

Postmaster General Megan Brennan Keynote Speech National Postal Forum May 18, 2015

Good morning!

Welcome to the National Postal Forum!

It's great to be in Southern California!

Thank you for being here, and thank you for being customers of the Postal Service.

Also, I want to thank you for your partnership.

I'm committed to partnering with you, and engaging with this industry to innovate and create opportunities for growth.

I say innovate because the world is changing dramatically – and so is our industry.

Innovation is often considered “disruptive.”

I think sometimes we need to be pushed by disruption and learn to harness it.

In other cases, we need to be the disruptors.

We see it all around us.

People and businesses are communicating and marketing in ways that are evolving very quickly.

We've become a device oriented-culture.

Laptops, tablets, smartphones and now even watches are making life a digital and mobile experience.

And when we look to the future, we see a world that is increasingly interactive, connected – and frankly, “smart.”

The good news is that our industry has a big role to play in that digital future.

That’s what we want to talk about over the next few days.

The big picture isn’t hard to figure out.

Consumers are attracted to an ever-expanding array of digital possibilities delivered on mobile devices.

And the level of business investment in digital experiences will increase exponentially.

Our path forward starts by acknowledging that the pace of change is only going to increase and by ensuring that mail remains highly complementary to those digital and mobile experiences.

To truly grasp the scale of change we’re facing, consider the “Internet of Things.”

This is the idea that eventually every conceivable electronic device you own will be connected . . . and controlled . . . through your mobile devices.

Consider this – by 2030 it’s estimated that there will be 100 trillion electronic sensors reporting on our world.

This just shows how powerful the idea of the connected ecosystem is becoming.

And this connected world is driving important behavioral changes.

For instance, consumers are demanding more control.

They're opting out of experiences that aren't immediate, convenient or seamless.

The amount of time people spent viewing content on a television in the United States fell by 11 percent last year.

That's a giant shift in our national habits.

Cord-cutting is another example of people demanding more control over the content they consume.

The whole notion of television viewing – and the traditional TV advertising model – is undergoing a major disruption.

We're really just at the beginning of this trend, but imagine where we'll be in five or 10 years.

If people are opting out of commercial messages on television and radio – and they're blocking marketing e-mails, and mobile ads and even some social media advertising – it's going to be tougher for marketers to reach the end consumer.

And that's where mail has a huge advantage.

Despite the fragmentation of these other marketing channels, mail will continue to be a direct, reliable pipeline to the consumer.

That's why mail in combination with digital is such a strong long-term strategy for businesses.

We also have to be aware of the on-demand nature of the modern world.

Consumers increasingly expect immediate gratification in a highly

customized, service-oriented economy.

They expect a high level of understanding about who they are . . . and where they are.

This has tremendous implications for what we send via the mail and how we deliver that physical content to consumers.

We only have to look at the behavior of Millennials to understand what an on-demand future holds.

They're comfortable sharing information on digital platforms, and relying on community-sourced solutions.

New business models reflect this cultural change.

Uber is essentially a crowd-sourced delivery company.

You press a button on an app and you get the benefit of a driver quickly sourced from a community of drivers near your location.

It's a great example of peer-to-peer economies and communities that bridge the physical and the digital.

So what does this mean for us?

It means we have to continually innovate and take a page from these quickly evolving trends.

We have to do this as a competitive matter.

Interactive experiences will only become more compelling and more sophisticated in the coming years.

We have to respond by making the mail experience more interactive, more compelling and more sophisticated.

Our challenge is to revolutionize the idea of mail.

Many of you are already part of this revolution.

You're already using mail in exciting new ways that combine mail and digital to create a great consumer experience.

Here's a video with a quick look at how this mail revolution is coming to life.

[Video – “Mail Revolution”]

That video showed some new offerings enabled by smarter use of data and information.

This data-driven revolution is underway, but we're just scratching the surface of what's possible.

How do we increase the pace of change?

There are three key innovation platforms that will help integrate mail into the digital lives of consumers.

The first is to bridge the physical and the digital.

Technologies like augmented reality, near field communication and QR codes are already making print more engaging and interactive.

A piece of mail can launch a website or a video, or ignite an interactive experience.

These can be powerful ways of encouraging product discovery and drawing consumers into the ecosystem of your particular brand.

To help showcase this physical-to-digital experience, we developed a

best practices catalog for you.

It's called "*Irresistible.*"

When you get your catalog, flip to the rollercoaster spread.

As you hold your phone or tablet over the catalog, you'll be interacting with some really engaging content.

It's a page that invites you to go on a brief journey . . .something like this.

[Video – “Augmented Reality Rollercoaster”]

Now that's an augmented reality moment that gives mail an added dimension . . . although we probably should have included some Dramamine with this one.

The point is that mail takes on much greater value when we extend that physical experience into a mobile experience.

We're also addressing this idea from the opposite perspective, using digital platforms to build deeper engagement with the physical content we deliver.

We're experimenting with a project we call Real Mail Notification.

This provides a daily digital notification of mail to be delivered to a customer.

So, in the same way you check content on social and news apps and e-mails and notifications every day, you can also check to see what's arriving in your physical mailbox.

Imagine if you got an alert everyday saying what time your mail would be delivered and what's being delivered that day.

Everyone has their daily digital routine – we want to elevate the role of mail by being part of that daily experience.

We're building this platform to bring your physical content onto the same screen where you view your digital content.

The potential is enormous for this industry – because it will create a daily bridge from your mailed content to your digital ecosystem.

Our vision is that we provide the opportunity to attach your online offers to your mailpiece within that mobile experience.

If you see that you're receiving a mailpiece from a favorite retailer, you can click on that piece for an additional offer that drives you to open that mail when you get home.

Or, you might jump directly to a transaction.

In either event, the physical mailpiece draws you into the interactive experience.

And we've had strong results from our test in Northern Virginia.

We generated a high level of engagement. 9 out of 10 people were checking their mobile device to see what's in their mail every day.

And let's talk about the **value this has for your business.**

We saw a ten-fold jump in response rate for the pieces we tested. This is unprecedented!

This digital platform we're creating has the potential to be a **game-changer** for the **sender of mail.**

Our next step is a test in New York City.

We're committed to bringing this platform to market, and we want your help as we do it.

The second key innovation platform relates to the age of transparency.

In the next five years, our culture will continue its increasing obsession with tracking, from personal and health data, through wearable devices, to nutrition numbers on our food, taxi rides and packages.

As an industry, we need to stay ahead of these rising expectations.

And to stay ahead, the Postal Service is investing in ever greater visibility for customers at all levels.

For business customers, it's incredibly rich data and analytics that take full advantage of the Intelligent Mail Barcode.

For our residential customers, we continue to enhance the capabilities of MY USPS.

This is an on-line hub where consumers can manage any of their package deliveries and receive alerts and information on their preferred device.

We're also committed to providing predictive one-hour mail and package delivery windows for every customer.

So, when you look at the notifications section of your mobile device next year, you'll probably see your meetings for the day, the weather forecast, a news item or two, and **when your mail will be delivered.**

That's a great way of keeping mail top of mind and part of the daily flow of content.

You can see that all of this will eventually converge into a robust and completely transparent daily digital experience for mail and packages.

Imagine 150 million-plus people getting a daily digital notification that allows them to interact immediately with what's in their physical mailbox.

That's the **digital platform we will build with you.**

It's just a matter of putting all of that information to work – and ensuring that your mail is part of that daily, connected experience.

The third key innovation platform has to do with harnessing the power of hyper-personalized mail.

Companies are developing incredibly robust analytics and behavioral insights about their customers, and they're using those insights to generate digital content that speaks directly to the individual.

The next wave is highly tailored content delivered via mail.

Targeted mail brings value to customers by appealing to their specific interests.

We're seeing a lot of great activity in this area.

Companies are using data and analytics to develop customer insights and create consistent, personalized brand experiences for the customer.

The Intelligent Mail Barcode opens up enormous opportunities to leverage information.

And I'm very pleased to announce the launch of our **Informed Visibility** system this summer.

This is a major step forward in terms of the real-time analytics and information we provide to the sender.

And it's an important development because we want every business that uses the mail to marry the information and analytics we provide with the data generated through other channels.

That's the promise of big data.

Combining information from multiple sources leads to really powerful marketing campaigns.

Companies are doing this very effectively today.

It's a driver of growth . . . and profitability . . . and . . . a higher return on mail.

As this industry moves forward, we need to build on the inherent strengths of mail and the mail moment.

People slow down to interact with the physical piece of mail – and when they slow down, they're more apt to engage with the message.

They also spend time with the mail they receive.

That's why the return on mail has remained consistently high.

And that's why the convergence of mail and digital experiences is a way of adding strength to strength.

Whenever we can add to the mail experience by making it more engaging and finding those synergies – the higher the total return.

Within each company in our industry, I believe there are three specific conversations that need to take place.

First: Talk to your management about what's new with mail and draw the connections to these larger marketplace trends. Build some excitement about developments in data-driven mail strategy.

Second: Encourage the development of a long-term data and technology strategy to make the most of your mail investment. We're providing rich data flows and robust analytics. Every company should be stretching that data as far as possible, and extracting the best possible business value.

Third: Experiment. Encourage test mailings that leverage personalization, targeting and higher quality pieces.

Learn from others in the industry about what works.

The more we experiment, the faster we build an appetite for greater use of mail.

So please, have these conversations.

Speed that mail revolution.

It's the key to driving growth and profitability.

At every level of the Postal Service, and at every point of contact, we are developing solutions and serving you in ways that help your business.

We have more than 600,000 employees who are incredibly dedicated to serving the public, serving their communities, and serving you.

We take a lot of pride in delivering for the American public, and our employees deserve the credit.

But expectations about service are evolving.
That's why we have to be laser focused on how we serve you.

We don't just talk about this idea within the Postal Service, we also make it a centerpiece of our external marketing efforts.

And now, here's a first look at a new advertisement from the Postal Service.

It's called "*Watch Us Deliver*" and it will begin running nationwide tonight.

[Video – "Watch Us Deliver" (30 second advertisement)]

As you might imagine, this is part of an omni-channel campaign that includes mail, digital, print and television.

Our message is that we're an organization that is changing and improving to better serve you.

It also speaks to our commitment to invest in the future of this industry.

And we're making those investments.

We're investing in our use of information, our infrastructure, and our people.

We're also investing in innovation to spur growth and profitability in our industry.

I started off by talking about some of the tremendous changes we see in the world around us.

We have to match the pace of change in the marketplace.

The keys are innovation that bridges the physical and the digital, harnessing data and technology and leveraging our infrastructure to

support your business.

Our industry is in a competition with other marketing and communication channels.

Mail is a very strong channel and we have a great story to tell about the power of mail.

We have to talk about the data-driven revolution in mail.

We need to make sure that every marketer in America understands that the role of mail is changing, and that mail is part of these digital trends.

And it's our collective job to carry that message forward.

You have my commitment that I'll be a strong voice for our industry.

Thank you again for your business.

I look forward to working with you and shaping an exciting future together.

Thanks to all of you for your engagement with the Postal Service.

Thank you for investing in the future of our industry, and thank you for your business.

We look forward to meeting with you in the coming days.