



The Volly™ secure digital delivery service

The first secure, multichannel mail experience built around mailers' needs—and consumers' lives

Executive Summary

Pitney Bowes has announced plans to launch the Volly™ secure digital delivery service in spring 2011. This innovative service offers a truly customized experience that will transform how companies interact with their customers.

The Volly service replicates the role that mail plays in people's lives, so consumers can better organize, track and manage communications whether they opt for physical or digital delivery. For the first time, mailers can connect with consumers through a mutually managed experience that offers more choice, more control and more convenience than ever before.

This solution features an intuitive consumer interface built upon an unrivaled understanding of how customers interact with mail.¹ The Volly service consolidates and sorts bills, statements, coupons, catalogs and promotions all in one place, so individuals can enjoy secure, consistent, spam-free access to their mail and documents via a Web portal, smart phone or iPad™, as well as through physical mail.

With Volly capabilities, production mailers can now meet the growing demand for low-cost digital delivery without disappointing those consumers who prefer paper-based communications. This multichannel physical and digital mail solution integrates digital delivery and electronic payments into existing production mail workflows—and builds upon the existing relationships between Pitney Bowes and 74 percent of the nation's high-volume transaction mailers. When it comes to technologies, only Pitney Bowes offers a proven track record of success across payments, data quality, print stream engineering, information security, address cleansing, geocoding and digital document delivery.

For years, Pitney Bowes has been innovating to help organizations integrate physical and digital communications so they can connect with consumers more efficiently and more effectively. Building upon a strong commitment to physical mail delivery, the Volly service is a landmark innovation that takes this strategic vision to a new level.

The Consumer Perspective

Consumers embrace digital communication, but find value in mail

Consumers have embraced digital communication. While it took 38 years before radio reached 50 million users, more than 50 million iPods were sold in just three years. In short order, Facebook grew to 500 million users, and Twitter hosts more than 50 million tweets per day.

From 2007 to 2009, the amount of time consumers spent online jumped by more than 20 percent.² Yet despite the growth of this new online lifestyle, 84 percent of consumers still chose to receive paper statements, 367 billion coupons were printed and 13 billion catalogs were distributed.

Some consumers simply prefer things the way they are and don't want to change. Yet analysts confirm that 70 percent of customers could be convinced to give up paper statements if it were easy to manage their documents—and if they could receive digital mail more conveniently without having to log in at a different website for each company with which they do business.³ What consumers demand is a single platform that consolidates and simplifies bills, statements, payments, coupons, catalogs, and even scanned copies of important household documents—where mail is delivered in a way that matches their individual preferences.

Even in today's multichannel environment, no one has yet been able to replicate electronically the role played by mail in a consumer's life. That is about to change.

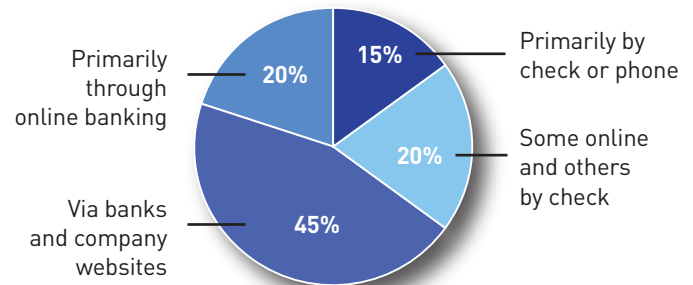


Pitney Bowes understands what consumers need in a multichannel solution

While nearly 80 percent of all North Americans use the Internet,⁴ organizations in the U.S. still sent 170 billion pieces of physical mail this past year. Why? Because, over time, consumers have developed personalized "systems" to manage these communications. These systems are highly customized by household and reflect specific attitudes, behaviors and differences involving how consumers pick up, sort and prioritize mail; what they choose to keep and file; who pays bills and how those bills are paid; and the disposition of mail once reviewed.

Typically, one member of the household is in charge of mail handling, but some responsibilities (such as paying bills) may be shared by two or more adults. There are significant differences in how various customers use technology. When it comes to bill payment, some choose online methods while others receive and pay bills through physical means. The way households interact with mail is disjointed, inefficient and time-consuming. The increase in bill payment alternatives has resulted in greater complexity and frustration. Unwanted mail contributes to clutter and waste, although consumers express great interest in targeted offers and coupons.

Consumers handle bills differently



Monitor Group, Pitney Bowes sponsored research, August 2010

In the past, organizations have tried to encourage consumers to switch from paper to Web portals or email. The Volly™ secure digital delivery service is unique in that it provides the customized, multichannel experience that consumers have long desired. Secure, spam-free and available at no cost to consumers, the Volly service offers:

- Mail consolidation, including bills, statements, payments, catalogs, coupons and promotional offers.
- Channel choice, including physical delivery, Web portals, smart phone, tablet computers and new apps still to come.
- A mutually managed experience that allows consumers to interact with their mail when they want, where they want and how they want.

Consumers can interact with the Volly service based on their individual needs—and change preferences whenever they like. Every day, consumers will discover new ways to engage the rich features and functionality, such as bill pay, shopping and saving tools; organizing, remembering and archiving mail; up to and including secure document destruction.

The Mailer's Perspective

Mailers drive toward digital delivery with mixed results

While there are millions of businesses in the United States, nearly one third of all commercial mail is produced and sent by a few hundred companies. The sophisticated technologies those companies use to create, produce and prepare that mail are sometimes referred to as Automated Document Factories. In recent years, these operations have become increasingly data-driven, taking on a more important role in an organization's overall customer communication strategy. As Madison Advisors notes, Automated Document Factories "now include data management, content management and integration, color management, and document composition functions previously found upstream."⁵

With such data-driven technologies already in play, it is not surprising that organizations have tried to encourage their customers to adopt paperless communications. From an economic vantage point, digital delivery opens the door to significant cost savings. High-volume mailers may spend anywhere between 50 and 80 cents to print and mail a paper statement, while the same communication sent electronically may cost between eight and 15 cents.

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Over the past five years, companies have tried to persuade their customers to switch to email and Web portals using a variety of tactics. Initially, they appealed to those who perceive digital communications to be more environmentally friendly than paper alternatives. Some provided other incentives, such as rewards points or better pricing. Most recently, some businesses have experimented with penalties. In 2009, for example, T-Mobile imposed a \$1.50 fee for paper billing, but quickly reversed that decision after unexpectedly strong consumer backlash.⁶

While both consumers and mailers find value in digital communications, no one to date has been able to replicate in digital form the role mail plays in a consumer's life.

- Many organizations will admit that they struggle in delivering a consistent experience across multiple channels.
- Consumers are not looking to substitute one channel for another; they want to engage with their providers in different ways on different days, which may depend on where they are or what task they are trying to accomplish.
- For all their inefficiencies, households have developed systems to consolidate information, pay bills, organize documents and take advantage of promotional deals using the mail.

With the launch of the Volly™ digital delivery service, Pitney Bowes has delivered a secure approach to producing both physical and digital mail. By engaging consumers through a mutually managed experience, organizations can save money and meet the needs of their customers.



Mailers benefit from lower costs, seamless integration and branded customer experiences

In 2011, Pitney Bowes will introduce a totally new solution: a secure, online, spam-free digital service that will allow people to interact with their mail and documents just as they do in the physical world—whether they are sitting at their computer or in a mobile setting using their smart phone or iPad.

For high-volume production mailers, this innovation provides several clear advantages.

The ability to deliver documents based on consumer preferences will increase the number of communications sent using low-cost digital delivery. For some companies, this will translate into savings of tens of millions of dollars a year.

In addition to cost savings and reduced capital expenditures, the Pitney Bowes approach is unique in that it has been built upon a keen understanding of the production mail environment and the needs of high-volume mailers. With Pitney Bowes, organizations can:

- Leverage their existing infrastructure and generate digital output via their existing document factories.



- Generate both physical and digital mail using the same print stream, satisfying consumer demands for true multichannel communications.
- Enjoy streamlined implementation, reduced start-up costs and turnkey integration with existing data sources.
- Help satisfy regulatory compliance and maintain an audit trail that tracks when, how and to whom communications were sent.

With the Volly™ secure digital delivery service, organizations will be able to maintain and improve their brand exposure among customers and prospects. Mailers will be able to feature their logo, control content and promote special one-to-one offers just as they do today. Overall, this platform makes it easier for companies to strengthen relationships, engage customers and make the most of every touchpoint.

The Volly service is ideal for document outsourcers and service bureaus

If you are a service bureau or provider of strategic document outsourcing services, the Volly service will enhance the value you provide while creating new revenue opportunities for you. Volly capabilities will help your clients see the benefits of multichannel communications, making it easier to move them to color communications with variable data, in print and digital formats. You will also be able to help your clients integrate data and documents into existing business processes, archive documents for future reference, and deliver those documents to a secure, digital consumer mailbox.

Competitive Advantages of Pitney Bowes

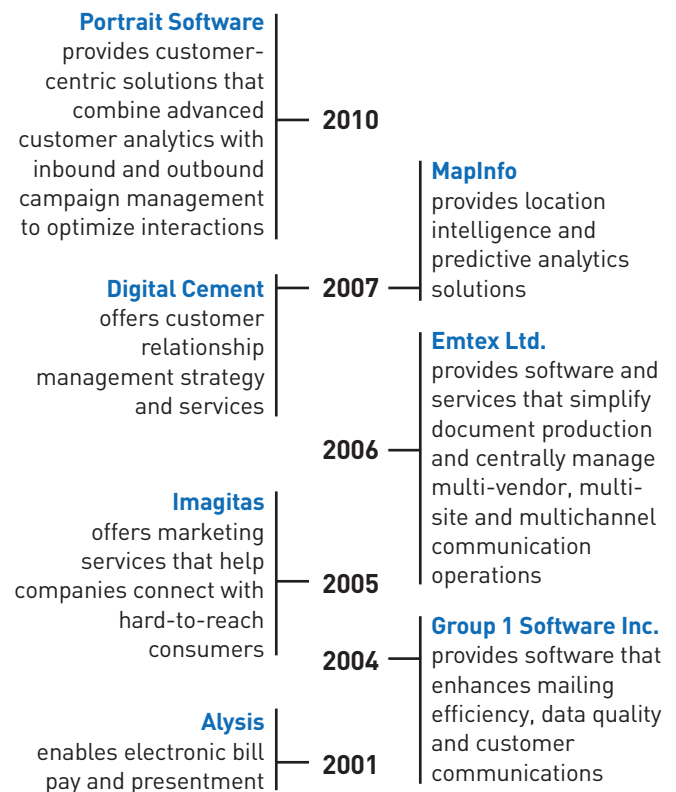
Pitney Bowes offers a proven track record in digital and multichannel communication

Pitney Bowes invented the hand-cranked postage stamping machine in 1920, and since that day has established a legacy of innovation, security and added value. In the realm of production mail, top mailers see Pitney Bowes as an advanced, multifaceted company—a company that has introduced many of the innovations and technologies that have helped mailers become more data and digitally oriented.

Senior executives in IT, marketing and operations also rely on Pitney Bowes for a broad range of solutions that have nothing to do with physical mail. Most of these Customer Communications Management solutions are driven by new software and Software-as-a-Service (SaaS) applications, and over the past 10 years Pitney Bowes has grown to become one of the largest software companies in the world.⁷



Since 2001, Pitney Bowes has invested \$2.6 billion in 90 acquisitions. This infusion of talent, technology, expertise and intellectual property—primarily in the field of software and multichannel communications—has added the capabilities required to offer a secure, reliable, trustworthy digital mail delivery system. Now, Pitney Bowes has capitalized on these assets to bring the Volly service to market in a real and tangible way.





Today, Pitney Bowes has integrated these acquisitions into its core business. While reaffirming its commitment to physical mail delivery, it now provides new value to even more organizations.

Equally relevant is Pitney Bowes' experience in managing the secure flow of payments and funds. The Pitney Bowes Bank was established in 1996. Last year, the bank disbursed \$11 billion electronically, took in \$5.1 billion in deposits and provided more than \$3 billion in financing—securely managing tens of millions of financial transactions.

Pitney Bowes technology: Secure, proven, flexible

As a Fortune 500 Company, Pitney Bowes brings broad-based financial strength to this field, including \$5.6 billion in annual revenue and free cash flow of more than \$650 million.

Pitney Bowes has operated at the convergence of physical and digital communications for decades. Since the 1970s, the company has pioneered electronic forms of commerce and communications, and filed for patents on the basic technology underlying the Volly™ service nearly 10 years ago. Through this commitment to innovation, Pitney Bowes enables corporations, organizations and governments to create and process multichannel communications that are then delivered to hundreds of millions of customers.

Pitney Bowes: Uniquely qualified in this emerging market

- Current relationship with 74 percent of high-volume mailers across U.S.
- More than \$650 million in free cash flow
- 90 years' expertise in encryption and payment security
- Scalable systems that capitalize on mailers' existing infrastructure
- Intuitive user experience that promotes mailers' brands
- Leadership in Customer Communication Management technologies
- One of the world's largest software companies, according to *Software Magazine*
- Proven coverage across the full mailstream—both paper and digital



Pitney Bowes consistently ranks on the Intellectual Property Owners list of top U.S. patent holders. While some can talk about the technology of tomorrow, Pitney Bowes delivers world-class solutions today. The most recent Forrester Wave™ on Enterprise Data Quality Platforms, for example, ranks Pitney Bowes technology as one of “the most mature, robust, and comprehensive data quality and data profiling solutions available.”⁸ Industry analysts also rate Pitney Bowes technologies among the top performers for Document Output for Customer Communication Management⁹ and Automated Document Factory 2.0,¹⁰ while recognizing the company for overall innovation.

It's no wonder that 74 percent of all high-volume transaction mailers in America choose Pitney Bowes to help ensure that the right message reaches the right person in the most efficient way possible.



Volly: Only from Pitney Bowes

Pitney Bowes, the long-standing innovator in physical and digital communications, is uniquely positioned to bring a secure, digital delivery service to market, and in 2011 the Volly™ service will replicate the role mail plays for both consumers and mailers in a new multichannel environment.

For consumers, this means a secure, value-added experience that makes it easier and more convenient to manage bills, statements, payments, coupons, catalogs and promotional offers. Instead of jumping from website to website, individuals can now enjoy no-cost, spam-free access to a broad range of services—whenever they want, wherever they are, using today's most advanced technologies.

For mailers, this entrée provides a secure digital delivery service built around the same workflows and processes used to generate print streams today. Now, instead of resisting consumer preference, mailers can deliver a customized, multichannel experience using seamless, proven technologies.

For all parties, this launch will deliver a breakthrough in customer communications, a natural extension of the Pitney Bowes business and one more example of how Pitney Bowes delivers on its brand promise:

Every connection is a new opportunity™

¹ Monitor Group. Pitney Bowes sponsored research. August 2010.

² Forrester: What Every Exec Needs to Know about Ecommerce, 2010

³ Forrester: Pulling the Plug on Paper Statements, September 2008

⁴ Internet World Stats, Internet Usage in North America, June 2010, www.internetworldstats.com

⁵ Emerging Trends in the Automated Document Factory, DPS Magazine, May 2010.

⁶ SmartMoney.com; Is It Time for You to Go Paperless? March 2010.

⁷ Software Magazine. 2010 Software 500, October 2010.

⁸ Discussing The Forrester Wave™: Enterprise Data Quality Platforms, Q4 2010, Rob Karel, Forrester Blogs, October 2010.

⁹ The Forrester Wave™: Document Output for Customer Communication Management, 2009.

¹⁰ Gartner, Inc. MarketScope for ADF 2.0, 2008.

To learn more:

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