OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

What America Wants and Needs from the Postal Service

Summary of Focus Group Research

White Paper

Report Number
RARC-WP-14-009-DR

February 18, 2014

Executive Summary

The U.S. Postal Service faces tough decisions about its future, including how it will continue to meet America's changing communications needs and how it will return to financial stability. To make such decisions, the Postal Service must know the products and services its customers demand of it. While it is important to understand what Americans want from the Postal Service, it is equally important to gain a better perspective on what they absolutely need.

Last year, the Postal Service Office of Inspector General (OIG) released a paper summarizing the results of a national web-based survey aimed at better understanding how Americans view the Postal Service now, and its role in the future.[1] To gain further insight into the results of this survey, and explore the types of compromises the public is willing to accept, the OIG again partnered with market research firm InfoTrends to conduct a series of focus groups across the country.

The focus groups provided new, qualitative insight by gathering opinions from 101 individuals from 67 different ZIP Codes in a variety of rural, suburban, and urban areas. The demographics of the focus group participants were generally consistent with the rest of the country in categories such as age, gender, access to the Internet, and population density. Although the results cannot be generalized, they shed light on what a sample population of Americans want and need from the Postal Service.

The following report, What America Wants and Needs from the Postal Service, describes the results of the focus group discussions.

Key Findings

Several key trends emerged from analyzing the focus group results:

Funding: Consistent with our previous survey findings, nearly 70 percent of participants did not realize the Postal Service is self-funded, incorrectly believing that it receives tax dollars for operations. Upon learning it is funded by its own revenue, participants lowered their service level expectations. For Americans to make informed decisions about what they expect from the Postal Service, they must understand its funding structure.

Physical Locations: Most participants valued the Postal Service as an institution. Participants in rural areas considered a Post Office a valued community asset, whereas urban participants placed a higher importance on the convenience of accessing postal services. Rural participants noted security concerns with trusting their mail with nonpostal employees in nonpostal retail locations, such as grocery stores. This often prevailed over the convenience of co-location.

Accessibility: Many participants felt strongly that the existing hours offered at their local Post Office should not be reduced, and focus group participants who worked suggested shifting or expanding the current hours to accommodate their work schedules. Several participants were concerned that reducing their Post Office's current hours could result in increased wait times, their largest source of dissatisfaction with the Postal Service as reported in a pre-focus group survey.

Delivery: Participants were most likely to compromise on residential delivery location and the number of delivery days.

> Location: Security concerns were the primary driver of opinions on delivery location for those in rural areas, whereas convenience motivated those in suburban and urban areas. Participants were generally willing to move to centralized cluster boxes if the boxes were relatively convenient, saved the Postal Service money, and ensured security.
>
> Days: Most participants supported a reduction in the number of delivery days, although there was a lack of consensus on the number of delivery days needed or which days to eliminate. Those who worked preferred to receive mail on Saturdays.

Digital Services: Participants found it difficult to imagine digital services and accordingly did not think it appropriate for the Postal Service to provide them.

Governmental Services and Other New Products: Similar to the previous survey results, some participants saw the utility of offering governmental or other new products or services at Post Offices. However, the participants revealed that they thought others, rather than

1 U.S. Postal Service Office of Inspector General, *What America Wants from the Postal Service: A Survey of Internet-Connected Americans*, RARC-WP-13-009, May 21, 2013.

themselves, would actually use the services.

Postal Service's Role in the Future: More than 98 percent of focus group participants stated they would be negatively affected if the Postal Service ceased to exist, but participants could not articulate how their lives would actually be affected.

This research sheds light on a sample of Americans' views of the products and services the Postal Service offers now and could provide in the future. Additional research on specific new products and services could provide additional, more complete, insights.

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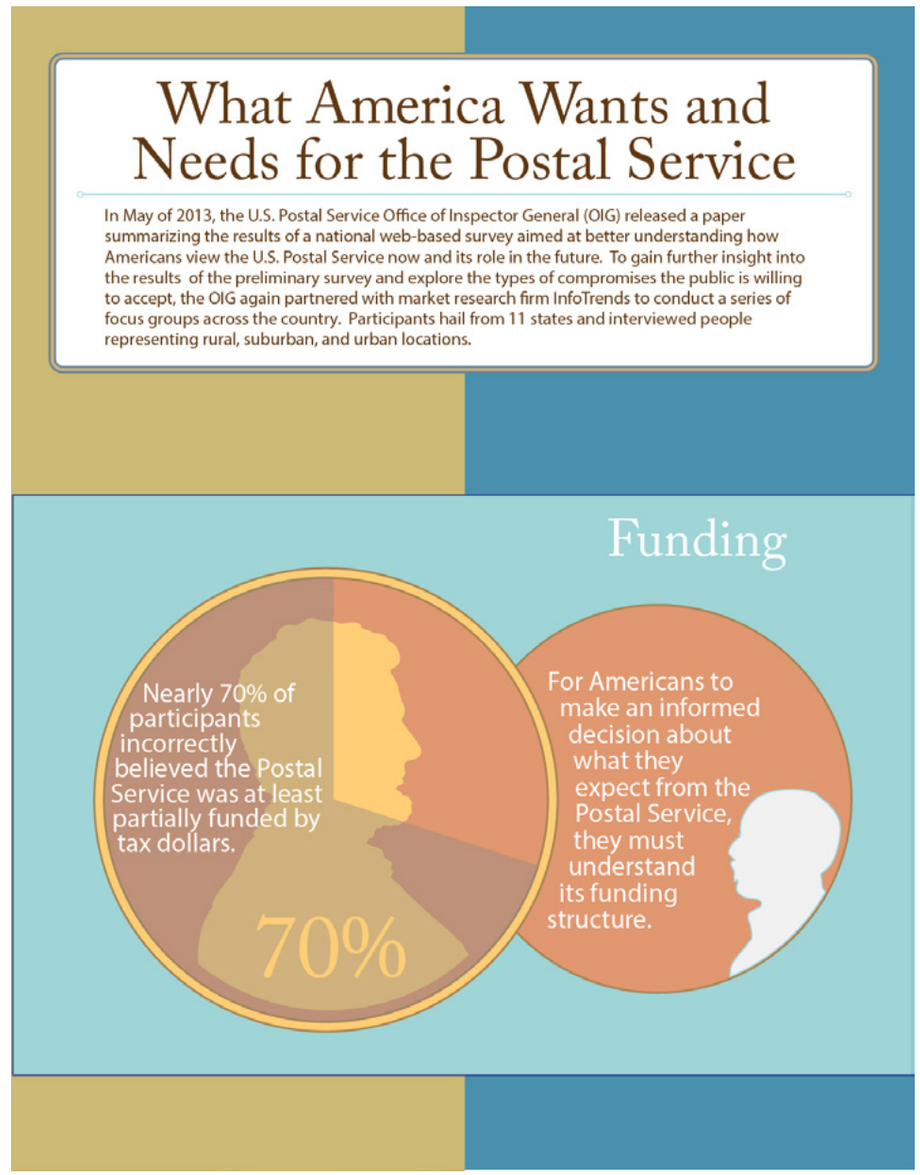

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Observations

Analysis

February 2014

What America Wants and Needs from the Postal Service

Summary of Focus Group Research

InfoTrends
A Questex Company

Introduction

In May of 2013, InfoTrends and the U.S. Postal Service's Office of Inspector General (OIG) published a white paper entitled *What America Wants from the Postal Service*. The paper summarized findings of a pilot survey of 5,000 Americans regarding their perceptions of the U.S. Postal Service (Postal Service) and the role that it plays in their lives. While this research was highly insightful and a valuable undertaking, the population was limited to participants with Internet access and those who self-selected to take a web-based survey. To build on the findings from the initial research and to generate a more dynamic discussion about the Postal Service, the OIG commissioned InfoTrends to collaboratively design, execute, analyze, and report on the findings from focus groups, which InfoTrends moderated and OIG staff also attended in person.[1]

These focus groups took place in rural, suburban, and urban locations across the country and included a group of participants that generally align with U.S. demographics in terms of access to the Internet, age, and gender. Lack of Internet access was a key area of interest due to the fact that this group of respondents was not reachable via web survey.

This paper summarizes the most valuable research findings from these focus groups. Although the results cannot be generalized, they shed light on what a sample population of Americans want and need from the Postal Service.

Research Background

While it is important to understand what Americans want from the Postal Service, it is equally important to gain a better perspective on what they absolutely need. The Postal Service is in a serious financial position and is faced with making important decisions regarding how to prioritize spending and where it should cut costs. This section outlines the research objective, scope, and methodology of this project.

Objective

The intent of this stage of research was to place an emphasis on understanding how Americans rely on the Postal Service today, where they are willing to make concessions, and how they expect to interact with and use its services in the future.

Scope

Between August and November of 2013, InfoTrends conducted 10 focus groups with a total of 101 Americans aged 19 to 92, representing 67 different Zip Codes from 11 states.[2] The focus groups took place across five regions of the country, including nine different states. In each region, an urban/suburban and rural location were selected based on factors including recruitment potential and demographics.

[1] The OIG's research initiatives are objective and independent from the Postal Service and other stakeholders.
[2] Participants in the ten focus groups represented eleven states because several participants attended the focus groups from neighboring states.

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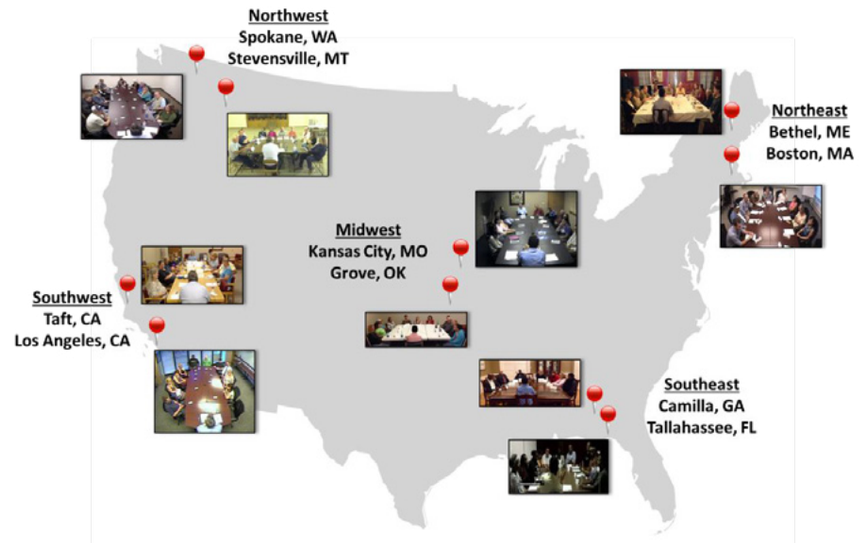
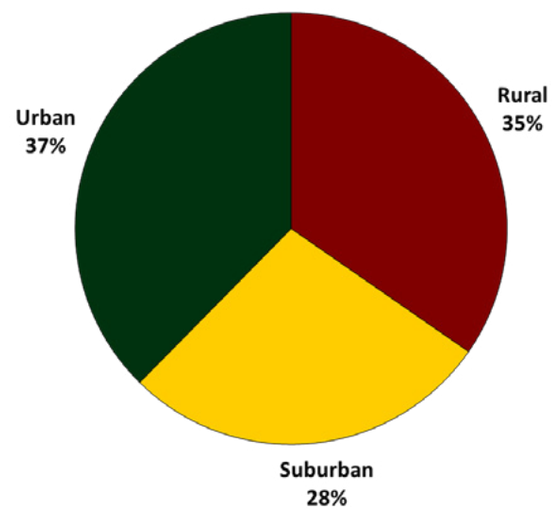
Figure 1 shows the locations that we visited, along with a picture of each focus group.

Figure 1: Focus Group Locations



For the purpose of this report, rural area is defined as a community of fewer than 5,500 people.[3] Suburban area is defined as a community of 5,500-49,999 people, and urban area indicates a community of 50,000 or more people.

Figure 2: Type of Community



N = 101 focus group participants in the U.S.

[3] While the U.S. Census defines a rural area as fewer than 2,500 people, focus groups in towns with fewer than 5,500 people were clearly rural when compared to suburban and urban groups.

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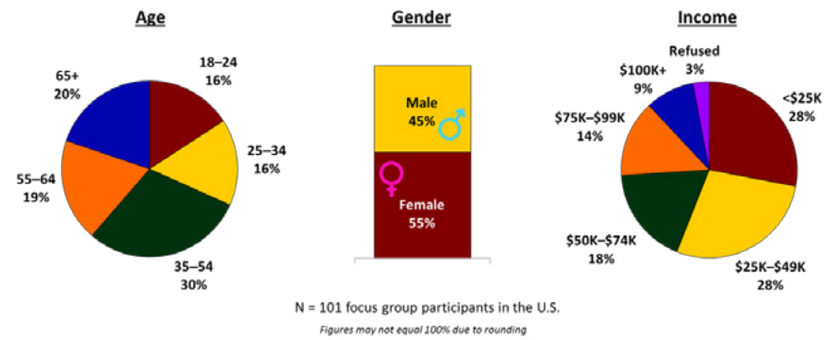
The mix of rural, suburban, and urban participants was intentional, giving a good balance of perspective across these geographies. The groups were also designed so age and gender would generally align with the 2010 U.S. Census. Figure 3 shows the demographic mix of the focus group participants by age, gender, and income.

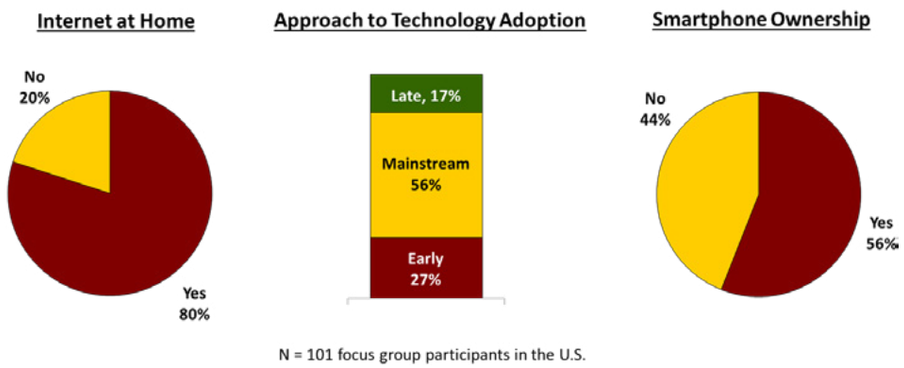
Figure 3: Participant Demographics



This research did not specifically control for income. In our initial web-based research of 5,000 Americans, income of respondents was an occasional indicator of response; however, trends were apparent more often when linked to the person's type of community or age. Along a similar line, we did not see significant variations based on the ethnicity of the respondents and did not control for that demographic variation.

One important goal for this research was to recruit 20% of the focus group participants from households that did not have Internet access—a statistic that closely aligns with the 2010 U.S. Census findings regarding total Internet users.[4] We also gathered insight on participants' self-reported approach to adopting new technology, and smartphone ownership. These statistics are reflected in Figure 4.

Figure 4: Technology Usage



[4] U.S. Census Bureau, "Table 1156. Household Internet Usage In and Outside of the Home by State: 2010."

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Methodology

Focus group participants were recruited and screened by third-parties via phone interviews. Guidelines for participation included:

- No affiliation with the Postal Service (within immediate family)
- Willingness to be recorded (audio and video)
- Alignment with demographic criteria (mix by age and gender in each group)
- No two participants could come from the same household
- A portion of participants should lack Internet access at home

Upon arrival at the focus group locations, participants completed a pre-focus group survey. Additional insights gained from this survey included:

- Approach to technology adoption (early, mainstream, late)
- Understanding of how the Postal Service is funded
- Where participants receive their mail
- Frequency of checking the mail
- Level of satisfaction with elements of the Postal Service
- Consent to use the audio and video in presentations related to the research

InfoTrends analysts moderated each of the focus groups, with representatives from the OIG present for observational purposes. Moderators followed a discussion guide, which InfoTrends and the OIG prepared jointly, that led to conversations about key areas of interest for the OIG. The suburban and urban focus groups were conducted in focus group facilities with one-way mirrors, while the rural focus groups took place in a variety of locations, including an inn, a credit union, a mission gymnasium, a motel, and a community center. In these rural settings, the presence of the OIG representatives was apparent to participants; however, interactions were minimized and the OIG representatives' affiliation with the Postal Service was not disclosed. Each focus group included 8 to 11 participants and lasted for two hours. Participants were given a financial incentive of $60 to $100 in return for their active contribution throughout each session.

As the last element of each focus group discussion, participants were asked to give a brief video statement about tradeoffs they would be willing to make to retain service levels in other parts of the Postal Service. Transcriptions of some of these statements can be found in the section entitled "Making Tradeoffs."

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Every group was surprised to learn that the Postal Service is self-funded.

Americans' Expectations of the Postal Service

The research published in May of 2013 revealed that many Americans (77%) are not aware that the Postal Service is self-funded, receiving no tax dollars for its ongoing operations. We used the focus groups as an opportunity to test whether Americans' expectations of the Postal Service's role would change after being educated about this fact and, if so, how those expectations might change.

First, we asked participants about their current perceptions of the Postal Service as it relates to the following questions:

1) Is the Postal Service a public service or a business?

2) Does the Postal Service have a responsibility to provide mail to every American?

After discussing these questions with participants, we explained that the Postal Service was self-funded—a revelation that was met with surprise within every group.[5] At this point we asked the second question again, but with a twist. The question was posed:

> "Does the Postal Service have a responsibility to provide mail to every American, *even if it is not profitable to do so*?"

This gave participants a chance to evaluate what it means for the Postal Service to be self-funded and weigh that against their service expectations. The following sub-sections review each line of questioning and summarize how the participants responded.

Expectations Prior to Being Informed How the Postal Service Is Funded

When participants were asked whether the Postal Service was a business or a public service, responses were mixed; however, when given the choice to say both, the majority of participants chose this option, feeling that the Postal Service was a hybrid of the two. Kathy from Boston, MA, described a change of heart as the conversation progressed:

> "It makes me wonder about my first response saying it was a business, because that part of me also feels every American should be able to receive mail, so when I think of it in that terms then I think it must be a public service that is run like a business."

Many focus group participants shared Kathy's perspective of it being a public service that operates as a business. While others took a harder line on whether the Postal Service should serve as a public service or a business, we found that—regardless of a participant's response to this first question—most were united with their response to the follow-up question in that they felt that the Postal Service has an obligation to provide mail services to all Americans. Exceptions to this sentiment included that the Postal Service should not

[5] The Postal Service receives marginal taxpayer dollars for reimbursements for certain services it is required by law to provide.

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Upon clarification of the Postal Service being self-funded, almost every focus group participant was willing to give up delivery days.

be required to track down transient people and that the obligation to deliver mail does not necessarily mean door-to-door delivery for every American.

Expectations after Being Informed How the Postal Service Is Funded

Given that a pre-focus group questionnaire revealed that 69% of participants thought the Postal Service received tax dollars to fund its ongoing operations, we were curious to see how the discussion would shift after informing them that it was self-funded. Most people continued to expect that the Postal Service should deliver mail to all Americans, but the tone of the discussion began to change. The shift was to one of nostalgia, their connection to the Postal Service, and a desire to see it continue to provide services because of its importance to the American people. The tone essentially changed to a recognition that, without tax dollars supporting its ongoing operations, these citizens had less authority to make demands about maintaining current levels of service and were more sympathetic to the Postal Service's struggles. A few comments from our discussion include:

"My sister and I have been sending each other the same postcard for 37 years…so I'm very nostalgic about [the Postal Service], but at the same time…if we want to be nostalgic about something we need to want to preserve it by streamlining it." —Susan from Camilla, GA

"I think there definitely should be limits, and it should be related to cost of delivery. [For] someone living in the middle of Alaska, it would cost an awful lot of money to deliver a letter there compared to a major city." —John from Huntington Beach, CA

"I think that people don't understand that the Postal Service is totally funded on its own…I just don't think that's clear because I didn't know that…that skews the way you think about it. It changes expectations of the Postal Service." —Denise from Bethel, ME

As a self-funded entity, the common thought was that the Postal Service must operate like a business; it must find a way to be profitable. Consequently, similar to the comments made by Susan, John, and Denise, the shift in demeanor led almost all of our participants to be more willing to receive reduced service levels to ensure that the Postal Service could remain solvent.

For instance, Howard from Disney, OK, thought that reducing delivery days is a concession that Americans should consider making.

"I think the Postal Service should deliver mail to every American that has an address that wants mail. At the same time, because we've gotten used to getting mail six days a week, doesn't necessarily mean we have to still get six days a week."

Darren from Los Angeles, CA, agreed.

"…I would rather see the Postal Service stop delivering every day of the week than go out of business. I expect the Postal Service to provide a service and break even."

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Americans view the Postal Service as valuable to society, with the physical post office being an important community landmark in rural towns more so than suburban and urban locations.

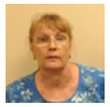
Upon clarification of the Postal Service being self-funded, almost every focus group participant shared this sentiment and was willing to give up delivery days, as we will discuss in more detail later in this report. Educating citizens on the self-funded nature of the Postal Service and the challenges it faces could help garner citizens' support for cost-saving initiatives.

Perceived Value of a Post Office in the Community

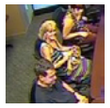
After establishing initial insight into participants' views on the role of the Postal Service and explaining how the Postal Service is funded, the discussion shifted to the perceived value of having a post office in the local community.

Bringing Value to the Community

In addition to the mail services it provides, Americans value their local post office and view it as an important asset to the community. Having a post office gives small towns a sense of identity and independence.



"It's very important... we have a school, we have stores, we have a fire department; [having a] post office just makes us a little, big town."
—Julia from McKittrick, CA



"I like that we have these services in my own town... Not that I get the warm fuzzy about the post office, but I like that we're self-sufficient."
—Mary from Lake Forest, CA

Rural focus group participants were notably more sentimental about the value of the post office to their community, while people in the suburban and urban focus groups were less likely to feel a particular connection to their local post office. This may be due, in part, to the reality that cities often have multiple post offices within close proximity, so the use of one as a community hub is diminished. Americans in suburban and urban areas may be glad to have a post office nearby as a matter of convenience, but generally seemed to place little communal value on them. Even so, suburban and urban dwellers often recognized that it had more value to their friends and family living in rural settings.

Among those who related to the community aspect of their local post office, focus group participants saw it as an opportunity for a chance encounter with friends, to meet new people, and to interact with the postal clerks.

"I think it's important to be able to go in and see the same friendly faces, have a chit-chat, and do my business...Yes, I could take them someplace else...but it's kind of a stopping place in town."
—Gayle from Stevensville, MT

"As someone who goes away for half the year and comes back, I always see people I know there and catch up with them. I don't know if most teenagers feel that way, but I enjoy seeing people there."
— Molly from Bethel, ME

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We also tested the value of the post office in the community by asking how Americans would respond if their local post office were closed. This caused concern for many participants, most often those from rural areas. These concerns included decreased access to mail for Post Office (P.O.) Box users, a loss of a central community meeting place, and a general inconvenience. Urban dwellers cited that they would be less affected by a closure because of the close proximity of other post offices.

Co-location of Postal Services in Establishments Americans Frequent

An alternative approach to completely removing access to postal services from a community is to co-locate a post office, or basic postal services, within other local establishments, such as a grocery store or pharmacy. Participants responded positively to this concept and cited convenience as an attractive benefit. Nevertheless, most rural participants were still unwilling to give up their standalone post office and, instead, preferred to see this co-location approach as a supplement to existing services.

Looking back to our previous web-based study of 5,000 Americans revealed that 32% of rural respondents (and 19% of total respondents) would use postal services less often if their local post office closed and moved inside a nearby retail location. Alternatively, 12% of rural respondents (and 20% of total respondents) cited that they would use the Postal Service more often if it were co-located within a retail location.

In the focus groups, we expanded this discussion to also understand the importance of staffing these retail facilities with postal employees. A large majority of respondents expected there to be a trained postal clerk at a co-located facility. Take Mike from Tallahassee, FL:

"There is a certain sanctity that goes with the mail…I don't want the same person who is checking me out for $7 an hour handling my mail. You depend on that bill getting where it needs to go, and I think you need a little bit more dependability there."

Tamika from Kansas City, MO, held a similar view.

"Something tells me I would rather have a postal employee, just like when you go in and get your flu shot you hope it's not a [regular] Walgreens employee."

As exhibited in these comments by Mike and Tamika, there is a lack of trust in people other than postal clerks managing mail. Some participants felt that the average retail employee might not provide the same level of knowledge or provide mail security as well as a postal employee. Rural participants especially noted security concerns with accessing postal services in non-postal retail locations, which often prevailed over the convenience co-location afforded.

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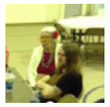
Other participants said they did not necessarily need a postal clerk offering the service as long as the retail associates were well-trained. In response to Tamika's comment in Kansas City, using the Walgreens example, Mike stated "for me, it doesn't matter if it's a Walgreens employee, as long as they know how to weigh [a package]..." Still, other people across the focus groups simply wanted a promise that these co-located postal services would not be exclusively self-service.

Sunny from Stevensville, MT, offered the following perspective:



> "I think the key to that is it has to be manned. If it was a kiosk and there were no people there, you'd walk in and you'd have a problem that there is nobody to help you with. I hate those self-service places...if no people are there, it's not a good service."

Ultimately, this group of Americans viewed the Postal Service as valuable to society, with the physical post office being an important community landmark in rural towns more so than suburban and urban locations. Additionally, the Americans we spoke with were generally interested in the opportunity to access postal services in alternative locations to their post office, as long as these locations were staffed with knowledgeable, well-trained employees who could protect the security of the mail.

Wants versus Needs Relative to Postal Services

A core objective of the focus group research was to understand Americans' fundamental postal needs, as opposed to just the services that they want. To gain a better understanding of their underlying needs, we asked focus group participants to think about where they would be willing to compromise—or pay a fee to maintain service levels—if the Postal Service implemented future changes or reduced their offerings.

The discussion centered on the following areas:

- Accessibility of postal services (e.g., locations, hours of operation, and wait times)
- Mail delivery locations (e.g., door slot, curbside/driveway, cluster box, P.O. Box)
- Frequency of mail delivery (e.g., six days, five days, three days).

According to the pre-focus group survey, participant satisfaction levels with the Postal Service were overwhelmingly positive.

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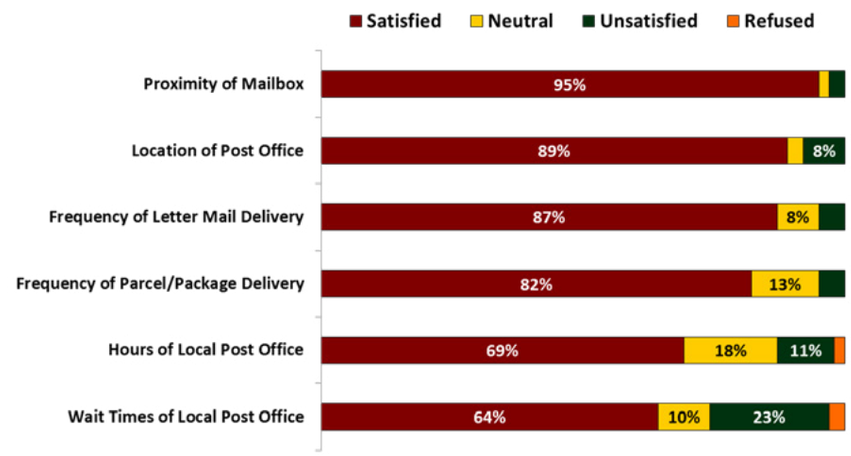
...people were more willing to accept lower levels of service in areas where they were most satisfied.

As shown in Figure 5, the areas where participants expressed the lowest levels of satisfaction were in post office hours and wait times.

Figure 5: Satisfaction with Postal Service Attributes

How satisfied are you with the following elements of the Postal Service?



N = 101 focus group participants in the U.S.

Keeping the pre-focus group survey results in mind, the focus group discussion showed that people were more willing to accept lower levels of service in areas where they were most satisfied. For example, participants were generally more willing to entertain a discussion about moving from a curbside mailbox to a cluster box or a reduction in delivery days for letter mail than to be flexible with post office hours and wait times.

Sentiments captured in last year's web-based survey of 5,000 Americans were generally consistent with feedback from the focus group participants. For instance, last year's web-based research explored survey respondents' views on potential cost-reduction efforts and received the strongest opposition to the idea of reducing the hours of service, while only 38% of these respondents were opposed to reducing the number of delivery days to five days a week, as long as they kept Saturday as a delivery day. The added value of the focus group format was the opportunity to further probe responses, as we did for reducing delivery days.

Right-Sizing Delivery Days for Letter Mail

The topic of reducing the number of days the Postal Service delivers mail has made headlines in recent years, with the Postal Service pushing to eliminate Saturday delivery of letter mail—a measure that they estimate would save them $2 billion per year.[6]

[6] In 2013, the Postal Service announced a proposal that would end Saturday mail delivery but retain Saturday package delivery. The Postal Service estimated the cost savings for this proposal would be $2 billion annually. It did not send the proposal to the Postal Regulatory Commission, which had estimated lower cost savings of previous Postal Service proposals. U.S. Postal Service Fact Sheet, available at http://about.usps.com/news/national-releases/2013/fiveday-factsheet.pdf.

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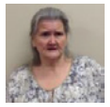
Focus group participants indicated that reducing delivery days is an area where they were most willing to accept change in the level of services they were receiving.

Vocal opposition to this approach and a lack of legislative change have prevented the Postal Service from making any changes to delivery frequency to date; however, we wanted to explore Americans' perspectives on delivery frequency.

Focus group participants seem to indicate that reducing delivery days is an area where Americans are most willing to accept change in the level of services they are receiving. When we asked how many delivery days would be sufficient, only two focus group participants cited a need for six days. We further probed how many delivery days they needed, rather than just preferred, and most participants said they would actually require even fewer than five days per week. Some of their comments along these lines included:

"If a person wants to get mail to you sooner, they can send it priority mail..." —Dave from Spokane, WA



"Honestly, since I've retired, I don't generate much mail." —Barbara from Derby, CA

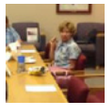
"It used to be five days up through my childhood. Telephone, and of course e-mail, wasn't used as much. Now those are used hourly by most folks, and the number of First Class material that comes across the mail is not as frequent." —John from Kansas City, KS

Those that still viewed a need for six delivery days included older focus group participants and a small business owner.[7] Perspectives from those participants included:

"I really like Saturday delivery and the ability to mail, because I certainly do my bills via the mail. If I space it out and don't time it right, it's going to make a difference if I lose two days a week or just one." —Elloie from Stevensville, MT

"Obviously the Post Office is being paid a premium to get mail or a package delivered the next day so I think that should be delivered six days a week." —Jim from Watertown, MA

Chris from Taft, CA, was willing to reduce to five day delivery, but that would be her bare minimum as a business owner.



"Mail's pretty important. We run a business, we depend on the mail. We run it from our property...and that is pretty essential to our business."

[7] While the core focus of this study was personal mail, small business owners often found it difficult to decouple their postal views for business mail from their personal use.

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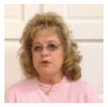
If delivery days were to be eliminated, there was a lack of consensus on which days made the most sense to remove. Some participants said they would be willing to forego Saturday delivery, but others suggested that Saturdays are a preferred day because they are around to retrieve the mail and would prefer to retain Saturday delivery. Doug from Buttonwillow, CA, somewhat sarcastically responded to that by saying that "my mailbox is home every day…I hardly ever take it with me." His point was that people do not need to be physically present to receive their mail, so retaining Saturdays for this reason should not be a priority. Additionally, some participants brought up weekends preceding a Monday holiday, worrying they would not receive mail for three days.

Regardless of which mail delivery days may be eliminated, it is important to note that the vast majority of focus group participants viewed six-day delivery as a luxury that could be reduced if the Postal Service needs to cut costs to remain financial viable.

Mail Delivery Locations

The Postal Service typically delivers residential mail to door slots, mailboxes located on a porch or at the end of a home's driveway, cluster mailboxes where all of the boxes for the neighborhood are located centrally, and to P.O. Boxes where mail is delivered to the post office. To reduce delivery costs, the Postal Service is exploring the possibility of requiring all new neighborhoods to shift to centrally located cluster boxes, rather than allowing individual mailboxes at each door/porch or in front of each house. With the focus groups, we wanted to test how strongly Americans felt about continuing to receive mail where it is currently delivered and how open they would be to changes to that delivery location. Moving the delivery location was a polarizing topic. Security played a significant role in the views of participants from rural areas, whereas those in suburban and urban areas seemed to instead focus on convenience.

Some rural participants viewed a locked cluster box as appealing, due to mail being stolen from their traditional end-of-driveway mailbox.



"There [are] people in our neighborhood who watch you come and go, and we've had a problem with people using your mail, stealing your mail." —Sharon from Camilla, GA

During focus group discussions in Grove, OK, participants engaged in a conversation expressing concerns not only about mail theft, but also mailbox vandalism.

"In our area, somebody's been following our mail carrier. When he puts mail in the box and he goes on…they take somebody's mail."
— Charlotte from Cloud Creek, OK

"That's the biggest problem with having it out on the road. We've had our mailbox shot with shotguns, bats, everything, so we just built a steel box around it." — Arizona from Grove, OK

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Moving from a driveway or doorstep delivery to a cluster box was something that most participants would support, if the Postal Service needed to cut back.

Rural participants were also more supportive of a secure cluster box if it was maintained by the Postal Service, effectively shifting the responsibility of purchasing (and repairing) the mailboxes away from citizens. On this note, participants who had P.O. Boxes—mostly in rural areas—only had positive feedback about them. They primarily valued the security, convenience, and accessibility.

Nonrural residents often cited a preference for home delivery of mail (e.g., curbside, door slot) because of the comfort of being able to see their mailbox from the front door. This preference was notably more focused on "ability to monitor" versus frustration with having to walk or drive further to pick up the mail.

Edward from Spokane, WA, spoke to this point:

"I feel comfortable knowing that I can see my mail. I can see who goes around it. I can see who puts stuff in there."

While suburban and urban participants were more interested in retaining the convenience of their curbside mailbox, there were still participants like Mike from Tallahassee who saw value in the security of a cluster box, noting that "the idea that my mail is under lock and key is not a bad concept."

In all geographies, the "convenience" factor was a recurring topic. For those in support of the concept of adopting cluster boxes, they said relative distance to their front door was less important than whether or not the cluster box was located on the way home. Alternatively, this created concerns that cluster boxes might be a safety issue on busy streets, especially if the boxes were placed at the entrance to a neighborhood, or not given ample room for people to pull off of the road to retrieve their mail. Some people thought that congestion at peak commuting times could also create problems.

Interestingly, a common counterpoint to this discussion was that centrally locating neighborhood mail could pose security problems because it would be a more attractive target for a would-be thief. This topic became especially sensitive when we discussed the delivery of packages. Some people expected that all packages would still be delivered to their doors, even if their letter mail was delivered to a locked cluster box. This may have been a result of misunderstanding that packages can be securely delivered to cluster boxes. Participants who were already using cluster boxes and receiving packages there did not share these same concerns. To an extent, what we were hearing in this discussion may have been a fear of the unknown.

All concerns aside, in the context of the financial challenges that the Postal Service is facing and the need to cut back on components of the service, moving from a driveway or doorstep delivery to a cluster box was something that most participants would support.

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…focus group participants were open to reduced hours on certain days, as long as the hours on other days were also shifted to accommodate citizens who needed the post office to be open early, late, or during lunch.

Others who were adamant about maintaining home delivery were generally willing to pay a fee to receive that service, similar to the subscription model of having a P.O. Box.

Focus group participants' views on paying for services include:

"You know, everything seems to be reasonably priced at the Post Office, so I'll go and say yeah, I'll pay to keep [door slot delivery] the way it is."
—John from Huntington Beach, CA

"I could see people who get it delivered to their driveway…why couldn't they charge a fee for that? If you have to rent a box…it's actually better to get it dropped off at your driveway, even if it's ten dollars a year."
—Tom from Albany, ME

For people willing to pay an annual fee, the $10 per year that Thomas noted was on the low-end of what people were willing to pay. Some people were willing to pay $100 per year if it meant they could retain home delivery service; however, many participants worried that charging a fee for home delivery would unfairly favor people with the means to pay and not necessarily the people who need home delivery the most.

Accessibility of Post Offices

Post office locations, hours of operation, and wait times were central to the discussion regarding accessibility. We have already established that Americans are generally satisfied with the locations of their post offices, with suburban and urban dwellers less likely to be upset with a closure in their area due to the availability of alternatives. As discussed previously, participants were also open to accessing postal services at existing retail facilities.

As for hours of operation, many participants were adamant about at least maintaining current service levels, partially fueled by the dissatisfaction with the current hours that 11% of participants noted. James from Tallahassee, FL, suggested that hours of operation could be adjusted to better serve Americans who work traditional hours.

"Time is important. When you work 8 to 5, it is hard to get to the post office when it closes at 6… maybe have a couple of post offices that would skew their [hours]."

Steve from Boston, MA, agreed:

"I went to a post office the other day where they were closed for lunch. So if you're on your lunch hour and you run to the post office and they're closed, it doesn't really work too well."

This opposition to reducing post office hours is consistent with our initial web-based survey, which found that 74% of the 5,000 respondents would oppose a reduction of hours. The reality, however, is that focus group participants were open to reduced hours

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on certain days, as long as the hours on other days were also shifted to accommodate citizens who needed the post office to be open early, late, or during lunch. For instance, one suggestion was to allow for some post offices to use a rotating schedule, where it would be open at 7 am some days, and until 7 pm on others. Tom from Albany, ME said he would not need full service during the extended hours. "Limited service with one employee is fine, as long as the post office stays open longer hours." Longer hours with limited service could have the potential to spread customer demand across a longer time period, thereby easing Americans' concerns about wait times during other peak hours.

Wait times at local post offices had the highest degree of dissatisfaction, with 23% of focus group participants citing dissatisfaction on the pre-focus group survey. Much of this frustration appeared to stem directly from problems with post office hours. Some participants noted that longer weekday hours could help ease Saturday congestion.

Opportunities to Offer New Services

Cutting current services is just one approach to returning the Postal Service to financial solvency. Another approach is for the Postal Service to generate additional revenue through new products and services.[8] To gauge Americans' views on new possible revenue streams, focus group participants were asked to consider mail-related services, as well as services that may be viewed as adjacent to—or completely separate from—traditional services that the Postal Service currently offers.

Interest in Access to Governmental and e-Government Services at the Post Office

Our discussions explored whether Americans were open to the idea of accessing governmental services—renewing a driver's license, buying a hunting or fishing license, paying a parking ticket or excise tax—at post offices across the country. Some participants expressed concern about how additional services might affect post office wait times. To keep the discussion focused on the conceptual value of having these services available, we asked participants to view these as services offered with dedicated staff, separate from existing postal clerks. Allowing other government entities to lease space in post offices could help the Postal Service generate revenue from other government entities, while also adding reasons to visit local post offices. Some people saw the utility in governmental services being offered at their post office, but they did not expect to use it themselves.

Participants amenable to the idea of access to governmental services were particularly interested in acquiring hunting and fishing licenses at the post office. Some participants also brought up the idea of having a notary public available.

While participants quickly grasped the concept of co-location of postal services within a retailer, some had difficulty envisioning co-location of government services within a post

[8] As of January 1, 2006, the Postal Service has been precluded from offering any new, non-postal services that were not previously offered. However, in subsequent postal-reform legislation, Congress may again allow the Postal Service to innovate in new areas. See 39 U.S.C. § 404(e)(2).

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Before offering new products and services, it would be beneficial for the Postal Service to conduct additional research on the likelihood of citizens taking advantage of additional services.

office. Discussions often dissolved into the logistics of the arrangement, whether or not local and federal agencies would support it, and an insistence that it would only increase wait times.

Some views of the Postal Service offering government services at post offices include:

"I like to go to the post office to conduct postal services, I like going to the DMV to conduct auto-related services, etc... I think when you start mixing and matching too much, you get to an area where people aren't trained enough to know what they want because there is too much."
—James from Tallahassee, FL

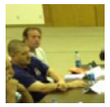
"Tag offices are pretty much dedicated to tags and drivers licenses and look how much wait time there is there. I don't think the Post Office is going to do a good job at providing that service because of the other services they provide." —Susan from Grove, OK

Some detractors did not see the benefit (financial or otherwise) to the Postal Service allowing such services to be offered at post offices, and they worried that it would be a time-consuming effort that would not be profitable. If the Postal Service is considering allowing other government entities to offer services at post offices in the future, it would be beneficial to conduct additional research on the likelihood of citizens taking advantage of these services, the cost savings that government agencies could realize, and the amount of revenue the Postal Service could generate by offering such services.

Electronic Notification of Inbound Mail

We also asked focus group participants about their interest in receiving electronic notifications of incoming mail. Similar to package tracking today, this service would be designed to provide a view of what mail was on its way to an American household in advance of its physical arrival. We explained that offering such a service could be beneficial to the Postal Service because it could allow it to save money by reducing residential delivery days. It could also benefit citizens by providing additional transparency about the delivery process. For example, if the Postal Service were to implement such a system and reduce residential mail delivery to three days per week, the electronic notification system could allow a citizen to see that time-sensitive mail had arrived at the local post office. That person could choose to go to the post office to pick up mail at their convenience, or wait to receive it the next day that the Postal Service was delivering to his or her mailbox.

While conceptually complex for a focus group discussion (with no supporting visuals or written text), some participants grasped the concept quickly.



"They have preference on their end to save money by eliminating some delivery days; I can certainly make the effort to pick up. If I have more of needs-based intake, I'd be more than happy to get that."
—Timothy from Stevensville, MO

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The following quotes represent perspectives from other participants:

"I would be all for that. I'm a fan of things being convenient, and I'm kind of in the 'e-generation.'" —Tamika from Kansas City, MO

"To me, I wouldn't be interested in that, it wouldn't help me at all. It's just one more thing to check, and one more expense the post office is going to have to incur to filter through all this stuff and all the junk mail." —Darren from Los Angeles, CA

"I thought the whole purpose of a restructuring was to not add problems. Have you not heard about the healthcare website?" —Susan from Camilla, GA

As Susan highlighted above, many of the participants who opposed the Postal Service adding an electronic notification service believed a new venture this large would bog down the Postal Service and be unreliable. Focus group attendees also thought that the proposed service would be costly, duplicative, generate security and privacy concerns, and ultimately be unnecessary.[9] Many focus group participants also felt that the process was too complex. Those who supported the concept tended to self-identify as early adopters of new technology or those who said that they would not personally use the service, but would see value in it for other people. Similar to the earlier takeaway, the Postal Service would benefit from additional research in this area before it pursued such an opportunity.

Providing Americans with a Hybrid Mail Approach or a Digital Mailbox

Finally, we asked focus group participants about their interest in other digital services from the Postal Service, such as reverse hybrid mail (physical mail that is scanned and delivered electronically to consumers), and a digital mailbox (to receive electronic business communications in a secure, spam-free environment). The focus group moderator described hybrid mail to participants as an extension of the secure electronic notification service, discussed in the previous section, where consumers could view and sort scanned images of the outside of their mail prior to it arriving. At that point, they could select to have the mail discarded; delivered unopened; or opened, scanned, and sent electronically. Alternatively, a purely digital mailbox could be accessible through the same secure login, but all of the content arriving from businesses—bills, statements, privacy notices, and offers—would arrive electronically and never be printed.[10]

While there was some participant interest, most cited a need for a better understanding of these services and privacy concerns as primary reasons why they would not use either

[9] These focus groups occurred after the Edward Snowden security breach, which may have affected some participants' trust in government and security.
[10] Both of these services are offered by posts in other countries and exist as private sector startups in the United States.

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service today. Some participants also felt that offering these services would be unfair to Americans who lack Internet access at home. Age was a determining factor in likeliness to be interested in these services. Similar to last year's web-based research, younger demographics were slightly more amenable to digital delivery services.

"In my opinion, it might be more feasible after a few generations die off...there are just too many people that are computer illiterate to use this type of service." —Doug from Buttonwillow, CA

"I'd personally be fine with it, but I don't think my parents would know how." —Simon from Bethel, ME

Each of these potential new services would benefit from additional dedicated research to better understand how Americans would view these services. This could include a product demonstration and discussion to educate participants on how the services work, how international posts are offering similar services, and how the services are designed to mitigate risk associated with security and privacy concerns.

Consumer-Generated Suggestions for New Services at the Post Office

Focus group participants expressed modest interest in accessing new services at post offices. When asked to offer ideas of new services, participants offered few suggestions, such as gift and parcel wrapping stations, copying machines, and self-serve kiosks. None of these ideas received majority support from discussion participants, and suggestions and support varied by location.

While most of the participants did not view these services as ones that they would personally use, many acknowledged that certain new services may be helpful to other Americans. For example, Nancy from Bethel, ME, has Internet access at home, but supports the Postal Service expanding its services to offer computer stations with Internet access at post offices.

"I think the post office should have public access computers in the lobby. You could go in, you could pay your bills online, and [the post office] could even charge a fee for it. There are people who can't afford their own computers and that's a way to draw people in, and I think it would be great."

There were also participants who thought that the Postal Service should not be exploring new products and services at all. Overall, participants had difficulty coming up with their own suggestions of potential new products and services for the Postal Service to offer, which may have partially been driven by the limited way in which they viewed the role of the Postal Service.

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People seemed to sense that the Postal Service disappearing would be a bad thing, but they had trouble articulating more specifically how this would affect them personally.

What If the Postal Service Did Not Exist in Five Years?

To conclude the focus group sessions, we asked for participants' reactions to an extreme scenario—if the Postal Service ceased to exist in five years. This statement alone was met with uncomfortable reactions in many of the groups. Participants' body language seemed to indicate a level of concern with this possibility, as if it was something they had not considered before. The questions that followed this statement were straightforward:

- Would you be negatively affected?
- If so, how significant would that impact be?
- Why?

Last year's web-based research showed that 95% of respondents felt they would be affected. In our focus groups, all but two participants cited that they would be negatively affected if the Postal Service did not exist in five years. One of the two people who said they would not be negatively affected was 92 year old Mary, who visits the post office in Bethel, ME, daily. "I'll be dead by then," she said matter-of-factly.

For the other 99 focus group participants, most cited moderate to significant impact, with a few citing only minimal impact since they already conduct all communications online. The degree of impact varied mostly by geography and age, with rural and older Americans citing most often that they would be significantly affected.

Some participants suggested that, if this scenario actually played out, private companies would step in to offer the same or similar services, albeit at a much higher price. Other (often rural) participants expressed concern that a private enterprise probably would not deliver mail to more remote areas, or do so at unmanageable prices.

"If the federal Postal Service folds, you will have three different companies trying to fill their shoes. The question is what the cost is gonna be." —Howard, from Disney, OK

People seemed to sense that the Postal Service disappearing would be a bad thing, but they had trouble articulating more specifically how this would affect them personally. There was a consensus that the Postal Service must carry on; however, the comments rarely provided for a concrete understanding of the specific ramifications to individuals' lives if it did not. This is likely because, to most of the focus group participants, it seemed to be an unfathomable occurrence. In taking the discussion this far, however, we were able to get to the bottom of absolute needs versus wants. In truth, what Americans need from the Postal Service is much less than they want—and they are willing to make tradeoffs.

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In truth, what Americans need from the Postal Service is much less than they want—and they are willing to make tradeoffs.

Making Tradeoffs

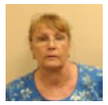
At the end of each two-hour focus group—having just discussed the extreme scenario of an America with no Postal Service—we asked participants to provide us with a brief statement regarding what services they would be willing to give up to retain other services. Essentially, this gave participants the opportunity to reiterate which services were most and least important to them. Here are some of the highlights:

"I'd rather the Postal Service cut back on their days rather than charging any extra fees or anything to our neighborhood."
—Andre, from Post Falls, ID

"I'd rather see the Postal Service have cluster mailboxes than increase postal fees for the stamps." —Miranda, from Kansas City, MO

"I would rather the Post Office reduce the number of days that are open down to 3 so that we can keep it around a long time and I expect the [Postal Service] to keep up the great service that they give."
—Mary, from Tallahassee, FL

"I would rather see a reduction in the days of delivery than losing my Post Office." —Allan, from Bethel, ME



"I would like my [post office] to stay mainly the same, keep its services and everything...I'd like them to have new products to make money on other services. That would be wonderful. They do need some ways to make money to stay afloat." —Julia, from McKittrick, CA

"I think the Postal Service would be better served if they reduce it down to five days a week." —Kareem Ali, from Tallahassee, FL

"I would rather the Postal Service reduce the number of days it delivers to the house than continue to need government funding from the taxpayer to stay out of the red." —John, from Kansas City, MO

"I would rather the Postal Service do fewer days than charge more."
—Edward, from Spokane, WA

"I would rather the Post Office end Saturday delivery on mail than cut delivery of mail to my own house." —Bryant, from Sylvester, GA

"The Post Office is very efficient and very reliable. They need to keep those things and eliminate everything else to cut costs; and they should raise prices and try to run it like a business."
—Joe, from Lee's Summit, MO

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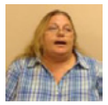
What America Wants and Needs from the Postal Service

"I'm quite satisfied with the Postal Service as it is."
—Mary, from Bethel, ME

"I would rather the Post Office stay efficient and reliable with a few services, as opposed to expanding and not working as well as they do with a few things." —Cate, from Kansas City, MO

"I'd rather the Postal Service lose delivery days than lose my Postal Service altogether." —Winston, from Camilla, GA



"I'd rather the post service stay the way it is. If it's a business though it should be able to regulate its price. If the government is going to set that stuff, the government should help fund it."
—Vivian, from Derby, CA

"I would rather the Postal Service charge a little bit more for a cluster mailbox for the security, rather than shut down altogether."
—Dustin, from Grove, OK

"I would rather the Post Office go to five days instead of doing email notification." –Tangela, from Tallahassee, FL

"I would rather the Postal Service cut back on delivery days than see my local post office shut down." —Katie, from Spokane, WA

"I would rather see the Postal Service spend money on actual services rendered than…superfluous advertisement.
—Jonathan, from Stevensville, MT

"I would rather…lose a day of service rather than have postage go up, or have other services like ticket paying, registration, or fishing or hunting licenses be offered for a nominal fee." —Daniel, from Stevensville, MT

"I would rather the Post Office find smarter ways to do things than limit service; and I expect the Postal Service to be here for my grandchildren."
—Mike, from Tallahassee, FL

"I'd rather see the Post Office do like cluster mailboxes instead of individual delivery to homes in urban areas."
—Bill, from Kansas City, MO

"I'd rather the Postal Service end Saturday delivery for letters than lose my curbside delivery for a cluster box." —Loys, from Cotton, GA

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Conclusion

The Postal Service, and the way that it has helped shaped America's communications infrastructure, tends to continue to hold a revered place in Americans' hearts. Despite the personal interest Americans seem to have in the Postal Service's survival, it must adapt its business model to meet the realities of America's changing communications needs. Over the course of ten, two-hour, in-person discussions with 101 Americans across the country, we witnessed a shift in mindset from a demand for services to remain the same to a willingness to adapt and compromise to preserve the Postal Service for the future.

Our research indicates that Americans are more comfortable with a focused Postal Service that offers reduced service levels in areas such as number of delivery days and curbside/door slot delivery than adopting new products and services to generate additional revenue. In many cases, participants found it difficult to visualize potential new services, so additional, more targeted research in these areas would be needed before any conclusions could be drawn.

While change may not be comfortable or convenient, many focus group participants recognized that the Postal Service faces tradeoffs, given the realities of its financial situation. Americans may want to retain existing service levels, but their actual needs for the Postal Service are more finite than the services they simply want. Ensuring citizens understand how the Postal Service is funded is essential to their ability to provide informed insights into these tradeoffs.

This material is prepared specifically for clients of InfoTrends, Inc. The opinions expressed represent our interpretation and analysis of information generally available to the public or released by responsible individuals in the subject companies. We believe that the sources of information on which our material is based are reliable and we have applied our best professional judgment to the data obtained.

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