



Develop Consumer Gateway Services

Report Recap

The October 2001 report of the Mailing Industry Task Force recommended that the industry and the Postal Service collaborate to develop “consumer gateway” services to remain competitive and establish new streams of revenue while meeting the needs of consumers. These initiatives would build upon the Postal Service’s unique third-party trust status and leverage its physical, technological and transportation assets.

“Consumer gateway services point to future revenues and possibilities that leverage the tremendous potential at the core of the Postal Service’s capabilities – brick, click and motor,” commented Task Force Steering Committee member Dr. Jerry Swartz of Symbol Technologies.

The Consumer Gateway Services Vision

The marketplace continues to reshape the nature of letter and package delivery for the mailing industry as the consumer searches for better value and services. The USPS must take advantage of opportunities created by existing technology, enhanced services and products to provide the best possible customer service to the citizen mailer. In addition, focus must be on those initiatives that will result in either productivity-based cost savings or increased revenue for the Postal Service. “One of the things that is going to be key,” stated Postal Service Vice President for Product Development Nick Barranca, “is creating the right value equation for the citizen mailer, the business mailer and the Postal Service.”

The anthrax attacks last fall served as a wake-up call for the Postal Service. The Postal Service needs to base the impact of its decisions, and in particular product and system offerings, on the overall security of the mail stream. A principle to be followed in all logistic networks will be “chain of custody”.

The U.S. Postal Service has a responsibility to assure its customers that mail being received can be relied upon to be safe. In the Consumer Gateway Services vision, product will enter the Postal Service at multiple entry points throughout the value chain—even the delivery route itself. Digitally secure barcode I.D. would not only route the product and assure revenue payment, but also provide the basis for communication of product requirement and status. This machine-readable printed information and the accompanying communications channels will provide “chain of custody” authentication for safety and security to the citizen mailer.

Progress To Date

Services to Enhance Ease of Use. The Task Force explored and defined consumer needs focused on ease-of-use and postal access. Return of merchandise is a well-articulated consumer concern. The Task Force examined different approaches and methodologies to improve and enhance the current merchandise returns processes. It was agreed to explore an end-to-end package solution that retailers can offer to consumers. The Task Force will pursue three major initiatives: 1) Use of the original Delivery Confirmation bar code on inbound and outbound packages, along with additional scanning within the postal system, to offer merchants and their customers more information on their package status; 2) Offer consumers an option of receiving a prepaid merchandise return label from the retailer delivered to them by the postal carrier; 3) Offer consumers free package pickup, with the use of a prepaid merchandise return label by the postal carrier during normal delivery of the mail.

Another ease-of-use option for consumers is real-time payment flexibility at their home or office. The Task Force will explore extending real-time payment options for postage and/or merchandise to the consumer’s front door via the postal carrier. Mailing industry benefits include additional market access, security, and greater visibility, while enhancing consumer convenience and confidence. Flexible payment options include electronic cash on delivery and the use of credit and debit cards at the consumer’s home.

Expanding consumer access to postal products and services 24 hours per day, seven days per week, to post offices and beyond is important to consumers. The Task Force reviewed retail initiatives for convenient yet cost-effective ways to expand consumer access to postal products and services. The programs include kiosk solutions, retail partnerships, flat-rate packaging and “automated mail pick-up” systems.

Revenue Growth through Leveraging Assets. The Task Force focused on ways to provide additional revenue streams that leverage the Postal Service’s assets. One is a blended approach of using postal assets in a new pickup and delivery model. Items picked up for delivery will be available for sortation, routing and casing at the delivery unit prior to postal carrier departure.

Print-to-Web Technology. The Task Force explored opportunities to link physical mail and virtual services via print-to-web technology. This technology is designed to expand the reach of the mail by offering intermediary or Internet services through utilizing “print-to-web” technology in catalogs and on direct mail pieces. By providing the systems platform for web-code to web page transactions, the Postal Service can create options to link users to specific product content as well as individual selections in advertiser catalogs and/or direct mail offers.

Planned Actions

The Task Force supports the following planned actions, which are divided into two categories: short-term (tactical, to provide results within 6-18 months) and mid-to-long-term (strategic, where implementation will require 18- 60 months).

Short-term:

- Explore integrating Delivery Confirmation bar codes from outbound package shipment into return labels to further automate returns processing and to capture additional scans for better package in-transit status visibility.
- Develop business case from the “automated mail-pickup” program; seek out/establish strategic partnerships with major retailers.
- Expand consumer access to postal products and services through kiosks and self-service technologies available 24 hours per day, seven days per week.
- Determine methods to expand Postal Service offerings to the front door of the consumer and to Small Office/Home Office (SOHO) businesses in rural areas.
- Explore feasibility of postal carrier pick-up program for merchandise returns, and a pickup and delivery program for items such as prescriptions and video returns, partnering with U.S. retailers.

Long-term:

- Explore flat-rate packaging for consumer ease-of-use; determine feasibility of integrating financial services into kiosk platforms.
- Explore integrating merchandise returns and carrier notification of package pickup into the “automated mail pickup” system; determine feasibility of integrating the “automated mail pickup” system with other 3rd party retail channels for added consumer convenience.
- Consider a US Postal Service/3rd party partner as an Internet Applications Service Provider to enable web portal applications for print-to-web transactions and on-line returns.
- Determine feasibility of electronic cash on delivery and credit/debit card payment methods as part of trusted postal carrier transactions at the front door, using next generation mobile and wireless devices for payment and biometric security.
- Explore integrated broadband Internet access for “road warriors” via wireless LAN infrastructure at post offices nationwide.

Task Force Process

The Task Force created a committee to develop initiatives around Consumer Gateway Services, co-chaired by Dr. Jerry Swartz, Chairman and CEO of Symbol Technologies, and Postal Service Vice President of Product Development Nick Barranca. Divided into five working groups, the committee included industry representatives from Symbol Technologies, Inc., Northrop Grumman, IBM Global Services, Dell Computer, CVS, Inc., Harte-Hanks, Blockbuster Video, Lockheed-Martin Distribution Technologies, Honeywell, JC Penney, Swedish Post, Siemens-USA, Royal Ahold-USA, Sears, Wal-Mart, Wunderman and Philips International. It was also supported by a team of postal product specialists.