

# ANALYSIS

## USPS PROMOTIONS IN 2022

WHAT'S NEW AND WHAT'S DEVELOPING

NOVEMBER 2021





contents

Table of Contents

Introduction ..... 2

The 2022 USPS Promotions ..... 2

What's So Special about Informed Delivery? ..... 4

Postmaster DeJoy and the Delivering for America Plan ..... 6

The Future of Postmaster DeJoy and the USPS ..... 7

The Bottom Line ..... 8

List of Figures

Figure 1: 2022 USPS Promotions ..... 3

Figure 2: USPS 2022 Promotions Calendar ..... 3

Figure 3: Informed Delivery Enrollment Saturation ..... 4

Figure 4: Self-Reported Demographics for Informed Delivery ..... 5

Figure 5: Informed Delivery E-mail Open Rate ..... 5



## Introduction

Each year, the United States Postal Service (USPS) offers mailing promotions. In recent history, there has been an unchanging list of six such promotions: Tactile Sensory and Interactive Mailpiece Engagement, Emerging and Advanced Technology, Earned Value Reply Mail, Personalized Color Transpromo, Informed Delivery, and Mobile Shopping.

It's hard to believe, but 2022 is almost upon us. The news for next year, such as it is, is less about these promotions (which should be quite familiar to mailers by now) and more about the role of one of them—Informed Delivery. The success of this promotion is supported by extensive research that the USPS has done with Informed Delivery users. This document explores the growing role of Informed Delivery as well as other factors that are expected to impact the USPS in this year and beyond.

## The 2022 USPS Promotions

A brief summary of the promotions and their timing is contained in Figures 1 and 2. Registration dates stretch out over the year, beginning with the Tactile Sensory and Interactive Mailpiece Engagement promotion, whose registration period starts in December. The last of the promotions, Mobile Shopping, begins registrations in July and continues through the end of the year.

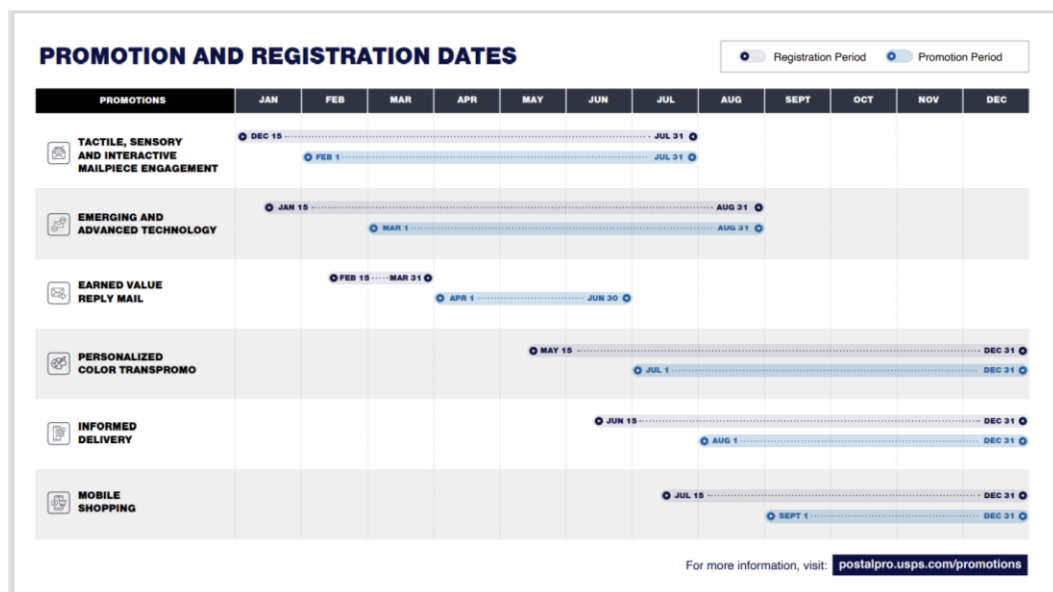


Figure 1: 2022 USPS Promotions

<p><b>TACTILE, SENSORY AND INTERACTIVE MAILPIECE ENGAGEMENT</b></p> <p>Encourages mailers to enhance customer engagement through innovations in paper and stock, substrates, inks, interactive elements, and finishing techniques.</p> <ul style="list-style-type: none"> <li>● <b>ELIGIBILITY</b> Marketing Mail letters and flats; First-Class Mail letters, cards, and flats</li> <li>● <b>DISCOUNT</b> 4%</li> </ul>	<p><b>EMERGING AND ADVANCED TECHNOLOGY</b></p> <p>Encourages mailers to incorporate emerging technologies such as Enhanced AR, VR/MR, NFC, Video in Print, multichannel mail integration with voice assistants.</p> <ul style="list-style-type: none"> <li>● <b>ELIGIBILITY</b> Marketing Mail letters and flats; First-Class Mail letters, cards, and flats</li> <li>● <b>DISCOUNT</b> 2%-3%</li> </ul>	<p><b>EARNED VALUE REPLY MAIL</b></p> <p>Encourages mailers to distribute Business Reply Mail (BRM), Courtesy Reply Mail (CRM), and Share Mail envelopes and cards by providing a financial benefit when customers put those pieces back into the mailstream.</p> <ul style="list-style-type: none"> <li>● <b>ELIGIBILITY</b> Credits may be applied to postage for qualifying First-Class and Marketing Mail letters &amp; flats, and must be used by December 31, 2022.</li> <li>● <b>DISCOUNT</b> \$0.02 credit per counted reply and/or share mail piece</li> </ul>
<p><b>PERSONALIZED COLOR TRANSPROMO</b></p> <p>Enhances the value of First-Class Mail by encouraging mailers of bills and statements to incorporate color marketing messaging to improve connection to and response from customers.</p> <ul style="list-style-type: none"> <li>● <b>ELIGIBILITY</b> Qualifying First-Class Mail presort and automation letters (bills and statements)</li> <li>● <b>DISCOUNT</b> 3%</li> </ul>	<p><b>INFORMED DELIVERY</b></p> <p>Encourages mailers to use USPS' Informed Delivery omni-channel feature. Participants must create Informed Delivery campaigns through the Portal or submit elements through eDoc submission and develop campaigns that meet best-practice requirements.</p> <ul style="list-style-type: none"> <li>● <b>ELIGIBILITY</b> Qualifying automation Marketing Mail letters and flats; qualifying automation First-Class Mail letters, cards, and flats</li> <li>● <b>DISCOUNT</b> 4%</li> </ul>	<p><b>MOBILE SHOPPING</b></p> <p>Encourages mailers to integrate mobile technologies that facilitate convenient, seamless online shopping experiences. Many new mobile technologies can be leveraged to qualify for this promotion.</p> <ul style="list-style-type: none"> <li>● <b>ELIGIBILITY</b> Qualifying Marketing Mail letters and flats</li> <li>● <b>DISCOUNT</b> 2%</li> </ul>

Source: USPS (see <https://postalpro.usps.com/promotions/2022-calendar>)

Figure 2: USPS 2022 Promotions Calendar



Source: USPS (see <https://postalpro.usps.com/promotions/2022-calendar>)



## What's So Special about Informed Delivery?

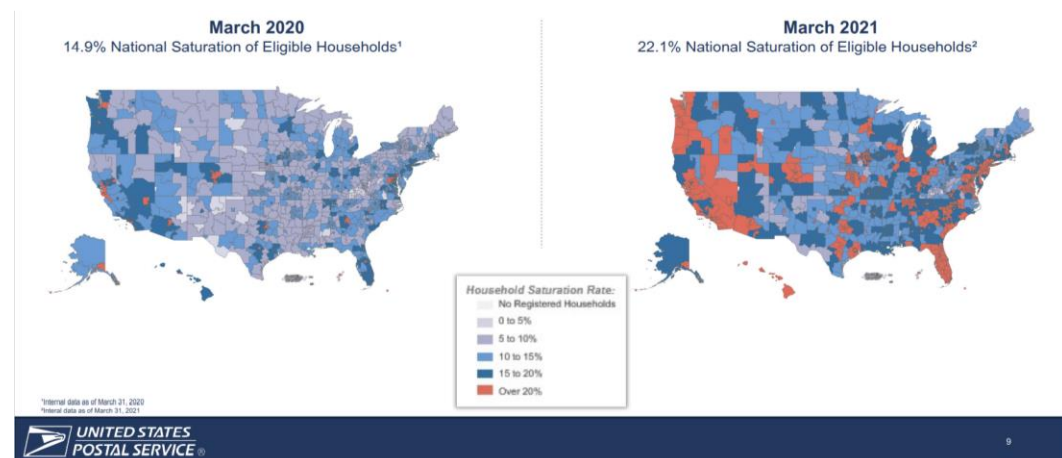
From an end-user perspective, Informed Delivery enables the user to preview their mail and manage their soon-to-arrive packages. Via e-mail, an app, or a web dashboard, users can view grayscale images of the exterior/address side of their incoming letter-sized mail while also tracking packages. Informed Delivery users sign up for the service for a variety of reasons. User quotes released by the USPS provide some rationale for joining:

- ♦ When traveling, I'm able to see what arrives and can remind my husband to take action on important mail.
- ♦ I receive temperature-sensitive medication by mail, so [Informed Delivery] is important during summer and winter.
- ♦ I watch for bills that come to my elderly father's mailbox so he doesn't miss paying them.
- ♦ My P.O. Box is in another city. I want to know when my mail arrives so I don't have to drive in every day.

From a mailer perspective, the USPS notes that Informed Delivery gives “business mailers the opportunity to engage users through an integrated mail and digital marketing campaign that generates additional consumer impressions, interactions, and insights.”

As of April 2021, the USPS's Informed Delivery program had over 37 million users. At the same time, more than 90,000 interactive campaigns had been completed by about 2,000 registered mailers. In the previous year, nationwide participation increased from around 15% of eligible households to more than 22%.

**Figure 3: Informed Delivery Enrollment Saturation**

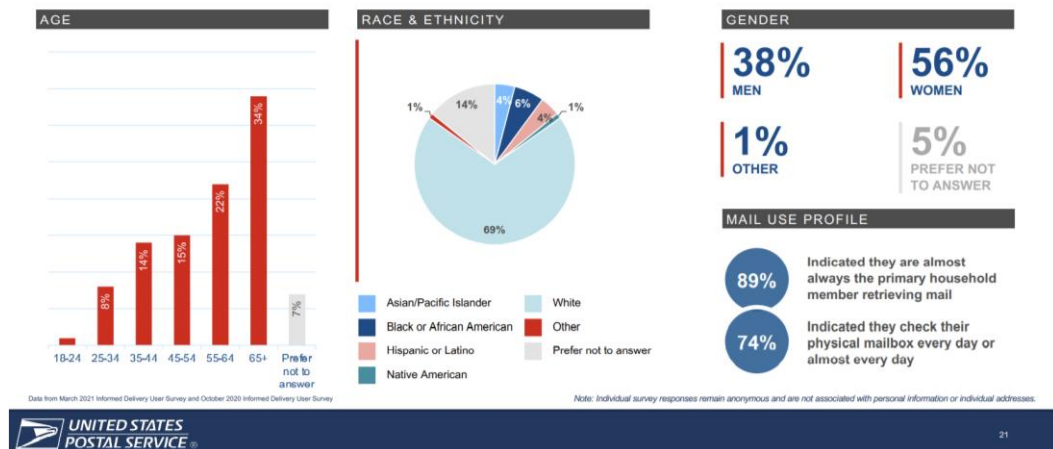


Source: USPS, *Informed Delivery Year in Review (March 2020 – March 2021)*, Updated April 2021



The demographics of Informed Delivery users skew heavily toward white individuals (69%), women (56%), and older users (56% are over age 55). This is one important factor to consider when creating a campaign. If your target audience is significantly different from older white females, you might not get the response you desire.

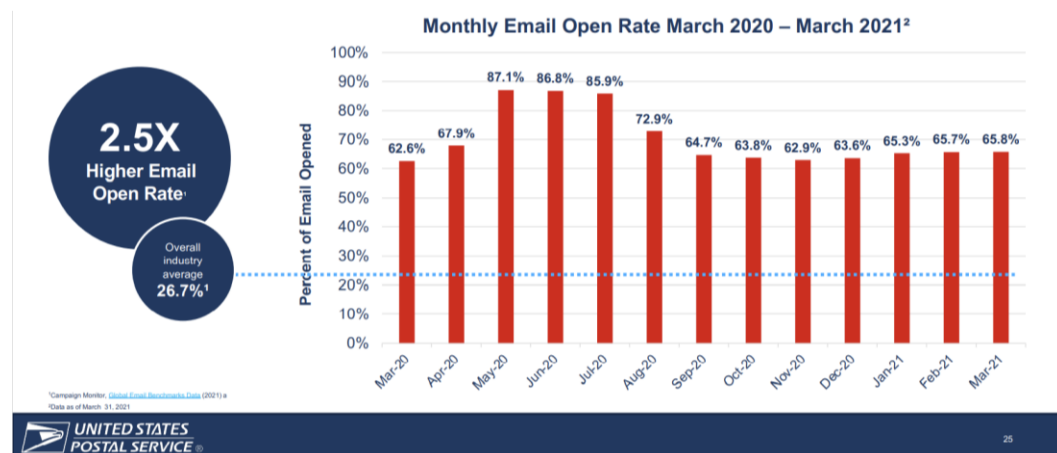
Figure 4: Self-Reported Demographics for Informed Delivery



Source: USPS, Informed Delivery Year in Review (March 2020 – March 2021), Updated April 2021

Open rates for Informed Delivery e-mails have consistently been around 65%, though they bumped up significantly starting in April 2020 and did not drop again until August of that year (perhaps driven in some way by the COVID-19).

Figure 5: Informed Delivery E-mail Open Rate



Source: USPS, Informed Delivery Year in Review (March 2020 – March 2021), Updated April 2021

Beginning as a pilot project in 2014, Informed Delivery was expanded to most ZIP codes in 2017. Since then, its growth has continued at a rapid pace. A key feature for mailers is its ability to integrate digital elements to enhance marketing campaigns. From an omni-channel perspective, Informed Delivery is important because it can generate multiple impressions from a single mail piece (digital and physical).



The survey numbers provided by the USPS are very encouraging in terms of user involvement, engagement, and overall satisfaction. Out of all six promotions that the USPS will offer in 2022, Informed Delivery is the one that stands out as having the broadest immediate impact for a wide range of mailers.

## Postmaster DeJoy and the Delivering for America Plan

At the USPS's Board of Governors meeting in November, USPS Postmaster General and CEO Louis DeJoy spoke in detail about the Delivering for America Plan (DFA) and the USPS's preparations for the upcoming peak holiday season. DeJoy vowed to improve reliability and reduce costs, enhance package delivery, reverse the effects of what he described as a "damaging pricing methodology," and "realign" the USPS organization. He admitted that the USPS was "overwhelmed and was not able to meet the demands of the nation" in 2020, but confirmed that the USPS was fully ready for the upcoming peak season. He warned, however, that "continued uncomfortable actions" would be required "to create a vibrant postal service for the American people." He pointed to operational losses, underinvestment in infrastructure, mail volume declines, and high employee turnover rates as key challenges he faced when joining the postal service in June 2020. In addition, he pointed toward the lack of a plan to resolve these issues. He cited a Government Accountability Office report that put the USPS at a high risk of failing and identified three important policy questions to be considered:

- ♦ What level of universal postal services does the nation require?
- ♦ Should the USPS be required to be self-sustaining?
- ♦ Would USPS operations and solvency be better managed under an alternative institutional structure?

The DFA plan, whose initiatives DeJoy stresses, is intended to "create a viable operating model for the future that delivers mail and packages to the American people six days a week at affordable prices and covers its cost." The plan is based on three tenets:

- ♦ Committing to deliver to every address six days a week
- ♦ Committing to being self-sustaining
- ♦ Believing that the USPS is "a going concern" (i.e., that it will not collapse, and will be here in the future)

DeJoy blamed an "extremely defective pricing model" that had cost the USPS more than \$35 billion and said that "urgent and comprehensive action" was necessary to avoid a collapse. Among the 200 initiatives in the DFA plan, DeJoy noted that the core goals were to:



- ♦ Improve operational precision
- ♦ Improve service reliability
- ♦ Reduce the cost of performance
- ♦ Increase revenue
- ♦ Create long-term career paths for employees

DeJoy's (and the DFA's) vision for the USPS includes:

- ♦ A postal service that "is the preferred delivery provider in the country delivering mail and packages to each American household and business six and seven days a week in a reliable and affordable manner."
- ♦ A postal service center in "easy reach of every community enabling communication, commerce and a variety of services desired by the American People."
- ♦ A "modern processing and transportation network operating in a disciplined and precise manner moving mail and packages, efficiently throughout the nation."
- ♦ "[T]echnology enabled carriers in new vehicles, perhaps electric, fully loaded with mail and packages travelling their routes in a scheduled and repetitive manner in full communication with their neighborhoods."
- ♦ Postmasters who serve as "leaders of commerce in their communities helping small businesses market and move their products."
- ♦ An "employer providing a stable and vibrant workforce with exciting career paths and respectable retirement."
- ♦ A "proud organization operating with precision and covering its costs as the Congress expects us to."
- ♦ The role of the USPS as the "most Trusted organization...the most used ...and thereby, the most needed organization in America."

## The Future of Postmaster DeJoy and the USPS

Despite the lofty goals of the DFA plan, DeJoy's future tenure at the USPS is uncertain. Democrats like Senator Tammy Duckworth of Illinois have called for his immediate firing. In April, a group of eighteen mail industry organizations asked that he suspend the DFA plan. A recent Baltimore Sun article makes the same point, citing a conflict of interest with DeJoy's investments in a logistics company and controversial cost-cutting moves. To date, however, the USPS's board has continued to back DeJoy, even with the addition of three new Biden appointees. Whether that will change could hinge on the appointment of additional new board members as existing board members' terms expire, particularly the seat of Board of Governors Chairman Ron Bloom, who has been very supportive of DeJoy.





## The Bottom Line

The ongoing impact of the pandemic as well as institutional issues and political controversy have not created an easy path for the USPS. At the heart of questions about the USPS's future is whether it should be seen as a government-supported service for all Americans or whether instead it should be considered and run as a self-supporting and self-sustaining governmental organization. Postmaster DeJoy, as the DFA plan makes clear, is on the side of the USPS supporting and sustaining itself. As he said in the November USPS Board of Governors meeting: "...while our strategy is to invest to create a vibrant postal service for the American people years into the future, we have years of inflicted damage to fix that will necessitate us taking some continued uncomfortable actions."

There is certainly a consensus that the USPS needs to change with the times, but the fear that many have is that these "uncomfortable actions" (like the removal of sorting machines early in DeJoy's tenure) could have an overall detrimental effect on the capabilities of the USPS.

Operational decisions about the USPS are out of the reach individual mailers and printers. For them, the focus should be on how to take advantage of the promotional programs that the USPS currently offers. Among these, Informed Delivery stands out as an interesting success story, and one that printers and mailers would do well to leverage.



author



**Jim Hamilton**

Consultant Emeritus

Jim Hamilton is a well-known industry analyst who serves as Consultant Emeritus for Keypoint Intelligence's Business Development Strategies and Production Printing consulting services. In this role, Mr. Hamilton supports the areas of production digital printing, wide format signage, labels & packaging, functional & industrial printing, production workflow & variable data tools, document outsourcing, digital marketing & media, customer communications, and business development.

[Comments or Questions?](#)



Download our mobile app to access to our complete service repository through your mobile devices.



This material is prepared specifically for clients of Keypoint Intelligence. The opinions expressed represent our interpretation and analysis of information generally available to the public or released by responsible individuals in the subject companies. We believe that the sources of information on which our material is based are reliable and we have applied our best professional judgment to the data obtained.