color, texture, copy, etc.) need to create an engaging experience. After all, when consumers are

staring at the shelves their buy-it-or-leave-it moment is determined by product labeling and packaging.

What story does your customer’s product tell? Is it a line of fresh salsa that needs to convey its off-the-cutting-board taste? Or a soothing line of body washes infused with aromatic oils that are purely simple and purely serene? Make sure your customers’ label and packaging tells a brand’s story effectively. The label and packaging should have a “built-in nudge” that motivates consumers to add that product to their shopping cart.

Western States is an award-winning provider of product packaging labels for any application. Let us help tell your customers’ story successfully—visit www.wsel.com/labels/products-materials to learn more.



A Few Postal Facts

Some interesting tidbits about the United States Postal Service (USPS):

In ONE Day

- 528 million mailpieces are processed and delivered
- 130,592 address changes are processed
- 4.3 million miles are driven by letter carriers/truck drivers
- 1 million people visit usps.com

More Fun Facts

- **Largest Post Office:** James A. Farley Post Office in NY (93,000 sq. ft.)
- **Smallest Post Office:** Ochopee Post Office in FL (61.3 sq. ft.)
- **Longest Delivery Route:** Carrier travels 187.6 miles daily in Mangum, OK; delivers to 240 mailboxes.
- **Shortest Delivery Route:** Carrier travels 2 miles daily in Santa Clarita, CA; delivers to 531 mailboxes.
- **An Unusual Delivery Method:** Mule trains in AZ. Each mule carries 130 pounds of mail, food, supplies and furniture down the 8-mile trail to the Havasupai Indians at the bottom of the Grand Canyon, averaging 4,000 pounds per day.

For more about all the USPS has to offer, go to www.usps.gov.

Livin' the Green Life...

And proud of it! That's the message we're sharing with customers like you to promote the sustainable, positive side of paper and print. The printing industry has unfortunately become the "bad guy" in this digital age.

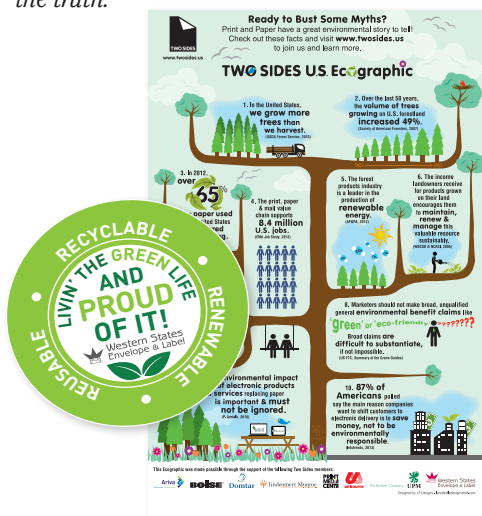
Many perceive paper and printing as environmentally irresponsible and wasteful. *This perception couldn't be further from the truth.*

Paper is a 100% renewable resource. Trees can be replanted where they are harvested and planted in other areas. Electronic devices, on the other hand, are difficult to recycle and reuse, especially since many of their components are environmentally toxic. Printing uses more techniques and equipment that promotes sustainability than electronics. In fact, server farms that power computers are the fastest growing users of fossil fuel in the world.

These are just a few examples of ways you can educate your customers about the benefits of paper and print. Another way is to promote eco-friendly products like our Globe 100™ line.

Globe 100™ products are FSC (Forest Stewardship Council), Chain-of-Custody certified, as well as 100% post-consumer recycled, acid-free, lignin-free and archival.

To learn more about Globe 100™, get free product samples and a free paper myth-busting poster, go to www.wsel.com/ecoproducts.



How Does Your Garden (and Business) Grow?

After our historically frigid winter, even more people are excited to start planting this spring. New compostable seed stakes make it easier to plant seeds in the ground and for future business.

We will mail these compostable sunflower seed stakes to celebrate spring upon your request and help give you ideas to promote the benefits of eco-friendly compostable labels. If you or your customers are marketing to an environmentally conscious audience, combining eco-friendly labels and packaging is one effective way to capture attention.

Green Grows

Using eco-friendly packaging and label materials demonstrates a commitment to green initiatives. It engages those customers who identify with an eco-friendly brand, especially when that brand has a dedicated environmental story to tell.

How can you or your customers grow your business by being green? Start by making sustainability part of your mission. Create a statement that shows both your commitment to the environment and your business's mission. This will get your customers interested in your business, not just its products. Then practice what you preach—use space on eco-product packaging to educate your audience by sharing your green initiatives, running eco-themed promotions or raising awareness for environmental issues. For example, run a promotion on a product or service and donate a portion of the proceeds to a nonprofit environmental organization.

Want to grow green with Western States? Call 800-558-0514 or www.wsel.com/contact to learn more about compostable and other eco-friendly label products.



Customers' Corner

Thanks for your tremendous feedback from our last issue! We received 180 replies and 73 requests for product samples and sign ups for online ordering. And best of all more customers like you are sharing success stories—read Kevin's on page 3!

This is your newsletter—please help us keep it going strong. There's no deadline because we're always looking for your input. Plus we'll reward you with a free gift! Contact:

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