



# POSTAL NEWS

FOR IMMEDIATE RELEASE  
June 16, 2005

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News Release No. 05-053  
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## **POTTER TELLS ADVERTISERS: USE THE MAIL, IT WORKS**

TROY, Mich.—Postmaster General John E. Potter today told more than 400 advertising professionals in Troy, Mich., that mail is the fastest growing traditional marketing medium, the largest medium in America, and should be included in every marketing plan—because it works.

At a meeting of the Adcraft Club of Detroit and the Direct Marketing Association of Detroit, Potter said mail succeeds because of its segmentation capability. “Mail can be personalized, tailored to the needs and interests of small groups, even individuals, in contrast to ‘one-size-fits-all’ advertising.”

To illustrate, Potter cited a study commissioned by the United States Postal Service that found that consumers who receive catalogs in the mail viewed 22 percent more pages on the retailer’s website, and spent 16 percent more money than those who don’t. And while 57 percent of households say they check their e-mail only once a week, 98 percent of households collect and assess what’s in their mailboxes everyday.

Another reason mail works is because of the privacy it affords. “With stories abounding about data compromises, ID thefts, spamming, ‘phishing,’ and unscrupulous telemarketing, it shouldn’t be a surprise that mail’s privacy and security are strong attributes. Americans know that what they put in the mail will get delivered—and safely,” said Potter.

Mail is a bargain, he added. “Advertising mail is a bargain as well. A typical piece of presorted advertising mail costs 18.2 cents—and it goes directly into the household...It gets opened and viewed by one or more household members who can put it aside to look at it again. And that happens everyday in millions of households nationwide.”

Potter noted both the advertising industry and the Postal Service are undergoing a transformation and looking for new ways to connect to clients and customers. He pointed to the success of the Postal Service’s customized MarketMail™ service to reach targeted audiences. MarketMail is a new Standard Mail™ option that allows customers to use dimensional mail pieces in any shape or design to enhance their marketing messages for greater response.

Potter cited the experience of a Florida medical center that used a life-size card of a broken ankle in a cast to promote its emergency room facilities. The ad messages were handwritten on the piece like cast signings from friends. “The leg-in-the-cast mail piece not only got the attention of the 14,000 seniors who received it, but everyone who saw the piece or heard about it wanted one...This creative ‘creative’ produced free word-of-mouth awareness and media coverage worth many times the direct mail investment.”

Potter also provided a snapshot of how the strength, stability, and vision of the Postal Service enable the agency to be well-positioned to play a role in the changing needs of the ad industry.

“Anyone who has tracked our transformation efforts over the past four or five years would agree that we are in the best position we have been in decades. We have taken nearly \$9 billion in costs out of our system. Our full-time employee base has been reduced by 100,000—without layoffs—and our productivity has risen for five straight years and will rise for a sixth year in 2005. Last year we had a \$3.1 billion operating surplus and this year we anticipate a \$1 billion-plus surplus. These surpluses have helped us to pay down our debt from \$11 billion to around \$2 billion.

“From a delivery performance standpoint, service has been at record or near record levels in recent years. Customer satisfaction also remains at record levels. These aren’t our statistics; they have been compiled by independent companies, whose reputations are unparalleled.”

Since 1775, the Postal Service has connected friends, families, neighbors and businesses by mail. It is an independent federal agency that visits 142 million homes and businesses every day and is the only service provider delivering to every address in the nation. The Postal Service receives no taxpayer dollars for routine operations, but derives its operating revenues solely from the sale of postage, products and services. With annual revenues of more than \$69 billion, it is the world’s leading provider of mailing and delivery services, offering some of the most affordable postage rates in the world. The Postal Service delivers more than 46 percent of the world’s mail volume—some 206 billion letters, advertisements, periodicals and packages a year—and serves seven million customers each day at its 37,000 retail locations nationwide.