



POST INSIGHT

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 featuring Pitney Bowes news

Pitney Bowes Rewards Innovation in Customer Solutions Through World Mail Awards

The New Household as a Managed Organization - Latest Pitney Bowes Sponsored Study

Pitney Bowes' Luis Jimenez Keynotes Mexico's Conference on Postal Reform

Pitney Bowes Expands into Direct Operations in Thailand

Pitney Bowes Presents at PaperCom Conference

Pitney Bowes Enterprise Revenue Control System Approved in Lebanon

PITNEY BOWES SPONSORS WORLD MAIL INNOVATION AWARD

Award Recognizes New Ideas and Initiatives

Innovation is the hallmark of Pitney Bowes products and services. Pitney Bowes is proud to sponsor the Innovation - Customer Solutions Award at the Second World Mail Awards ceremony to be held in London during the 12th World Mail and Express Conference on 16 May 2001.



"The Innovation - Customer Solutions Award recognizes new ideas and initiatives that deliver real value to mail users either through the development of completely new services or by making existing services easier to access," said Luis Jimenez, Vice President, Chief Strategy Officer, Pitney Bowes. "For over 80 years, Pitney Bowes has been leading the way with innovative solutions that have earned us the reputation as the leader in informed mail and messaging management."

The World Mail Awards, launched last year, are designed to reward excellence, innovation and best practice within the global mail industry. The Awards highlight key areas of expertise and are judged by an eminent group of independent and neutral industry experts drawn from around the world. The Award scheme enjoys support from the world's leading authorities, the Universal Postal Union and Unipost, leading consultants and major post offices.

Commenting on the program, Jane Wyatt, the newly appointed Director of the World Mail Awards for the organizers Triangle Management Services', said: "I am delighted to be involved in such a prestigious and worthwhile project. Post offices often receive negative comments despite the fact that, around the world, a lot of good things are happening and the World Mail Awards are designed to highlight these developments. Also, to be judged by your peers is always the best recommendation to have."

The highly successful World Mail Awards will be expanded from four to six awards this year:

- ★ **Innovation - Customer Solutions (Sponsored by Pitney Bowes):** Rewarding new ideas and initiatives, whether technology-related or not, that deliver value to mail users.
- ★ **Internet Commerce Award (Sponsored by Accenture):** Focusing on initiatives that exploit the power of the World Wide Web as a communications and business medium.
- ★ **e-Messaging Award (Sponsored by IDP):** Focusing on services that have been put into practice by mail operators from around the world.
- ★ **Air Mail Carrier of the Year Award (Sponsored by Deutsche Post):** Rewarding the "best practices" airline, embracing customer service, innovation and overall performance. This award will be identified by top post office managers and private mail organizations who deal with the airlines.
- ★ **Customer Service Award (Sponsored by FIPP):** Rewarding mail operators who deliver exceptional and industry-leading customer service or who have made significant improvements in the past year.
- ★ **Marketing Campaign of the Year (Sponsored by Triangle Management Services):** Rewarding mail companies who have increased public awareness of mail delivery through creativity and positioning.

"Innovation is a necessary prerequisite to be successful in today's rapidly changing global postal market. This award recognizes that fact and rewards it," said Mr. Jimenez. "We are delighted that the program is being expanded and look forward to a greater number of applications this year."

For more information on the World Mail Awards, log on to:



Nominations for the World Mail Awards close on 16 April 2001.



Details of how to enter can be found on:

www.mailawards.org

THE NEW HOUSEHOLD AS A MANAGED ORGANIZATION



PITNEY BOWES' SPONSORED STUDY REVEALS:

BUSINESSES CAN BENEFIT FROM CUSTOMER-CONTROLLED COMMUNICATIONS

This is the first and only study of its kind that examines the role messaging tools play in managing household dynamics - how tools affect work/life integration and how the use of these tools impacts the positive or negative outcome of household-to-business interactions.

"The New Household as a Managed Organization" is Pitney Bowes' second annual study that takes an in-depth look at household communication flows and the emerging household ecology. Commissioned in partnership with The Institute for the Future, the study draws on ethnographic interviews, telephone surveys and diaries that recorded the communications habits of household members of varying ages, education levels and incomes.

According to the study findings, developing lasting and profitable customer relationships may be as simple as giving customers the ability to choose the time, place and channel of contact. The study found that 60 percent of household members would be more receptive to business communications if they could choose the point of contact, offering a strong incentive for businesses to re-evaluate the timing, frequency and method of their communications. Furthermore, 75 percent of respondents agreed that too many offers they receive are not geared toward their interests or needs, underscoring the importance of personalized business communications for today's information-overloaded consumers.

The study found that a business can reach customers more effectively when it allows them to control when and how messages flow in and out of their homes. Establishing this two-way communication is an important step in fostering strong brand loyalty, which drives lifelong customer relationships and, ultimately, company profits.

According to the study, customers use two different strategies, offensive and defensive, when communicating with businesses. Offensive strategies are employed when customers initiate the contact, such as a call or e-mail to a customer service department. In this case, they usually have clear objectives in mind and want to use media channels that facilitate a specific and immediate outcome. Defensive strategies, such as call screening, are employed when customers receive communications, allowing them to evaluate communications' relevance and importance, which, in turn, dictates their response (or lack of one).

Furthermore, the study notes that customer and company communication goals are different. While customers seek to achieve timely solutions, businesses seek to gain customer loyalty and repeat business. "Companies that establish systems and protocols catering to customers' offensive and defensive communication strategies and helping them achieve timely solutions will be the most successful at creating the kind of positive customer experience that promotes customer loyalty and repeat business. For example, provide a single point of company contact, 24-hour customer service and multiple communication channels, such as phone, e-mail and postal mail," said Ms. Fischer.



"Interrupting people during dinner with unwanted, robot-like phone calls is not likely to increase sales, especially considering consumers prefer to be contacted by direct mail. Consumers are more responsive and likely to consider your product or service favorably when initial communications are made in less intrusive ways that allow them to interact on their own terms. Once they are your customers, consumers do want to establish a relationship with you and will welcome talking to one point of contact who understands the history of their business relationship and respects their boundaries."



MEREDITH FISCHER

Coauthor, "The New Household as a Managed Organization."
Vice President,
Corporate Marketing and
Chief Communications Officer,
Pitney Bowes Inc.

STRATEGIES FOR SUCCESSFUL BUSINESS COMMUNICATIONS

The study notes that businesses need to adopt more customized and customer-friendly communications to reach customers and cut through the clutter of information overload, and suggests the following strategies for successful business communications:

MAKE IT EASY FOR CUSTOMERS TO REACH YOU: Let customers pick when and how they want to reach you. For example, provide multiple access points to customer service such as the Internet, e-mail, telephone and fax.

OFFER SOLUTIONS, NOT HEADACHES: Businesses should seek ways to decrease the "work" of the household, such as empowering customer service agents to "make it right" right away, and updating customers on sales and promotions via their preferred communication method.

TARGET THE DECISION MAKER: Businesses should map the distinct skills and roles of individuals in the household. Develop indices, or portfolios, detailing skills, media preferences, mailing lists, information preferences, who is likely to handle follow-up, etc.

DEVELOP RESPONSE PROTOCOLS: Knowing when to expect solutions and closure to a particular transaction reduces householder uncertainty and frustration. Businesses should indicate, for example, that calls will be returned within 24 hours, letters within two business days, etc.

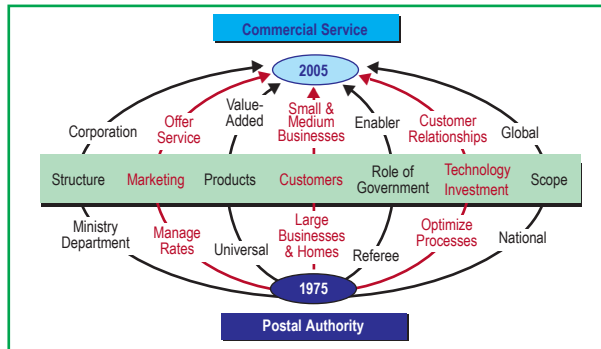
HUMANIZE CUSTOMER SERVICE: Households rarely separate the interaction with a company or its representatives from the product or service. Arm your customer service representatives with the tools and information to ensure that they can answer all customer inquiries immediately.

For more information on this study, log on to: www.postinsight.pb.com

PITNEY BOWES KEYNOTES MEXICO'S CONFERENCE ON POSTAL REFORM



Mexico's Secretaria de Telecomunicaciones y Transporte recently sponsored a conference on the Development of Mexico's Communications Infrastructure and Services. The conference was part of President Vicente Fox's initiative to encourage the process of public debate for the 2001-2006 National Development Plan. It included members of the postal and communications sector who gathered to discuss postal reform. Under the chairmanship of Dr. Gonzalo Alarcón, Director General of Sepomex, speakers included Mexico's DMA, leading mailing services firms Mega Direct, Total and Planet, and large mailers Banamex, RR Donnelley and Reader's Digest. Faustino Garcia, Pitney Bowes' Managing Director for Mexico, spoke on "Leading-Edge Postal Technology." Luis Jimenez, Vice President, Chief Strategy Officer for Pitney Bowes gave the keynote speech on "Postal Reform: A Global View." Excerpts from Mr. Jimenez's presentation follow:



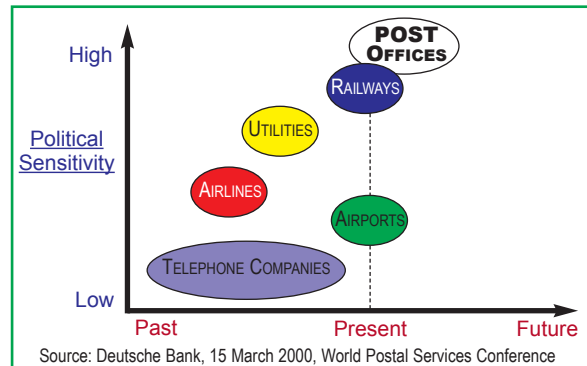
"To meet the demands of customers and stakeholders, Postal operators must respond to key challenges in their environment such as, changing technology and electronic substitutes; accelerating global alliances and new entrants; and regulatory and enterprise reform," Mr. Jimenez said. "In response, leading Posts have evolved significantly in the last two decades. They now have a commercial outlook, strive for profitability, and aspire to be independent." [See chart to left.]



MR. LUIS J. JIMENEZ
Vice President,
Chief Strategy Officer,
Pitney Bowes Inc.

Posts operate under greater pressures from more stakeholder groups with diverging interests than any other public enterprise. These stakeholders include: government, international bodies, customers, labor and employees, postal management, integrators, industry associations and industry suppliers. "National governments determine the strategic direction of Posts," commented Mr. Jimenez. "Many still want a fully regulated post. Others want a liberalized post. The governments of emerging markets typically position themselves somewhere between the two extremes. Customers, too, are often polarized in extreme positions between households and large mailers. And labor wants to preserve an often privileged status quo. Finally, postal management wants flexibility to compete as a commercial business, while often retaining monopoly advantages."

Posts are the last concerns to be deregulated, even for governments that have privatized other vast sectors, such as: telephone companies, airlines, airports, utilities, and railways. [See chart to right.]



Commenting on the pace of postal reform, Mr. Jimenez remarked, "Governments go through three stages in implementing postal reform.

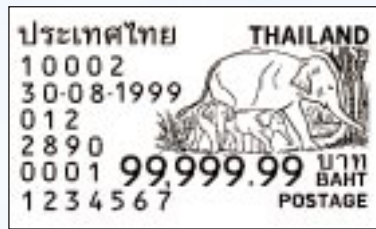
Stage 1: Thinking and talking about reform (US, Japan and Brazil). Stage 2: Implementing Reform (UK, France and Germany). Stage 3: Completed Reform (Sweden, Finland, New Zealand and Singapore)."

In conclusion, Mr. Jimenez noted, "Deregulation is a complex process. A well-structured regulatory reform process addresses four key dimensions of change in an orderly fashion:

- **AUTONOMY FROM THE GOVERNMENT OR CORPORATIZATION** which implies balancing concessions from the Government in exchange for reciprocal responsibilities acquired by the Post. This involves setting up a separate, accountable entity with its own governance, financial independence and financially unprotected in case of failure.
- **COMMERCIAL FREEDOMS** which allow an independent and well-managed Post to operate more efficiently using commercial business practices. This involves operating with private sector rules to manage employment level and costs, set prices, launch products, raise capital and establish alliances.
- **MARKET LIBERALIZATION** which addresses all potential issues between private entrants and the public operator. This involves gradually relaxing the monopoly rules by reducing the "reserved" area [by letter-weight limits and price of first-class postage].
- **OWNERSHIP (PRIVATIZATION)** which involves the distribution of shares among public and private owners."

"Deregulation is a complex process. It must address:

- a post's degree of autonomy from the government;
- its market, financial and business freedoms;
- the degree of competition in the mail markets [liberalization];
- the ownership of the post [privatization]."



BANGKOK, THAILAND
Pitney Bowes recently expanded its Asia Pacific direct operations with the opening of an office in Bangkok, Thailand.

According to Mr. Henri Ho, Vice President of Pitney Bowes Inc./Asia Pacific, "Valuable customers such as the Communication Authority in Thailand (CAT) and Thai Post, key financial institutions, such as Bangkok Bank, Citibank and American Express, and other commercial customers using Pitney Bowes products and services will benefit from the higher level of service and attention that a direct operation can provide."

With enhanced support from the Hong Kong regional office, the Bangkok operation is ready to deploy new solutions and services to Thai customers ranging from traditional document messaging management to cutting-edge e-commerce messaging solutions.



BEIRUT, LEBANON

The Lebanese Ministry of Posts and Telephony has given final approval to Pitney Bowes to supply an Enterprise Revenue Control System to the licensed Postal Operator, Libanpost. According to William R. Dale, Distribution Operations, Pitney Bowes, EAME (Europe, Africa and the Middle East), "Libanpost needed the most efficient, proven technology to enable mail users to conveniently pay for access to the postal delivery network with the least risk of fraud. Pitney Bowes' unique Postage by Phone System provided the solution."

The Enterprise Revenue Control System is based on Pitney Bowes proven Postage By Phone System for securely and remotely resetting postage meters (franking machines). Used by nearly 2 million customers globally, Postage by Phone controls the collection of over \$14 billion of postal revenue every year. Pitney Bowes' continued investment into research and development has enabled the development of the Enterprise Revenue Control System, which is currently licensed by more than 25 postal operators around the globe.

Libanpost is the first postal operator to licence Pitney Bowes Postage by Phone System in the Middle East. Several other Middle East posts are considering similar Postage by Phone licenses.



WASHINGTON, D.C.
James A. Euchner, Vice President, Advanced Concepts & Technology, Pitney Bowes, recently

moderated a panel at the World PaperCom Alliance Conference, "How Will Paper Survive in an Electronic World?" held in Washington, D.C.

According to Bob McLean, Executive Director, PaperCom Alliance, "The seminar offered valuable information to everyone whose business depends in some way on the continued use and growth of paper as a means of communication. The speakers and panels discussed how technology, legislation and regulation will affect organizations involved in paper-based communications. Our primary focus was considering how paper continues to be useful, and how it will change, in an electronic world."

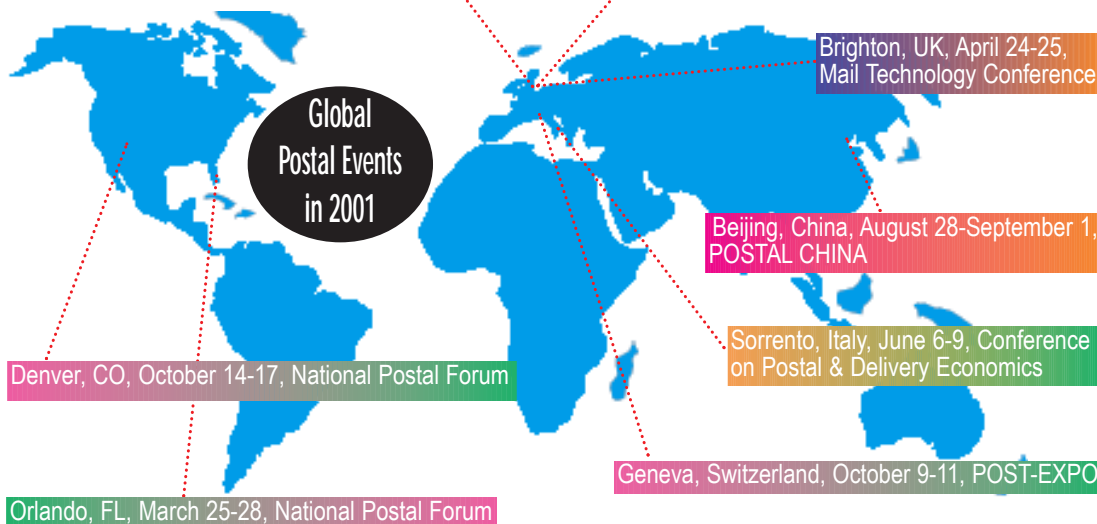
Pitney Bowes is proud to be the founding member of the PaperCom Alliance in the U.S., Canada, UK and Australia. Pitney Bowes' leadership role on the Board of Directors of the PaperCom Alliance is one more reason our customers consider us the "knowledge source."

London, UK, March 29-30, World E-Post Summit

London, UK, November 27-29, B2C Delivery Channels

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