



POSTAL NEWS

FOR IMMEDIATE RELEASE
Mar. 18, 2013

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Release No. 13-036



Postmaster General Says Technology is Making Mail More Powerful *Urges Mailing Industry to Focus on Innovation in Delivery, Digital Integration and Targeting*

SAN FRANCISCO — Technology and changing consumer expectations are helping to transform mail into an even more powerful communications channel, Postmaster General and CEO Patrick R. Donahoe told the nation's largest annual gathering of mailing industry leaders today.

"As the mailing industry, we must continue to work to drive innovation and leverage data and technology to improve the consumer experience and grow revenue," Donahoe said in his keynote address at the National Postal Forum. "Our challenge as an industry is to shape those moments when people are experiencing mail, and make them more powerful in the future. That's part of getting our game on — shaping our future and building excitement about the power of mail and the future of mail."

Mail already has an advantage over other ways of communicating, Donahoe said, because it is tactile and encourages users to interact with it. "People slow down and absorb what they receive. They process it. They retain it," he said. To strengthen that experience, Donahoe urged the mailing industry to focus on four key ideas: making mail more personally relevant, more actionable, more functional and more creative.

"Through the convergence of data and technology, mailers can use the insights about individual interests to make mail more personal," he said. "With imbedded QR codes and augmented reality, mail becomes much more functional and creative, creating an even more influential experience."

Donahoe also touted the fact that American businesses are spending the same percentage of their marketing dollars on mail today as they did 30 years ago.

"Even with the emergence of cable television, social media and smartphones, marketing mail has remained constant because of the tremendous value it delivers to consumers who receive it and its ability to drive an exceptional return on investment for the businesses who send it," said Donahoe. "The growth of our industry is going to be driven by changing technologies and customer expectations. We have to work together as an industry to anticipate these changes by leveraging the value of mail to shape new opportunities."

The Postmaster General also advanced themes relating to innovation in the Postal Service in the areas of delivery, digital integration and targeting to extend the delivery platform and provide growth opportunities for the mailing industry and America's businesses.

"Innovating digital integration is fundamental to improving the consumer experience — and combining the targeting power of online advertising with that mail experience will make mail far more valuable to the receiver and the sender," Donahoe said.

The Postmaster General also described the Postal Services' aggressive cost reduction efforts and their impacts on the mailing industry: reducing the size of the workforce by 193,000 employees since 2006; reducing the organization's cost base by \$15 billion; reducing 21,000 delivery routes; and consolidating the

network of mail processing facilities while maintaining record levels of service.

“No other organization that I can think of — either public or private — has gone through a similar downsizing so rapidly and continued to function at a high level,” said Donahoe. “It all comes down to one word for this industry: affordability. The faster we can reduce costs, the better we can avoid pressure to raise prices. That’s why we continue to seek comprehensive reform legislation to provide more flexibility in our business model to create a sustainable platform for the future.”

A video of the speech will be posted online when it is available at about.usps.com/news.

The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

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Please Note: For media interested in attending the National Postal Forum, please contact Toni DeLancey at toni.g.delancey@usps.gov.

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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation: 152 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations. With more than 31,000 retail locations and the most frequently visited website in the federal government, *usps.com*, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world’s mail. If it were a private-sector company, the U.S. Postal Service would rank 42nd in the 2012 Fortune 500. The Postal Service has been named the Most Trusted Government Agency for seven years and the fourth Most Trusted Business in the nation by the Ponemon Institute.

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