THE STATE OF THE INDUSTRY, PART TWO

In this issue, we take a look at how mailers rate the USPS performance, their views of the mail industry, predictions for the future, and more.

By Amanda Armendariz

It's always interesting to see the results from our annual surveys and how they change from year to year. This year's results were fairly encouraging; for the most part, people are satisfied with the USPS performance, they believe that their mailed communications have a positive effect on their customer relationships, and they welcome new USPS programs like Informed Visibility and Informed Delivery. If this optimism holds, it seems as if 2018 is going to be off to a great start!

Of course, that's not to say there aren't issues. We still do not have a confirmed Board of Governors, which means that there will be no promotions in 2018 unless that gets resolved. This could be one of the biggest issues facing mailers, since while only 40% of our respondents took part in the promotions this year, it's a known fact that these promotions can save up to two percent on postage costs — which is not a small number when you consider the volume mailed every day! Hopefully this issue is resolved as soon as possible.

Regardless, please enjoy this year's survey results (which are interspersed with quotes from our readers on what they think of the state of industry — please remember these are the viewpoints of our readers and not necessarily Mailing Systems Technology). As always, feel free to drop me a line at amanda.c@rbpub.com to let me know what you think.

USPS Performance

When asked to rate the USPS's performance, the vast majority of our respondents rated the organization either "good" or "excellent."

- Excellent
- Good
- Fair
- Poor

7.02%
19.30%
12.28%
61.40%
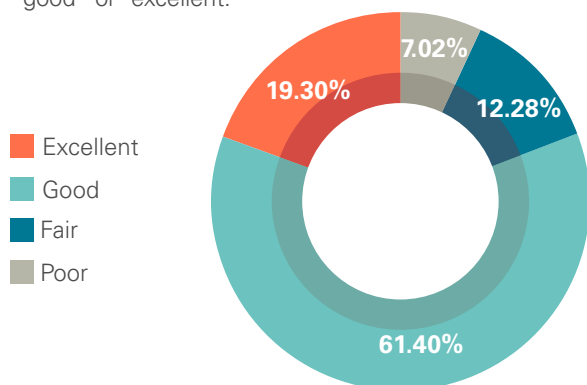
The declining mail volumes and corresponding loss of revenue is a hot topic of industry discussions. Our readers are split as to whether or not the USPS is handling this decline appropriately.

- Very confident
- Somewhat confident
- Not at all

7.02%
38.60%
54.39%
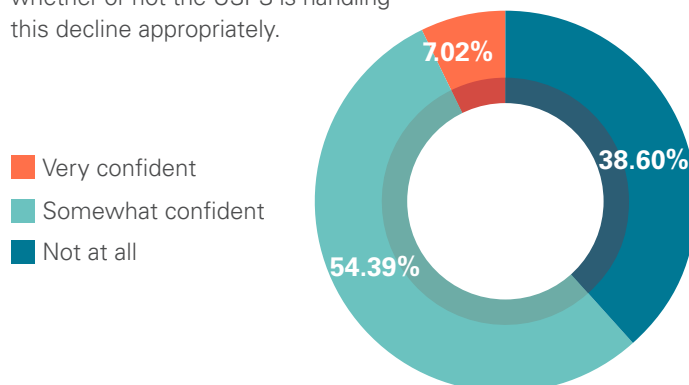
"I am a small-volume shipper (under 500 packages in an average month, sometimes more) and most of my packages are lightweight (under a pound). USPS has always provided excellent service for me. I love the USPS for what I do and feel it is on the right track for smaller businesses like mine."

On the bright side, most folks think that the Postal Service is taking the right steps to change how it does business in the face of increased electronic communications.

58.62% YES   **27.59% NO**   **13.79% OTHER**

"**Each separate post office needs to work together as one organization. The workers in the post offices need to be regularly trained on the same processes so that if you go to any post office, you get the same answer. Large businesses need a better solution to manage their mail, PO boxes, caller services, permits, etc.**"

Not surprisingly, the biggest problem that our respondents had with the USPS is that the regulations can be confusing and burdensome (which is why it's so important to utilize resources like Mailing Systems Technology, your local USPS representative, PCC meetings, and more — these are great avenues to get your questions answered!)

|	
Address corrections	**3.45%**
Communication/information	**10.34%**
Delivery accuracy	**6.90%**
Flexibility	**0.0%**
Hours of operation	**3.45%**
Inconsistency	**8.62%**
Mail acceptance	**0.0%**
Pickups/drop-offs	**3.45%**
Postal personnel	**3.45%**
Rates/pricing	**3.45%**
Regulations confusing or burdensome	**27.59%**
Reliability	**1.72%**
Returned mail	**1.72%**
Supplies availability	**5.17%**
Timely delivery	**6.90%**
Tracking	**5.17%**
None	**8.62%**

Evaluating the USPS Initiatives and Programs

Some of these changes include initiatives like Informed Delivery, where a recipient will be able to get an email notification of the physical mail that is currently waiting in their mailbox. While not even a fifth of our recipients think this will definitely make no difference as to how people will interact with their mail, the vast majority is split between thinking it's a great idea and being undecided as to its impact.

- It's great; it's going to really help hard-copy mail remain relevant in a digital world.
- Eh, it's kind of interesting, but I think once the novelty is lost, people are going to quit using it; it has no real purpose.
- It's pointless and does nothing to help physical mail.
- I haven't heard of this initiative.

32.76%   44.83%   18.97%   3.45%
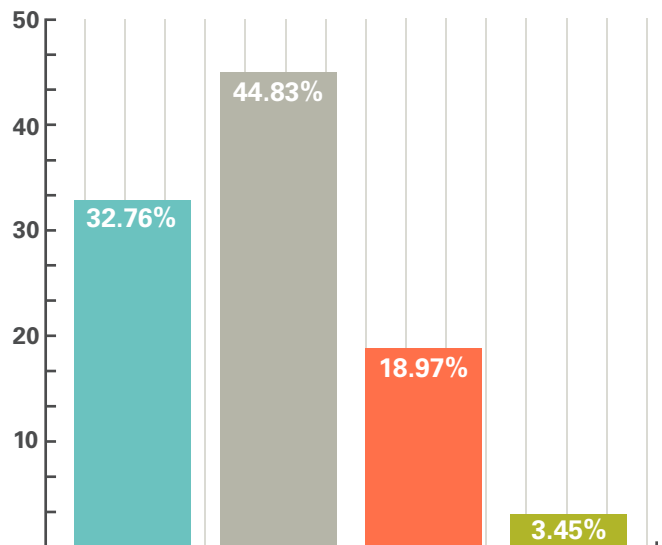
When it comes to Informed Visibility (a USPS program that allows the Postal Service to provide visibility of the physical mail piece all the way through the last mile, alerting the sender when the mail piece arrives at the intended address), people are split evenly as to whether it's a great idea or its potential has yet to be determined. Only 15% think initiatives like this are unnecessary and won't do anything to help the USPS remain relevant.
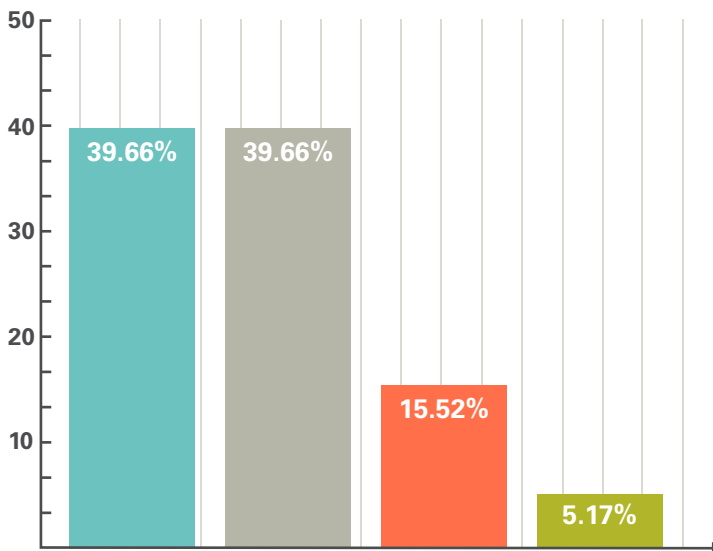
- Wonderful! Especially with the usage of multi-channel communications, this will be a boon for both the USPS and mailers.
- I'm undecided.
- I think it's unnecessary and will not do anything to help the USPS remain relevant in the digital age.
- I haven't heard of this initiative.

"I am very concerned about the USPS performance with the IMB. Not all facilities have the correct equipment and our tracking scan rate is under 50%, so by marketing Informed Visibility and mail tracking, it really puts mailers at a disadvantage. Clients expect all the mail to be tracked or scanned but in reality, it is under 50%."

"USPS does an outstanding job given how its competitiveness with private carriers is hampered by Congress and PRC. PCCs are also an unrecognized outreach that bring true value to mailers and mail industry participants."

A few years ago, going down to five-day delivery was a hot topic among mailers. That option has effectively been taken off the table, especially in light of how many packages the USPS is delivering on Saturdays. However, back in May, President Trump made some comments regarding five-day delivery and the savings it could provide. Our respondents were almost exactly evenly split as to whether or not this was an idea that should be revisited (which surprised me, I'll admit — I thought far fewer folks would be in favor of potentially cutting a delivery day).
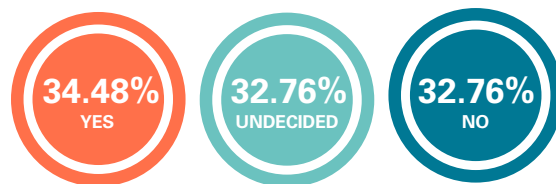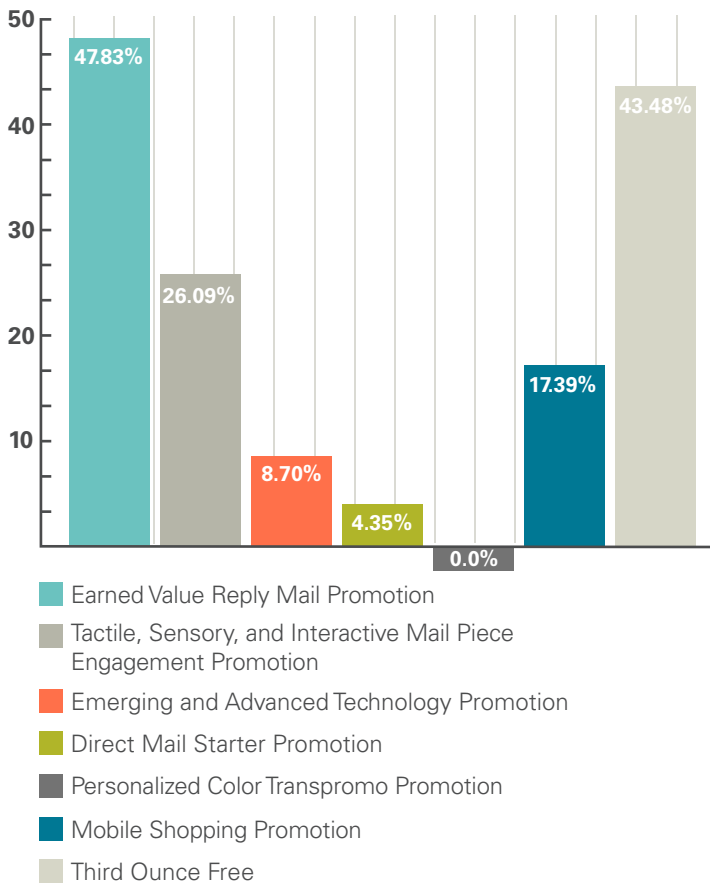

- Yes, going down to five-day delivery would help the USPS get on better financial footing.
- Undecided.
- No, the savings would not be significant enough to consider this.

Only 40% of our respondents took part in the USPS promotions this year. This may be a question we won't need to ask next year if the USPS doesn't have a Board of Governors to announces promotions for 2018!


Yes
No
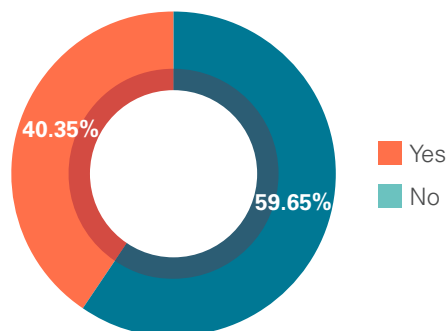
For those mailers who did take part in the promotions this year, the two most popular, by far, were the Earned Value Reply Mail promotion and the Third Ounce Free promotion.

- Earned Value Reply Mail Promotion
- Tactile, Sensory, and Interactive Mail Piece Engagement Promotion
- Emerging and Advanced Technology Promotion
- Direct Mail Starter Promotion
- Personalized Color Transpromo Promotion
- Mobile Shopping Promotion
- Third Ounce Free

"Frankly, the USPS is much like any other government bureaucracy. It's too large, inefficient, and out of touch with mailers. Its regulations and representatives are geared around mailing made easy for the post office, not for the mailer. Zero creativity or innovation… Congress should give serious consideration to full privatizing the post office or leasing it to a private company to run."

Mail in the Digital Age

Mail volumes are down, yet studies repeatedly show that mail is one of the most trusted communication methods among all age groups. For the majority of our respondents, this has been their experience.
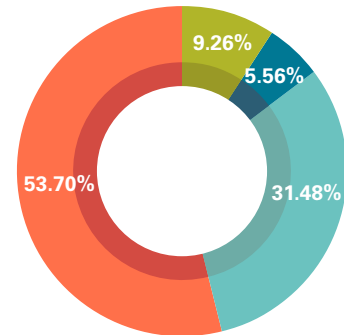
- Yes, direct mail is one of the best ways to engage with our customers, and we get great results from it.
- I'm undecided; I think mail is important, but yet we don't get the results we used to.
- No, I think mail is going to go by the wayside; we get better results from our digital efforts.
- Other

When it comes to electronic communications, the vast majority of our respondents embrace this avenue (which is good, since as we all know, hard-copy and digital mail can work together to create the ultimate customer experience!)
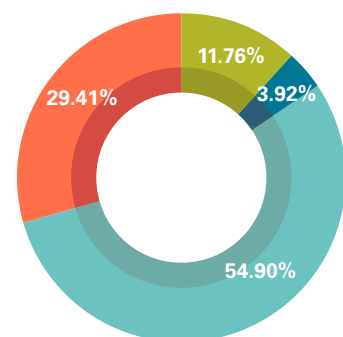
- I embrace e-communications and have taken responsibility at my company to assist in or manage them.
- I embrace e-communications but have not done anything at my company to assist in or manage them.
- I am against e-communications because I am fearful there will not be a job for me in the future.
- I am against e-communications because I personally like information in hard-copy format.