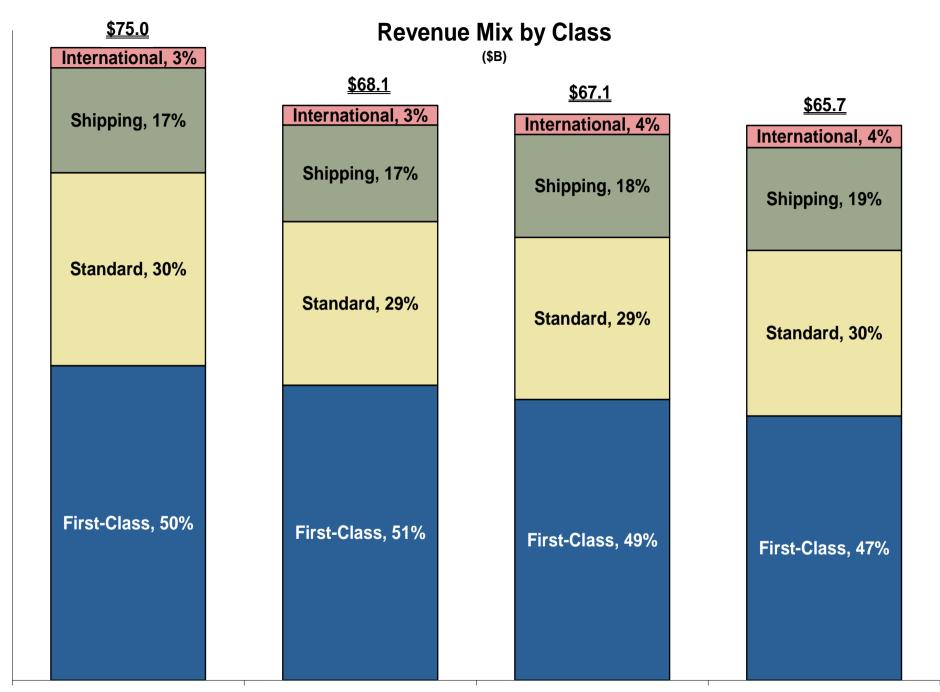


# Fighting for the Future

Paul Vogel
President & CMSO
February 6, 2012





## **Short Term Focus**

- Legislative Flexibility
- Optimization (Network & Access)
- Customers





## Value of Mail

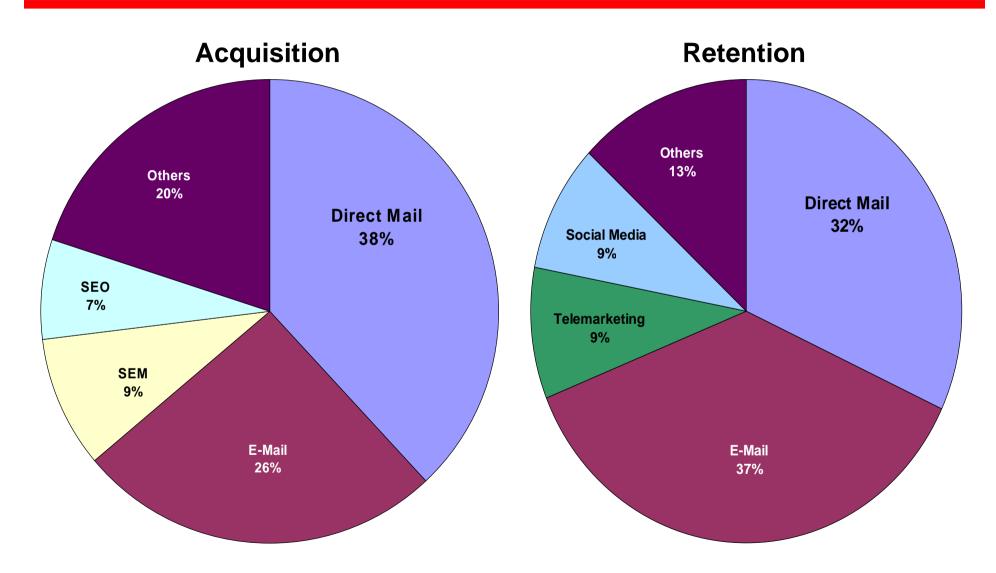
- Acquisition / Retention
  - Drives Results

### Alternative to Mail

Characteristics of Customers



# Value of Mail



#### **Alternatives to Mail**

#### Six attitudinal consumer segments with different digital communication needs

PhysicalPreference TendencyDigital



# Sentimentalists (Traditionalists)

- Finds mail personal / comforting;
- Mail is associated with memories and surprise
- See it as a form of connection—"Mail is a part of me"
- · See mail as a part of normalcy



#### **Organizers**

- Attempt to organize life;
- Fear that things will fall through the cracks
- Want the certainty of a finite space on tangible piece of paper



#### **Dis-associators**

- Non- or counter-traditionalists.
- Uninterested in the mail
- Using new forms of digital communication for social interaction to define their identity



#### **Validators**

- Reflective
- Believe that mail validates their identity, tells a story, shows their place in the world
- Want a "quiet moment" with their mail



#### **Pragmatists**

- Driven by purpose
- Have a transactional rather than emotional approach to mail
- Not early adopters but rather change behavior once technology is proven



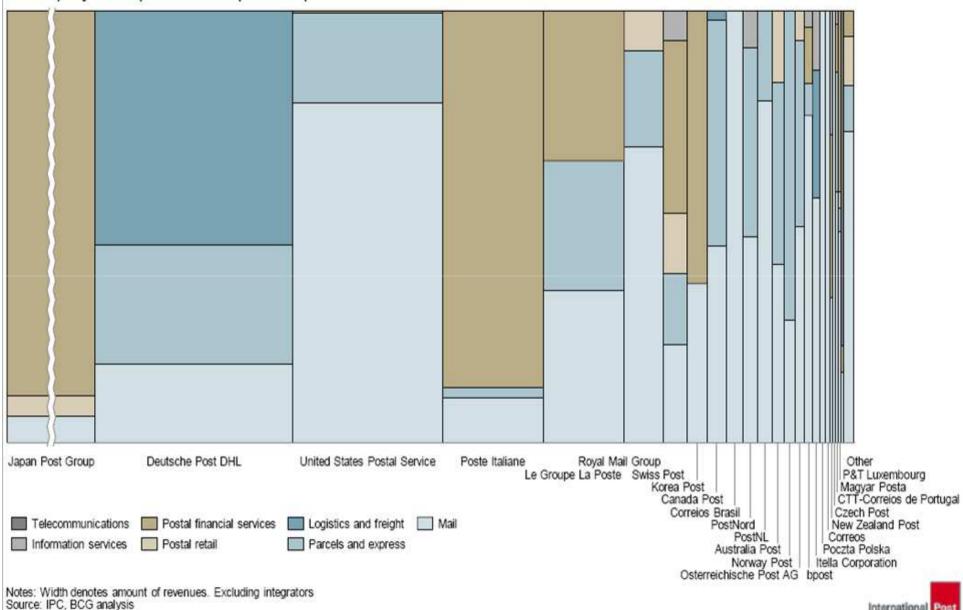
#### **Digital Natives**

- Comfortable moving all communication to digital or webbased format
- Have little use for physical mail due to perception that everything can be done digitally

Source: Boston Consulting Group 1-2012

## Posts need to chose their new core portfolio

2020 projected portfolio for postal operators



International Post



# **Products Strategies 2012**

### **Shape the Future**

### First-Class Mail

- Slow diversion by adding value to hard copy to differentiate it from digital
- Embrace new opportunities from digital and social media

# Marketing Mail

- Simplify the use of Marketing Mail
- Enhance its value with emerging technologies

# **Shipping Services**

 Develop solutions to target the B2C shipping needs of the growing eCommerce market

# Hybrid / Digital

- Prepare for the future of digital communications
- Create a hybriddigital product platform



# First-Class Mail – 2012 Increase the Value of Mail & Simplify

# **Keep Rates Low**

- 2nd Ounce Free
  - Build connections and advertise
- Personalized Picture Permit Indicia

# Keep Mail Relevant

- New Ad Campaign Value of Mail
- Leverage Technology to Drive Value
  - IMb tracking & information based controles
- Encourage Multi-Media Campaigns
- Alternate Postage





# Marketing Mail – 2012 Value & ROI

## **Keep Prices Low**

Promotions

## Simplify

- New Products
  - Direct Mail Hub
    - Online platform linked to usps.com
  - Every Door Direct Mail (EDDM)

## Update Product to Drive Value

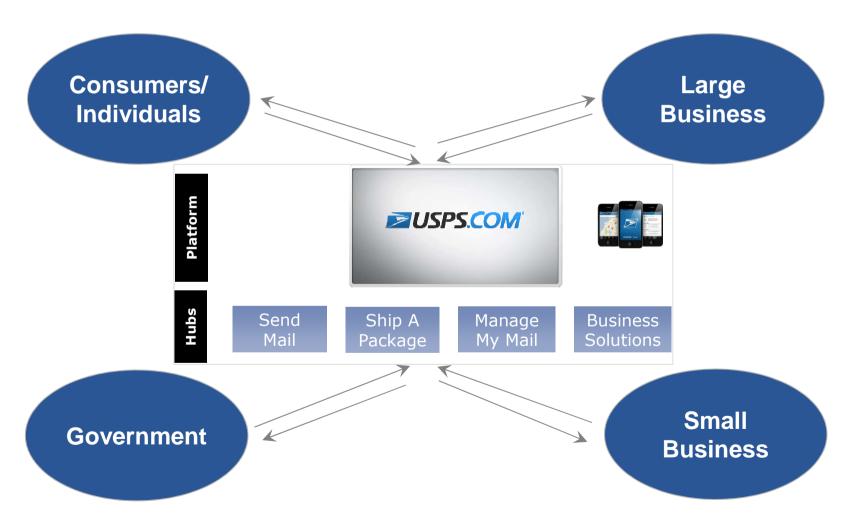
- e-Enhancements & Leverage Modern Technology
- QR Codes
  - Drive Directly to Websites
  - Explore Opportunities to link to Social Media





# Meeting the Evolving Needs of the Market

Requires a comprehensive look at all stakeholder needs.







- Leverage our extensive network
  - Last Mile Delivery
  - First Mile Pickup
  - Every Household 6 days/wk
  - 37000 Retail Units
- Making it easier to ship
  - Flat Rate Box
  - eEnhancements





# Fighting for Our Future in Mail

### Focus on Customers Needs & Provide Solutions

- First Class Mail & Marketing Mail
  - Keep Rates Low
  - Keep Mail Relevant
  - Simplify
  - Update Products to Drive Value