

MAILING INDUSTRY TASK FORCE

Develop Consumer Gateway Services

Recommendation 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 to establish new streams of revenue while meeting the needs of consumers. The need for such services was reiterated in the Postal Service’s April 2002 Transformation Plan, which promised implementation of growth strategies that would expand access to postal services, move simple transactions to less expensive channels, promote ease of use, enhance revenue opportunities by leveraging existing assets and infrastructure, and work with customers to add features to enhance the value of traditional products.

In recent months, the Task Force has supported a shift in focus by the Postal Service to integrate gateway services strategies with the approaches being taken by the USPS in its implementation of intelligent mail and enhanced package services. “The integrated strategies,” USPS Vice President for Product Development Nick Barranca told the Task Force, “will emphasize simplification and how to add value off the existing base of services.”

“This approach leverages technologies in ways that deliver value through innovation to consumers,” noted Dr. Jerry Swartz, Chairman and Chief Executive Office of Symbol Technologies. “The mailing industry – and mail consumers — will share in the success of these efforts.”

USPS/INDUSTRY PROGRESS

- ✓ *Integration of Intelligent Mail and Gateway Services*
- ✓ *Kiosk Program Designed*
- ✓ *Prepaid Packaging*
- ✓ *Development of Line-of-Travel Carrier Services*
- ✓ *Development of Parcel Returns Service*
- ✓ *Implementation of Online Shipping Service*

The Task Force, for the past year, has supported gateway services development to enhance ease of use, to increase access, and to generate revenue growth by leveraging “brick, click, and motor” assets. Task Force members categorized proposed initiatives into functional areas — ease of use for postage and special services’ transactions, getting mail into the system, getting mail delivered and leveraging postal assets.

Transaction Ease of Use

- *Online Shipping Service.* The Postal Service’s “click-n-ship™” program, which tripled its volume in its first seven months, is a significant step forward in expanding customer access and leveraging the USPS Web presence. “Convenience for many people,” said Barranca, “means that they can do what they want, when and where they want.”
- *Kiosks and self-service technologies.* A contract to design and develop automated kiosks for stamps, information-based indicia (IBI) printed postage, and other services will be awarded later this year, with deployment of 2,506 kiosks beginning in December.
- *Front-door services for consumers, small offices and home offices.* The Task Force is continuing to review ways to expand Postal Service offerings to the front doors of consumers and to Small Office/Home Office (SOHO) businesses and rural areas.

- *Prepaid packaging.* A prepaid flat rate envelope is currently being tested in a pilot initiative partnership between the Postal Service and Task Force member Harte-Hanks. Preliminary results suggest a strong demand for the product. Postage printed on demand is also being examined as a complement to prepaid package initiatives.
- *Electronic cash-on-delivery (COD) and credit/debit card payment methods as part of trusted postal carrier transactions at the front door.* The Task Force and USPS have concluded this is incompatible with the current Postal Service business model.

Getting Mail into the System

- *Package Return Service.* The Task Force supports the Postal Service's intention – once it has completed an internal review — to file with the Postal Rate Commission this spring a proposal to launch a parcel return service. Packages would be available for pick-up at either bulk mail centers or delivery units. “The service is designed,” USPS Vice President Barranca said, “to complement the service provided by package consolidators for their customers.”

Getting Mail Delivered

- *Personal Intelligent Mail.* The Task Force encourages close cooperation between the USPS's new Intelligent Mail and Address Quality function and its existing product development team in future evaluation, design and implementation of all barcode-related initiatives. Task Force members will work closely with the USPS to provide data and customer input, and to define its benefits and value to the consumer.

Leveraging Postal Assets

- *Line-of-Travel Services, Including Postal Carrier Pick-up.* The line-of-travel services have been tested in selected postal districts. They're designed to promote Priority Mail. Included in this category is a postal carrier pick-up program. With this service, postal customers can electronically access the USPS delivery network to place their mail on hold or schedule a redelivery. The Postal Service is evaluating similar access to allow customers to notify their carriers to collect parcels when they deliver their mail. This new feature, if approved, is planned to be added to the current online delivery services to coincide with the package return service offering. The Task Force will help evaluate results of the tests, facilitate partnerships for tests and offer counsel on future direction.

FUTURE ACTIONS

The Task Force will support the following next step:

- To offer industry support and to help implement the shift in focus by the Postal Service to integrate gateway services strategies with the approaches being taken by the USPS in its implementation of intelligent mail and enhanced package services.

CONSUMER GATEWAY SERVICES COMMITTEE MEMBERSHIP

The Task Force committee on consumer gateway services includes representatives from Symbol Technologies, Inc., Northrop Grumman, IBM Global Services, Dell Computer, Harte-Hanks, Blockbuster Video, Lockheed Martin Distribution Technologies, Newgistics, Siemens-USA, Royal Ahold-USA, Sears, Wal-Mart, Wunderman and Philips Electronics. The committee is co-chaired by Dr. Jerry Swartz, Chairman and Chief Executive Officer of Symbol Technologies, and Nick Barranca, Vice President, Product Development of the United States Postal Service.