



Office of Inspector General | United States Postal Service

RISC Report

Marketers' Perceptions of Informed Delivery and Informed Visibility

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Executive Summary

Marketers today engage with their customers through multiple communications channels which, when combined, can make up an individualized customer experience. These omnichannel strategies can include coordinating advertising mail with digital channels, such as emails or social media posts. The Postal Service has created two tools that it advertises as helping facilitate mail's inclusion in omnichannel advertising: Informed Delivery (ID) and Informed Visibility (IV).

The Postal Service promotes that both ID and IV can improve the value of mail for marketers by providing a gateway to digital communications channels. ID sends recipients an email with a picture of what mailpieces will arrive to their homes soon. To enhance the experience, marketers can create a color image and link to a website below the image of the mailpiece. The IV application provides mailers with visibility to track their mail up until delivery. The Postal Service says that by using this system, marketers may more effectively decide when to send complementary messages to customers through other advertising channels.

The U.S. Postal Service Office of Inspector General (OIG) worked with a contractor to conduct in-depth interviews with marketing mailers and intermediaries, such as mail tracking and print and mail companies. We sought to understand their perceptions of ID and IV, as well as solicit their suggestions to improve these platforms. In addition, we analyzed Postal Service data and information about ID and IV.

The overall perception of ID's product features was generally positive. Many mailers said that the creation and uploading of ID campaigns was relatively straightforward and not a barrier to use. Still, they suggested some improvements aimed at further simplifying ID campaign creation processes.

Twenty-two percent of American households have already signed up for ID, and 11,000 brands have conducted ID campaigns since 2017. Our interviews indicated that two types of attitudes prevail regarding ID campaigns. First, some marketers found ID campaigns to be an effective tool that increases brand awareness, which is often hard to quantify. A main reason for this perception was because ID's daily emails have a high open rate of 63 percent.

Highlights

The Postal Service promotes Informed Delivery (ID) and Informed Visibility (IV) to marketing mailers as two tools that can improve the value of mail by integrating it with digital advertising channels.

While mailers' and intermediaries' overall satisfaction with ID's usability and features was generally positive, they suggested improvements aimed at further simplifying ID campaign creation.

For many marketing mailers, the main benefit of ID campaigns is they generate free additional exposure to their brand. The mailers the OIG interviewed said ID helps create brand awareness, not measurable increases in sales.

Targeted communications efforts might help increase awareness and adoption of ID campaigns among marketers.

While IV is promoted as a tool that facilitates the synchronization of a mailpiece with a digital message, we found that generally marketers are not at this stage in deployment.

Second, some marketing mailers and intermediaries were disappointed in the measurable return on investment from ID. They contended ID had not had a measurable impact on their sales or, for nonprofits, the donations received. These respondents primarily used ID campaigns during the annual ID Promotion to take advantage of the postage discount offered. These differing attitudes indicate that to better align ID's value proposition with marketers' perceptions, the Postal Service might promote the qualitative brand value for mailers from an ID campaign over its measurable return on investment.

A focus of the Postal Service is growing the number of ID marketing mailers and introducing new product innovations, such as an integration with social media. Our research indicates that there are opportunities for the Postal Service to increase mailers' use of ID campaigns by educating marketing departments about ID and reaching out to those marketing mailers that have not yet heard of ID. Also, initiatives to make subscribers — that is, the household users of ID — more aware of the clickable ID ride-along images could help increase mailers' value of the ID campaign.

Additionally, this research paper intended to gather mailer perceptions on the usefulness of IV as a tool that facilitates mail's inclusion into omnichannel

marketing campaigns. However, none of the marketing mailers the OIG interviewed indicated they use data from IV to support omnichannel campaign timing. Still, several intermediaries expressed confidence that IV as an omnichannel tool would ultimately develop as more intermediaries design solutions around this platform.

According to its recent ten-year plan, the Postal Service intends to develop tools that enable better integration of mail with digital media channels. Continuing to enhance the value of ID and IV for marketing mailers will be an important component of the Postal Service's strategy to maintain mail's value in the digital age.

Observations

Introduction

Omnichannel marketing refers to the combined use of advertising channels — such as mail and digital channels — to send personalized messages throughout the customer journey, from a first online search or visit to a website to a customer’s latest order.¹ When added together, these messages make up an individualized customer experience that drives enhanced engagement and higher response. Past OIG research has shown that advertising mailpieces can be part of omnichannel campaigns.² In fact, a majority of marketing mailers already coordinate direct mail with other advertising channels.³

Informed Delivery (ID) and Informed Visibility (IV) are two platforms the Postal Service promotes as capable of helping marketers plan and execute omnichannel campaigns.⁴ The Postal Service promotes ID and IV as free, add-on services. Both are intended to increase the value of advertising mail by facilitating its integration with digital channels. However, the application of each tool is quite different, and ID and IV have different value propositions for mailers.

ID provides mail recipients (households) with a scanned image, by email or online dashboard, of the outside of the mailpieces scheduled to be delivered that day. While these scanned images of the mailpiece are grayscale, marketing mailers can enhance their mailpiece by creating what the Postal Service calls Informed Delivery interactive campaigns (called “ID campaigns” in this report) that add a color image and link to a website below the image of the mailpiece. ID campaigns enable mailers to add a digital connection to their physical mail campaign.

IV provides end-to-end tracking information for letters, flats, bundles, handling units, and containers.⁵ One of the many advertised benefits of this platform involves providing mailers with access to near real-time delivery data on their mailpieces. The Postal Service promotes the use of that information could “launch complementary campaigns like emails or social media ads that target the same customers, maximizing the impact of each piece.”⁶

The U.S. Postal Service Office of Inspector General’s (OIG) objective was to better understand how marketing mailers and intermediaries perceived ID and IV as tools that facilitate the integration of mail with digital advertising channels, as well as to identify opportunities to improve them. We commissioned a qualitative study on the perceptions of ID and IV from a market research firm. The OIG and its contractor conducted a total of 51 in-depth interviews. Respondents included marketing mailers, mailing industry consultants, and intermediaries — the last, in terms of this project, are companies that assist mailers with the creation and execution of ID campaigns or provide them with mail tracking services based on IV data. In addition to our qualitative study, we spoke with Postal Service managers of the ID and IV tools and interpreted data they provided. In addition, we conducted research to understand how marketers and intermediaries approach omnichannel marketing. For more details about our methodology, see [Appendix A](#).

Overview of Informed Delivery

To understand marketing mailers’ perceptions and potential areas for improvement, it is necessary to understand the current positioning of ID campaigns, key ID metrics, and the role of the annual ID Promotion. We found

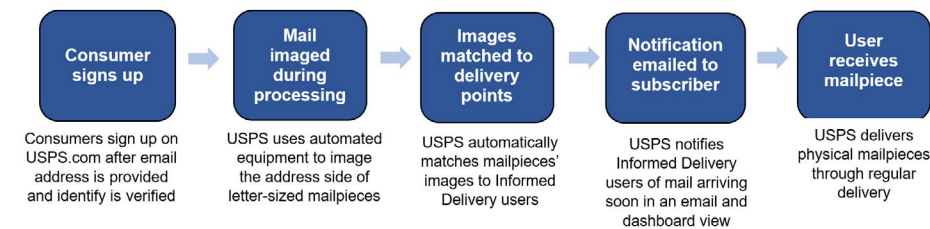
- 1 To describe the coordination of advertising channels, marketers also widely use the term “multichannel marketing.” Multichannel marketing differs from omnichannel marketing. In multichannel marketing, marketers send the same messages through different channels but manage them independently. Omniscend, “Omnichannel vs. Multichannel: How to Know the Difference,” January 3, 2020, <https://www.omniscend.com/blog/omnichannel-vs-multichannel/>.
- 2 Prior OIG research papers have shown that advertising mail can be part of this series of complementary and personalized messages. One report discussed “reactive mail models,” i.e., how a mailpiece could trigger a digital touchpoint or the other way around. U.S. Postal Service Office of Inspector General, *Advertising Mail Innovations*, Report Number RARC-WP-16-016, September 6, 2016, <https://www.uspsig.gov/sites/default/files/document-library-files/2016/RARC-WP-16-016.pdf>. See a list of relevant prior OIG research in [Appendix A](#).
- 3 Seventy-three percent of advertising mail users also send advertising emails. U.S. Postal Service, “How Marketers Like You Use Direct Mail,” <https://www.uspsdelivers.com/how-marketers-like-you-use-direct-mail/>.
- 4 The Postal Service also refers to the IV platform used by commercial mailers as Informed Visibility Mail Tracking & Reporting.
- 5 IV builds on earlier mail tracking platforms based on the scanning of Intelligent Mail barcodes (IMb). Each IMb, which is unique to each mailpiece, holds data, such as information that identifies the mailer, type of service, serial number, and routing information. Snailworks, “A New Era of Mail Visibility: How Mail Tracking Boosts the Value of Direct Mail,” <https://www.snailworks.com/External3/pdfs/ANewEraofMailVisibilitywhite%20paper.pdf>.
- 6 U.S. Postal Service, “Track Your Direct Mail with Informed Visibility,” <https://www.uspsdelivers.com/track-your-direct-mail-with-informed-visibility/>.

that while ID currently has a substantial subscriber base, ID campaigns are still a small and concentrated mail market segment that many users embrace mainly to benefit from the promotion discount.

ID's Value Proposition for Marketing Mailers

ID is a notification service that provides mail recipients in a household with a daily digital preview of the letters the Postal Service will deliver to them that same day.⁷ The daily notification, which contains scanned greyscale images of the exterior, address side of mailpieces, is delivered to ID subscribers via email (called the Daily Digest), on their online ID dashboard, or on the USPS Mobile® application. Figure 1 illustrates the ID process flow.

Figure 1: ID Process Flow

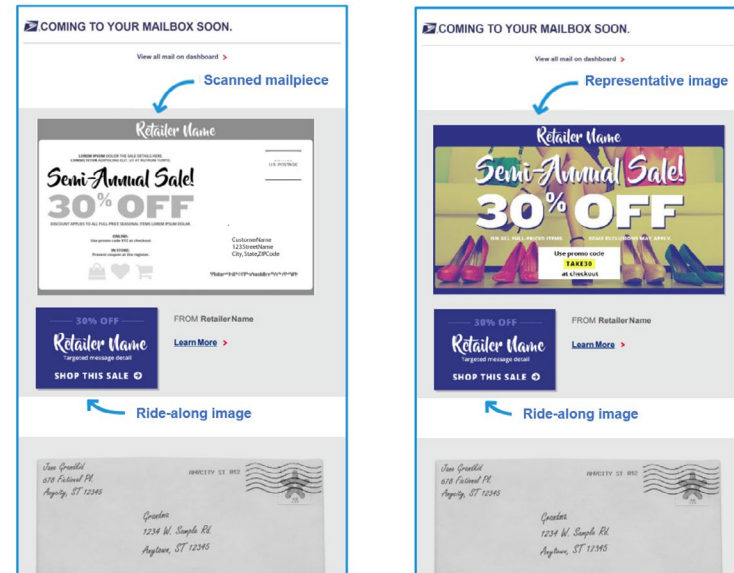


Source: U.S. Postal Service, Informed Delivery Interactive Campaign Guide, p. 3.

While all mail scanned in the Postal Service's processing network is included in the daily notifications, marketing mailers can go a step further by creating ID campaigns. Mailers can add a color, ride-along image of their advertising mail that brings subscribers who click on it to a website, such as an online promotion or offer. The ID campaign enables mailers to add a digital impression to the physical mailpiece before it even reaches the home mailbox.⁸ Mailers also can choose to optimize the greyscale image of the mailpiece by replacing it with a representative color image to make their advertisement more prominent in the

daily ID notification (Figure 2). The Postal Service started piloting ID campaigns in 2015 and deployed the service nationally in 2017.

Figure 2: ID Notification with Ride-along Image and Representative Color Image



Source: U.S. Postal Service, Informed Delivery Campaign Image Requirements, 2018, pp. 1-2 and OIG analysis.

In a 2016 internal report, the Postal Service stated that marketing mailers could expect to receive a higher return on investment (ROI) and higher response rate when conducting ID campaigns.⁹ The report asserted that the higher response rate would encourage mailers to continue to invest in the mail advertising channel and increase volume.¹⁰ The potential ROI lift is one of the six benefits of ID that USPS currently promotes to marketers (Figure 3).

7 The eligibility of flats varies because USPS automation equipment currently does not capture images of flat-size mailpieces. ID also provides tracking information for incoming packages. In 2020, the Postal Service started testing ID campaigns associated with package notifications.
 8 Impression is a metric commonly used by marketers to quantify the number of displays of advertising contents on users' screens.
 9 The report stated that even a small increase in campaign response rate would have a significant impact on the ROI (profitability) of the campaign because all the fixed costs of the campaign have already been covered.
 10 The Postal Service based its claim on early pilot results. U.S. Postal Service, *Decision Analysis Report (DAR) Business Case*, June 16, 2016, p.9 and p.11.

Figure 3: ID Campaigns Benefits According to the Postal Service

| | | |
|-----------------------------------|---|---|
| Build product and brand awareness | Create multiple impressions from a single mailpiece | Drive consumer response with interactive content related to the mailpiece |
| Enhance product experience | Potentially increase ROI on advertising mail spend | Provide additional data insights to optimize marketing spend |

Source: U.S. Postal Service, Informed Delivery, Presentation, August 2020, p.11.

The ID Campaign is Used by a Concentrated Market Segment

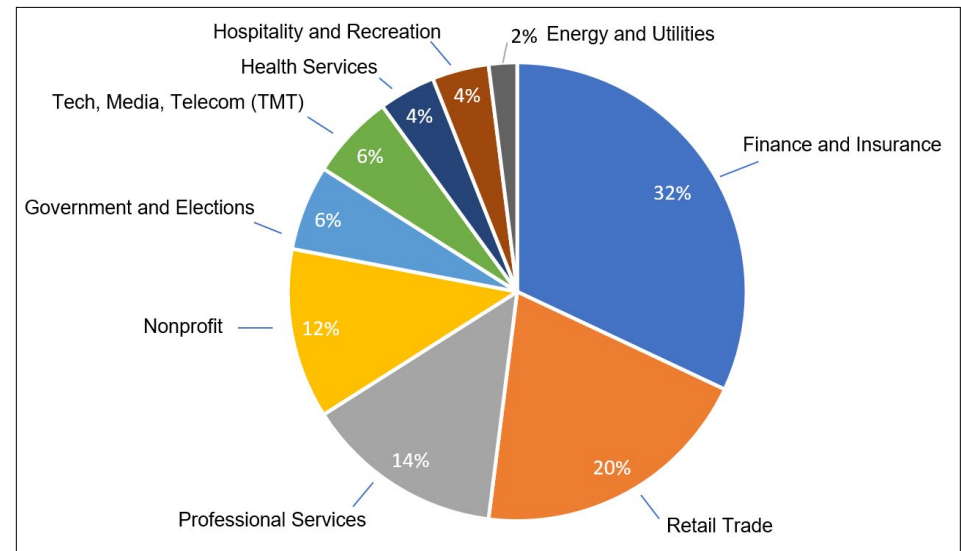
Since its national rollout, ID has continued to develop as a promising postal product. According to the Postal Service, a total of 37.5 million people had signed up for it as of March 26, 2021, equating to 21.9 percent of all U.S. households. Of those registered, 29.8 million individuals (or 79.5 percent) chose to receive the ID notification via email (called “Daily Digest”).¹¹ A total of 11,000 consumer brands have generated more than 89,000 interactive campaigns between calendar year (CY) 2017 and the end of CY 2020.

In CY 2020, each ID subscriber received an average of three ID campaign images per month.

While the ID subscriber base is quite large, ID campaigns are still used by a small segment of marketing mailers. In CY 2020, the Postal Service sent 1.2 billion ID campaign mailpieces — that is, mailpieces with a corresponding ID campaign — to subscribers.¹² This figure is still relatively small compared to the 64 billion advertising First-Class Mail and Marketing Mail pieces the Postal Service delivered in CY 2020. Out of the 54 mailpieces that appeared in a customer’s ID account every month on average, only about three had an ID campaign image associated with them.¹³

The use of ID campaigns was concentrated among a few industry sectors. We reviewed Postal Service data for the 50 largest ID campaign mailers, who, in CY 2020, represented 64 percent of total ID campaign volume. We found that three-quarters of their ID campaign mailpieces belonged to four sectors: finance and insurance (32 percent), retail trade (20 percent), professional services (14 percent), and nonprofit (12 percent) (Figure 4).¹⁴

Figure 4: Breakdown of ID Campaign Mailpieces by Industry Sector, CY 2020



Source: OIG Analysis of Postal Service ID campaign data.

Intermediaries Assist Many Marketers in Managing their ID Campaigns

Launching an ID campaign requires creating artwork for the mailpiece’s ride-along image and uploading it, together with detailed information about the ID campaign, to the Postal Service’s ID Mailer Campaign Portal or through the PostalOne!

¹¹ U.S. Postal Service, *Informed Delivery Weekly Program Update*, accessed March 29, 2021.

¹² We define ID campaign mailpieces as the mailpieces with a clickable ride-along image and link to a website that ID subscribers receive in their Daily Digests.

¹³ OIG calculation based on U.S. Postal Service, *Informed Delivery Year in Review: December 2019 – December 2020*, January 2021, p.7 and p.9, and U.S. Postal Service, “Informed Delivery Subscribers, Campaigns Got Boost in 2020,” February 12, 2021, <https://link.usps.com/2021/02/12/informed-delivery-5/>.

¹⁴ U.S. Postal Service, ID campaign statistics.

web-based tool.¹⁵ Through these platforms, marketers can also access data that summarize ID campaign results.¹⁶ However, marketers may opt to delegate some or all tasks to intermediaries.¹⁷ For example:

- Marketing services firms plan, design, and implement marketers' advertising mail campaigns. As part of their tasks, they often create the ID image and landing page or analyze ID campaign data.
- Mail service providers sometimes advise marketers on how to handle ID campaigns.
- Some intermediaries offer ID "bundled" with IV and other services. For example, the marketing platform DirectMail2.0 offers marketers between eight and 16 additional digital touchpoints — through ID campaigns, social media ads, and follow-up emails — to increase the impact of their advertising mailpiece. The company also provides marketers with detailed metrics about the impact of each marketing touchpoint.¹⁸

After analyzing ID's current positioning, we wanted to ascertain respondents' perspectives on ID campaigns. We focused on three areas: marketers' satisfaction with ID's usability and features, their assessment of its effectiveness and impact on their business, and overall awareness of ID. We also asked them if they had suggestions for possible improvements to the service.

Perceptions and Suggested Improvements for the Usability of ID

Mailers' and intermediaries' overall satisfaction with ID's usability and features was generally positive. However, interviewees provided feedback on potential improvements that could enhance the usability of ID for marketers. These suggestions focused on further improvements to the campaign creation process and allowing greater flexibility for the rules and requirements related to ID campaigns.

¹⁵ The Mailer Campaign Portal is the most popular uploading method, with about 79 percent of ID campaigns. All business mailers must first register with the Postal Service's Business Customer Gateway and obtain a Mailer Identifier number (MID).

¹⁶ Since mid-2020, the Postal Service has made ID post-campaign data accessible through the IV application in addition to the ID Mailer Campaign Portal.

¹⁷ Many of these intermediaries are mail service providers (MSPs). For a description of the roles of MSPs, see: U.S. Postal Service Office of Inspector General, *Mail Service Providers*, Report Number MS-WP-15-003, August 31, 2015, <https://www.uspsoig.gov/sites/default/files/document-library-files/2015/ms-wp-15-003.pdf>.

¹⁸ DirectMail2.0 website home page, <http://directmail2.com/>.

ID's Features

Interview questions concerning ID's features covered four aspects: campaign creation, campaign resources, pre-campaign data, and post-campaign data.

Campaign Creation and Uploading

While some interviewees indicated a slight learning curve associated with entering an interactive campaign into the Postal Service's Business Customer Gateway (BCG) portal, this process was not viewed as a substantial barrier. In fact, companies that use ID on a regular basis stated that uploading a campaign was, in many cases, fairly easy and intuitive.

"As long as you have the [barcode] serial numbers and you know where to get that data, it's really simple to set up an ID campaign. It takes 15 minutes."

-Healthcare organization

Some mailers indicated the process of creating an ID campaign was time consuming, especially when uploading information for multiple campaigns. Similar sentiments were voiced mostly by larger and more frequent campaign users. A mailer, for instance, reported spending one to two hours several times a month entering ID campaigns in the BCG, but said regardless of the time commitment,

"It can take 25 minutes for me to put in [the ID campaign for] one mailing... and I may have 30 to 50 different mailings for one appeal."

-Nonprofit

"for what we receive as a benefit, it's not hard at all." Some mailers also noted that the campaign creation process had been delayed when the BCG portal was down or running slowly, which, according to two heavy users, happened several times in the months before the interview.

Campaign Resources

A key feature of an ID campaign is that unlike advertising emails, it is free. There was a consensus among respondents that ID's current benefits do not justify its being a paid service. Two main reasons were that increasing the cost to mailers would lead them to stop using ID unless metrics proved its business value; and at over 37 million subscribers, the current user base was too low to justify a subscription fee. However, several ID users did not rule out paying in the future for premium ID features — for example, to ensure that their ID representative and ride-along images always come on top of the ID Daily Digest. Postal Service management indicated there were no short-term plans to turn ID campaigns into a fee-based service.

While marketers may not be able to beat the price of using ID, in their estimation it is not completely free. ID users we interviewed pointed to resources associated with an ID campaign, including the time, effort, and potential fixed costs associated with creating the required full-color ride-along image. Since the Postal Service does not offer assistance in the design of campaign content, mailers may need to either pay an outside graphics designer to do the image design, such as through an intermediary, or commit internal resources to the task.¹⁹ In some cases, though, external support costs are not a major hurdle — two intermediaries told us they charged a nominal fee for this service.

Pre-campaign Data

Next, we asked mailers and intermediaries about their use of pre-campaign data within ID. The Postal Service cross-references a mailing list against a current ID user list and indicates how many consumers in the list are ID users.²⁰ The feature allows mailers to determine whether there is a sufficient overlap between their mailing list and ID users before setting up an ID campaign.²¹ Interviews indicated that this data is not widely applied, and respondents had mixed reviews regarding its usefulness. Some mailers stated that running a pre-campaign report is cumbersome, so they either rely on old data or pay a third-party vendor to run the report for them. Some respondents indicated they were unaware this tool existed.

¹⁹ In past research, the OIG has suggested the Postal Service work with intermediaries to help small marketers design their advertising mailpieces. See U.S. Postal Service Office of Inspector General, *Advertising Mail Innovations*, Report Number RARC-WP-16-016, September 6, 2016, <https://www.uspsog.gov/sites/default/files/document-library-files/2016/RARC-WP-16-016.pdf>, pp.13-16.

²⁰ The Postal Service is prohibited from providing lists of ID users directly to mailers.

²¹ U.S. Postal Service, *Informed Delivery Interactive Campaign Guide*, Version 3, 2020, <https://www.usps.com/business/pdf/informed-delivery-interactive-campaign-guide.pdf>, pp.9-10.

Post-campaign Data

Lastly, we were interested in whether interviewees used ID's post-campaign data reports. The report allows them to measure results of campaigns at either the aggregated or detailed (mailpiece) level, including open rates and click-through rates. One large intermediary told us that most ID users are only interested in obtaining the summary (aggregated) post-campaign report. We found that only mailers with data analytics skills leverage the detailed post-campaign data to monitor the behavior of their customers and build databases of customers that are ID subscribers. The data allows them, for example, to use different ID campaign images depending on whether an addressee has clicked on ID images from previous campaigns.

Several interviewees expressed that post-campaign data reports they receive from the Postal Service can be confusing to understand, primarily based on the labels and calculations used. Mailers that conduct multiple ID campaigns simultaneously also said they receive an individual post-campaign report for every campaign, which can be cumbersome to combine into one report. One of the largest ID users said users used to be able to create and download one single customized report covering different ID campaigns, and the company wished the Postal Service would allow that again. Lastly, two intermediaries said that only the entity creating the campaign — for example, a mail service provider that produces it for a mailer — had access to the post-campaign reports.

Suggestions for Improving ID's Usability

Mailers and intermediaries suggested several potential improvements and other measures that could help grow usefulness of ID for marketers. Responses centered around making the campaign creation process easier and allowing for greater flexibility. In regard to creating an easier campaign creation process, some mailers and intermediaries would like to see:

- A more convenient and efficient method for uploading multiple campaigns;

- A faster and more reliable campaign portal; and
- Post-campaign data that is easier to use. For example, an intermediary that set up mailers' ID campaigns said it would be helpful to have more flexibility in sharing access to the ID post-campaign reports with the mailers.

Mailers interviewed also suggested that the Postal Service reexamine postal rules and requirements related to ID campaigns that they perceive as unnecessary and restricting creativity. For instance, some mailers desired the following:

- The ability to include a URL that permits ID subscribers to donate online during the ID Promotion. URLs that drive ID subscribers to donate online are not allowable during the promotion but are allowable the rest of the year;²²
- More flexibility on the types of ride-along images that are permissible, including images that are larger and animated; and
- More streamlined campaign approval and customer support from the Informed Delivery Promotion Office.

Interviews also provided suggestions for improvements that the Postal Service already has underway, including:

- Collecting and making more data available on ID subscribers' demographics;
- Allowing greater campaign personalization (in particular, personalization of ride-along images); and
- Developing an Application Programming Interface to automate the uploading of ID images and landing pages into the USPS BCG without having to log in.

Additionally, some mailers expressed interest in access to data on actual mail delivery notifications. In fact, the Postal Service piloted this feature in April 2020. Subscribers received a delivery notification 20-30 minutes after their mail had

been delivered. Some of the Postal Service's other ongoing improvement initiatives were not mentioned by respondents. These initiatives include: Informed Offers, which targets advertisements received through the Daily Digest; a "reminder" feature in the Daily Digest; and enabling social media sharing of ID content.²³

Perceptions and Suggested Improvements for the Effectiveness of ID

While overall perceptions of usability were positive, it is important that marketers see impact from ID campaigns, as well. Since ID campaigns are a hybrid marketing device, connecting print and digital advertising, first, we lay out marketer expectations for success in each of those channels. Then, we describe outcomes for marketers using ID, as well as their perceptions of the challenges to ID's effectiveness and suggestions for improving it.

Marketers Use Several Metrics to Measure ID's Impact

ID is positioned at the juncture of physical mail and digital content, and it is worth considering metrics that marketers frequently use for both channels.

- Advertising mail's response rate: Research has shown that coupling an advertising mailpiece with a digital touchpoint improves the overall response rate of the mail campaign — the percentage of recipients that take the desired action. For example, a 2018 Keypoint Intelligence study concluded that adding an advertising email to a direct mailpiece increased a direct mailpiece's average response rate by about 30 percent, raising it from 6.2 to 8.1 percent.²⁴ The Postal Service claims ID campaigns can increase response rate. However, none of the ID users interviewed said that ID had had a measurable impact on their sales or donations. Further, the Postal Service did not provide any material that contained evidence that ID campaigns increased response to an advertising mailpiece.

²² ID Promotion requirements prohibit the use of ID ride-along images that would encourage the elimination of mail. Those include images that would call on customers to pay their bills online or link to URLs dedicated to online donations. U.S. Postal Service, *2021 Informed Delivery Promotion – Promotion Requirements*, <https://postalpro.usps.com/mnt/glusterfs/2021-01/2021%20Informed%20Delivery%20Promotion%20Requirements%20Final%201-4-2021.pdf>, p.7. The Postal Service's Promotions Office told the OIG that when it was explained to them, mailers generally understood and accepted the rationale behind this prohibition. Postal Service management, in discussion with the OIG, March 22, 2021.

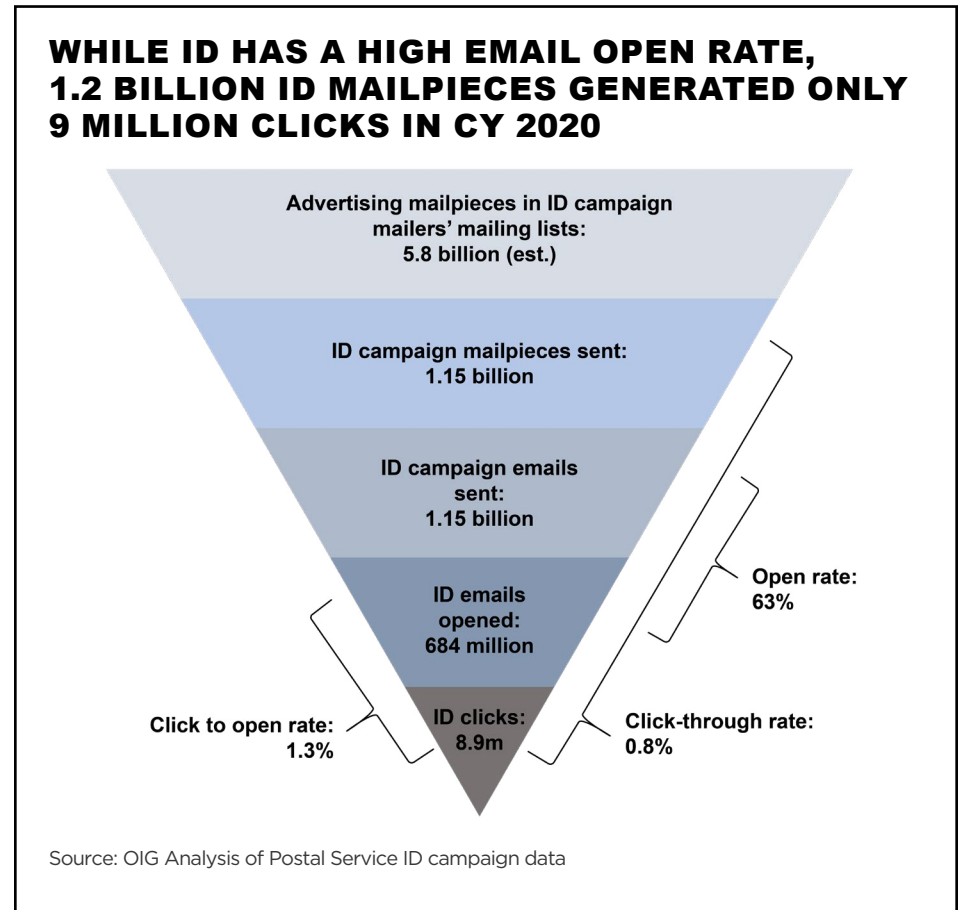
²³ The reminder feature will enable consumers to set reminders to remind themselves to revisit an incoming mailpiece and to receive reminders via email or text up to 45 days after delivery of the mailpiece.

²⁴ Kate Dunn, "Finding Ways to Grow Your Business in 2019," (presentation to the PINE Print Management Conference, October 2018), https://keypointintelligence.com/media/1937/findingwaysgrowbusiness2019_92818.

- Digital advertising metrics — open rates and click-through rates:** Two common industry metrics used to measure the impact of a digital marketing campaign are open rate and click-through rate. The open rate measures the proportion of advertising emails that recipients open — a metric the Postal Service applies to its Daily Digest. The Daily Digest has an open rate of 63 percent, which is much higher than the industry standard of 18 percent. Click-through rates measure the proportion of advertising recipients who clicked on the link the ad contained.²⁵ The Postal Service measures click-through rate as the proportion of ID campaign mailpieces that generate a click on the ad in the Daily Digest. The average ID click-through rate was about 0.8 percent in CY 2020, which is lower than the industry standards for advertising emails (2.6 percent, see Figure 5). In practice, a mailer sending a total of one million mailpieces and producing an ID campaign for the Daily Digest could expect to have 126,000 ID subscribers see it, and could expect to receive, on average, about 1,600 ID-generated clicks to its website.

Direct comparisons between the Daily Digest and other advertising email are imperfect. For both ID and advertising email, click-through rates depend on many factors — the industry sector, whether the sender is known to the recipient, the relevance of the email subject line, and the interest in the call-to-action that the ID ride-along image presents. An example from a 2020 campaign exemplifies the importance of relevancy. During the COVID-19 pandemic, the IRS produced an ID campaign that accompanied the Economic Impact Payment stimulus checks. This series of campaigns garnered a massive 11 percent average click-through rate. Yet, among other campaigns above 100,000 mailpieces, the next best 15 ID campaigns of 2020 generated a 1.7 to 2.6 percent click-through rate — much less than the stimulus campaign but twice to three times the ID average.²⁶ Nine of these top performers belonged to the government and financial sectors.

Figure 5: Key ID Campaign Metrics (CY 2020)



pdf?utm_term=Finding%20Ways%20to%20Grow%20Your%20Business%20in%202019&utm_content=landing+page&utm_source=Act-On+Software&utm_medium=landing+page&cm_mmc=Act-On%20Software-_-Landing%20Page-_-_-Finding%20Ways%20to%20Grow%20Your%20Business%20in%202019, p. 30.

²⁵ Adam Hayes, "Click-through rate (CTR) definition," Investopedia, <https://www.investopedia.com/terms/c/clickthroughrates.asp>.

²⁶ The campaign with the second largest click-through rate (Vote by Mail National Campaign) had a 2.6 percent click-through rate.

ID's Effectiveness at Increasing Brand Awareness and Sales

Marketers' perceptions of ID's effectiveness for their advertising campaigns depended on what they expect of ID. Those that primarily saw ID as a way to make their brand more visible focused on its qualitative value more than its direct revenue impact. Conversely, those that considered ID as a potential revenue engine were inclined to consider effectiveness in terms of metrics such as click-through rates.

Many marketers saw value in ID for brand image and awareness objectives. In speaking of the positive attributes of ID, these respondents focused on the qualitative value of the Daily Digest, rather than the direct impact on sales. As one direct marketing services company told us, the Daily Digest is quite different from a random advertising email a company could generate — the Daily Digest is likely to be opened because it comes from the Postal Service and the recipient has subscribed to the service. In other words, the Daily Digest cuts through the email clutter. A representative from a nationwide nonprofit said his organization saw the value of conducting ID campaigns because their mailpiece image appears at the top of subscribers' daily notification. Another respondent compared ID campaign images to a very powerful QR code.²⁷ Scanning a QR code on a mailpiece can take the customer to marketer's website or open up a coupon for them — just like clicking on an ID image does.

While they saw value in the qualitative benefits of ID, marketing mailers were not pleased with the quantitative campaign metrics. Even though the question was not specifically asked, nine of the 20 ID users interviewed said that they felt their ID campaign click-through rates were low or disappointing. The perceived low click-through rate and absence of measured lift on sales was also cited as a main deterrent from using ID campaigns or a reason to stop using them altogether.

Table 1 presents quotes comparing the two attitudes of ID users.

Table 1: Marketers Approach ID Campaigns from Two Different Angles

| Focus on revenue and metrics | Focus on awareness and engagement |
|--|--|
| "Why would I spend money to see if the sale was associated with ID when the click-through rate was so low?" | "It helps our brand awareness. People might not have known the (mail)piece was coming that day. It reminds people." |
| "We have done as many ID campaigns as I want to do. The analytics and results are very hard to translate into actual value." | "ID is another channel to chat with the customer." "A way to get your members engaged with you before the mail has actually arrived." |

Source: GLM Report for the OIG.

Other Factors Limit the Effectiveness of ID Campaigns

When discussing ID's effectiveness, mailers and intermediaries also cited some of the following factors that limited their use of ID campaigns:

- **Operational limitations:** Mailers that send many non-scannable pieces that are not yet eligible for ID cited this limitation. For example, the representative of a retail industry company that sends over 400,000 magazines a year said that until the Postal Service scans its magazines and catalogs, ID would have no value to her association.
- **Not valuable for all campaigns:** Some mailers did not want to use ID for their smaller campaigns. They contended the benefits of ID would not cover the time and resources needed to set up an ID campaign.
- **Risk of customer fatigue:** A large mailer, who mails one million pieces a week, said using ID all year long would reduce ID's impact. That company said it used ID for all its mailings during the three-month ID Promotion period but not outside of that.
- **Number of subscribers:** Interviewees expressed differing opinions regarding the value of the current number of ID subscribers. Some mailers and

²⁷ A QR (Quick Response) code is a machine-readable code typically used for storing URLs or other information for reading by the camera on a smartphone.

intermediaries thought the current base (over 37 million) was far too small compared to the reach of digital media (for example, the number of Facebook users). Conversely, others considered the current base to be acceptable and focused on the progress made. Specifically, a large insurance company representative said, “now that 22 to 25 percent of households have ID, it is worth talking about.”

“Now that 22 to 25 percent of households have ID, it is worth talking about.”

- Large insurance company

Suggestions to Improve ID’s Effectiveness

Interviews revealed several factors limiting the effectiveness of ID for certain types of campaigns or in comparison to alternative marketing channels. While ID may never be the most effective tool for all types of marketing campaigns, educating subscribers on the ability to click through to online content in the Daily Digest could be one strategy to broadly improve its effectiveness and appeal for marketers. Also, further research to demonstrate when and how ID campaigns are effective could create powerful use cases to demonstrate its value to marketers.

Educating ID Subscribers on the Value of ID Campaign Images

Apart from the operational limitations, one way to mitigate some of the challenges above could be to help improve the click-through rate by making more subscribers aware of the click-through feature. Postal Service research showed that at the end of 2020, 49 percent of ID subscribers said they had seen an ID interactive campaign in the past six months. The main implication is that just over half of subscribers did not notice this feature, thereby reducing the potential click-through rates and the impact of ID.²⁸ The Postal Service could consider better promoting the clickable campaign image feature to subscribers as a strategy to improve ID’s click-through rates. The Postal Service might be able to use marketing expertise housed in its marketing department or from an outside consultant to look at methods for increasing click-through rates and customer

awareness of the ID campaigns. Increasing click-through rates through subscriber education, in tandem with a growing subscriber base, would broaden the appeal for more marketers and more types of marketing campaigns.

Launching In-depth Research on the Actual Impact of ID Campaigns

To compensate for the relative lack of ID effectiveness metrics, a mailing industry consultant we interviewed suggested the Postal Service could sponsor extensive A/B tests to prove that ID works.²⁹ Another expert suggested that the Postal Service launch in-depth research about whether the ID ride-along image increases the likelihood of consumer follow up and, if so, what type of action. This research could arm the Postal Service and intermediaries with compelling use cases demonstrating when and how an ID campaign will be effective for a marketer, which would also meet the concerns about customer fatigue.

Perceptions and Suggested Improvements for Promoting Awareness of ID

ID campaigns are widely known in some segments of the mailing industry, but many marketers still do not know about them. The Postal Service’s ID Promotion aims at closing the adoption gap and is somewhat successful in meeting its goals. Additionally, within companies, marketing departments, unlike mail operations teams, may not be aware of ID. There are other opportunities to increase the use of ID campaigns and further promote its adoption by marketers.

Marketing Mailers Like the Concept of ID

A Postal Service survey showed that in FY 2020, only 59 percent of recent Marketing Mail senders knew about the service. However, when told what ID is, 83 percent of senders said this feature would be “appealing to their business.”³⁰ The difference between the two percentages corresponds to the one-fourth of recent Marketing Mail users who, if targeted by relevant communications, might try ID campaigns.

²⁸ USPS Market Research & Insights, “Consumer and Commercial BHT survey, Q1 2021 – Mail Services.” Sample of 580 respondents (consumers) who regularly use ID.

²⁹ A/B tests involve comparing the results of advertising mail campaigns with ID and without ID.

³⁰ The questions to business mailers were about their awareness of ID and the value of ID to them, not about ID interactive campaigns specifically. USPS Market Research & Insights, Consumer and Commercial Brand Health Trackers (BHT) survey. At our request, the Postal Service calculated cumulated results for the full FY 2020 based on quarterly survey results.

Our interviews with non-users of ID campaigns confirmed this observation. In fact, there are different levels of awareness and understanding of ID. Some small marketing agencies had never heard of it. Some intermediaries, although aware of ID, said they did not have any ID campaign clients. On the other hand, mailing industry members of the Postal Service’s Mailers’ Technical Advisory Committee ID working group demonstrated they were very knowledgeable about ID. These very large mailers and intermediaries were usually appreciative of their interaction with the Postal Service and its ID Program Office. Many other users we spoke with had been briefed about ID by their Postal Service representative or local Postal Customer Council, or an intermediary.

Reaching Decision Makers in Marketing Departments is a Challenge

Promoting the adoption of ID requires reaching the right decision maker within a company. We found that respondents working in mail operations were the most familiar with ID, but they had little direct influence on the final decision to use ID, which belonged to the marketing department. Smaller intermediaries reported challenges to engage mailers to use ID because the mail operations representative did not work with the advertising decision maker.

Marketing departments, when making decisions about advertising mail campaigns,

“It has taken a long time for Marketing to get on board, even if ID is free.”

-Large nonprofit

tended not to be aware of ID or its potential value. Respondents in mail operations teams said it was a challenge to educate them about ID. They remarked it was even more difficult if the company was de-emphasizing the use of mail in favor of digital alternatives. However, there were a few success stories of respondents ending up convincing marketing to use ID.

The ID Promotion Brings New Users to ID Campaigns

In order to increase the adoption rate of ID and help marketers improve the results of their ID campaigns, the Postal Service began offering a three-month promotion for ID in CY 2019.³¹ During the promotion period, marketers receive a 2 percent discount on postage for implementing an ID campaign.³² In 2020, the total amount of ID discounts granted totaled \$14 million, compared to \$12 million in 2019 (a 19 percent increase).³³ Postal Service management communicated that the ID Promotion, like its other promotions, allows mailers to try out the service and see how it adds value to their mail.³⁴

In practice, the ID Promotion has partly achieved its goals over the past two years. The promotion was successful in bringing new users to ID: the number of first-time users more than doubled during promotions compared to the rest of the year.³⁵ Further, one-third of ID campaign users started using ID campaigns during promotions.³⁶ However, use of the promotion went beyond just being a trial used by ID newcomers: 80 percent of the mailers that took advantage of the ID Promotion had used an ID campaign in the past (Figure 6).

31 U.S. Postal Service, “Informed Delivery Promotion 2021,” <https://postalpro.usps.com/promotions/2021-informed-delivery>.

32 In 2017, ID users could already qualify for the Mobile Shopping promotion discount, but the Postal Service did not establish the ID Promotion until 2019. Bob Schimek, “Mobile Shopping & Informed Delivery = Postage Savings,” Mailing Systems Technology, July 27, 2017, <https://mailingsystemstechnology.com/article-4202-Mobile-Shopping-&-Informed-Delivery-=-Postage-Savings.html>.

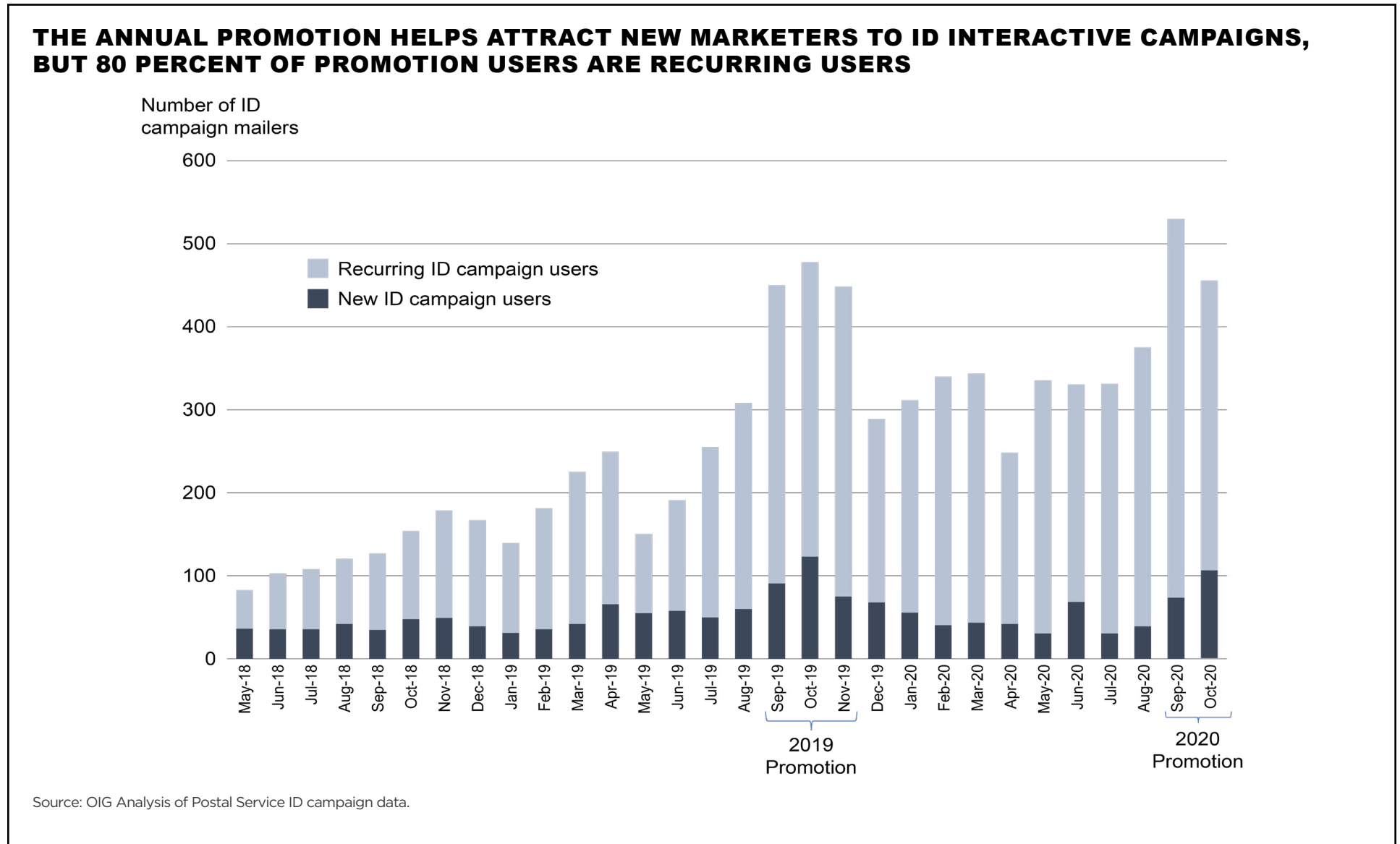
33 U.S. Postal Service, *Informed Delivery Year in Review*, December 2019-December 2020, Updated January 2021.

34 OIG interview with Postal Service management, March 22, 2021.

35 U.S. Postal Service, Informed Delivery Program Snapshot, monthly updates 2019 and 2020.

36 Postal Service ID campaign database.

Figure 6: Evolution of the Number of ID Campaigns (March 2018-October 2020)



Suggestions to Increase the Awareness and Use of ID Campaigns

Targeted communications efforts and repositioning the ID Promotion might help encourage marketers to increase awareness and adoption of ID campaigns.

Awareness-raising Initiatives

The Postal Service could increase users by reaching out to marketing mailers that have not yet heard of ID campaigns. To grow awareness and foster adoption of ID, the Postal Service should also engage not only with its traditional counterparts — the mail operations teams — but also with their marketing and brand management managers.

Repositioning the ID Promotion

Seven of the 20 ID campaign users interviewed during this project said they used ID only during the promotion, and the discount was the only reason they used the service. In other words, the discount was the main value proposition. By lowering the cost of the advertising mail campaign, it alleviated the need to prove the business benefits of ID. These findings suggest the Postal Service might benefit from repositioning the ID Promotion.

“It is easier to get marketing interested during the discount period because the discount can be quantified.”

-Telecommunications company

Postal Service management communicated to the OIG that the discount is always the main motivator for mailers to use a promotion. Management also insisted that changing the promotion’s parameters, for example by allowing mailers to choose the three-month period during which their ID mailpiece would receive a discount, would involve additional resources to manage the process. Finally, we asked the Postal Service whether restricting the use of the discount to new

users would better meet the purpose of the promotion. Postal management responded that, while legally possible, this solution would penalize those mailers who need to participate in several successive promotions to optimize their use of ID or to recoup campaign set up costs.

“I don’t know if this is going to lead to a conversion or sale. We do it for the discount.”

-Retailer

Overview of Informed Visibility

IV is another tool the Postal Service promotes as a way for marketers to better integrate mail into omnichannel campaigns. While IV is a massive mail tracking tool used for a variety of purposes, this paper’s focus is only on the advertising applications of IV data.

IV’s Value Proposition for Marketing Mailers

Launched in 2018, IV is the mail tracking component and analytics tool the Postal Service provides for its commercial customers through its IV application. Offered as a free service for customers, IV harnesses scan data to provide marketing mailers and intermediaries with near real-time data on the location of their mail in the processing and delivery network and its expected delivery date.³⁷ IV provides detailed insight into the mailstream by combining actual scans with assumed and logical handling events for letters and flats, but also handling units and containers.³⁸

While IV is first and foremost a tracking platform that a commercial customer’s mail operations team will use, for example, to anticipate and handle delays, it also has several other uses. A key value proposition to marketers, specifically, is knowing when mail has been or will be delivered. The Postal Service promotes that mailers could also use this data to allow for a quick and coordinated activation of a complementary marketing message. For example, data from IV could help marketers more precisely send follow-up emails with related offers to

³⁷ The platform provides “predicted,” “expected,” and “anticipated” delivery date estimates. For definitions, see U.S. Postal Service, “Informed Visibility Orientation,” (presentation, June 2020), https://postalpro.usps.com/mnt/glusterfs/2020-06/IV-MTR%20Orientation_v1.1%20June2020.pdf, p.53, and Angelo Anagnostopoulos, “Informed Visibility: What It Is, What It Provides, and Why You Should Use It,” Mailing Systems Technology, August 12, 2019, <https://mailingsystemstechnology.com/article-4534-Informed-Visibility-What-It-Is-What-It-Provides-and-Why-You-Should-Use-It.html>.

³⁸ An assumed event is based on the assumption that when, for example, a container is scanned, the mailpieces nested in it are all there. IV creates a logical delivery event after the final scan of a mailpiece has been recorded and data from the letter carrier’s GPS device show the carrier has crossed into a ZIP+4 geo-fence near the delivery address. While there is not an actual delivery scan, IV shows the mailpiece as “expected to have been delivered.” U.S. Postal Service, “Informed Delivery Orientation,” (presentation, June 2020), pp.46-52.

customers on their mailing list.³⁹ As the Postal Service states, “using near real-time data helps [marketers] map out the next best steps in [their] customer’s purchase journey and upsell additional services.”⁴⁰

IV’s Use in Omnichannel Marketing Appears Minimal

Unlike ID, IV requires mail operations and data expertise. Two-thirds of the 18 IV users interviewed accessed IV data through an intermediary. The intermediary, typically a mail tracking firm, queries the IV application and downloads raw data that it turns into digestible dashboards that mailers or mail service providers can use to track their mail.⁴¹

When asked if and how they use IV data for advertising mail campaigns, 18 out of 27 mailers reported using IV to track their mail; however, none indicated they currently use it to manage supplemental advertising context, such as to trigger follow-up email campaigns. Only one interviewee communicated it was considering using IV in this capacity.

The intermediaries we interviewed confirmed that the use of IV in marketing campaigns is minimal. One of them remarked that predicted delivery dates from IV were not always reliable. He asserted that good, predicted delivery data are essential for mailers to trigger emails not only after but also in advance of mailpiece delivery. Other intermediaries echoed the same concern; reliable data in the IV application are necessary.

We assessed information from the Postal Service to estimate the use of IV by marketing mailers. Its IV database included 12,000 customer registration identification numbers (CRIDs).⁴² Postal management indicated they do not monitor the actual use of IV by marketing mailers. For example, they do not maintain a list of business mailers and intermediaries that actually track their advertising mailpieces through IV. Further, the Postal Service said they do not

attempt to identify which of those mailers use the IV data to support omnichannel marketing campaigns.⁴³ While this information may not be needed for IV program management purposes, it could help the Postal Service better understand how marketing mailers are engaging with IV. It could also present an opportunity for additional outreach and education for mailers and intermediaries on how to use IV with corresponding digital campaigns.

Even though mailers we spoke with did not use IV for campaign coordination purposes, this data can support marketers in other ways as well. For example, one nonprofit told us they are sharing IV data on the donations checks that have been mailed back with the companies that process them — allowing these companies to staff accordingly.⁴⁴ Another business responded that they use IV’s inbound scans to confirm that the customer has returned an item before they have actually received it.

Perceptions of IV and Suggestions for Improvement

There seems to be a gap between marketing mailers’ high level of awareness of — and interest in — IV for tracking purposes and the limited use of IV data to support omnichannel campaigns. The overall interest in IV for mail tracking purposes is high. According to a Postal Service survey, 93 percent of recent Marketing Mail senders are “very interested” or “somewhat interested” in IV and 57 percent have heard of it.⁴⁵ We asked marketers about the reasons for their high interest in mail tracking but its low use in omnichannel campaign planning. Their responses varied. Some marketers reported a first barrier to entry: they believed access to IV data was too complex. These marketers were not prepared to pay a vendor to get actionable IV data. Other marketers said they were not yet able or willing to conduct omnichannel campaigns. One main reason was they sent marketing emails in bulk (disconnected from other channels). Another marketer said that, until recently, they did not have enough email addresses

39 U.S. Postal Service, “Track Your Direct Mail with Informed Visibility,” USPS Delivers website, <https://www.uspsdelivers.com/track-your-direct-mail-with-informed-visibility/>.

40 U.S. Postal Service, “Informed Marketing Starts with Informed Data,” 2019, <https://about.usps.com/what-we-are-doing/pcc-week/pdf/informed-marketing-starts-with-informed-data.pdf>.

41 Among the intermediaries we interviewed, mail tracking companies BCC Software, GrayHair Software, Snailworks, and SourceLink provided this service.

42 A CRID is a unique number that identifies a physical business location (address) in postal systems. It is difficult to know how many different mailers have actually signed up to access IV data, because a mailer may have more than one CRID if it has several physical addresses. About 10,600 of the CRIDs were delegated — a process that allows an IV user to share and receive data — for example, when a mail owner asks an MSP to manage their tracking data for them. Data delegation can also take place among units of the same company.

43 Postal Service management, in discussion with the OIG, January 7, 2021.

44 The role of these companies — called “caging companies” — is to receive and process donor mail and deposit all contributions to an account on behalf of a nonprofit.

45 Postal Service, USPS BHT survey results, Q2 FY 2021. At the request of the OIG, the Postal Service (Market Research & Insights) agreed to add a question on IV to their BHT questionnaire fielded in Q2 FY 2021.

for customers on their mailing lists to justify the use of IV data for omnichannel marketing. This is a barrier to entry for this type of campaign: marketers might not have a robust mailing list and a robust email list. Even if they do, they might not be capable of — or interested in — connecting the two.

In addition, a marketer is less likely to put IV into their marketing toolbox if they do not already have a strong mail culture or mail is a small component of their advertising spend. While the Postal Service promotes IV at industry conferences and meetings, one intermediary expressed the view that Postal Service representatives did not sufficiently reach out to the real omnichannel experts — that is, digital marketers.

According to that respondent, “modern marketers without a print background are less aware of Informed Visibility, because the terminology used does not map into a modern marketing system.” If companies do not see value in advertising mail, they do not see value in IV. Another respondent said that since mail was a small component of its advertising spend, working on how the mailpiece could trigger digital messages was not a priority. Those companies were just interested in using IV data to know if a certain mailpiece would arrive by the expected delivery date.

“Modern marketers without a print background are less aware of Informed Visibility, because the terminology used does not map into a modern marketing system.”

-Intermediary

Finally, as noted above, we learned there are perceived data limitations with IV among mailers which can limit its usefulness for marketing purposes. Predicted delivery data are not available for all mailpieces — for example, consistent data are not provided for flats. Some respondents also argued that a final scan of the mailpiece at the local sorting center or delivery unit — while prompting an “out for delivery” event message in IV — does not guarantee the mailpiece will actually be delivered that day. Several interviewees said that, ideally, an actual delivery confirmation scan would add a lot of value to IV.

While recognizing these limitations, several intermediaries expressed overall confidence that the use of IV in omnichannel campaigns would ultimately develop. We received comments such as “it is coming” or “it is an underutilized asset.” In fact, we also spoke with intermediaries that have developed software solutions that allow mailers to integrate the mail and digital channels. These solutions heavily depend on IV, for example, to generate emails triggered by the delivery date of the mail.⁴⁶

The Postal Service could work with those intermediaries that already use IV data to integrate the mail and digital channels to identify and create concrete use cases demonstrating the value of IV for omnichannel campaigns. In addition, the Postal Service could consider implementing a promotion that would specifically encourage direct mailers to use IV in integrated campaigns. In this respect, an IV promotion would complement the Postal Service’s current ID promotion and Digital to Direct Mail promotion.⁴⁷

Conclusion

Omnichannel advertising is a cornerstone of today’s marketing strategies. The OIG sought to better understand marketers’ perceptions of two tools the Postal Service uses to promote mail’s integration into omnichannel campaigns — the Informed Delivery and Informed Visibility platforms.

Through interviews with dozens of marketing mailers and intermediaries, we found that when promoting ID campaigns to marketers, the Postal Service may wish to prioritize, as a key value proposition, the benefits ID can provide for a marketer’s brand awareness. Although the tie to customer purchases was less supported, marketers appreciated the extra branding opportunity ID provided, and the usefulness of ID will only increase as the Postal Service continues to grow the subscriber base.

On the other hand, some interviewees indicated that ID still lacks awareness and credibility with many companies’ marketing departments that are increasingly digital first. Some mailers said they use ID mainly for the promotion discount.

⁴⁶ Intelisent, “Intelisent WebTrack CampaignSync,” https://www.intelisent.com/webtrack/productinfosheet/WebTrack_Product_Info_Sheet_CampaignSync.pdf.

⁴⁷ Digital to Direct Mail is one of the technology options required to access the Emerging and Advanced Technology Promotion. The Postal Service defines Digital to Direct Mail (also known as automated/re-targeted direct mail) as “dynamically printed, targeted messaging that is automatically triggered based on a digital interaction.” U.S. Postal Service, “2021 Emerging and Advanced Technology Promotion – Program Requirements,” <https://postalpro.usps.com/promotions/2021-emerging-tech/requirements>, pp. 6-7.

Interviewees highlighted several potential strategies for the Postal Service to further improve ID's usability and increase awareness of ID.

Regarding IV, while it is a powerful platform used for real-time tracking of mail and packages, our interviews indicated minimal usage as a tool to support omnichannel advertising campaigns. With this in mind, the Postal Service could focus on working with intermediaries to make a stronger case for the use of IV as an advertising tool.

According to its recent ten-year plan, the Postal Service intends to develop tools that enable better integration of mail with digital media channels.⁴⁸ Continuing to enhance the value of ID and IV for marketers will be an important component of the Postal Service's strategy to maintain mail's value in the digital age.

⁴⁸ U.S. Postal Service, *Delivering for America*, March 2021, https://about.usps.com/what/strategic-plans/delivering-for-america/assets/USPS_Delivering-For-America.pdf, pp.24-25.

Appendices

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Appendix A: Additional Information

Objective, Scope, and Methodology

The objective of this paper is to understand how marketing mailers and intermediaries, such as mail service providers (MSPs), perceive two postal tools aimed at improving return on investment for Marketing Mail — Informed Delivery (ID) and Informed Visibility (IV) — and to identify opportunities to improve them.

There were three key questions under this objective:

1. Who are the marketers that are currently using ID and IV and how in practice are they using them in support of different marketing goals?
2. What are marketing mailers' and intermediaries' perceptions of the usability and effectiveness of ID and IV for omnichannel advertising purposes?
3. What are the opportunities to improve ID and IV to make them more useful or effective for marketing mailers?

These research questions restricted the scope of this project to specific uses of ID and IV. We concentrated on the ID interactive campaign feature and did not research the usage and perception of ID by subscribers (households). While marketing mailers readily spoke about how they use IV to track their mailpieces, our focus was on whether they use IV delivery data as part of omnichannel (advertising mail/digital) campaigns.

To research these questions, the OIG conducted documentary research, analyzed Postal Service data and information, contracted with a market research firm, and interviewed MSPs and industry experts:

- **Documentary research:** We read materials available on the Postal Service's websites (usps.com, uspsdelivers.com, PostalPro), including ID and IV manuals and case studies. We searched the Internet for reliable sources of data on the effectiveness of ID vs. advertising mail and digital channels.
- **Analysis of USPS documents and data:** We received and analyzed the list of IV users, the ID campaign database, ID and IV DARs, as well as various other strategic documents and presentations. The Postal Service's Market Research & Insights team also agreed to add questions about U.S.

businesses' awareness of IV in their Commercial Brand Health Tracker survey fielded from January through March 2021 (Q2 FY 2021). USPS provided the final results on April 8, 2021.

- **Contractor interviews with marketing mailers and intermediaries:** We contracted with Great Lakes Marketing Research (GLM), a Toledo, OH-based market research company with longstanding expertise in the mailing and advertising industries. We asked GLM to cover a broad spectrum of mailers in its interviews:
 - Nonprofits vs. commercial companies.
 - Different industry sectors (such as retail/ecommerce, financial and insurance, utilities, health, academic, government).
 - Very large mailers (such as Postal Service's Strategic Accounts) vs. smaller mailers.

GLM worked with us to reach out to a selection of companies and organizations identified as ID users in Postal Service ID databases. In this case, the respondent interviewed was a contact known to USPS or the OIG. To understand the perspective of marketing mailers who could potentially use ID or IV but did not already have experience with these platforms, GLM selected mailers and intermediaries from its own network of contacts in the mailing and advertising sectors and spoke with a contact known to them because of their role in the organization.

GLM was tasked to interview postal-industry intermediaries, including direct marketing services firms, mailing houses, and printers.

GLM conducted 40 teleconferences with mailing industry companies: 13 intermediaries and 27 mailers. Out of the 27 interviews with mailers, 20 were ID campaign users and 18 of them also IV users. The interview guide included questions about use habits and experiences related to ID and IV (for the mailers with experience with ID and/or IV), value perceptions of each service, and suggestions for product improvements.

Most of the interviews were conducted in January and February 2021. GLM provided us with detailed transcripts of the interviews and sent its final report on March 15, 2021.

- **OIG interviews with industry stakeholders and Postal Service management:** In November and December 2020, we conducted interviews with eight intermediaries (BCC Software, GrayHair Software, Intelisent, IWCO, Quad, RRD, SourceLink, Snailworks) and three industry consultants (Mark Fallon, Prof. Ian Cross, and Elizabeth Trumbull) with expertise in direct marketing and ID. We also interviewed Deutsche Post DHL regarding products comparable to ID and IV that they have launched on the German market. We interviewed Postal Service managers for ID and IV.

The OIG conducted work for this white paper in accordance with the Council of the Inspectors General on Integrity and Efficiency, Quality Standards for Inspection and Evaluation. We discussed our observations and conclusions with management on May 14, 2021, and included their comments where appropriate.

Prior Coverage

| Report Title | Objective | Report Number | Final Report Date | Monetary Impact |
|---|---|--------------------------------|-------------------|-----------------|
| <i>Advertising Mail: Future Prospects in Five Scenarios</i> | Generate projections of advertising mail volume in 2025 under five different scenarios. | RARC-WP-16-010 | May 9, 2016 | N/A |
| <i>Advertising Mail Innovations</i> | Research advertising mail modernization opportunities with a focus on digital integration and small business solutions. | RARC-WP-16-016 | September 6, 2016 | N/A |
| <i>Assessing Marketers' Barriers to Direct Mail</i> | Evaluate marketers' perceptions of direct mail and the obstacles they face using direct mail as an advertising channel. | MS-MA-17-001 | July 5, 2017 | N/A |
| <i>Using Mail to Build Brands</i> | Assess the relative effectiveness of digital and physical formats for brand advertising and the relative effectiveness of different brand advertising strategies. | RARC-WP-18-013 | September 5, 2018 | N/A |

Appendix B: Management's Comments



June 3, 2021

To: Jennifer Mykijewycz
Director, Operations Central
Research and Insights Solution Center
U.S. Postal Service Office of the Inspector General

SUBJECT: Marketers' Perceptions of Informed Delivery and Informed Visibility (Project Number 2021RISC003)

Thank you for the opportunity to review and provide comments on the subject draft white paper on "Marketers' Perceptions of Informed Delivery and Informed Visibility".

In general, we agree with the Office of the Inspector General's conclusion that marketers appreciate the extra branding opportunity Informed Delivery® (ID) provides and that the usefulness of ID will only increase as the Postal Service continues to grow the subscriber base. We also agree that Informed Visibility® (IV) which offers real-time tracking of mail and packages is only infrequently used to integrate mail with omnichannel marketing campaigns. We agree with the recommendation to work with intermediaries to make a stronger case for IV as an advertising tool. We have been making the case in a more forward way for the last fifteen months, starting at the MarTech conference and carried through NPF summer series, Canon thINK conference, PCC Day, NPF, and many other venues. We will continue this work.

This paper points to the limited use of ID which is supposedly "concentrated among a few industry sectors" and continues that the 50 largest ID campaign mailers belonged to the finance and insurance industry, retail trade, professional services, and the non-profit sector. This is not surprising and mirrors who the largest mailers of advertising mail are.

Another item discussed here is that several of the 20 ID users who were interviewed for this study cited low or disappointing click-through rates and no measured lift on sales as reasons to stop using ID. However, a little later, the paper explains that several of those companies lacked the analytical capabilities to measure any success. Not discussed here, though it would be informative, is the challenge of correct attribution that underlies almost all advertising or other marketing campaigns.

With respect to the ID promotion, the authors suggested that the Postal Service "reposition the ID Promotion" to encourage mailers to use ID as an additional messaging or branding tool. Direct mail is often used for a clear purpose such as to drive a purchase or in-store traffic and is less often used as a branding tool. It would be helpful to hear further feedback from the respondents to understand what types of digital branding experiences they thought would be meaningful to tie to their direct mail marketing campaign and how they would quantify that value.

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As stated in the research, the Postal Service generally does not restrict its promotions to new mailers because many mailers rely on successive promotions to compensate for any set-up costs. In the case of the ID promotion, the Postal Service also would add that we want to incent mailers to continue to work with their internal digital marketing and technical counterparts to create better and more valuable omnichannel campaigns and that they will hopefully continue to see improved ROI as the subscriber densities increase.


As to the recommendations for improving Informed Delivery's usability, the Postal Service appreciates the suggestions for updates to Informed Delivery. Several of these items are already implemented or are in progress.

- Informed Delivery does offer completely electronic means of submitting multiple campaigns at once through our Mail.dat and Mail.XML file upload process through the PostalOne! application. Informed Delivery is also currently developing a web-service based campaign upload capability.
- Informed Delivery is in the process of migrating its technology infrastructure to a cloud-based platform. This will enhance performance of all components of the system, including the campaign portal.
- Informed Delivery does make campaign reporting data available through the Informed Visibility platform today. Through that platform mailers can share Informed Delivery data with any number of additional parties. Informed Delivery understands that not all mailers use Informed Visibility and will explore opportunities for data delegation through the campaign portal.

In regard to allowing URLs that encourage online transactions during the promotion period, Informed Delivery seeks to enhance the use of physical mail as a channel. Encouraging digital diversion from mail through financial incentives during the Informed Delivery promotions period is counter to the purpose of Informed Delivery. Encouraging digital diversion from mail is counter to the best interests of the mailing industry as a whole. This content, however, is permissible when not included in the Informed Delivery promotion. However, the Postal Service should not reward digital diversion with financial incentives.

Finally, the Postal Service recognizes the interest in other types of content for ride-along images and will explore options with the mailing industry.

This paper with its focus on ID and IV is timely. As set out in our ten-year plan, the Postal Service intends to develop tools that foster the integration of mail with digital channels. As the paper states enhancing "the value of ID and IV for marketing mailers will be an important component of the Postal Service's strategy to maintain mail's value in the digital age."

 E-SIGNED by Thomas.J Foti
on 2021-06-04 11:24:29 CDT

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