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Direct Mail Moves Swing Voters

Spending on political direct mail increased by 50% since the last presidential election, and a new USPS survey shows that direct mail tops TV and digital ads in helping swing voters decide for whom to vote.

More than half of swing voters responding (58%) said direct mail is either “very helpful” or “somewhat helpful” in deciding how and whom to vote for, beating out television (55%), online (48%), and email (46%). Approximately one of three registered voters surveyed identified as a swing voter. Among those surveyed, 14% said they were “undecided,” and 18% said they “might change their minds.”

Swing voters also reported reading their direct mail. The online survey, conducted by Summit Research, found 54% of swing voters surveyed say they read political direct mail immediately upon receiving it and 24% will save it to read later. There’s opportunity for campaigns: 52% of swing voters surveyed say they have not received any political mail at their residences. In comparison, 80% of these swing voters report seeing political television ads.

“When political races are tight, campaigns need to know what influences swing voters,” said Cliff Rucker, vice president of Sales for the Postal Service. “Political mail spending has increased nationally by 50 percent since the last presidential election. As campaigns use more mail, it’s all the more reason to explore mail’s impact.”

According to the Postal Service, spending on political mail increased from \$176 million (October 2011–July 2012) to \$268 million (October 2015–July 2016).

Additional key survey findings among all “likely” voters were:

- Voters read their political mail. Sixty percent of voters read political mail about a candidate or issue immediately after receiving it, and 24% save it to read later.
- Voters find direct mail most helpful overall for learning voter registration deadlines.
- More than two in three voters surveyed (68%) say “direct mail sent to my home” is the top choice to inform them about registering to vote in their state, rating it either “very useful” or “pretty useful,” compared to ads on television (65%), online (52%), and radio (50%).
- Voters find direct mail “most helpful” overall for learning about early voting deadlines. Fully 67% of likely voters surveyed find mail “very useful” or “pretty useful” for information on early voting deadlines, compared to ads on television (65%), online (52%), and radio (50%).
- Voters are issue-oriented when it comes to political mail. Voters are “most likely” to use political mail to learn about a candidate’s position on the issues (53%), followed by voting record or past statements (37%), biographical information (32%), and endorsements (28%).

“Direct mail delivers a civic education to the voting public, exerting an influence that goes wide and deep,” added Rucker. “Direct mail informs voters about candidates’ stand on issues, dates for state registration deadlines, early voting, and much more.”

On behalf of the Postal Service, Summit Research conducted the online survey (Aug. 11–22, 2016) among a national sample of 1398 adults. Data are weighted to census-level targets for gender, region, race, age, education and income. The full survey sample also includes an oversample of millennials (n=699) that were weighted to census-level targets for gender, age, race, education/gender, and marital status. Additional questions were used to screen for registered, likely, and swing voters.

Trump’s Direct Mail Campaign Scores

Donald Trump’s investment in direct-mail marketing campaigns has targeted the Republican base for small donations, according to a report by Bloomberg. The presidential candidate and the Republican Party jointly solicited on behalf of the Trump Make America Great Again Committee an estimated \$155 million in three months ended in September, according to filings with the Federal

Election Commission (FEC).

Trump Make America Great Again spent about \$29 million on printing and postage for direct mail, and millions more on renting lists of potential donors. Based on the FEC filings, that works out to an expenditure of about 37 cents of each dollar on expenses like postage and printing.

(Continued on Page 3)

Short Takes

The Postal Service recently released a survey on drones used for delivery that found a significant percentage of consumers have not made up their minds whether they like it or not.

The USPS conducted the survey online, with 1465 Americans responding. The survey asked a variety of questions about their expectations, hopes, and fears about the use of drones.

- 75% of respondents said they expected drone delivery to be available by 2021.
- 9% thought it would be live by 2026.
- 16% expected drone delivery to come later, if at all.

Drone deliveries are a popular idea: 44% like it, 34% do not like the idea, and 23% are unsure. There's a 2.8% margin for error in the survey.

Respondents were split on whether they believed drone delivery would be safe, or whether they were unsure. In fact, fewer people were sure drone delivery would be safe (32%) than those who liked the idea of it (44%, as mentioned before).

Consumers are responding favorably to drive-by shopping at a nearby Walmart. Walmart has been disappointed by consumer complaints about poor service and its slowness to raise wages, but has enjoyed positive feedback from consumers trying Walmart's new curbside grocery pickup. The store may grow on consumers once they no longer have to step inside one of its stores to use the service.

Walmart will offer the new service in 600 locations by the end of October. Consumers order groceries through Walmart's grocery app or on its website, and then drive to Walmart, where employees deliver the groceries to the car.

Amazon.com Inc. will build convenience stores and develop curbside pickup locations for food shoppers, *The Wall Street Journal* reported. Amazon's convenience stores will sell perishable goods including milk and meats, the newspaper said, citing unnamed sources.

Customers also may order other items with longer shelf lives for same-day delivery while in the store, the *Journal* said. Amazon already has plans to build drive-in locations for consumers in a rush where online grocery orders will be brought to the car.

Only subscribers to Amazon's Fresh service will have access to these stores, known as Project Como. For consumers living in areas often hit hard by winter storms, it will be interesting to see if Amazon's convenience stores will still have water, milk, bread, and toilet paper when the other neighborhood stores have had their shelves picked clean in advance of bad weather.

Amazon.com Inc. now offers U.S. Prime members a program called Prime Reading. A selection of Kindle books, magazines, and comics will be available to members of its loyalty program at no additional cost. Members need not buy a Kindle e-reader or a Fire tablet to use the program. A Kindle app on iOS and Android devices will suffice.

The Prime loyalty program already offers original TV programming and access to digital entertainment products such as Prime Music and Prime Video, as well as one-hour delivery of purchases, for an annual fee of \$99.

Morgan Stanley analyst Brian Nowak estimates Amazon already has 60 million Prime members worldwide, 41 million of whom live in the U.S. Some analysts estimate that Amazon could boost its member count to 100 million by the end of 2018.

Several drivers from Amazon's delivery service recently sued the company on grounds that they were employees, not independent contractors, *The Wall Street Journal* reports. A year ago, drivers for the Amazon Prime Now service sued the company, and by February, some of those drivers were reclassified as full-time employees.

Vera Bradley, the company that delivers so many quilted handbags and accessories is responding to a hack of its credit card payment system. The retailer revealed earlier this month that payments systems at its brick-and-mortar stores were hacked, and that customer payment cards used at those locations this summer may have been compromised. Vera Bradley admitted it does not yet know how many cards have been affected, and continues to work with an unnamed computer security firm to determine precisely what happened and how far the breach's impact reaches.

Trump's Mail Campaign Scores... (cont. from page 1)

In contrast, Hillary Clinton, and her joint committees spent 20 cents of each dollar on similar expenses.

The Trump campaign's emphasis on direct mail reflects in part a strategy for raising funds one person and one small contribution at a time. Trump averages \$20 to \$50 per person. In contrast, Clinton aims for donations up to the \$2700/election cycle limit. Clinton's use of daily

No Direct Mail for Millennials

Despite so much research indicating the effectiveness of direct mail in moving voters, campaigns appear not to have used it to reach the highly desirable millennial demographic group. New research shows only 30% of young voters have received direct mail soliciting their support. The millennials are expected to turn out during this election cycle—as many as two-thirds of them expect to vote. <http://civicyouth.org/wp-content/uploads/2016/10/NEW-POLLING-Press-Release.pdf>.

Roll Call reports that Democratic and GOP outreach has reached only about 30% of millennials in each party. This level of outreach falls far short of either party's stated objective of getting out the vote. This is particularly true when it comes to educating millennial

Talking Turkey about Holidays

America's largest shopping mall has decided to close on Thanksgiving. Analysts expect this to influence other businesses to do the same. Mall of America of Bloomington, Minn. has announced it will close for the day. According to *USA Today*, "The mall reopens at 5 a.m. Friday, just in time for the traditional 'doorbuster' special designed to motivate shoppers to shake off their post-Thanksgiving lethargy—usually brought on by overeating—to hit the stores and start spending."

Research by the National Retail Federation shows that Friday morning at 5 a.m. could be a late start on Black Friday. Its survey found half of those who shopped in stores on Thanksgiving arrived by midnight. Research reported by *USA Today* shows Survey Monkey "surveyed 502 U.S. adults and found 54% dislike or strongly dislike stores remaining open on Thanksgiving, with 60% saying they won't step foot in a store that day." <http://www.usatoday.com/story/money/nation-now/2016/10/19/open-not-retailers-wage-battle-thanksgiving/92380280/>. Some stores planning to close for the holiday tried opening and found that Thursday hours diluted Black Friday sales instead of adding to them. CBS News reported: "Consumers who went shopping on Turkey Day didn't spend additional money overall but rather made purchases they would

emails—some days as many as seven to ten in a day—urged supporters to make weekly contributions and periodically reminded supporters of their legal right to make further contributions up to that \$2700 limit.

Based on the latest FEC reports, Clinton has \$150 million in cash on hand, while Trump has about half that total.

voters about the candidates at the bottom of the ballot. Other findings include:

- 28% of millennials follow congressional races.
 - 66% expect to vote in the current election cycle.
 - 81% of those contacted with direct mail intend to vote.
 - 62% of those who have not received direct mail expect to vote.
 - 34% of male millennials receive direct mail, but 26% of women received mail.
 - 40% of independent male voters received direct mail.
- The poll surveyed 1605 young people in the U.S. from Sept. 21 to Oct. 3. The margin of error was three percentage points. <http://www.rollcall.com/news/poll-campaigns-fail-to-contact-young-voters>.

have made anyway on the following day, according to Amanda Nicholson, professor of retail practice at Syracuse University's Whitman School of Management." <http://www.cbsnews.com/news/more-retailers-are-staying-home-for-thanksgiving-day/>.

Other stores planning to close on Thanksgiving include: American Girl, AT&T, Barnes & Noble, Burlington Stores, Cabela's, Costco, Crate & Barrell, Dillard's, DSW, HH Gregg, Home Depot, Home Goods, Lowes, Marshalls, Menards, Neiman Marcus, Nordstrom, Office Depot, Petco, Pier 1 Imports, Petsmart, Publix, REI, Sam's Club, and TJMaxx. <http://www.theblackfriday.com/jump/cj.php?prd=12710572>.

Business as Usual

General Growth Properties, operator of high-end malls, including Tysons Galleria outside Washington, D.C., has no plans to deviate from last year's schedule. In 2015, the malls closed for the holiday. CBL & Associates, which oversees seventy-three malls nationwide, said it will shut its shopping centers for the holiday, opening Friday morning at 6 a.m. CBS News reports: "Simon Property Group (SPG) plans to have its more than 200 properties, including Pennsylvania's King of Prussia Mall, one of the largest in the U.S., ready for

business on Thanksgiving, according to spokeswoman Maria Weber.”

Major retailers who have not yet announced include J.C. Penney, Sears, Target, and Walmart. Walmart has opened on Thanksgiving since 1988 with its doorbuster specials starting at 6 p.m. It says in 2013, 22 million customers come through its doors on Thanksgiving Day. <http://Stores-Opening-on-Theanksgiving-Day-2016.php>. Macy’s has announced it will open for the holiday, several hours earlier than it has opened in prior years. Analysts say Macy’s is under pressure from

Tougher than Weather to Forecast

The meteorologists cannot yet tell you what the weather will be on Christmas Day, neither can they tell you the prices of the gifts that will be under the tree. That does not stop the analysts from predicting what holiday shoppers will spend and on what they will spend it. Most predictions appear to call for modest growth among retailers with growth at much higher rates for online sellers.

Sunny, Green Days

PriceWatershouse Cooper (PwC) appears most optimistic. Its estimates call for: “Holiday spending . . . to reach its highest point since the Great Recession, increasing 10 percent compared with the 2015 holiday season, according to PwC’s 2016 Holiday Outlook. However, this isn’t all good news for store-based retailers, as consumers stated they increasingly prefer to receive gifts of travel and entertainment rather than traditional gifts.

Under the PwC model, “Shoppers will likely spend 10 percent more this holiday season; an average of \$1,121 each. And consumers with annual household incomes less than \$50,000 will likely increase their percentage spending levels even more than consumers overall.”

The National Retail Federation (NRF) predicts sales in November and December will increase 3.6% year-over-year to \$655.8 billion—1.1% higher than the ten-year average. Some analysts call this prediction overly rosy and point to overestimates by the NRF in prior years. Their conservatism is concerning to retailers. The holiday season is a critical time that can account for anywhere from 10-30% of a retailer’s sales for the entire year.

Weather and holiday shopping do have trends in common. Holiday shopping often means warm clothing in gift-wrapped boxes. Warm summers and falls can induce shoppers to pass over a new winter coat or sweater in favor of something not apropos of the season. “This year hasn’t been perfect, starting with a long summer and unseasonably warm fall, but our forecast reflects the very realistic steady momentum of the economy and industry expectations,” NRF President and

investors to improve its performance this year, hence the holiday opening.

Some speculate that retail stores with a weak online presence will continue to urge consumers to push back from turkey dinner to push a cart brimming with holiday sales. These stores need consumers to push carts at the mall because the consumers will shop whether the malls open or not. The National Retail Federation’s annual survey last year showed 41 million shoppers said they started their gift buying adventures online on Thanksgiving Day.

CEO Matthew Shay said in a statement.

Forecasters also take into account the economy when predicting end of year shopping trends. When the economy is healthy, shoppers have green to spare. NRF Chief Economist Jack Kleinhenz said: “Consumers have seen steady job and income gains throughout the year, resulting in continued confidence and the greater use of credit, which bodes well for more spending throughout the holiday season.”

Blue Screens

A map of the season for the 2016 holidays tells many analysts that most sales growth will take place online or involve significant online research. The International Council of Shopping Centers (ISCS), in its annual Holiday Shopping Intentions Survey, predicts holiday sales in stores will rise 3.3% in the next two months, up from a 2.2% increase from the same period last year. By its best estimates, consumers will spend an average of \$683.90 this year. Of them, 91% of holiday shoppers plan to spend at retail stores, a number that jumps to 96% when taking into account consumers who will buy online from retailers who also maintain a physical presence. Tom McGee, the ICSC’s president and CEO, said in a statement, “Throughout 2016, consumers have demonstrated a tendency to shop across both digital and physical retail. Even shoppers who purchase online favor retailers with a physical presence and an increasing number of consumers are buying online and collecting in stores.”

This estimate diverges from forecasts from Deloitte, published last month, that anticipate online sales will have a far greater impact on holiday shopping. Deloitte expects online sales to increase 17% to 19% this year, with ecommerce sales reaching somewhere between \$96 billion and \$98 billion. <http://www.prnewswire.com/news-releases/deloitte-forecast-retail-holiday-sales-to-increase-36-to-4-percent-300331485.html>.

Armando Roggio, writing for *Practical*

Ecommerce weighed in as well, predicting ecommerce sales would far outpace the brick-and-mortar sales: “Last year, I predicted 13.9 percent growth in online retail sales for the holiday season. Depending on which report you believe, I was off by perhaps half a percentage point. While I do believe total ecommerce holiday sales growth is slowing a bit because it now represents such a large number, online sales are still going to hit it out of the proverbial park in 2016. In contrast, I predict that total retail sales, including brick-and-mortar sales, will only grow about 3 percent during the 2016 holiday shopping season. This makes ecommerce look even better.” <http://www.practicalecommerce.com/articles/129535-4-Predictions-for-2016-Holiday-Shopping-Season>.

Rain or Shine

Predictions as to what will sell depend in part on weather; but conventional guidance is to prepare for good or bad weather. Some analysts caution that holiday shoppers cannot be herded. This makes it tough to choose the right message and the right channel to steer them your way. High-end shoppers with a healthy budget will be making family memories with one-of-a-kind experience: trips, events, and sensory-rich luxuries they can share with loved ones.

These analysts caution against generational marketing ploys, noting, for example, that the millennials are not uniform in their appreciation for childhood memories. According to PwC, “they will likely spend a hefty third of their holiday budget on themselves.” “Millennial parents [are] . . . often juggling full-time jobs while caring for young children – are almost twice as likely as other consumers to use a mobile device to pay for purchases. Far more optimistic about the economy, they start shopping earlier than consumers overall and enjoy it more (75 percent versus 61 percent).”

The Almanac

Sellers that forget the past repeat past mistakes. They may try something that others have already failed to make appealing. As an example, *Retail Wire* reports that: “Last holiday season, many retailers had missteps when trying to execute flexible delivery/pickup options. According to a post-holiday study, 60% of click-and-collect orders placed on Cyber Monday had problems.” Your click-and-collect program may be well-conceived, but that will not necessarily

lure shoppers who still recall a pick-up that never happened.

Choosing a Model

Weather and shopping behaviors are predicted based on modeling techniques that may produce different results. During the days preceding Hurricane Matthew’s arrival on the east coast forecasters spoke of an American and European models for predicting the hurricane’s course and strength. Some in the retail world have a prediction based on a particular fall election result. Ron Margulis, Managing Director, RAM Communications told *Retail Wire*: “Perhaps like never before, sales for this holiday season will depend on the outcome of the election next month. If Trump is elected, people at the top and bottom on the income scale will be celebrating for very different reasons. The 1 percenters can expect a nice tax break going forward and so may be more inclined to spend a little extra. The lower income group that has supported Trump for the last year may also rejoice with a few extra baubles under the tree. The rest of the population will likely pull back on spending in anticipation of what they perceive as the dour economic consequences of the election. Net-net for a Trump win is no growth in sales for the season and perhaps a slight decrease from last year.”

“If Clinton is elected, there will be more spending by the extended middle of the income spectrum (25% to 95%) and slightly less from the least well off. The 1 percenters will still spend, but perhaps not as ravenously as they would with the prospect of a tax gain. Net-net for a Clinton win is 2% to 3% growth in sales for the season.”

Other analysts explain that the election could lower sales this holiday regardless of its outcome. “*Bloomberg*’s Matt Townsend points out, that retailers are no longer just blaming poor sales on such catastrophes as ‘unseasonably mild spring weather’ and are now adding the upcoming presidential election to their list of reasons why shoppers aren’t coming into their stores.” <https://www.internetretailer.com/2016/10/10/retailers-theres-disconnect-holiday-sales-forecast>.

When it comes to holiday predictions, everyone has a theory and every theory focuses on many factors.

Holiday for Hackers

Hackers do not take holidays, they steal them from an unsuspecting public over the holidays, says Level 3 Communications. Hackers invade retail networks, disrupt systems, and steal private data. Level 3 Communications offers its top tips to retailers as they prepare for the holiday

season, including:

- Retailers may be more vulnerable this holiday season due to the fact there are more access points for sophisticated cybercriminals to exploit across the omnichannel given the pervasiveness of highly distrib-

uted endpoints spanning kiosks, in-store Wi-Fi, mobile point-of-sale (mPOS), and the prevalence of IoT devices.

- While Payment Card Industry Data Security Standard (PCI DSS) compliance is an important piece of retailers' strategy, attackers are also invading networks to obtain valuable financial records, employee data, healthcare records, and other personal identifiable information (PII), which can be used for phishing and social engineering. Retailers need to employ security measures beyond PCI DSS compliance to defend against these threats.
- The average total cost of a data breach is \$4 million according to Ponemon's 2016 Cost of Data Breach Study, with each breach averaging \$172 per record breached for retailers. <http://www.ponemon.org/blog/why-companies-need-bcm-before-they-have-a-data-breach>. To protect against these exposures retailers need to implement robust threat intelligence and monitoring.
- According to Ponemon, it takes retailers an average of 197 days to identify advanced security threats in their environment. <http://www.ponemon.org/blog/ponemon->

Augmented Reality Changes Shoppers' Behavior

Augmented reality (AR) is a powerful tool that alters shoppers' behaviors, reports Interactions, a leader in experiential retail marketing and part of Daymon, the global leader in consumables retailing. Interactions' report entitled *The Impact of Augmented Reality in Retail*, is a study of more than 1000 Americans, that takes a closer look at the ways in which consumers like to use augmented reality as a part of their shopping experience.

"It's not surprising that 61 percent of respondents reported that augmented reality has already changed where they decide to shop," said Bharat Rupani, President of Interactions. "AR is reshaping the way shoppers experience and engage with retailers. We are seeing even the most traditional brands start to include this experiential element in stores, largely driven by customer interest."

Shoppers reacted favorably to the presence of AR, both in-store and online. Sixty-one percent of respondents say they prefer to shop at stores that offer AR over ones that do not and 68% said they would spend more time at a retailer if they could shop with AR. Augmented reality has the potential to alter purchasing intent: 40% of respondents said they would be willing to pay more for a product if they could experience it through AR and 72% said they had purchased items they had not planned on because of AR.

Interactions found that shoppers view AR positively and see it as a helpful, complimentary tool. Fifty-five percent of respondents said that AR makes shopping fun and 45% like that it saves them time. Augmented reality also presents

institute-releases-new-study-on-the-efforts-of-retail-companies-and-financial-services-to-improve-the-time-to-detect-and. No retailer can afford six months of dwell time, which is why enhanced visibility into the network is critical, as is conducting a post-holiday review of network performance.

- A recent KPMG study found consumers are not very forgiving when it comes to cyberattacks against retailers; more than 50% indicated they would forego shopping at an affected retailer for at least three months after a breach or stop shopping at a breached retailer altogether.
- With more than 65,000 Transmission Control Protocol (TCP) ports in a single firewall, retailers should use actionable threat intelligence that tracks two-way communications to identify suspicious and malicious network activity to stay ahead of attackers and quickly respond to threats.

Level 3 Communications has an ebook entitled *Checkin' the List Way More than Twice*, posted at www.level3.com/RetailNetworkSecurity.

an opportunity for retailers to provide more information for shoppers: 77% of those surveyed want to use AR to see product differences, like a change in color or style, and 41% use it to find out about special promotions and deals.

The Postal Service has an annual promotion that encourages the use of new technologies like AR in direct mail promotions. The 2017 Emerging & Advanced Technology Promotion will run from March 1 – Aug. 31, 2017. The promotion encourages mailers to integrate direct mail with advances in mobile technology using NFC technology, Video in Print (ViP), Beacon technology, "Enhanced" Augmented Reality, Virtual Reality, or a Digital to Direct Mail experience to allow the recipient to engage in innovative digital experiences triggered from their mailpiece. New for this year is the inclusion of Virtual Reality to generate opportunities to immerse consumers by creating interactivity and harnessing a first-hand engagement experience. The USPS also has added Digital to Direct Mail to this year's promotion to elicit a higher response from consumers by using dynamically printed, personalized messaging that is automatically triggered based on a digital interaction. Registration will run from Jan. 15 through Aug. 31, 2017.

In November of 2015, the USPS worked with owners of the Peanuts cartoon strips on an AR promotion. Customers could take photos of themselves posed beside cartoon characters. To take the photos, customers had to locate one of the blue postal boxes to use the app.

USPS 2017 Price Increases Announced

The Postal Service filed notice with the Postal Regulatory Commission (PRC) of price changes for Shipping Services products to take effect in 2017, following the end of the holiday mailing season. The filing does not include any price increase for First-Class Package International Service, Priority Mail Express International, and Priority Mail International.

The average Shipping Services price change is 3.9%, which results in an average shipping price of less than \$5 per shipment across all shipping products. The new prices, if

approved by the PRC, represent a 3.9% price increase in Priority Mail and an average of 3.3% in Priority Mail Retail prices.

The Priority Mail Flat Rate Box and Priority Mail Flat Rate Envelope prices for these products appear in the chart.

The PRC will review the prices before they are scheduled to take effect Jan. 22, 2017. The complete Postal Service price filing with the new prices for all Shipping Services products

	Current	New
Small flat-rate box	\$6.80	\$7.15
Medium flat-rate box	13.45	13.6
Large flat-rate box	18.75	18.85
Large APO/FPO flat-rate box	16.75	17.35
Regular flat-rate envelope	6.45	6.65
Legal flat-rate envelope	6.45	6.95
Padded flat-rate envelope	6.8	7.2

can be found on the PRC site under the Daily Listings section: <http://www.prc.gov/dockets/daily>.

Amazon Pushes Reset Button

Amazon.com Inc. has lowered the cost of its AmazonFresh grocery delivery service and has rolled out a new monthly fee structure, indicating its previous annual payment program needed work. Amazon charged a \$299 annual fee to get AmazonFresh groceries delivered to your door. Like its Prime membership program, customers were essentially paying delivery fees upfront rather than each time an order was placed.

The advance fee deviated from the common practices of its competitors. Peapod, NetGrocer, FreshDirect, and Wal-Mart charge nominal per-delivery fees, or offer a lower annual subscription fee.

Delivery costs can be substantial. Instacart recently raised its annual fee to \$149.

At twice the fee, Amazon may have priced itself out of the market. Amazon's new plan allows Prime members to have groceries delivered in available markets for \$14.99 per month.

The program, while still more expensive than competitors' programs, offers Prime members a deal they may not have fully appreciated when the program was first rolled out. It was not clear to some members that prior Prime membership lowered the incremental cost of sign-up from \$299 to \$200.

No Need to Call Ahead

Walgreens has hit the reset button on its click-and-collect service. The new Ship to Store program allows online and mobile users to opt to pick up their orders in one of 7600 Walgreens stores. Items incur no shipping charges and arrive within one to three business days.

Walgreens hopes its new program will grow sales with the addition of several innovations:

- Expanded inventory: Walgreens will deliver to its stores merchandise not ordinarily found in Walgreens stores.
- Improved inventory planning: By ordering ahead of time, a shopper is assured of finding the desired item, even if that item is not ordinarily found on the shelves. This could boost customer satisfaction, ultimately pushing up sales.
- Densely situated stores: A substantial majority of consumers (75%) live within five miles of a Walgreens store, providing its customers with ample pickup

locations in their respective regions.

- Incremental spending: Click-and-collect increases the likelihood that customers will decide to pick up additional items once they enter the store.

Ship to Store is only one of several savings programs in place. Walgreens paperless coupons and orders that include the chain's Balance Rewards loyalty program and other digital promotions can also be applied to online orders the shopper wants picked up at a local store.

There are other ways to receive free shipping on online orders from Walgreens. Shipping is free on web orders purchased on *Walgreens.com* over \$35.

In 2011, Walgreens offered customers the opportunity to order online and pick up in the store, but limited its offerings to what already was on its shelves. The new program expands offerings.

Briefs

A new survey conducted by Kelton Global on behalf of savings destination RetailMeNot reports that 61% of shoppers plan to spend more this holiday season than last. In fact, nearly one in three shoppers plan to spend at least \$200 more. What do people want for the holidays in 2016?

- 56% will ask for electronics including gaming consoles like the Nintendo retro console, smartwatches, or the new iPhone 7.
- 51% will ask for new clothes. And 12% want a subscription mail delivery service for clothing or beauty items.
- Top toys include the Nerf Blaster, Power Wheels, Troll Dolls, and Pokemon Z RING. <http://www.prnewswire.com/news-releases/new-survey-finds-61-of-shoppers-expect-to-spend-more-this-holiday-season-300343930.html>.

It may be better to return than to receive some gifts. Online retailers who handle returns of online orders well may find themselves engendering the loyalty of a new customer, a truly loyal customer. So found a new survey of 4722 online buyers in the U.S. and Canada conducted earlier this month by customer feedback provider Bizrate Insights. Online purchasers took the survey immediately after completing a purchase at one of more than 4500 ecommerce sites in the U.S. A lengthy returns process and delays in issuing credits reduce the likelihood that consumers will recommend that retailer in the future, and the likelihood the consumer will buy from them again.

- 77% of respondents said they would be less likely to

recommend a retailer if it takes too long to issue a credit.

- 40% of respondents said they would stop shopping online with a retailer that proved slow to issue a credit following a return.
- 40% said they would limit their shopping with the retailer, while only 11% said it wouldn't affect their likelihood to shop again.
- 72% of consumers say they would be willing to wait five days to receive a credit once the retailer had received their returned merchandise; 24% of consumers say they would wait ten days; 3% say twenty days; and 1% say they would wait longer than twenty days.

The sweet spot for processing credit for a return is five days. "Retailers should look to shrink the time line of their returns and credit process to 5 days maximum to meet the lion's share of customers' expectations and avoid possible implications from being too slow to issue credits," says Hayley Silver, vice president of Bizrate Insights.

HSN Inc.-owned home furnishing retailers Frontgate and Ballard Designs will use augmented reality technology to help consumers picture how products will look in their homes with Cimagine, an augmented reality app. If seeing is believing then HSN believes that customers who can visualize merchandise in their homes will keep what they buy instead of making costly returns. The retailers integrated at least 1000 of their products, such as sofas and end tables, onto augmented reality commerce app Cimagine on Sept. 16.

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