

US Postal Service

Market Research and Findings

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DMBA

Executive Summary

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The First Class Mail Service has proved to be a valuable service for connecting intimately in the past.



Executive Summary



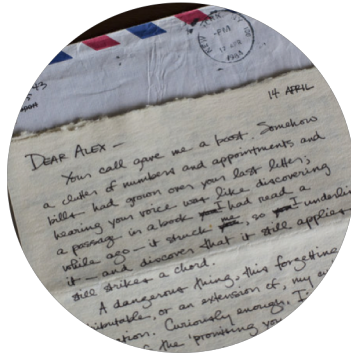
While today the First Class Mail Service is associated with junk mail, there is an opportunity to deliver valuable experiences to remain relevant.

Executive Summary

Millennials want to experience:



Beauty



Intimacy



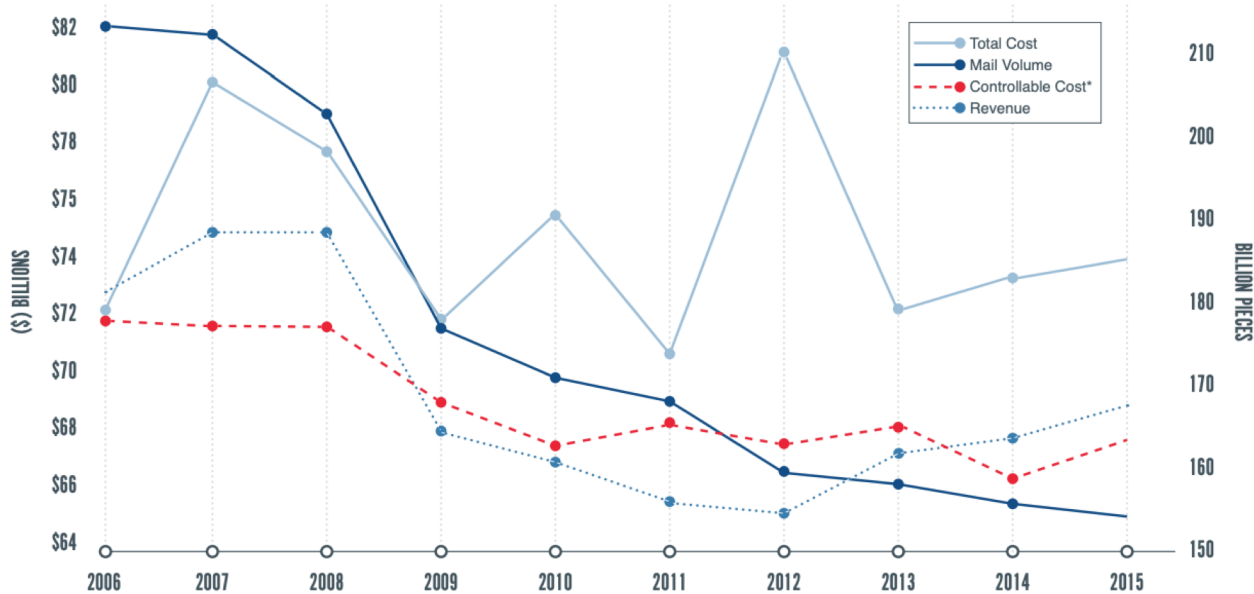
Trust

A stack of USPS Priority Mail boxes and a flat rate box is shown on a porch. The top box is a Priority Mail box with the text "PRIORITY MAIL" and "UNITED STATES POSTAL SERVICE" visible. Below it is another Priority Mail box, and at the bottom is a Medium Flat Rate Box with the text "MEDIUM FLAT RATE BOX" and "ANY WEIGHT". A "TRACKED INSURED" label is visible on the bottom box. The background shows a brick wall and a concrete porch.

Is USPS delivering?

The USPS Challenge

Figure 1. The U.S. Postal Service Total Revenue, Expenses, and Volume Trends (2006 to 2015)¹



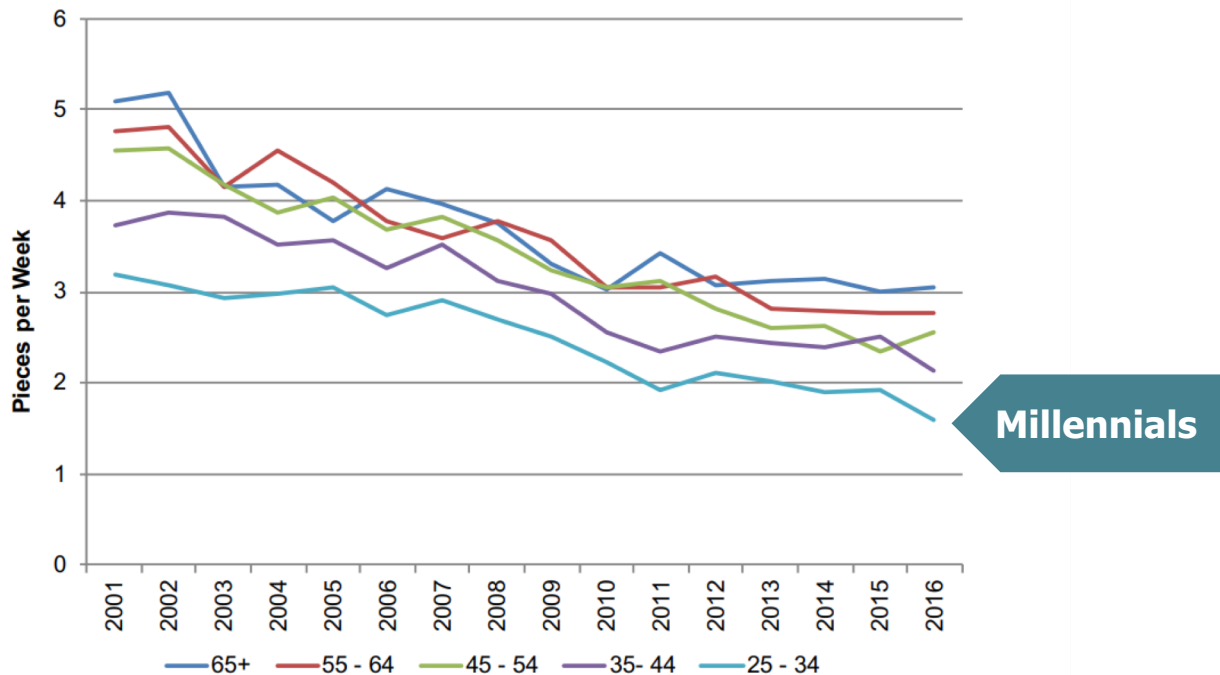
Fiscal year end

¹Before RHB pre-funding, FERS unfunded liability amortization and non-cash adjustments to workers' compensation liability

Mail volume and revenue decreased from 2006 - 2015.

The USPS Challenge

Figure 5: Correspondence Mail Sent and Received per Week by Age of Household Head



Millennials use correspondence mail the least.

The **USPS** Challenge

Millennial perceptions and USPS opportunities

Social media 

Receiving personalized notes or cards 

Relevant marketing mail 

Process of sending mail 

Paying bills through the mail 

The **USPS** Challenge



Social media has created a new landscape of communication and connection for Millennials.



How can we save USPS
by engaging Millennials
and future generations?

Research Objectives

1. To learn about the **Millennial Generation**'s interaction with and perceptions of the USPS
1. To uncover **valuable experiences** for Millennials that USPS can deliver
1. To **discover channels** that can provide these experiences and **increase USPS First Class Mail revenue**
1. To identify **new streams of revenue** for USPS or reignite existing channels

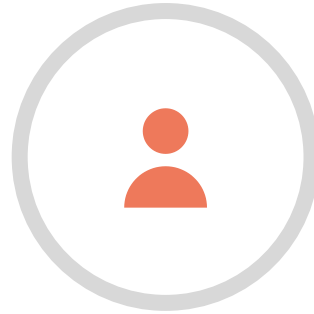
Primary Research - Methodology



Conducted Street-Intercepts



~ 10 minute interviews



**15 participants
Randomized
Every 5th person**



**4 screeners
6 questions**

Primary Research - Inclusion Criteria



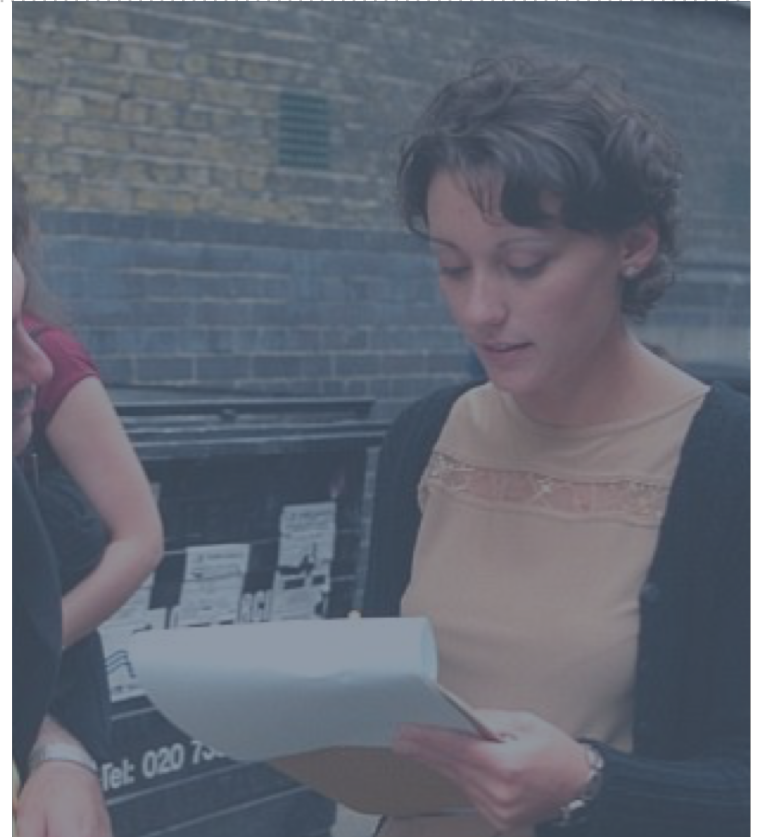
- ✓ Age range **23-38 years old** (1981-1996)
- ✓ Have both a **mailing address** and an **email address**
- ✓ Is an active **social media user**, using one account at least once per week.

Primary Research - Questionnaire

Open-ended questions

Focused on **connection** to others

Example: What kinds of **experiences** do you want to evoke when you communicate with others? **And why?**



Primary Research - Methodology

Location 1

Whole Foods Market
Potrero San Francisco, Ca.



Primary Research - Methodology



Location 2

Berkeley Bowl Marketplace
Berkeley, Ca.

What We Found



Beauty



Intimacy



Trust



Confusion

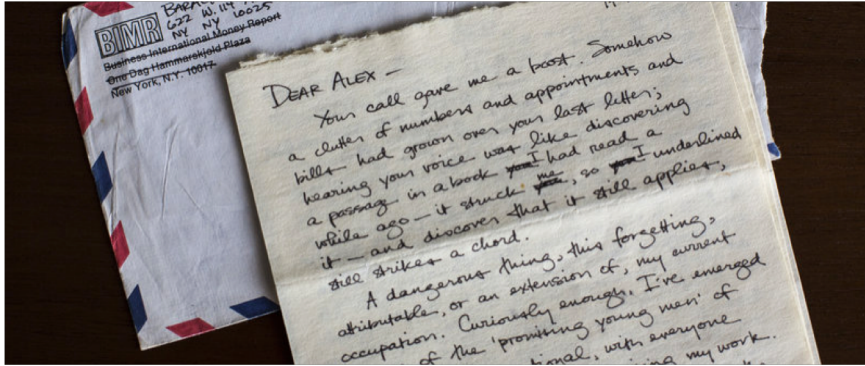


“You can actually give *beauty* to someone”



“Email format is standardized, not personal like letters”

Intimacy



“There’s *no audience* for the contents of a card”

“Someone paid \$0.49 for me!”





“USPS is *unreliable*;
things go missing”



“Social media doesn’t
say how someone
really feels.”

Jaded & Confused

?



“I don’t even check my mailbox because it’s *all junk.*”

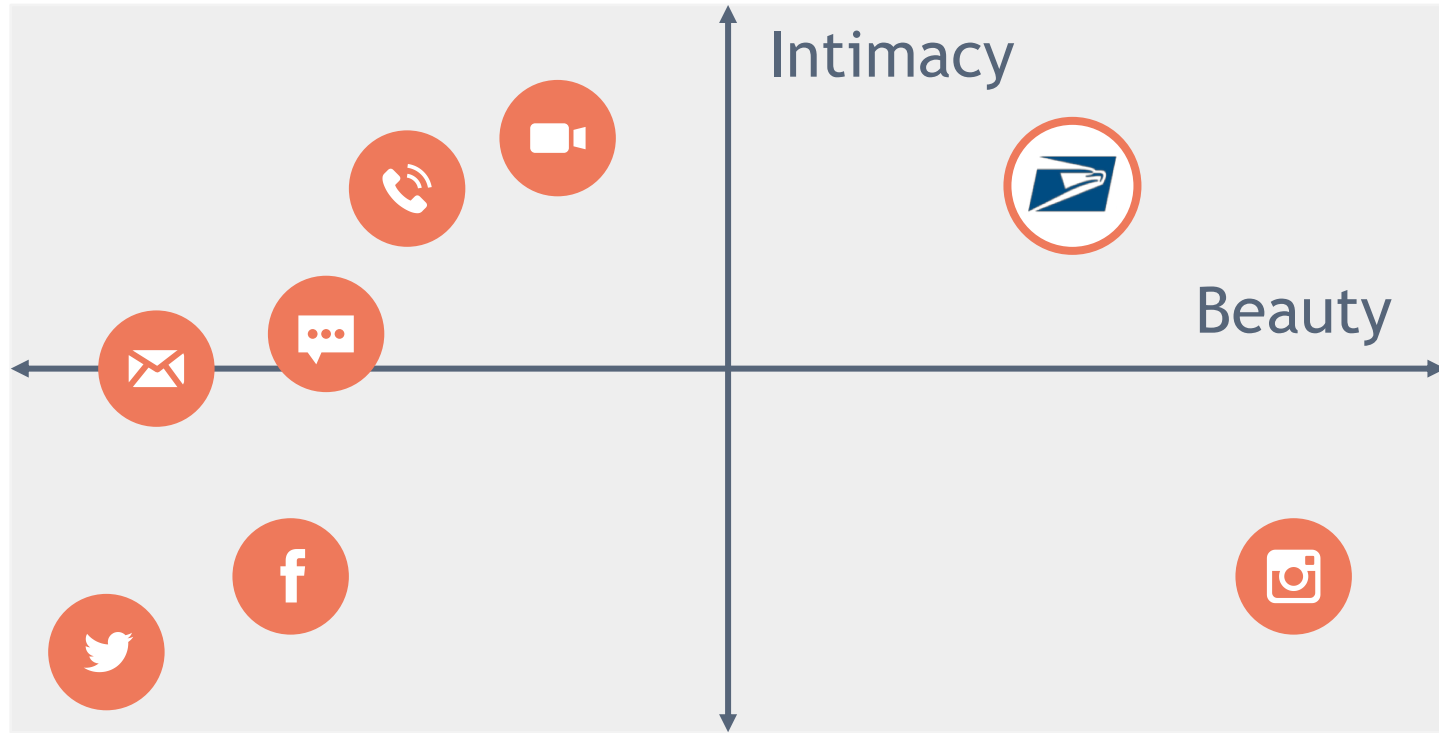
“I never have the *right* postage.”

First Class Package Service - 2018 Rates (Commercial Base Pricing)

INCREASE PER PACKAGE - 2018 rates vs. 2017 rates

Mailpiece Weight	2018	2017	Increase
1 ounce	\$2.66	\$2.61	\$0.05
2 ounces	\$2.66	\$2.61	\$0.05
3 ounces	\$2.66	\$2.61	\$0.05
4 ounces	\$2.66	\$2.61	\$0.05
5 ounces	\$2.79	\$2.77	\$0.02
6 ounces	\$2.92	\$2.77	\$0.15
7 ounces	\$3.05	\$2.77	\$0.28
8 ounces	\$3.18	\$2.77	\$0.41
9 ounces	\$3.34	\$3.32	\$0.02
10 ounces	\$3.50	\$3.46	\$0.04

Opportunity



Here's what we recommend USPS further explores



Recommendation: Beautiful Boxes



- Beautiful packaging matters
- Curated boxes to simplify mail-writing process
- Potential partnerships



Recommendation: Community Space



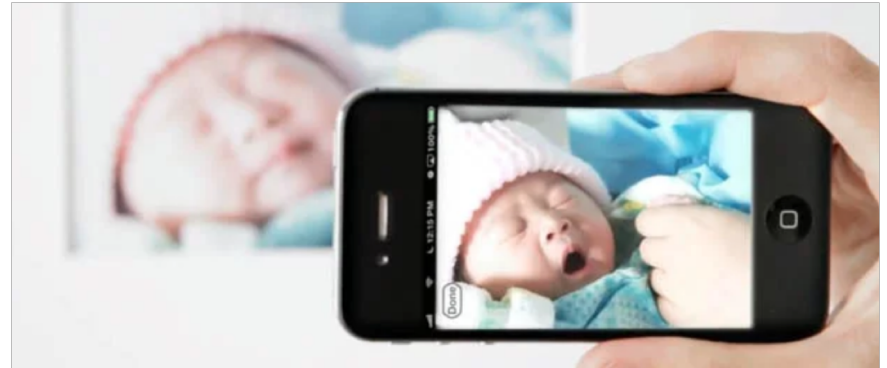
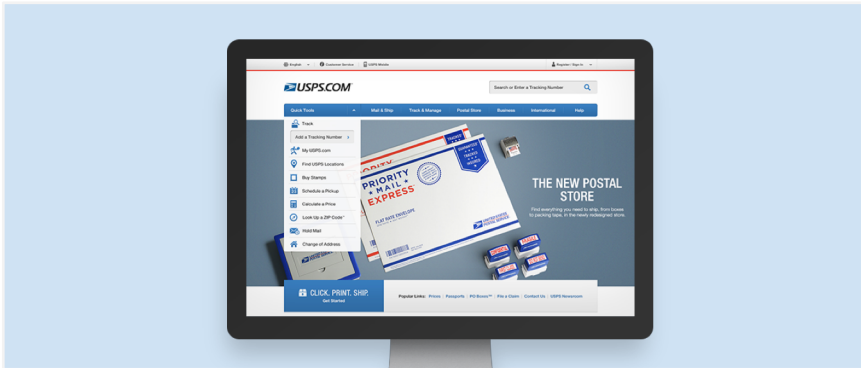
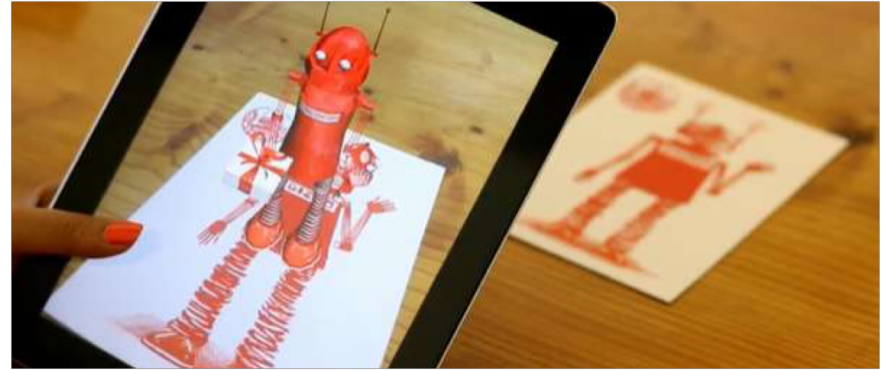
- Historic architecture
- Turn underutilized space into beautiful, intimate gathering spaces for meetups or writing
- Potential partnerships with coffee shops



Recommendation: Smart Mail



- Augmented reality
- Novel mode of communication with an element of surprise
- Secure, trusted mail delivery
- Blending digital aspects in the physical world



In Conclusion: Challenge or Opportunity?

Challenge



Millennials seek



Recommendations



BRAND STATEMENT

USPS exists to provide millennials in North America with **artifacts of relation**. In so doing, it provides **beauty, intimacy, and trust** through the use of personalized materials, community spaces and modernized legacy services

Thank You

 **PRIORITY[®]**
MAIL
UNITED STATES POSTAL SERVICE

Schedule package pickup right from your home or office at usps.com/online.
Print postage online - Go to usps.com/postageonline.

PLEASE PRESS FIRMLY

PLEASE PRESS FIRMLY

DMBA

Appendix:

Priority Matrix

