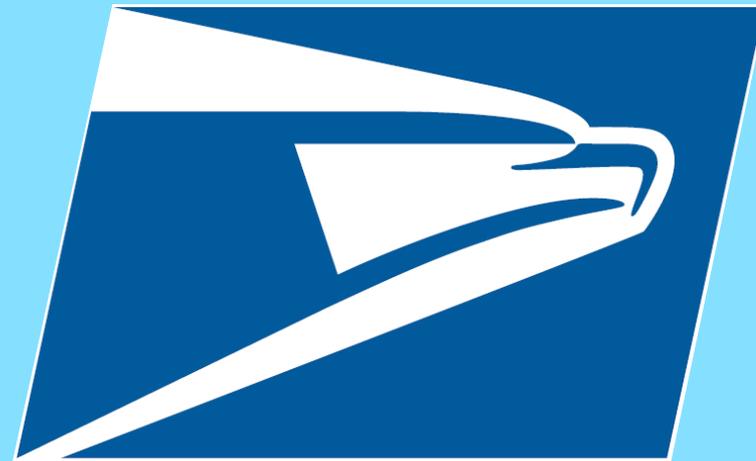


USPS Mail Moments 2016 Review

Phil Vinnedge- USPS
Conducted by Summit Research
March 2016





Overview

Summary

Methodology

Findings:

Overall Mail Attitudes

Customer Behaviors

Generational Differences

Bills Management

Bill Payment

Digital Options



In Summary

- Overall mail engagement has increased since 2012, and Millennials are as at least engaged with the mail as non-Millennials.
- Regardless of age, most consumers get their mail at the first opportunity and then sort at first opportunity (usually same day)- indicating high value of mail.
- Though they receive less mail overall, Millennials spend more time sorting their mail and are more active consumers of mail.
- Over half of households have a “payment plan” they keep updated regularly. Frequency of creating and maintaining this billing process increases with age.
- The role of bills in the mail is still important to all generations – though Millennials are more comfortable with digital-only options.
- Nearly half of households consider pure online bill receipt and payment undesirable, though undesirability increases with age to just over third of Millennials (34%) to over half of Boomers (54%).
- Even if there was a easy-to-use integrated billing portal, most would still want some bills or statements sent via mail.



Methodology

An online survey was conducted to understand mail behavior and mail habits overall and as it relates to billing

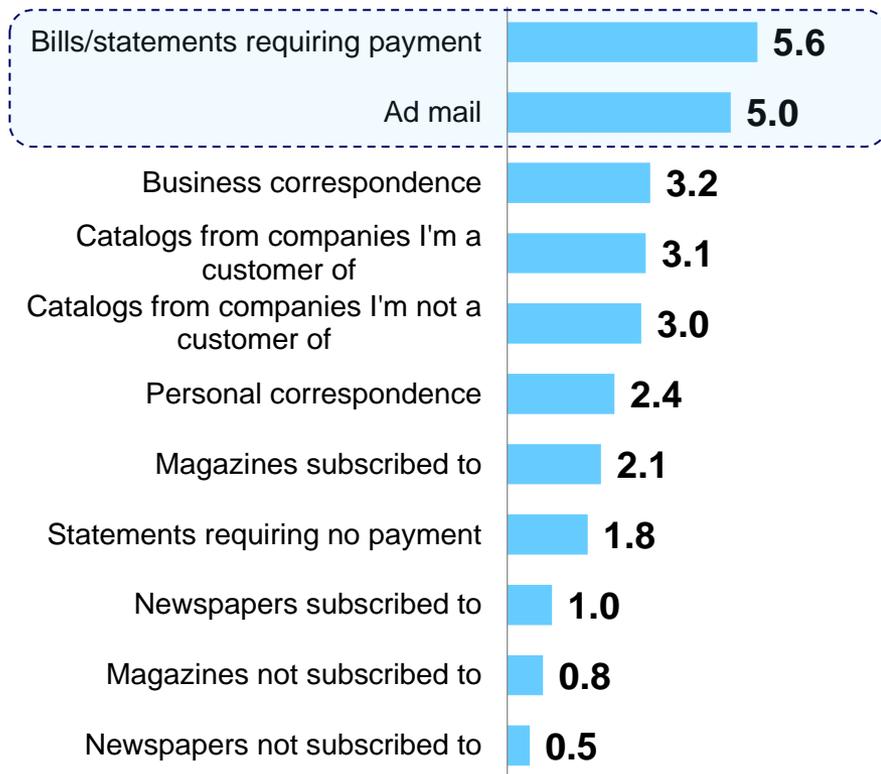
- Fielded Feb 26-Mar 9, 2016
- Base size=1545 consumers
- Participant requirements:
 - Male or female head of household
 - Involved with mail sorting, making shopping lists/grocery shopping, and/or bill management
 - Age and ethnicity matched to Census



Findings: Overall Mail Attitudes

Business correspondence and statements not requiring payment are usually not saved.

Piece of Mail Per Month



The high volume of bills and ad mail reinforces the importance of this type of mail

% Discarded

Business correspondence

67%

Statements that don't require payment

63%

Bills or statements requiring payment

46%

Personal correspondence

40%

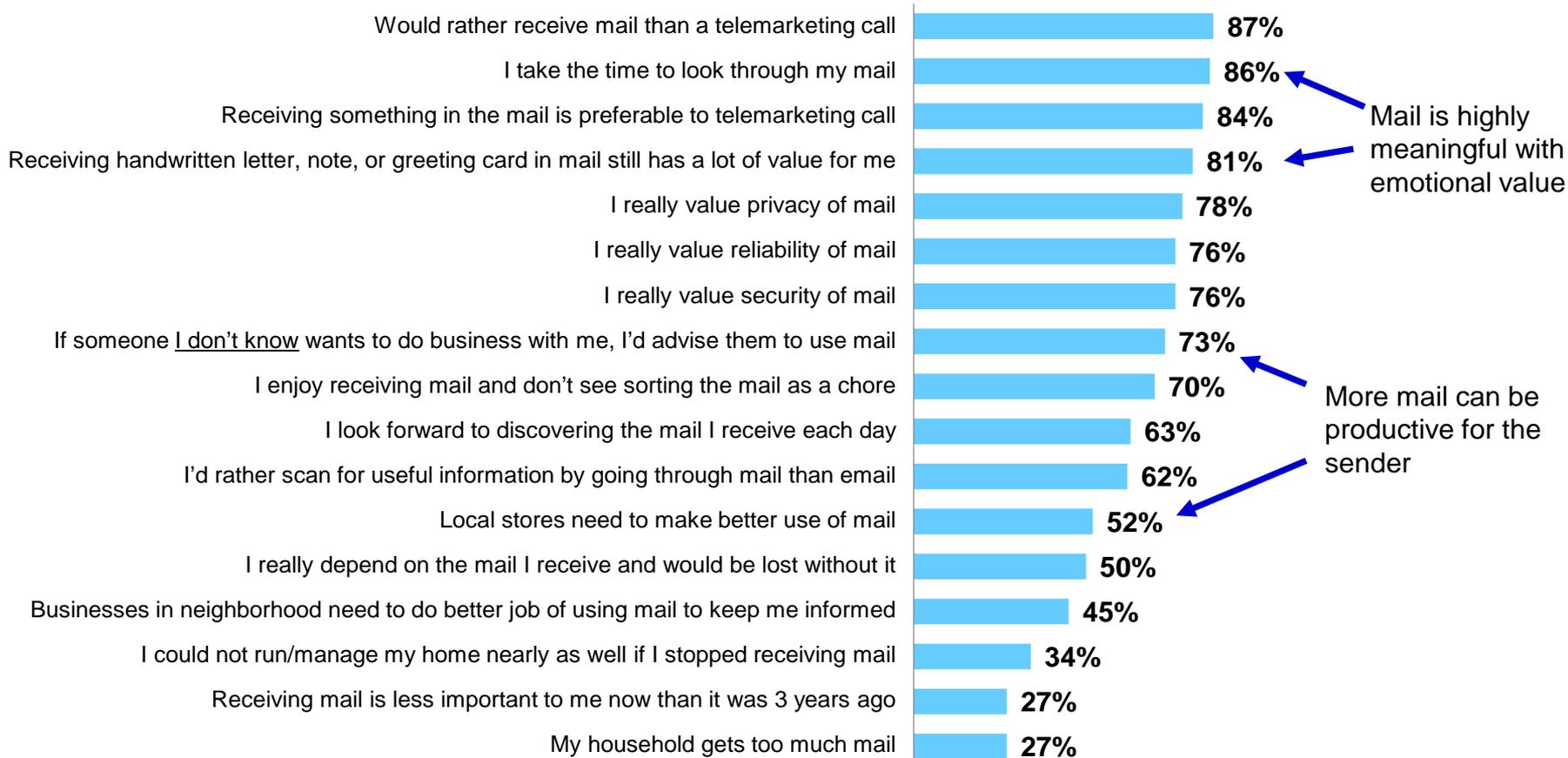




Findings: Overall Mail Attitudes

Mail is preferred over telemarketing and email. Mail is still important to most households.

Agreement %



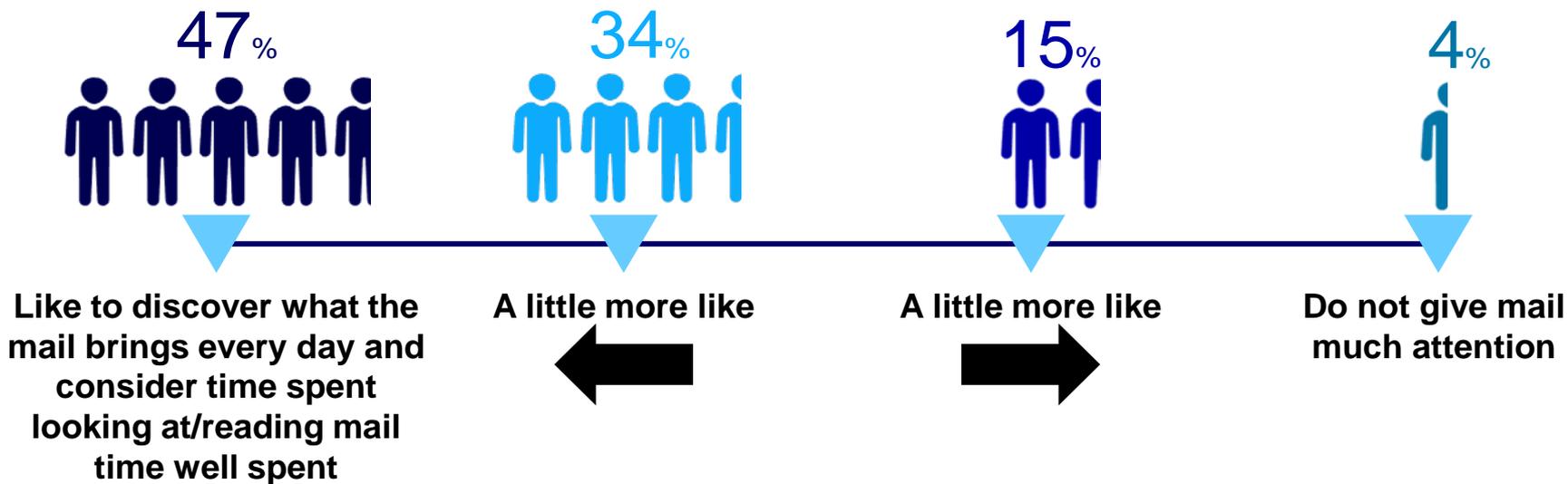
Many households would like more mail– not less



Findings: Customer Behaviors

Consumers say they like to discover what is in the mail and consider time with mail to be time well spent.

Excitement About Mail



- Millennials=50%
- Non-Millennials=44%

- Millennials=2%
- Non-Millennials=5%

Millennials enjoy it when they receive mail-- even MORE than non-Millennials



Findings: Customer Behaviors

“Sorters” and “Scanners” are the most engaged mail recipients and constitute an overwhelming majority of volume (16.8B) and revenue (\$6.63B) of total bills received.

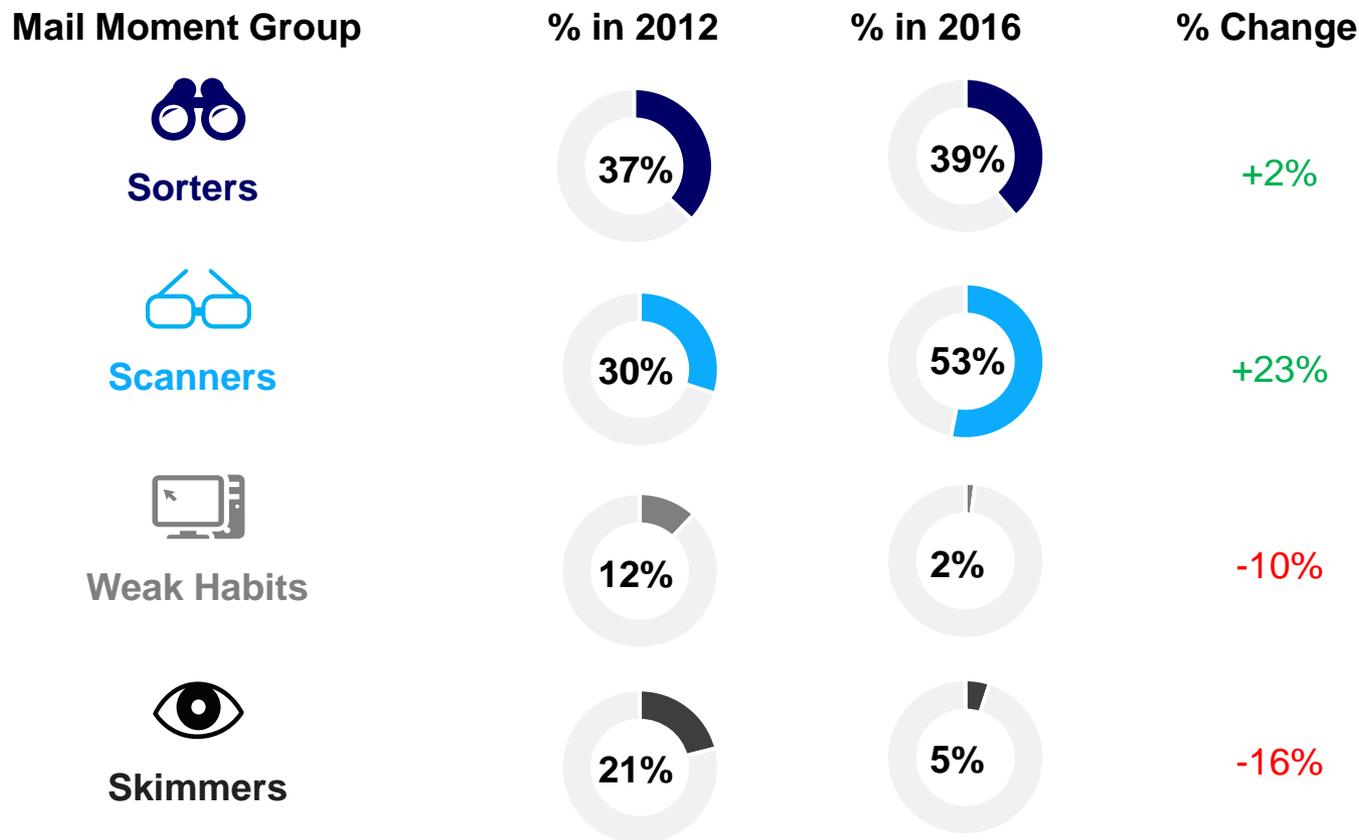
Mail Segment	Mail Behavior	Generation Breakdown
Sorters 	Sorters have a strong attachment to the mail . A sorter will categorize all incoming mail and file important pieces for later use.	Millennials  44% Gen X  35% Boomers+  21%
Scanners 	Scanners have a lower attachment to the mail . A scanner will discard pieces without reading them, but still sees value in the mail.	Millennials  39% Gen X  35% Boomers+  27%
Weak Habits 	Weak Habits have little attachment to mail . This subgroup lacks basic mail habits and does not see value in organizing mail.	Millennials  54% Gen X  33% Boomers+  13%
Skimmers 	Skimmers are active detractors and have no attachment to mail . Skimmers will pay attention only to items of extreme importance .	Millennials  24% Gen X  48% Boomers+  28%

Source: Inno Media, 2012, Mail Moments Segments based off national survey of 1,078 heads of households.



Findings: Customer Behaviors

“Scanners” were the largest Mail Moments group to grow by 23%, while “Skimmers” saw the largest decrease by 16%.





Findings: Customer Behaviors

Overall households have slightly stronger preferences for paper-based bill management compared to 2012, with the largest increase coming from concerns about missing emailed statements.

Trend in Bill Pay Preferences, 2016, Change since 2012



Sorters



Scanners



Weak Habits



Skimmers

Overall

	Sorters	Scanners	Weak Habits	Skimmers	Overall
Receiving bills in the mail act as reminder that I keep until paid	82%, -4%	70%, -1%	62%, -2%	46%, -7%	65%, 0%
I prefer to have a paper document to refer to bills	73%, -1%	63%, 0%	55%, +7%	38%, +10%	61%, +4%
The regular arrival of mail is important to how I manage bills	71%, 0%	58%, +3%	45%, 0%	34%, +9%	56%, +4%
I find it easier to organize and plan to pay bills when they are all on paper	61%, +4%	54%, +2%	49%, +1%	39%, 0%	53%, +2%
I worry that if a bill is sent by email I might miss it	52%, +9%	46%, +12%	49%, +3%	36%, +3%	53%, +7%



Findings: Generational Differences

Boomers get more types of mail than younger consumers – notably more bills, catalogs, business and personal correspondence and magazines.

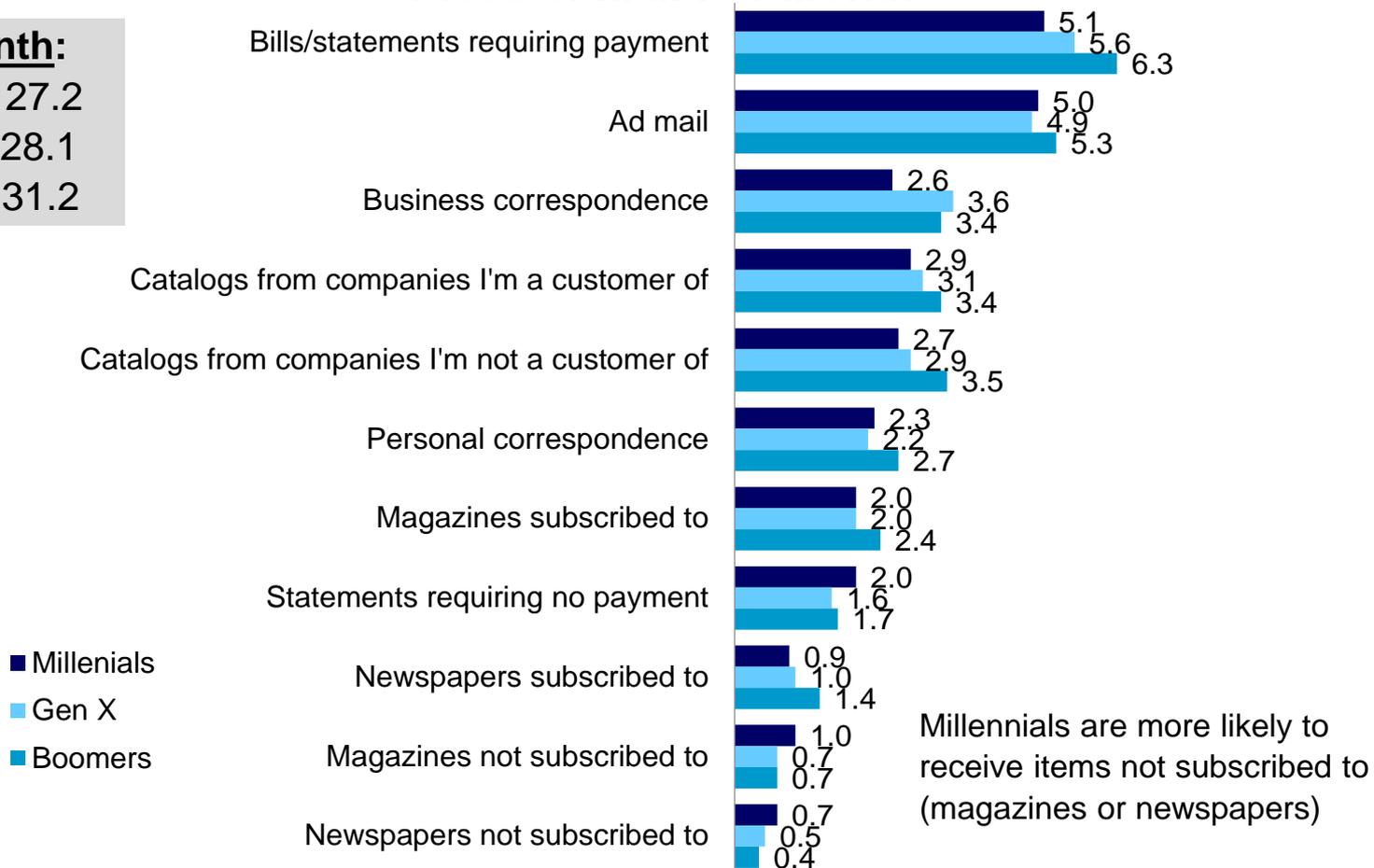
Avg per month:

Millennials: 27.2

Gen X: 28.1

Boomers: 31.2

Piece of Mail Per Month





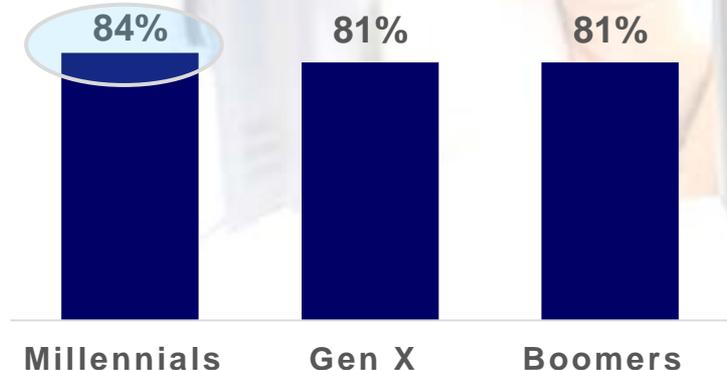
Findings: Generational Differences

Millennials heads of households are more likely to get the mail and pick it up at the first opportunity.

Responsibility for Bringing in Mail

82%

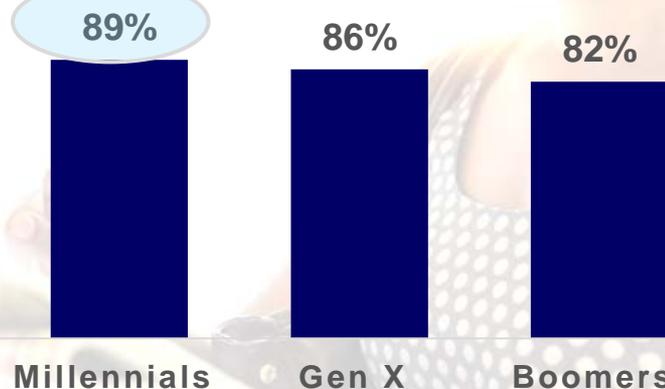
Typically bring in the HH mail



Picked up Mail at First Opportunity

86%

Picked up mail at first opportunity



Regardless of age, most consumers get their mail at the first opportunity- indicating high value of mail. USPS should continue to focus on Millennials' needs



Findings: Generational Differences

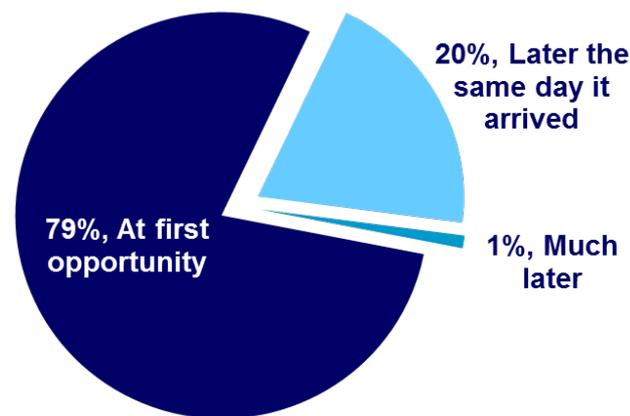
Millennials are just as likely to sort their mail as soon as they get it as older households and are the most likely generation to be the one with responsibility to sort ad mail than consumers in older households.

Personally Sorted Last Mail Delivery

92%

% Do Activity Entirely Themselves	Millennials	Non-Millennials
Sort mail, determine which ads/flyers coupons to keep	82%	76%
Review bills	73%	76%
Make shopping list	80%	72%

When Sorted Last Mail Delivery



No differences exist among age groups

Advertising mail, coupon, promotional flyers are likely to be viewed by Millennials and is still an important way to reach this target





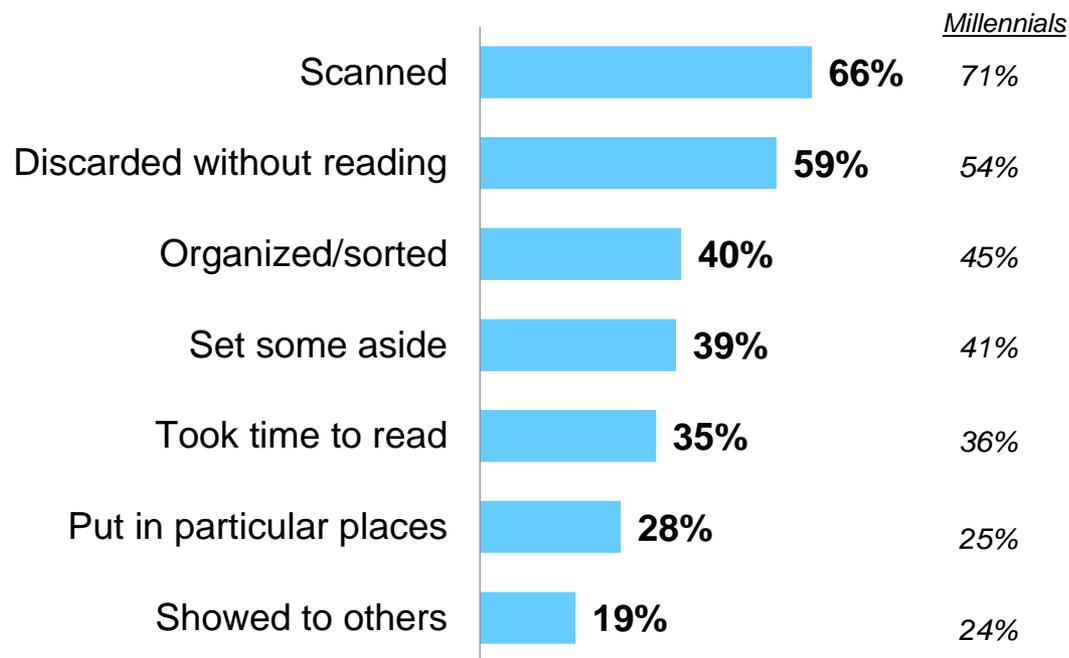
Findings: Generational Differences

Millennials are more likely to scan mail (rather than just discard without reading), organize it, and show it to others than older consumers.

Average Time Sorting Mail



How Sorted Mail?



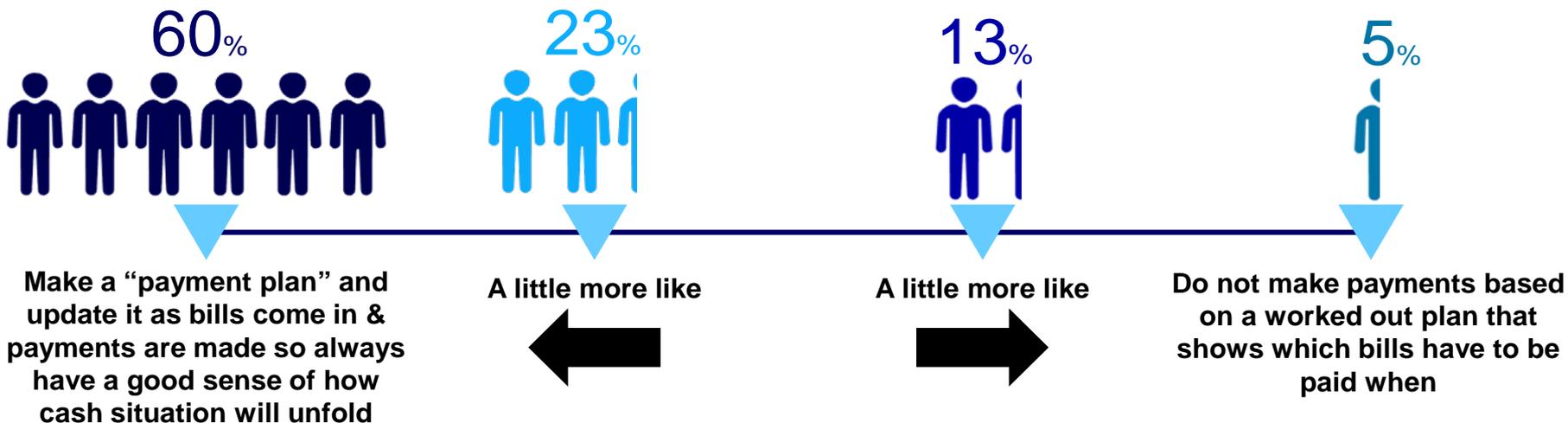
Millennials spend MORE time sorting mail than others and appear more engaged with mail than the average consumers



Findings: Bills Management

Over half of households have a payment plan they keep updated regularly.

Payment Planning



- Millennials=58%
- Non-Millennials=62%

- Millennials=3%
- Non-Millennials=6%

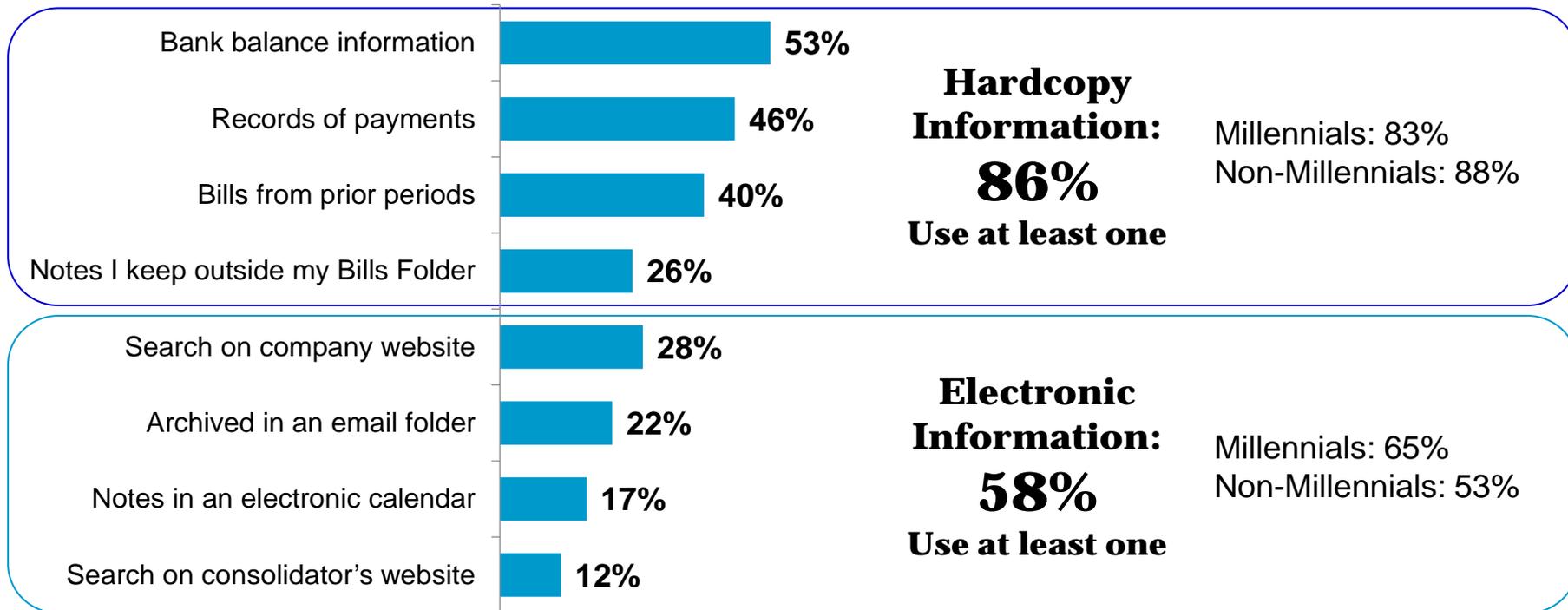
Bills through mail are an important part of maintaining a payment plan



Findings: Bills Management

Even Millennials frequently use at least some hardcopy information to help manage bills.

Sources of Information Used to Manage Bills



While much bill paying is done online, hardcopy information still plays an integral role in the bill management process





Findings: Bills Management

Bills to be paid, record of payment, and prior bills are common hardcopy materials households use in managing bills.

Frequency Information is On-Hand to Manage Bills

Frequently

Bills/Statements:

- From mail, waiting to be paid (60%)
- That show a record of payments (47%)
- From prior periods for comparison (36%)

Other proof of payments (29%)

Occasionally

- Diary/calendar notes (23%)
- Copies of online bills (21%)
- Other notes (20%)

Rarely

- Cancelled checks (14%)
- Copies of other online info (10%)
- Other documents (8%)

Boomers are most likely to use hardcopy information to manage bills

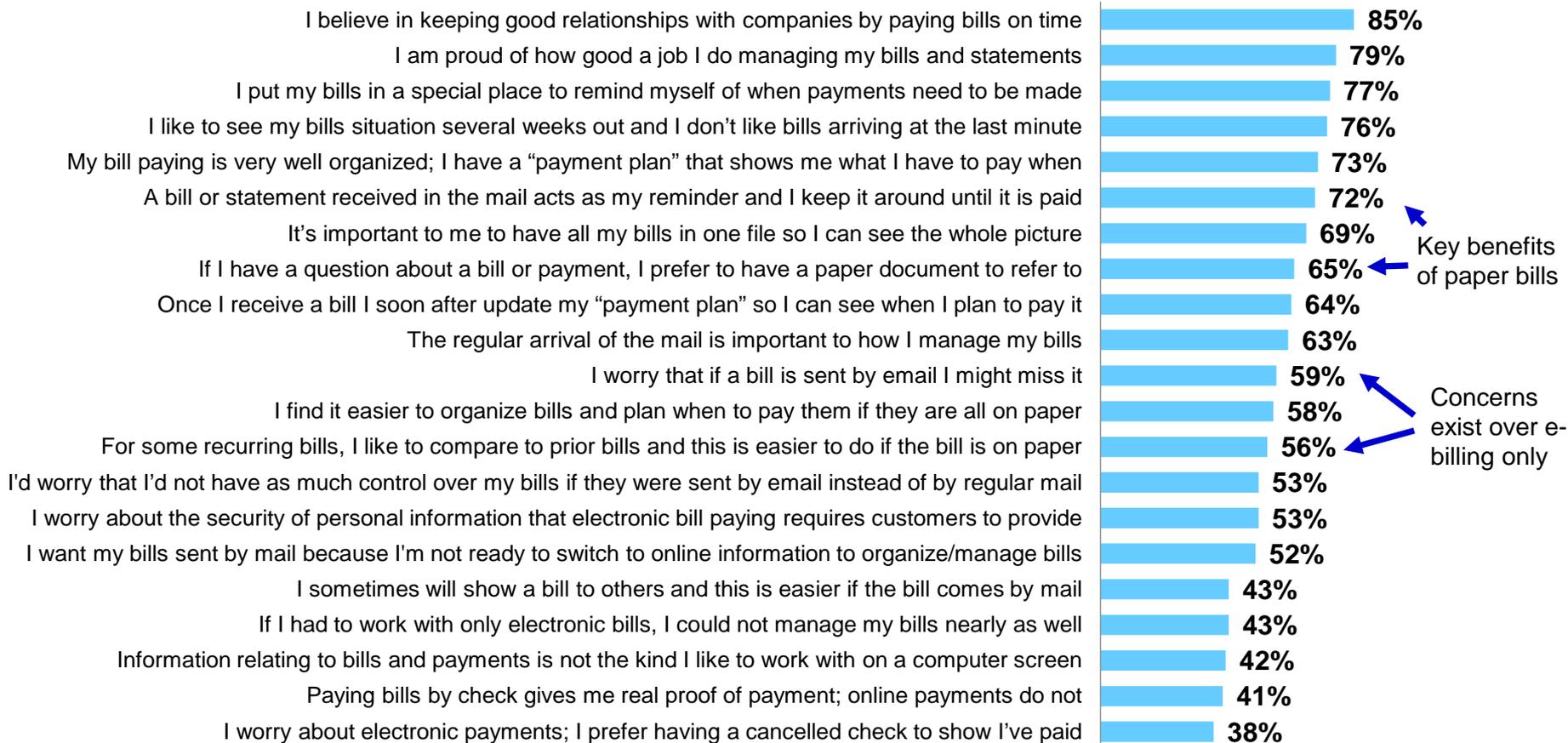
Statements, prior period information, and records of payments sent in the mail are valuable in helping households maintain their finances



Findings: Bills Management

Hardcopy bills or statements are important for many households. Bills sent only via email create concerns about payment and control.

Bill Attributes- Agreement %

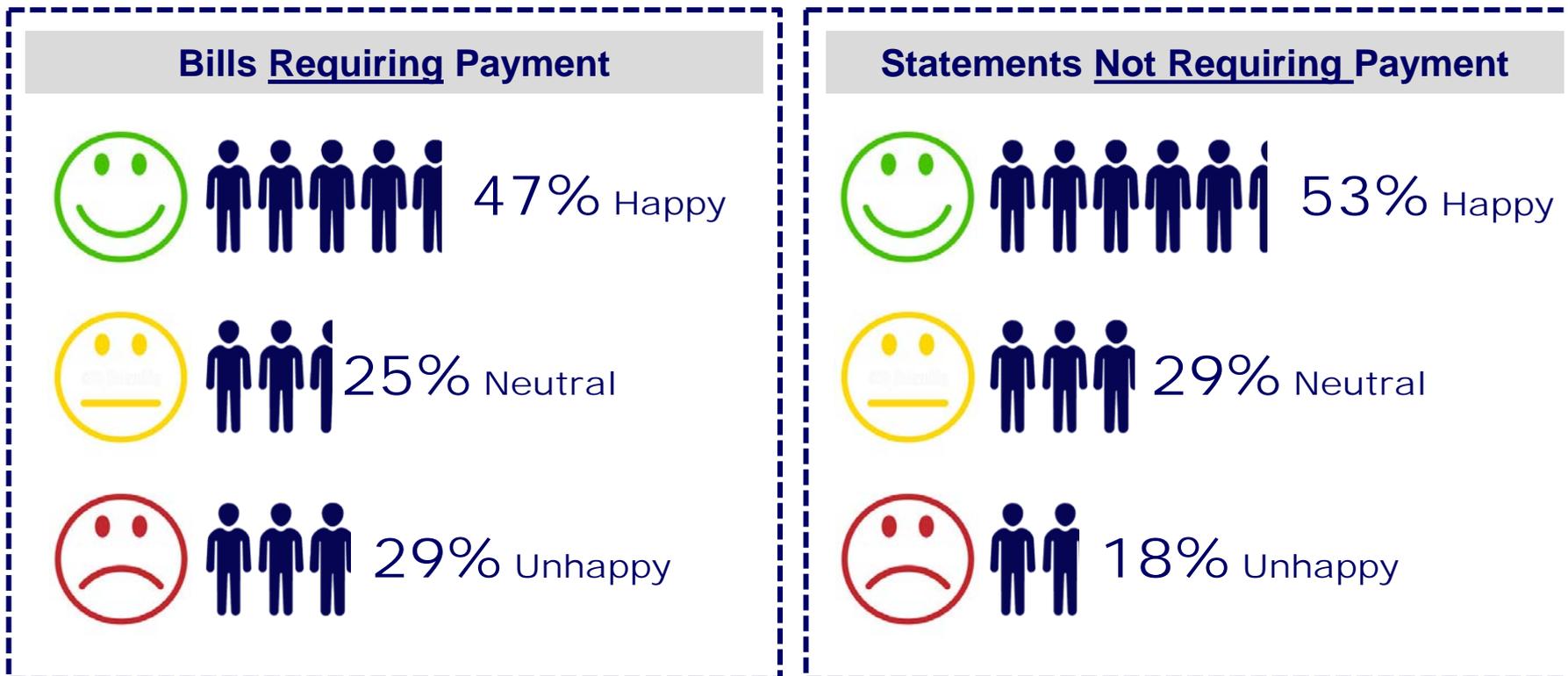




Electronic vs. Paper Bills

More than one-quarter of consumers would be unhappy if their bills that required payment were not longer sent via mail

Attitudes towards Fully Electronic Bill Management





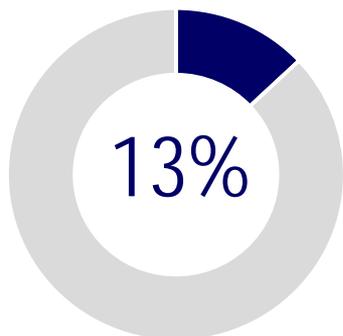
Electronic vs. Paper Bills

A little less than half of consumers are opposed to companies charging to send a paper bill and very few consumers are willing to pay a monthly fee to keep receiving bills by mail



45% oppose companies charging a small fee to send a paper bill by mail, while 34% support a small fee

- *62% of Boomers are opposed to fees for mailing bills, while only 20% favor*
- *49% of Millennials **favor** fees for mailing bills, and only 28% oppose*



Only 13% are willing to pay a small monthly fee to keep receiving bills by mail

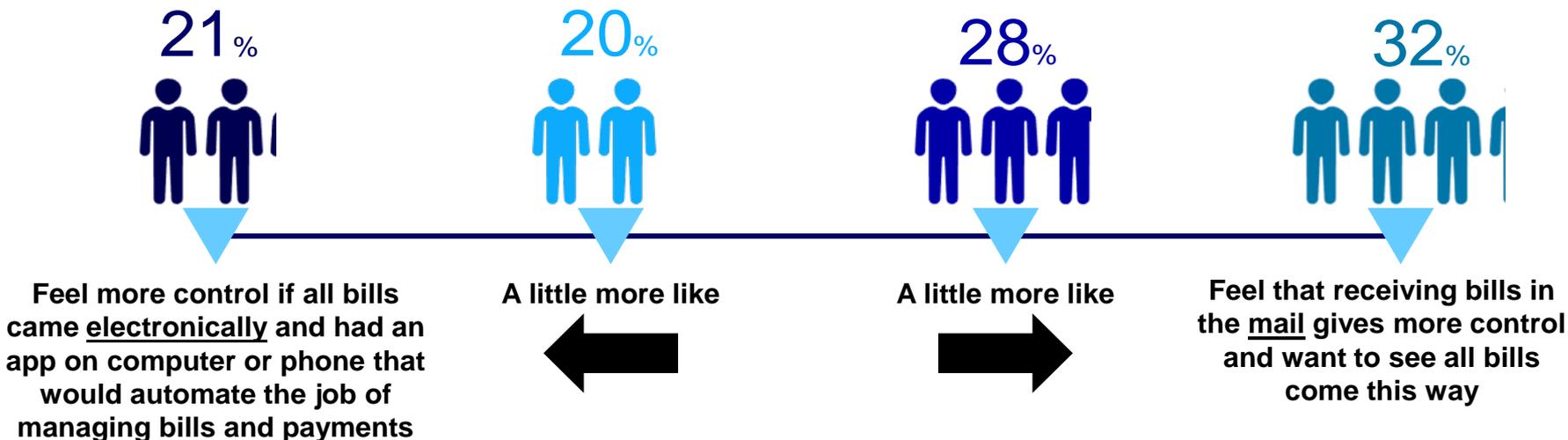




Findings: Bills Management

Millennials are more likely to prefer electronic billing only, but some Millennials still like some bills in the mail. Many consumers fall in the middle with a balance of online bills and bills in the mail.

Bill Control



- Millennials=27%
- Non-Millennials=17%

- Millennials=20%
- Non-Millennials=39%

Households are seeking a balance of both bills through mail and online



Findings: Bill Payment

Household pay on average about 8 bills per month, with the number increasing with a consumer's age.

Number of Bills Pay Per Month

7.8

- Millennials: 7.1
- Gen X: 8.0
- Boomers: 8.7

Proportion of Bills that Arrive by Mail

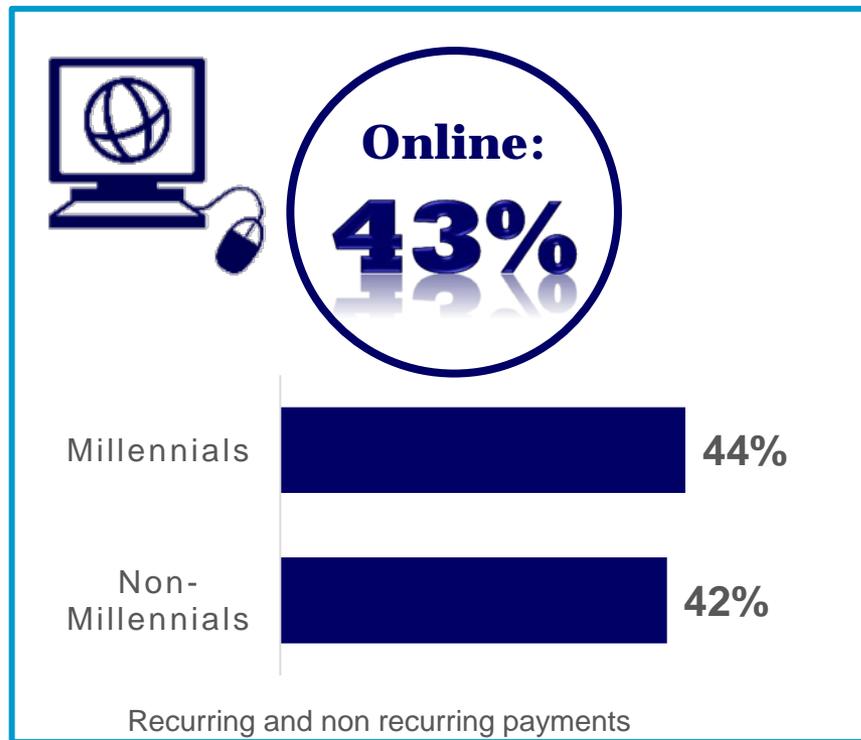
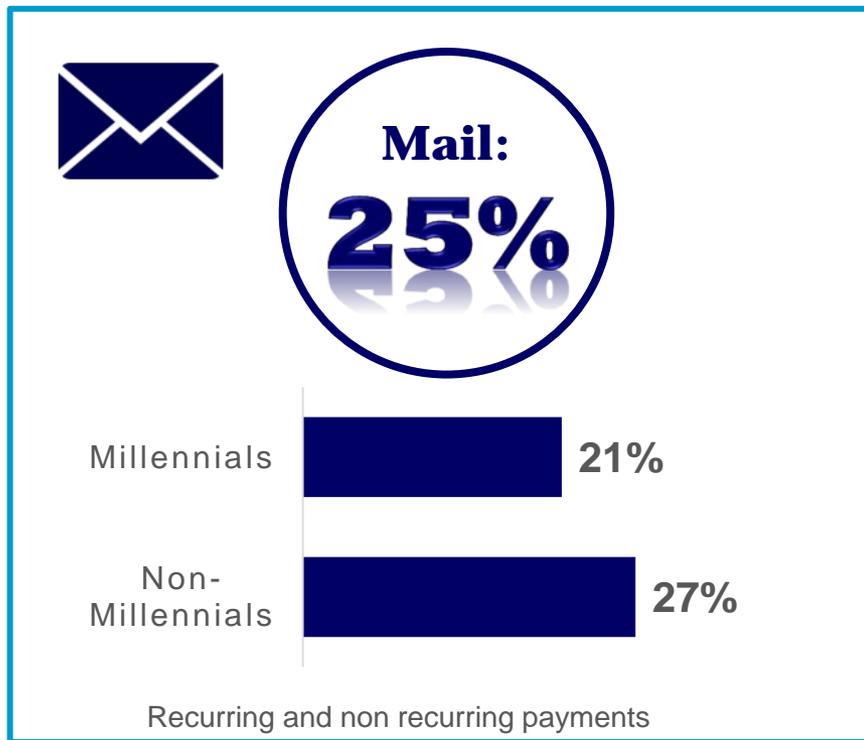
Type of Bills	
Recurring payments that don't vary, paid by mail	63%
Non-recurring payments paid by mail	63%
Recurring payments that vary, paid by mail	69%
Recurring payments that don't vary, paid online	46%
Recurring payments that vary, paid online	47%
Non-recurring payments paid online	49%



Findings: Bill Payment

Bills are more often paid online, though Millennials are the least likely to pay bills by mail.

Bill Payment Method (% of bills paid by method)



Automatic Deduction:

25%

Millennials: 28%
Non-Millennials: 24%

7% pay "some other way"

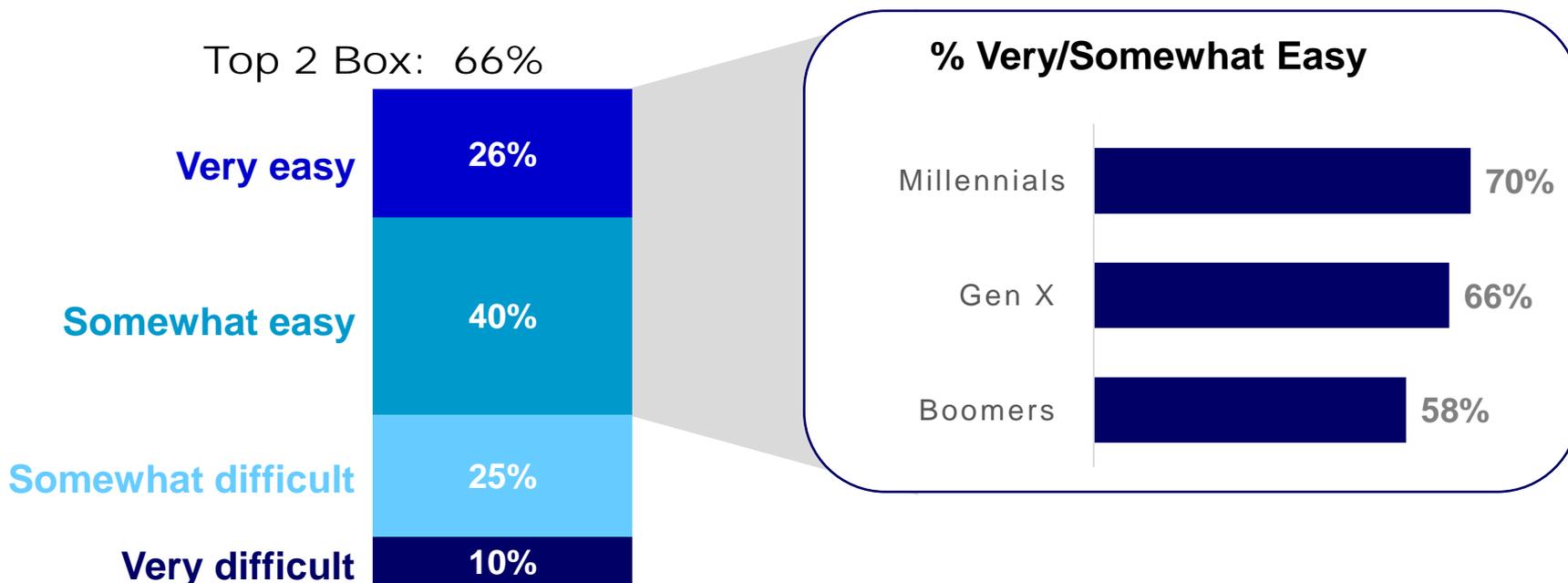




Findings: Digital Options

Although paper is still usually included in bill management, many households could conduct all bill paying electronically if forced to do so.

Ease of Managing Bills ONLY Online



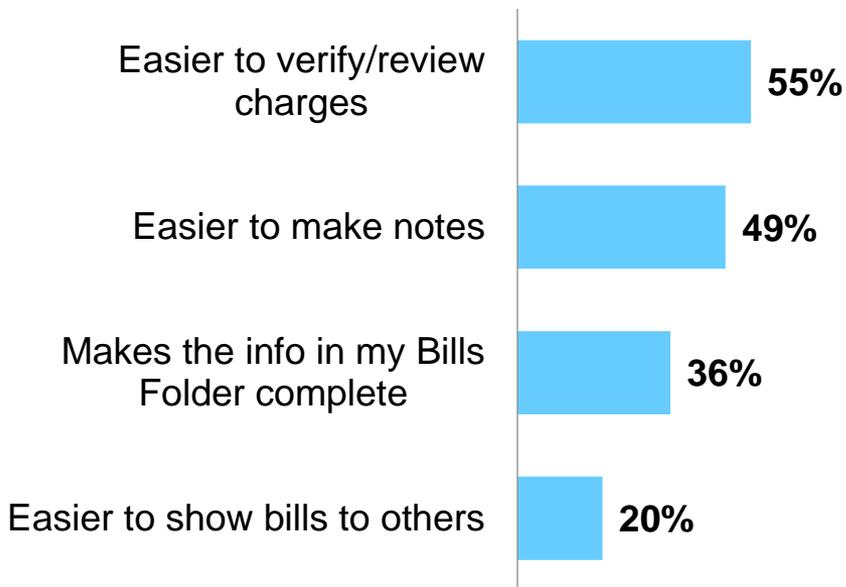
Consumers still place high value on paper documents— as many say electronic only bill management would be relatively easy--- but most still use some paper documents



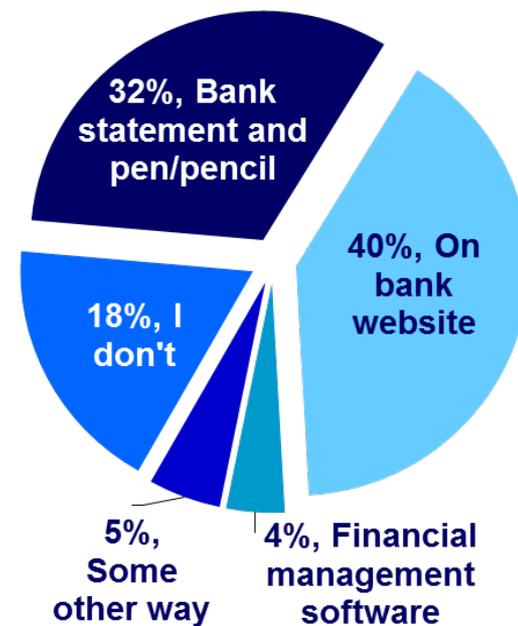
Findings: Digital Options

Many print bills to more easily verify charges and make notes. More consumers balance their checkbook via bank website, but one-third still use pen/pencil.

Why Print Electronic Bills?



How Balance Checkbook?



Boomers are much likely to use pen/pencil method (41%) Millennials (45%) and Gen X (39%) are most likely to use the bank website and balance electronically





Findings: Digital Options

Many consider switching to online billing undesirable. Boomers would be especially unhappy.

**If Company Sending Paper Bills in Mail
Switched to Online Billing Only**

**If All Businesses Switched to Online
Billing Only**

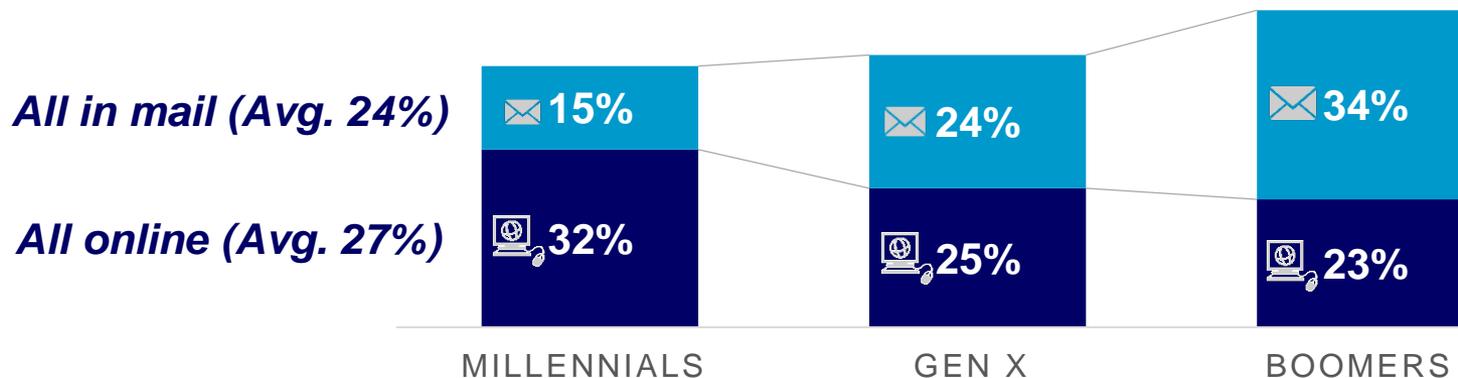
39% Undesirable
innovation

45% Undesirable
innovation

Millennials 28%, Gen X 39%, Boomers 54%

Millennials 34%, Gen X 45%, Boomers 59%

If single online portal existed to consolidate bills, how would you want to receive bills...



Even in an ONLY online billing world, many still want bills sent via mail



Appendix

Boomers feel strongest about receiving mail over telemarketing or email advertising



Millennials think local businesses should use mail more

% Agreement: Key Differences by Age



Neighborhood businesses may be losing opportunities to sell to Millennials if those businesses do not use mail

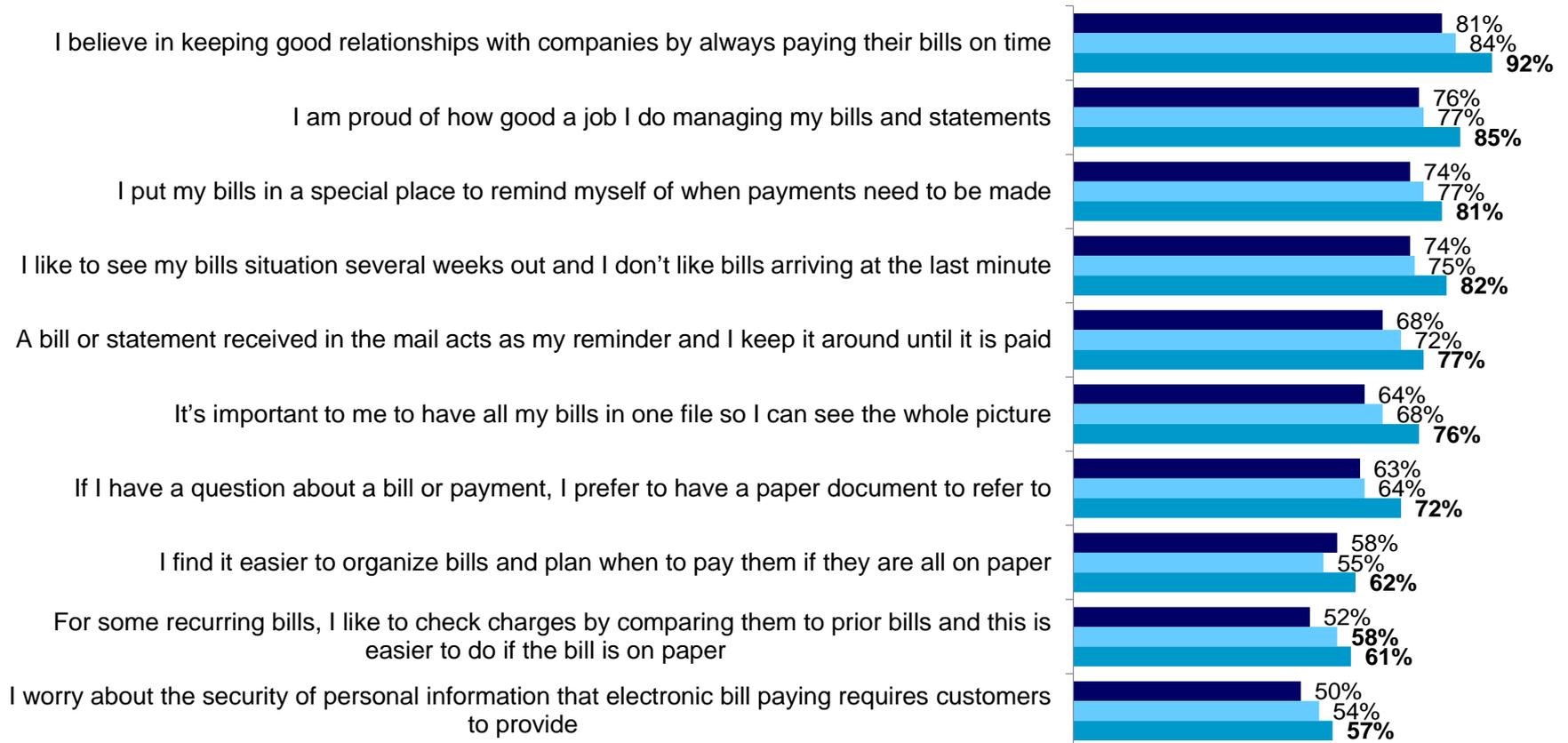
Boomers feel strongly about bill management



Boomers are the most engaged in the bill paying process

Bill Attributes- Agreement % - Key Differences by Age

■ Millennials ■ Gen X ■ Boomers



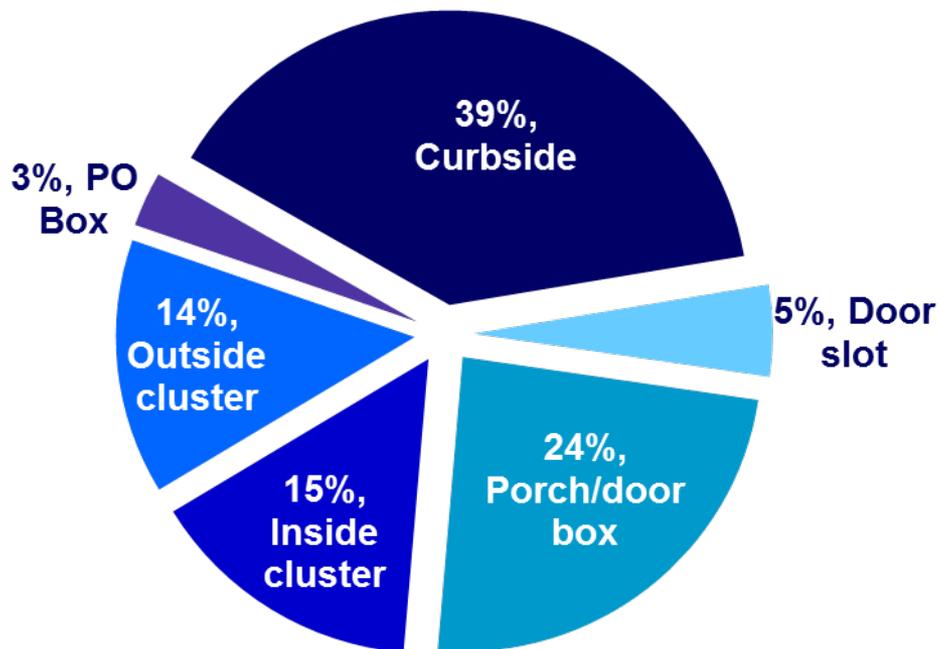
% Agree (top 2 box on 5pt scale)



The majority of consumers have a curbside mailbox.

Boomers are less likely than Millennials to have a porch/door box or inside cluster mailbox. Millennials are most likely to have inside cluster box than older consumers.

Type of Mailbox



Key Differences

	Millennials	Boomers
Curbside	36%	42%
Porch/door box	26%	21%
Inside cluster	17%	12%
Outside cluster	12%	17%





Internet Usage Overall

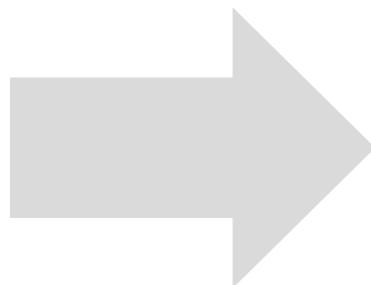
Boomers are actually the most frequent internet users (including email, news, social networking, weather)

Online Activity Frequency

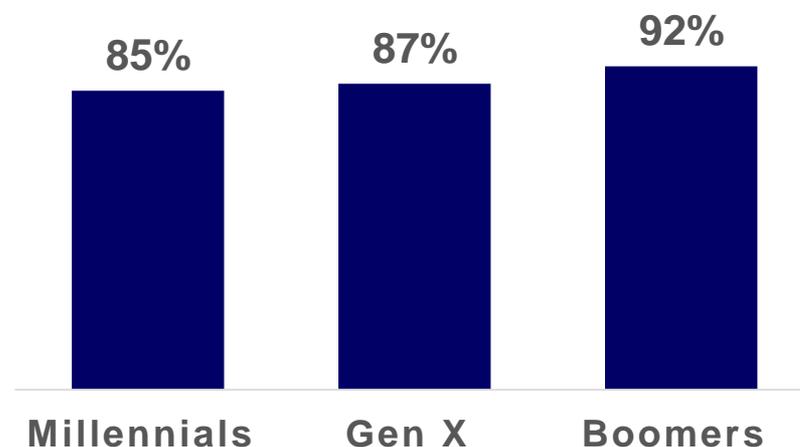
88%

Engage in online activities at least 6x a week

82% are active online at least once a day



Active Online 6+ Times per Week





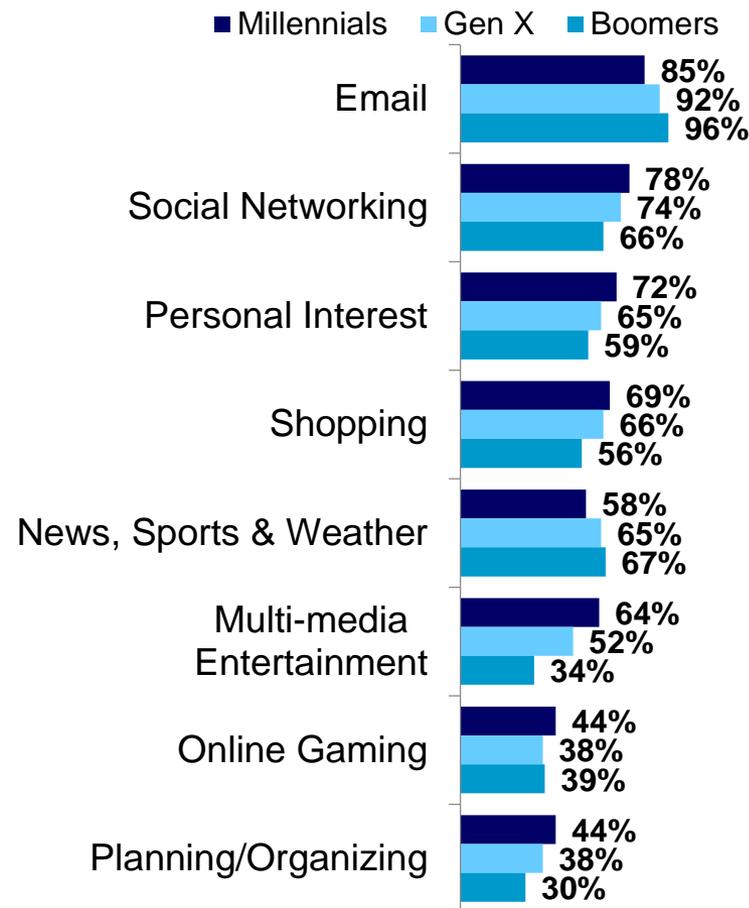
Internet Specific Habits

Email and social networking are most common habits. Millennials are more active in a larger variety of online activities than older generations

Regular Online Activities



Key Differences





USPS receives a high satisfaction

Although most households are happy with USPS– about 25% experienced some type of problem with USPS products or services in past month.



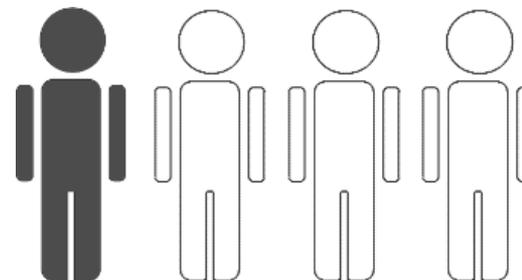
Over 3/4th consider past month USPS experience positive

- 77% rate USPS “excellent” or “very good”



Boomers rate USPS the highest

- 79% excellent/very good among Boomers
- Millennials only slightly lower at 75%



One-quarter experienced a problem with USPS in past month

Millennials (31%) were more likely to experience a problem than Boomers (21%) or Gen X (23%)

Number of Problems:

None= 74%
Once=13%
2-3 times=8%
More than 3 times=3%

Reasons for more problems among Millennials would be worth exploring further– although these issues do not appear to be major given high Millennial satisfaction



Generation Breakout by Age/Year Born

Age	Birth Year	Generation
18-39 years	1976-1998	Millennials
40-59 years	1956-1976	Gen X
60-75 years	1940-1956	Boomers

For the purposes of this survey, the above age ranges used were the closest to standard.
Age ranges in the survey did not correspond exactly with standard generational breakouts

