

# GREAT LAKES MARKETING

## Universal Service Obligation/Monopoly Research

Summary of Focus Group Research

October 2008

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# Universal Service Obligation/Monopoly Research Consumer Focus Groups

Conducted by: Great Lakes Marketing

October 2008

The following report is based on focus group research conducted with 79 customers spread over eight focus groups. Four groups were held in Baltimore and four groups were held in Phoenix. In each market, one group was comprised of customers who live in a rural area outside of the city; one group was comprised of customers living in a suburban area, one group was comprised of lower-income adults living in the metro city area and the fourth group was comprised of adults living in the metro area who have higher incomes.

The customer recruited was the “CEO of the Mail” for his or her household. This person is responsible for managing the mail received by the household. This includes collecting, sorting, and deciding what to do with the mail received.

In this report, percentages reflecting customers’ reactions to topics are presented. These should be considered as “directional” in nature and not a statistical representation of the American households or small businesses. When differences by specific demographic factors were evident, this is noted in the report. If there is no mention of any difference by demographic factor, this means that the findings were consistent across the demographic factors.

## I. Use of the Mail

Most customers say they receive advertising, bills, magazines and a few personal pieces in the mail. They send checks plus a few personal letters and cards along with packages. A large number of customers mentioned that they pay bills online. About one-half of the customers say they have decreased the amount of mail they send over the past two years—mostly attributing this to the use of electronic bill pay and personal correspondence via email. Just fewer than 20 percent have increased the amount of mail they send over the past two years—mostly due to a change in their life style (corresponding with new grandchildren, keeping in touch with family who are now in a different city, becoming of age and having new financial responsibilities, etc.).

*I get just the average bills, ads--somebody always wants me to sign up for a credit card. I send bills. I don't correspond too much by the mail, not with the Internet today--birthday cards, just typical stuff. I don't really send packages or anything. Baltimore—Low Income*

*I don't mail my bills, I like to stop and pay them. But I do mail out packages to my nephew in the Navy. Baltimore—Suburban*

*Pretty much I only receive junk mail. I request all my bills online and no statements. Only [outgoing] mail is probably just the mortgage payment, everything pretty much is paid online. My wife sends cards. Baltimore—Rural*

*I get a lot of credit card applications. A lot of junk mail. I send bills and I send a lot of greeting cards. Phoenix—Suburban*

*We get a couple of magazines, a couple newspapers, utility bills and I receive medications through the mail. We send greeting cards, local bills, and personal letters. Phoenix—Rural*

Most customers (about three out of four) say that the amount of mail they have received in the past two years has increased. Most say they are getting more advertising mail. They attribute this to more sophisticated use of database marketing (vendors sharing names) and more direct mail advertising and campaigning. Only a few (less than 10 percent) say they are receiving less mail. Most of these customers receiving less mail indicated they had asked to have their name removed from mailing lists.

*I think what I send increased a little more for me because places I used to go pay the bills, now I just mail a check to them. Phoenix—Low Income*

*Mail that I care about has really decreased. We communicate with people with email, so I'm not getting letters and sending out letters to people. Baltimore—Rural*

*Mine has definitely decreased. One is because the cost of stamps and two is because I feel I can drive up to them, even though gas is increasing. And my bills, I use to send them by postage, but I can keep a record of them if I pay online. Baltimore—Suburban*

*My outgoing mail has decreased. It's just so much easier to do it on the internet. You don't have to spend money on the stamp; it's just easier and more efficient. Phoenix—Rural*

*What I get has increased. They're getting better at marketing to more and more people. Phoenix—Suburban*

## II. Consumer Rights to Postal Services

Customers were asked to list what they felt were their “rights” with respect to the USPS. They were told to focus on their rights, rather than products or services that would be “nice” to have. The following list shows the rights that were named based on unaided customer input and additional prompting from the moderator. The four listed first (in bold, left column) were most often in the top three for a majority of the customers in the groups. The rest follow in their approximate position based on rankings. The exact wording for each statement varied per group.

- **Accurate delivery**
- **Proper handling (no damage)**
- **Security/privacy of mail**
- **Prompt/timely delivery (days in transit)**
- Delivery to all addresses
- Delivery time of day (consistent/known)
- 6-day delivery
- Customer service at Post Office
- Only USPS can access mail receptacle
- Universal access to all product options
- Access to Post Office (phone/lobby hours)
- 6-day pick-up
- Post Office in each ZIP Code
- Universal pricing

The following comments clarify the types of rights that they discussed top-of-mind before suggestions were made by the moderator.

*I think security is important, especially today with identity theft. Baltimore—Low Income*

*I have the right to get it delivered to my house or where I choose. Baltimore—Low Income*

*Every day at a certain time. Not like one time you get it in the morning and another day get it in the afternoon. Baltimore—Suburban*

*My parents live in a rural town. So I can't get the same services that somebody who shipped something the same distance away but not to a rural area can get. I have to pay more to send something there in the same period of time--or it just doesn't get there. Baltimore—Suburban*

*Mail coming to the house not damaged. Baltimore—Suburban*

*I think we have a right to make access to mailing our mail closer not further. Not everyone is near a Post Office to drop off the mail. Now they're taking all the mailboxes away. Baltimore—Suburban*

*Prompt delivery. Meaning just to get things on time. Baltimore—Moderate-High Income*

*How about the right to communicate with the Post Office by phone. Baltimore—Moderate-High Income*

*Secure mail receptacle. Phoenix—Low Income*

*When I go to the Post Office, there's always a line. They need more customer service people. I always look at 30-45 minute line wait. Phoenix—Low Income*

*Delivery to every address. Phoenix—Low Income*

*When I lived in Mesa, they were all uniformed and I could tell it was the mail person. In Maricopa, they have their own vehicles and own clothes, I had no idea [they were Postal employees]. Phoenix—Rural*

### III. Trade-Off Analysis

About one-half of the customers visit a Post Office once a month or less often. Minimal variance exists by customer profile (i.e., high income, rural, etc.); however, those in Baltimore tend to visit the Post Office less often relative to those in Phoenix. Most use the Post Office to send packages. While at the Post Office, they also buy stamps. Fewer go to the Post Office just to buy stamps as there are alternative places to buy stamps.

*I go to the Post Office once a month, twice a month if it's a good month, because you can do everything from the website. Like I buy a book of stamps, I buy it midnight and the next day it probably comes in with my regular bills. I can print my labels from home for my boxes and then I leave it for the mailman when he comes and delivers the mail. He picks it up and it's fine. Baltimore—Low Income*

*There's a Post Office drop in my building and there is a Post Office stamp machine in the building next door to me. The only time I go to the Post Office is to pick up registered mail and once in a while to drop a package off. Baltimore—Moderate-High Income*

*I go monthly. I'm always copying. So I go there. Baltimore—Rural*

*I can leave money in my box and buy stamps through them. Or even sending a package out, I can leave money with the package and they'll put postage on it. Baltimore—Rural*

*Three or four times a year to pick up stamps and mail packages. Phoenix—Low Income*

*I go a couple times a week. I am going to the automated kiosk to mail a package, I rarely stand in line or I am making sure that my mail is dropped right there at the Post Office versus putting it at the grocery store box. Phoenix—Suburban*

*I go to drop off my Netflix because it's the first pick up. But I do it in the drop. Phoenix—Moderate-High Income*

*I go for the holidays when I send out Christmas stuff. Phoenix—Rural*

The most frequent places where customers purchase stamps (in both markets) are the Post Office (80 percent), grocery store (75 percent), or other retailer (30 percent). However, the most preferred place to purchase stamps is at the grocery store or other retailer (combined to be 50 percent) or the Post Office (39 percent). Those who prefer purchasing stamps at retail locations find them to be more convenient because they are shopping those stores anyway.

*If you have a lot of errands, you can eliminate one just by getting the stamps at the grocery store. Baltimore—Low Income*

*They kind of remind me [at the store], because even if I don't need stamps they say "would you like some stamps today," then it dawns on me to get stamps. Baltimore—Suburban*

*My Post Office is the closest place for me to buy stamps so it's the most convenient. I have plenty of time to wait in line. Baltimore—Rural*

*I get them at the Post Office, I don't get a lot. I use maybe one or two a month so I get them from the machine in the PO. Baltimore—Rural*

*I go to Circle K where you can buy just one stamp. I find that real convenient. I don't want to buy a book. Phoenix—Low Income*

*I've been to the Post Office to get specialty stamps, like for wedding invites. That's the only reason I would go to the Post Office. Phoenix—Suburban*

Without referring to a specific scenario, customers were asked, in general, how they would feel if they could access other services, beyond purchasing stamps, at locations other than a Post Office. Overall, the idea was well received because of the convenience it would offer. However, once the concept was further discussed, customers were concerned about the security of their packages, access to a knowledgeable person if they had questions and access to help if the self-service machines were not functioning correctly, etc.

Overall, customers were generally more accepting of having access to a Postal Clerk at locations other than a Post Office if the clerk provided services similar to those offered at the Post Office. Their conversation reflected their overall trust in the Post Office and Post Office personnel to handle their mail securely and correctly mixed with a desire to have more convenient access to postal services.

*If I could send a package from across the street from the Post Office and it's a shorter line and I'm in and out, that is okay. I just get agitated standing in line for a half hour at the Post Office. I prefer the Post Office but I want to be in and out. Baltimore—Low Income*

*I prefer to take it somewhere where I know I've been taking it and everything's been fine so far and that's been the Post Office for a package. I'd rather do that than take it to the grocery store, because if the person is not really truthful and you leave a package there you don't know when it's gone or if it's gone to where you sent it. Baltimore—Low Income*

*I'm a little bit leery when you say self-service machines because they always get broken and there's no one standing there and no one knows how to fix it. But if its people that actually know what they're doing, like from the Post Office, like a mini branch, then there's no problem. Baltimore—Suburban*

*If they had vending machines like at a mall that it would be convenient, it would be great to go and do it there. I'm not so sure of dropping off a package but in terms of stamps and things, I can use a vending machine. I still prefer to go to the Post Office if it's a package that I'm worried about. Baltimore—Rural*

*I would probably end up using the mail more. It would be more convenient. Baltimore—Rural*

*If it was staffed by postal employees or somebody who was some how responsible, then I wouldn't have a problem with that. I know in Ellisburg for a while they actually had the Post Office in a Hallmark store. That I had no problem going there because it was a postal uniform. If I was going to the Rite Aid and it's the teenage kid who I don't trust, then I would have a problem dropping it off there. Baltimore—Rural*

*I think if they did it at a gas station or somewhere where it's open longer than 6 pm. The Post Office used to be open until 7 pm but I guess it wasn't being used as much so they moved it back to 6 pm. Phoenix—Low Income*

*Somewhere by customer service where they have the other machines for whatever. If there was a problem, customer service is right there, by the front of the store. Phoenix—Suburban*

*I would like it because it's another convenience. Right now I may run into one of those postal places but I always have to pay more to get something shipped from them. But because it's more convenient for me, than to go stand in line at a Post Office, I use them. My time is valuable so I will pay the extra. So if there was more places that I could go to and have the same price the PO would charge me, that would be great. Phoenix—Moderate-High Income*

*Convenience, putting everything all into one trip. Phoenix—Rural*

*As long as they knew the regulations with mail fraud, how serious it is, not that they necessarily have to be an employee of the Post Office, but if they had training and understood those rules, it would okay. Phoenix—Rural*

*There are times when self service doesn't work but for the simple things. I do a lot of Priority Mail, that I want to be able to do myself. I don't want to wait in line for half an hour to get that. But special packaging, yes you would want to go to a counter. Phoenix—Rural*

### **Closing Revenue-Losing Post Offices**

Next, customers were given a specific scenario: "that some Post Offices cost more to operate than the revenue they take in. If they were to close this type of Post Office and replace it with self-service machines at a local retail store what do you think about that?"

Attitudes regarding a substitution of self-service machines for a Post Office were neutral to negative for most customers. Only one out of four found the concept in the acceptable range. Their attitudes about self-service machines were highly influenced by their past experience with USPS and other self-service machines at grocery stores or other retail outlets. Those who have had positive past experiences were more willing to accept the concept of self-service machines. Those who had no prior experiences or poor past experiences were less willing to accept this alternative.

The option was modified slightly and the concept of self-service machines was replaced with the concept of replacing the Post Office in which costs exceeded revenue with a postal employee at a local retailer. About three out of four customers were accepting of this concept.

*It depends on what that self-service facility is offering. Because some people have fragile things, they're not going to give you a fragile ticket to put on that box. How do they know what's in there when they come to pick up that package? Baltimore—Low Income*

*You say you're closing a branch. Like my particular branch, they handle all of my mail. So if you close that branch, then where is that mail going? Is it going to be shipped off to another branch? Baltimore—Low Income*

*I know, my mother for instance, has gone to Post Offices all their lives. This is important to them. They like going, they have a relationship there. Baltimore—Suburban*

*I would really dislike it because I don't have any retail stores close to me. The only resource I have is my Post Office. Baltimore—Rural*

*If there was a place close to me and they had a regular clerk, I would use it. Baltimore—Rural*

*I would rather be talking to a person. Some of these areas aren't too good. They could be damaging these things or breaking into those things. I would rather deal with a person. Phoenix—Low Income*

*For business purposes, if you're not making money and you're losing constantly then it drains on the whole economy of the whole system. So you need to correct the one part that's broken to make sure that everything else continues to work. For me it would be acceptable to put in self service to allow the other Post Office to stay open and keep the services that we get. Phoenix—Moderate-High Income*

## **Reducing Overlap**

Customers were posed with the situation that there “may be two Post Offices a short distance from each other.” Then they were asked, “how would you feel about closing one of those offices and replacing it with self-service machines?” Under these circumstances, customers were slightly more accepting of self-service machines, with about one-half finding the option acceptable. An even more acceptable option is replacing one of the Post Offices with a postal employee at a retail store. Three out of four customers were accepting of this option. Note that a postal employee is important due to their concern regarding the security and proper handling of mail.

*You have some people like me, when it's crowded and busy, I'd rather do it myself and go. And you have people like Paul who would rather deal with a person but he has to stand there and wait for the person. So if you replace one PO with self-service machines, stamps won't cost \$1 to pay all these people. Baltimore—Low Income*

*I'm thinking if you're paying twice for the same services within a very close defined area, I would say close one. Baltimore—Low Income*

*I think it's a great idea and I like ATM's. I haven't been to the bank to talk to a teller in years. Baltimore—Moderate-High Income*

*I'd be fine with that actually. Where I work there are two within five miles of each other. If I go to either one, they're like dead, there's no one in there. The one is really, really old. I'm like why don't they just close this one; the other is like three minutes up the road. Baltimore—Rural*

*I think so. If you do the same thing over and over every week, you know what you're doing. Self-service would definitely help. Phoenix—Suburban*

*If they close one of the branches, then all the mail is going to go to the other branch and it's more mail, more chaos, more mistakes. The more mail there is, the more there is to sort and if there's less staff, how will that work? Phoenix—Suburban*

*But not all people are electronically driven. There might be a lot of people who won't use the Post Office then because if it's all self service, they don't want to do that, they'll go to a UPS or Fed Ex, because they have people there. Maybe if they introduced it within the service and put the self service all within one Post Office so people can learn from employees and then get rid of the Post Office. I don't think you could cut off the source like that. Phoenix—Rural*

*You have the opportunity to do both. If you don't want to speak to someone you can do everything yourself in the automated, so that takes some of the people out of the line, but if you have a question you can see a clerk. It gets you both and they're open at night, so you can do the automated stuff at night. Phoenix—Rural*

## **Personal Feelings**

The above two scenarios were presented as hypothetical situations. When customers were asked if their willingness to accept an alternative to the Post Office would be different if the Post Office that might be closed was *their* Post Office, only a few (15 percent) felt their opinion might be different than the previous opinion they offered. These few customers were concentrated in the lower-income focus group sessions and the Phoenix market.

## **Frequency of Mail Delivery**

Nearly three out of four customers read through their mail every day they receive mail. However, about one out of ten reads through their mail about once a week or less often. These infrequent reviewers of the mail tend to be those who receive mail at a cluster box or a PO Box and are as likely to be rural as they are suburban and span the income ranges. When asked how often they *need* to receive the

information that is sent to them, the frequency drops to an average of about three times a week. Just fewer than 20 percent said they need to receive the information that is sent through the mail five to six times a week. The challenge with determining how frequently important mail is received is a function of customers not knowing *when* an important piece of mail will arrive.

*Companies are erratic. If they were to send the mail at a guaranteed time, like we would get it on the thirtieth, but no one does that. Baltimore—Low Income*

*I want the bills as soon as possible so I can juggle my checkbook. Baltimore—Low Income*

*If it's what I "need," probably weekly. . Baltimore—Suburban*

*I go through my mail once a week. Phoenix—Suburban*

*We just went to a community box. When I had my mailbox at the end of my driveway, I checked every day. With the community box, it's really easy to drive by it and forget it--unless we're expecting Netflix. Phoenix—Moderate-High Income*

*It's not like I'm expecting anything. I just have to check. I fear that if I don't, the next day there won't be enough room. I feel it's common courtesy to take the mail out every day. Phoenix—Rural*

When exposed to the concept of reducing mail delivery from six to five days a week, most were accepting of the reduced delivery schedule. About 70 percent said it would be acceptable to reduce delivery to five days. An additional 20 percent were neutral in opinion, leaving about 10 percent who said it would be unacceptable. Minimal differences exist by market (Phoenix vs. Baltimore); however, differences did exist by other demographics. Those in the lower income category were less likely to find the reduced delivery schedule acceptable. All of the rural customers found reducing delivery to five days a week acceptable.

*In certain situations I'm fine, but other situations that people get Social Security and sometimes you get that on a Saturday because of the timing of the month. Baltimore—Low Income*

*That would be fine. That one day is not going to be the lights getting cut off, that one day isn't going to be your home getting foreclosed on. That one day isn't going to make a difference, but it will help the other thing that we talked about, because the people, if you're there shoving mail six days a week, of course you want to start throwing boxes. If that worker has that extra day off, it could change everything. Baltimore—Low Income*

*If we also had this type of agreement whereas if they would go from six to five days, but wouldn't increase the price for the next three years. Or something of that nature. It has to be a compromise. Baltimore—Low Income*

*I don't know. Even though I don't check it every day, I like the fact. I like six days a week. Baltimore—Suburban*

*I'm fine with five days. I think a lot of people are just into what they're use to. It has nothing to do with what they need, it has to do with what they're used to. Baltimore—Suburban*

*I think about how much money it would save the entire organization as a whole. I realize things would still have to happen with the Postal Service on those Saturdays and Sundays, but as far as labor is concerned, it's got to be an outstanding savings. Baltimore—Moderate-High Income*

*The only reason I say it's not is because that's one reason I use the Post Office instead of Fed Ex or UPS because they do deliver on Saturdays. That's the only reason I use them is because they do have more delivery days. Phoenix—Low Income*

*I like my mail on Saturday. I have more time to read it then, than during the week. Phoenix—Moderate-High Income*

*I think if it would help to have more consistency, more stability, then I would be more than happy to give up a day of receiving mail. Phoenix—Moderate-High Income*

*If they're reducing delivery, then they're piling mail up so there's a greater likelihood of them losing things and it being damaged or scrunched up. They're going to get a bulk of mail three times a week and that's a lot. Phoenix—Moderate-High Income*

*I'm all for it. I think it would be nice for the postal employees to have Saturday and Sunday off. And I also been to other countries where they deliver only five days a week, and it doesn't seem to impact them negatively. It's kind of an expectation. Phoenix—Rural*

*I think it's fine. I would be worried about reducing the counter services especially on a weekend because that's the only time I could go. Phoenix—Rural*

Customers were notably less willing to accept a schedule that included only four days a week delivery. About one-half found a four-day delivery schedule unacceptable, with one-quarter neutral and one-quarter accepting. Within the lower-income segment, about four out of five said a reduced schedule to four days would be unacceptable. As a group, those in the rural area were most willing to accept a four-day schedule—with 30 percent finding it unacceptable and the remaining 70 percent split between the neutral and acceptable categories. For this option, Phoenix was less accepting of the reduction to four days relative to Baltimore.

*The price is going up and the quality is going down. Baltimore—Low Income*

*My brain says there's five days in the work week so there should be five days of mail. Whether that's right or not. Baltimore—Suburban*

*For delivery only. I would be OK with four. Baltimore—Suburban*

*And how much mail could they put in a little box like this. I live in a townhouse community so it's one box for ten homes. So it's not very big. Baltimore—Moderate-High Income*

*I think four, with our economy the way things are going, and the fuel prices, specifically fuel prices. I see this happening to building contractors. Baltimore—Moderate-High Income*

*My husband and I do a lot of traveling and we get a lot of important things pertaining to our travel so I wouldn't want to miss out on getting them. I think that would happen with only four days. Baltimore—Rural*

*I don't want to get my mail less often since I don't know which bills are coming in. Taking one day away, I can handle that, but no more than one. Phoenix—Low Income*

*I think five days a week is more acceptable, because if I'm receiving mail that means the Post Office is probably up and running and open five days a week and I would rather have that extra day in case I needed it. Phoenix—Suburban*

*I can see it in a sense that if you have something that is time sensitive, working with five days is better than four. But for the cases now days when most stuff is online, you're paying online, it really wouldn't make a difference if I received my mail three days a week. Phoenix—Suburban*

*I agree, if it makes everything more efficient and saves some money, that's fine. Phoenix—Moderate-High Income*

*So we're talking about reducing the amount of work people do in six days to only four days, how much stress is that going to cause. That's not going to change the amount of mail going out. Phoenix—Rural*

*Now they deliver mail every six days. Next, it's only four days. So now they do more stuff in less time. Bigger loads, they'd have to hire more people on those days to deliver it all. Phoenix—Rural*

*I want to make sure the four days aren't back to back. Like they have three days off. If they were scattered throughout the week, as long as the three days weren't all together, that's a long time to not get your mail. It would be more feasible to have them staggered. Phoenix—Rural*

When asked which day they would be most willing to not have mail delivery, if mail was delivered five days a week, about two-thirds suggested Saturday would be the best day to drop. They felt that people are generally used to a five-day workweek, which would be favorable to USPS carriers. They also felt that Saturday would be the best day since they are often not in their regular routine on weekends.

*You hear all these horror stories, say if a holiday is Monday, so the Post Office is closed Sunday and Monday and then come Tuesday they're so far behind because all that mail building up. So if you have two days closed every two days in a row, that's just going to make it even harder. Baltimore—Suburban*

*Wednesday, because you can get it Tuesday and Thursday. So whatever you didn't get Wednesday you know you'll get the next day. And as opposed to Saturday, you'd have to wait the whole weekend 'till Monday. Baltimore—Moderate-High Income*

*Saturday. Because Monday through Friday is the work week. That's when you're normally going to get most of your mail. Bills and stuff come Mondays and Tuesdays. If you break it up and you have to take Wednesday that doesn't work. I think for consistency and convenience for the people who work there, Monday thru Friday works best. Phoenix—Low Income*

*I'd give up Monday just because I need that Saturday, because I do work. Phoenix—Low Income*

When asked about a second day that they might consider forgoing mail service, most selected Wednesday (35 percent) or Friday (30 percent). Wednesday was selected because it was the middle of the week and allowed two days before and two after to receive mail. Some opted for Friday, suggesting that by the time they do anything with their mail, it is Saturday—which is often considered a down day anyway for the mail since the Post Office is often on a limited schedule. Saturday was the first or second choice for three out of four respondents. If mail was delivered only four days a week, the most popular combination of days dropped is Wednesday/Saturday.

*Wednesday, it's the middle of the week, you'll receive mail Monday and Tuesday and then Thursday and Friday. Phoenix—Suburban*

*Are you saying just receive? Would we still be able to send? The thing is I don't care what days I receive my mail, but I wouldn't want to give up a Saturday to send my mail. Baltimore—Rural*

### **Frequency of Mail Pick-up**

Several customers leave mail out for the carrier to pick up. Many have secure receptacles at their cluster box or feel their neighborhood is safe enough to leave mail for the carrier. Some commented that they would not leave a check, but would leave mail with a lower value in their mailbox for the carriers. Others have USPS collection boxes convenient to their daily routine.

When the concept of a reduced delivery schedule was further clarified to explain that it would also affect the number of days in which mail would be picked up, the majority of customers was still willing to accept 5 day delivery and interested in Saturday being the day that is dropped. Many already believe that Saturday is a non-productive day for the mail since they perceive that Post Office lobby hours are reduced and that some collection boxes are not emptied during the weekend anyway.

*Anything mailed on Saturday doesn't get moving until Monday. Baltimore—Low Income*

*Look at your mailboxes pick up times. Weekend and holidays are basically non-existent. Baltimore—Low Income*

*If you get that close to a bill, you can always pay it online. Baltimore—Moderate-High Income*

*Saturday and Sunday kind of blends. Phoenix—Suburban*

*I have time on the weekends to do the packages and cards. I want to get it to the Post Office for it to leave, not to wait until Monday. Phoenix—Moderate-High Income*

*If I knew that, if it was clearly stated that they did not send things out on Saturday, that would not bother me a bit. Phoenix—Rural*

### **Reduced Rural Delivery**

The final question in this series was the acceptability of delivering mail six days a week in urban/suburban areas but only 4 days a week in rural areas. Customers in the rural area, along with those in the suburban area and lower-income city dwellers were all negative toward this concept. The high-income, city dwellers groups were the only groups in which over one-half were neutral or accepting of reduced delivery in rural areas. Their general thinking was that households in the rural areas either moved out of the city to avoid the daily hassles of city life (including mail) or are willing to accept that services are reduced because of their choice to live in rural communities. Those opposed to this reduced delivery schedule in rural areas were philosophically opposed to treating households differently based on where they are located.

*How do you deny other people their rights to get the mail? Baltimore—Low Income*

*I think one of the things that is great about our Postal Service is everybody is generally treated the same. It does cost more to get that letter out to my grandma in the middle of the Plains, but isn't she entitled to it just like I am? Baltimore—Moderate-High Income*

*It would be totally unacceptable to me because we're all Americans and we all live in the same country and we all should have the same privileges regardless of where we live. Phoenix—Low Income*

*I grew up near New River. I know what it's like to be rural. We went to Costco once a month and loaded up and we're used to that. Speaking for us rural folk. Phoenix—Suburban*

*I would say it's acceptable because I look at what is the most efficient and effective way to do things. It's like running a business. If they don't need to get out to a rural area that much, why should they? Phoenix—Rural*

*I think regardless of where you live or economic status, you should have equal service. Phoenix—Rural*

### **Location of Mail Delivery**

Among customers who have mail delivery to their home, and not a cluster box or PO Box, the concept of having mail delivered to a cluster box was discussed. About one out of five found this to be an acceptable option. The group most willing to accept this live in rural areas. Just fewer than two out of three in the rural areas were neutral or accepting of cluster boxes. Conversely, those in the higher income urban groups were least likely to be accepting of this option. Those living in Phoenix were more likely to have cluster boxes than those in Baltimore; however, regardless of which market they live in, if they have delivery to their home, they would like to keep it. Their primary reason to reject cluster box delivery was their appreciation of the convenience of delivery to (or into) their home.

Approximately 6 of the 40 Baltimore respondents and 16 of the Phoenix respondents receive mail at a cluster box.

*They will break into the box. Baltimore—Low Income*

*Mine is because of health reasons. My asthma might be real bad and I can't go out so that's why it's convenient for me. Baltimore—Suburban*

*Mine is just convenience, there's no reason why I can't walk six houses up and get the mail. Baltimore—Suburban*

*I like my mailbox. In fact I just installed it two weeks ago. This gets back to a selfish thing. If I wanted to live in a community that had a cluster mailbox, I would have bought my residence in a community like that. I understand the reasoning; I personally don't like the concept. Baltimore—Moderate-High Income*

*I don't like walking in the sun. I would rather they bring it to my house. I feel better that I know it's going to get there. Mine goes into my house. Baltimore—Rural*

*When I moved from Chicago, it was crazy to have a cluster box. They don't have them at all there. Phoenix—Suburban*

*I'm spoiled and my mailbox is at my front door so it is always shaded. I'd be scared to have something in a hot box, like pictures or food. Phoenix—Moderate-High Income*

*It wouldn't be as convenient. But again, if that makes it easier and more efficient, that's a small price to pay. Phoenix—Rural*

Only one person said it would be acceptable to pick up their mail at a Post Office (PO Box). Not only did they consider the option to be very inconvenient, they also questioned how such a change could be feasible. They assumed the PO Box location would be unable to handle the volume of customers and they could not quite figure out how one Post Office could house enough PO Boxes.

*It just seems like it could be very inconvenient. Baltimore—Low Income*

*From the level of convenience and service we have now to having to go to a PO Box, that's pretty much the extremes, at least in my brain. Baltimore—Suburban*

*That would be like paying for the stamp and only getting it halfway there. Baltimore—Moderate-High Income*

*Don't we have that option and we chose not to do it? We could get a PO Box now if we wanted and I'm assuming we all choose to have it at our house instead. Baltimore—Rural*

*I wouldn't mind going once a month. I would just never go there. Baltimore—Rural*

*I don't have a car, I don't have air conditioning, I don't want to ride a bus with a two year old to go get my mail. Phoenix—Low Income*

*I can't imagine everyone converging on the Post Office. As it is now, it's crazy. Can you imagine everyone going there? Phoenix—Suburban*

*It's not economical. When you're talking about how many million more addresses are being added in one year for delivery service and you're going to have that many more boxes in one location? Phoenix—Moderate-High Income*

*I'm assuming cluster boxes are half a mile, quarter mile away. Post office is 5-10 miles for me. Phoenix—Rural*

The final question in this series asked about having to pay a fee to receive home delivery but not paying a fee to have mail delivered to a cluster box. Customers in the suburban areas were least likely to find this unacceptable (25 percent of suburban customers said unacceptable and 25 percent said acceptable, the rest, about one-half, were neutral). Phoenix customers, where cluster boxes are more common, were also slightly more receptive to this fee structure relative to those in Baltimore. However, as a group, most (60 percent) found this to be an unacceptable option and only 20 percent found it to be acceptable. Those who found it most unacceptable were concerned about the safety of the mail, suggesting that the cluster boxes could be vandalized. Others repeated their desire to retain the high level of convenience of mail being delivered to their home.

*I thought the fee was the price of the stamp. Baltimore—Low Income*

*I pay for books and magazines that I hardly read. I would pay that fee. Baltimore—Suburban*

*You might not always live in an apartment. You might have a home and you would want your mail to come to your door. Baltimore—Moderate-High Income*

*Yeah, I would pay because I want that convenience. Phoenix—Low Income*

*Then would we also have the option, if we currently have a cluster box, to then have it at our doorstep? Is that what you're saying? Phoenix—Suburban*

*I'd probably go to the cluster box. If it's down at the end of the street, that's fine. I would take the dog for a walk. I probably pass by there in the car anyway. It doesn't make a difference to me. But if I wanted to pay more, I'd have the option. Phoenix—Suburban*

*I think the Post Office is getting pretty lazy and I would expect some pretty high quality service next time I go to the Post Office. Phoenix—Moderate-High Income*

*Growing up in central Phoenix our mail got delivered to our home. So I think you would have a large number of people upset over having to pay a fee or have a cluster box. Phoenix—Rural*

## **Prices**

Customers were reminded that First-Class Mail costs the same regardless of where mail is being sent to within the United States. Then, they were asked how they would feel about having lower prices for short distance but higher prices for long distance mail delivery. Most could understand the logic, since differential pricing already occurs with packages. However, they were generally confused on how such a pricing program could be initiated. They questioned how they would know how much postage to use. Additional comments reflected their lack of control over their mail destinations since many use First-Class Mail to pay bills. Just about one out of ten found this pricing option acceptable. Most, about 70 percent, found it to be unacceptable.

*It seems like a lot of things are acceptable to pay more the further you go but when it comes to the Post Office, everybody gets worked up a little bit. Baltimore—Suburban*

*If we, the consumer, have to start figuring out whether it's going to Omaha versus Illinois, I don't know if we'll have info on hand to figure out how much it will cost. So that will make it a real pain in the neck. Baltimore—Suburban*

*That's what made the Post Office special. We have one price. You can send a birthday card or anniversary card easily to 50 states and spend the same price. Baltimore—Suburban*

*I can't imagine what it would cost to put out a publication telling you how much it's going to cost by zone across the entire country. And every time they make a Postal change, to make sure that every customer got a copy of that. Baltimore—Moderate-High Income*

*We get our stamps from the grocery store. Do I have to buy two different sets of stamps now? One for the long and one for short distance? Baltimore—Rural*

*It would cause conflict in lines which would make the lines longer and you'd have to wait longer. Phoenix—Low Income*

*The Post Office would spend more time trying to figure it out, or send it back because it wasn't right. Phoenix—Moderate-High Income*

*Sometimes you don't have a choice. If you pay your insurance bill and it goes to NYC, you don't have an option. Phoenix—Rural*

A second pricing scenario, having higher prices to mail First-Class Mail from urban to rural areas and from rural areas to urban areas, was met with similar skepticism. Customers wondered how they would know what was a rural area. Others were concerned about the loss of equitable treatment. In total, 5 percent found this to be an acceptable option. Among rural customers, 95 percent found the option unacceptable and 5 percent were neutral.

*One side of the country to another is one thing but not from the city to across the line. That's getting ridiculous. Baltimore—Low Income*

*If it was a private enterprise, maybe, but this is government. If it was a private business, they could do whatever they want, for competitive and gas prices. But this is the government and they shouldn't do that. Baltimore—Suburban*

*Back to that old cost effective thing again. I think it would cause more work and more money to implement this. Baltimore—Rural*

*If I'm sending it, how would I know if it was an urban or rural area? Phoenix—Suburban*

*A lot of places you can't do next day delivery, so they already have lesser service. So why charge them more? Phoenix—Moderate-High Income*

*Who's going to sit here and calculate this? And then we're all going to need charts. Phoenix—Rural*

To explain the third pricing option, customers were told that: "There are seasonal differences in mail volume with higher volume during the winter and lower volume in summer. A lot of companies, like airlines for example, charge more when demand is high, like over holiday weekends, and charge less when demand is low." Pricing based on demand was also an unacceptable idea with 5 percent saying it was acceptable. The 85 percent who found it to be unacceptable said it was an illogical business model in that the USPS should be making more money anyway when demand is high, would penalize those who observe the Christmas holiday and would hit consumers at a time when money is already tight.

*It's too confusing. Who's going to figure it out – most people mail holiday cards, of course it's going to be a higher volume that time of year. So all of a sudden you're going to have other income against your expenses for the holidays? It just doesn't seem fair. Baltimore—Low Income*

*That's kind of like the airplane prices. They're going through all these price rate changes when they have more people flying. It's making the people not want to fly. Baltimore—Low Income*

*If they charge more for Christmas time, there will be less cards going out then there is now. Baltimore—Suburban*

*It would almost be the contrary to me. You would charge more during low peak because you got to send the mail anyway, even if the truck is only a quarter full. But at Christmas time those trucks are full and you got to get extra trucks. Baltimore—Suburban*

*So they charge you more money when they're making more money. Baltimore—Rural*

*It goes against all the principles of volume. Buying or selling. Usually when you buy in volume, you save money. And when you sell volume you can charge less. So on the principle of that, it's a dumb idea. Phoenix—Low Income*

*It would be hard to curtail your mail usage. When something has to be mailed, it has to go. Whether it's a high or low volume time. It's not like I can adjust what I have to send out to max out the efficiency of it. Phoenix—Rural*

*We can't control the fact that we still have to pay our bills. Phoenix—Rural*

Consumers said of all three pricing options that the cost to implement them would exceed any potential revenue gain. They discussed the need for a postage guide or manual in every home, longer lines in the Post Office lobby (negating the ability to close any Post Offices); undelivered, postage-due pieces adding to the mail volume, etc.

### **Mailbox Access/Private Express Statutes**

The last series of questions was introduced as follows: “Right now, only matter that has postage paid on it can be put into your mailbox. Would you like to see that law changed so that companies and individuals other than the Postal Service could deliver items by placing them in your residential mailbox (not your Post Office box)?” Almost all customers do not want this law changed with only 5 percent saying they would like the law changed. There was a lot of emotional opposition to changing the law as customers were very concerned about the impact it could have on the security and privacy they have today with the Postal Service being the only company able to deliver materials into the mailbox. They were concerned that a change could lead to unauthorized and potentially unscrupulous people being able to touch the mail in their mailbox. They discussed identity theft, mail fraud and other outcomes that could be associated when the security of their mail is breached. Others were simply already having too much advertising mail in their box and did not want more pieces put in their small or typically full boxes.

*Junk mail we get now is bad enough. But then we would have every pizza delivery, Chinese take out, neighborhood association, Boy Scout group in there. Plus you have hands in your mailbox. The ones who have locks it doesn't matter, but all of a sudden you got potential for someone coming down the street, quote selling something, putting it in your mailbox and reaching in and seeing what they can take. Baltimore—Low Income*

*I like the fact that there's a control and it's a federal property. Baltimore—Moderate-High Income*

*It's not just that, it's FedEx is skimming. Those companies are taking the easy stuff and they're charging less for it so they're cutting into the Post Offices' work. I'm not against competition, but if they're going to be able to do it, make them deliver just as often as the USPS. Have the same rates, not charge you by zone. I have a real problem with private businesses skimming profits off the USPS and making it harder for me to get public mail. Baltimore—Moderate-High Income*

*I feel my mailbox is my property and I tell people all the time, drop it in my mailbox. So if you're saying they can no longer do that by law, that creates other problems. Baltimore—Moderate-High Income*

*If it's a UPS or FedEx, somebody who is paid to deliver packages and letters, I wouldn't be against them having access to your mailbox. Baltimore—Rural*

*Because I don't want anyone other than the US government dealing with my Post Office, my mailbox. Period. It's a trust factor. If Fed Ex is sending me a package, I'll sign for it. If the USPS is sending me a letter, they can put it in the box, period. Phoenix—Low Income*

*If Fed Ex goes and put something in the box for my neighbor they also got access to my box. Phoenix—Low Income*

*What if they were to put in explicit material and my kids were to see that? If anybody could put anything in your mailbox, I would be so upset. Phoenix—Suburban*

*We have problems with identity theft, we don't need more. Phoenix—Suburban*

*You're losing control. You're having people who aren't authorized come in and put stuff in and take it out and you lose total track of what's going on, you lose your safety since all the procedures of the Post Office are gone. All the security you wanted, it's gone. It is one more area we're losing control of security and safety. Phoenix—Suburban*

*If you're looking at a community mailbox, how many keys are going to be out there? Phoenix—Moderate-High Income*

*It's okay if it's official business, like the federal government, IRS, not just advertisements. Phoenix—Moderate-High Income*

The next question posed to customers was about allowing other companies to collect, transport, and deliver personal correspondence, bills, statements and checks. As the conversation progressed, they repeated their concerns about the security of the mail in their mailbox and who would be accountable for pieces that were not delivered. In conclusion, about four out of five said it would be unacceptable to have another company deliver the mail. Although they were not necessarily satisfied with every element of the USPS, customers began to discuss that the process is working well enough now and should not be changed.

*What we have in place with the USPS, I'm satisfied with. There may be some beefs we have, but all in all, their slogan, through rain, blow, snow, they've done that. And you rely on that; you count on that. If it's pouring down rain for a week in a hurricane, your mail shows up. Those are the kinds of things I'm spoiled with. Baltimore—Low Income*

*Nothing is going to be 100%. If it ain't broke, don't fix it. Baltimore—Low Income*

*As long as they got a stamp on them and they're in the mailbox, who cares how they got there? Baltimore—Suburban*

*If you do that, we're moving from it being a Federal Post Office to deregulating who can deliver bills and who can go in your mailbox. So we already said we have a right to privacy and do not want this. I'm saying I want my right to privacy. Baltimore—Suburban*

*If the Postal Service wants to hire sub-contractors that meet the same requirements like background checks and all that, that's fine. But to hire some person off the street, they've done no background check, nothing, this person could put in the Macy ad and be pulling out checks and going to cash them. If there were quality control, that's fine, but some private company, I would not be for that. Baltimore—Suburban*

*I think sometimes monopolies are a good thing. And even though the Postal Service is not a strict monopoly, it operates that way for our good. I'd like to keep it that way. Baltimore—Moderate-High Income*

*As long as the contents are sealed and out of the public eye, I don't care who brings it to me. Baltimore—Moderate-High Income*

*What happens if each of us is using a different postal provider? Then you got 10-11 people who can all go into your box legitimately. Baltimore—Rural*

*Would they be bonded in the way the federal Post Office people are? Would they go through the security checks and that? Phoenix—Low Income*

*I don't think anyone who's not USPS should have anything to do with our mail or our mailboxes. Phoenix—Low Income*

*We've all mailed things and they never got there. So how foolproof is it anyway? We're in a false sense of security to begin with. Now if it can be outsourced, they're going to look at damaged packages, delivery statistics, rated by different companies. And who are you going to go with? You're going to go with the best. Maybe the government isn't the best because they haven't managed it very well, so maybe it is better to be free enterprise. Phoenix—Suburban*

*I think it would be a mess. You still have to hire people to do it; you're going to have to give them wages. I would keep it all in house. Phoenix—Moderate-High Income*

*As long as there is accountability there, it is okay. Phoenix—Rural*

When it was further explained that if others could deliver the mail, the recipient would not necessarily have any choice about who delivers the mail. With this additional piece of information, a few more moved into the “unacceptable” category. Their concerns focused on accountability. They questioned who they would contact if a piece of mail was lost in transit.