

Postal Service Customer Experience - Delivery Surveys



AUDIT REPORT

Report Number 23-033-R23 | September 27, 2023



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Highlights

Background

Delivery is central to the U.S. Postal Service's mission, and the Postal Service is legally mandated to measure customer delivery experiences. To do so, the Postal Service contracts with a survey supplier to assess the delivery service sentiment of residential customers and small and medium businesses nationwide. The resultant scores have fallen short of annual Postal Service targets in five of the past six years, leaving the Postal Service without many significant insights to strengthen its brand.

What We Did

Our objective was to evaluate the Delivery Survey process for residential customers and small and medium businesses and to identify opportunities for improvement. We reviewed processes, contracts, and results, and interviewed Postal Service and supplier officials.

What We Found

The Postal Service's management of its Delivery Survey process can be improved. Specifically, the contract terms were not followed: the supplier excluded a required product (for example, "Special Services"), did not sufficiently minimize non-response bias, and did not perform an address quality assessment. These issues were caused by inadequate contracting officer oversight and limited the usefulness of survey results. We estimated \$74,933 in questioned costs because the supplier did not fulfill these contract terms.

Further, while the Postal Service's survey process met legal requirements, there are opportunities to enhance its usage and value. First, the survey is not effectively capturing local, delivery unit-level insights. For example, 94 percent of the 37,498 delivery units received 10 or fewer survey responses in fiscal year (FY) 2022. Second, the terminology of certain survey questions is problematic and leads to incorrect responses. For example, 22 percent of respondents in FY 2022 did not reply with the correct answer for their mail delivery location. These conditions hinder management's ability to understand local delivery service views, make informed decisions, and meet annual targets. Conducting a cost, benefit, and feasibility analysis on potential options for increasing response rates and using more easily understood survey terminology could increase the usefulness of the survey and the related insights.

Recommendations

We recommended management enhance contracting officer oversight to ensure suppliers adhere to contract terms, particularly those for requisite product inclusion, non-response bias mitigation, and address quality assessment completion; and conduct a cost, benefit and feasibility analysis on potential options for increasing local delivery response rates and developing more easily understood survey terminology.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 27, 2023

MEMORANDUM FOR: MARC D. MCCRERY
VICE PRESIDENT, CUSTOMER EXPERIENCE

A handwritten signature in black ink, reading "Amanda H. Stafford", is positioned below the memorandum for section.

FROM: Amanda H. Stafford
Deputy Assistant Inspector General
for Retail, Marketing, and Supply Management

SUBJECT: Audit Report – Postal Service Customer Experience – Delivery Surveys -
(Report Number 23-033-R23)

This report presents the results of our audit of Postal Service Customer Experience - Delivery Surveys.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Matthew Miller, Acting Director, Sales, Marketing & International, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective


This report presents the results of our self-initiated audit of the Postal Service Customer Experience – Delivery Survey (Project Number 23-033). Our objective was to evaluate the Postal Service Delivery Survey process for residential customers and small and medium businesses and identify opportunities for improvement. See [Appendix A](#) for additional information about this audit.

Background

Delivery is central to the Postal Service’s mission, and the Postal Service has a mandate to measure customer sentiment in accordance with the Postal Accountability and Enhancement Act.¹ Specifically, the Postal Service is required annually to measure customer satisfaction, including delivery service related to Market Dominant products.² To understand customer sentiment holistically, the Postal Service established the Customer Experience Measurement and Analytics (CEMA) group to manage customer insights and provide stakeholders with a comprehensive understanding of the customer experience.

To do so, the Postal Service contracts with a supplier.³ The objective of this contract is to use customer feedback, obtained from various types of residential, commercial, retail, and call center surveys, to identify areas that can be optimized to improve the customer experience. The supplier collects, analyzes, and reports customer experience feedback across several programs. First, the supplier analyzes data from multiple surveys to identify and recommend solutions for customer pain points. They are also responsible for implementing industry best practices to suggest continuous improvements and innovative approaches to ensure that the survey results are accurate and representative of the population. The supplier must then combine survey feedback to provide an actionable presentation of findings related to key products and services. Next, the supplier calculates the Customer Experience metric, which consists of eight weighted and aggregated components. The aggregate score from these components forms the overall Customer Experience Index (see Figure 1).

Figure 1. Fiscal Year 2022 Customer Experience National Performance Assessment

 NATIONAL PERFORMANCE ASSESSMENT		HQ CRDO	
Target Report - FY 2022			
Performance Indicator	Achieved	Target	
Customer Experience - Delivery	73.91	80.94	
Customer Experience - C360 Rate	38.44	40.05	
Customer Experience - C360 Imp	15.30	5.00	
Customer Experience - BSN	98.20	97.33	
Customer Experience - BMEU	96.48	96.72	
Customer Experience - POS	86.34	87.46	
Customer Experience - CCC	70.75	63.02	
Customer Experience - USPS.com	73.62	73.41	
Customer Experience Index	5.45	4.50	

Source: NPA.USPS.GOV.

- 1 Title 39; Chapter III - Postal Regulatory Commission; Subchapter F - *Periodic Reporting, Accounting Practices, and Tax Rules*; Part 3055 - *Service Performance and Customer Satisfaction Reporting*; Subpart C 3055.90 - *Reporting of Customer Satisfaction*.
- 2 Market Dominant Products: Bound Printed Matter; First-Class Domestic; First-Class International; Library Mail; Marketing Mail; Media Mail; Periodicals; and Special Services.
- 3 To support the analysis of response data and the identification of customer pain points across the 50 districts, the Postal Service spent approximately \$400,000 for services rendered by the supplier.

Finally, these components are transformed into balanced scorecards known as the National Performance Assessment,⁴ allowing for comprehensive monitoring of both the enterprise as a whole and individual units across the nation.

The Delivery Survey

To support the requirement to assess customer sentiment related to the delivery experience with Market Dominant products, the supplier, in collaboration with CEMA, developed a Delivery Survey targeting residential and small and medium business customers. Every week, the supplier employs a random selection process to identify customers who receive an invitation letter to participate in the survey.⁵ The supplier works with a direct mail company to produce the mailings and should actively monitor the number of surveys returned as undeliverable-as-addressed (UAA)⁶ by the district each month. Reducing UAA mail⁷ can mitigate significant costs related to forwarding, return, or disposal.

Within six months of receiving the survey, customers can evaluate their satisfaction level with their delivery service experience using a six-point scale, ranging from “Very Satisfied” to “Very Dissatisfied.” The survey consists of 19 questions for residential respondents and 20 for business respondents. The numeric rating provided by the customer for each response stems from this prompt: *“Thinking about your overall experience with receiving mail and/or packages delivered by USPS recently, how satisfied are you?”*

In fiscal year (FY) 2022, the Postal Service distributed 2.7 million survey invitations, and received 113,598 responses or a 4 percent national response rate. Specifically, residential surveys were sent to over 1 million customers, generating 57,105 responses, and business surveys were sent to 1.7 million

customers, generating 56,493 responses. To maintain statistical validity, the supplier distributes surveys throughout the year, aiming to gather a minimum of 1,098⁸ completed surveys (from both residential customers and small and medium businesses) per area, per quarter. The goal of this sampling process is to adequately represent residential customers and small and medium businesses, ensuring unbiased⁹ and equitable nationwide representation. Additionally, this approach allows for a sufficiently large sample from which to draw statistically significant insights at the area level, but each response is also linked to a specific delivery unit.

Supplier Analysis and Utilization of Results

To support effective program management, the supplier holds weekly meetings with CEMA to discuss progress and address pertinent issues. Moreover, CEMA participates in biweekly meetings with Postal Service leadership, including the chief retail and delivery officer and chief customer and marketing officer. These meetings serve as forums to discuss overall customer sentiment, incorporating the data gathered from the Delivery Survey. Insights are then presented in annual reports, made available to employees through the CEMA website. Additionally, the supplier provides detailed survey data within the Customer Insight 2.0 program,¹⁰ allowing for a comprehensive understanding of customer feedback.

The results of the Delivery Survey are readily accessible to district and delivery unit employees. This accessibility empowers them to review the survey findings and supports informed managerial decisions to enhance customer satisfaction and foster customer loyalty. By leveraging this data, the expectation is that management can proactively address customer needs and expectations, ultimately

4 National Performance Assessment is a web-based system that collects performance-related metrics — such as retail revenue, on-time Express Mail delivery, etc.— from source systems across the organization.

5 Selected customers receive an invitation containing various options to participate in the survey. They can complete the survey online using a uniform resource locator (URL) link or a quick response (QR) code. Alternatively, customers can provide their feedback over the phone (See Appendix B). Currently, the supplier is piloting email survey dissemination to improve response rates.

6 Mail that cannot be delivered as addressed and must be forwarded to the addressee, returned to the sender, or treated as waste due to an incomplete or incorrect address or the addressee moved or is deceased.

7 *Strategies for Reducing Undeliverable as Addressed Mail* (MS-MA-15-006, May 1, 2015). To encourage a reduction in UAA mail, mailers are required to certify that they periodically compare and update address lists against customer-filed change of address orders to receive workshare discounts.

8 OIG specialist calculation of the supplier’s criteria from the contract to meet minimum precision level of +/- 3 percent at a 95 percent confidence level for survey results per postal quarter at the area level.

9 Nonresponse bias happens when people who are unable or unwilling to take part in a research study systematically differ from those who do.

10 The Customer Insights 2.0 program collects, interprets, and reports customer feedback as well as inquiries from across contact channels to gain a comprehensive understanding of the customer experience. Using customer insights in decision-making will enhance brand, increase loyalty and revenue, and create a customer responsive culture.

strengthening customer retention efforts and improving satisfaction.

Finding #1: Lack of Contractual Oversight

Opportunities exist to improve the Postal Service’s management of the Delivery Survey process for residential and business customers. Specifically, the following contract terms were not adhered to:

- The survey did not include a required product (i.e., Special Services),
- non-response bias was not sufficiently minimized, and
- an address quality assessment was not performed.

These issues were caused by inadequate contracting officer oversight and limited the usefulness of survey results.

Measurement Requirements Under the Postal Accountability and Enhancement Act

The Delivery Surveys solicited input on only eight of nine Market Dominant products, as required by law.

Specifically, we identified that the Delivery Surveys did not gather satisfaction measures for Special Services—a requisite Market Dominant product (see Figure 2).

Postal law requires the satisfaction measurement of all Market Dominant products for: (1) the actual level of service that Postal Service customers receive; and (2) the degree of

overall customer satisfaction with Postal Service performance. The Postal Service must then report this information annually to the Postal Regulatory Commission.

“We identified that the Delivery Surveys did not gather satisfaction measures for Special Services—a requisite Market Dominant product.”

Figure 2. Sample of Delivery Survey

UNITED STATES POSTAL SERVICE

How frequently, if at all, have you used the following domestic product(s) and service(s), in the past year?

	Daily	Weekly	Monthly	Do Not Use
Library Mail (schools & libraries 2-8 days)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Priority Mail Express (overnight guarantee)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Priority Mail (shipping in 1, 2, or 3 business days)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
USPS Retail Ground (lower cost service, surface transportation)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Media Mail (books, CDs, DVDs 2-8 business days)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
First-Class Mail Package Service® (package weight under 13oz)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
First-Class Mail® (postcards, letters, bills, large envelope)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How frequently, if at all, have you used the following international product(s) and service(s), in the past year?

	Daily	Weekly	Monthly	Do Not Use
First-Class Mail® International (postcards, letters, bills, large envelope)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Global Express Guaranteed (shipping in 1, 2, or 3 business days)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Priority Mail International™ (shipping in 6-10 business days)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
First-Class Mail International Package Service® (package weight under 13oz)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Priority Mail Express International (overnight guarantee)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Military & Diplomatic Mail	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

< Back Next >

If you experience any technical difficulties with this survey, please email us at postalexperience@inmoment.com. This email is only for technical problems related to completing the survey.

[InMoment Privacy](#) | [USPS Privacy](#)

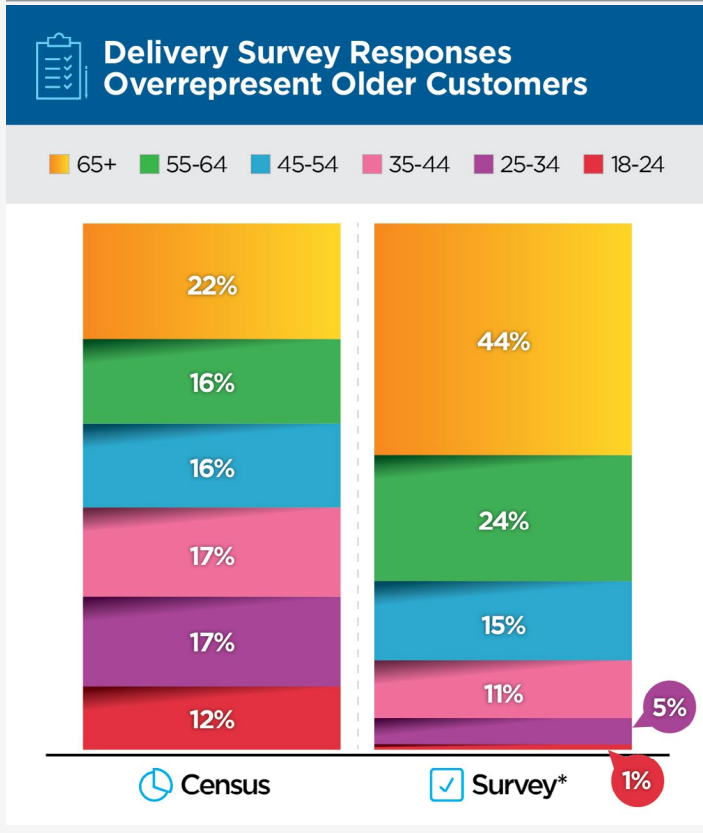
Source: Postal Service Blue Pages.

Non-Response Bias

We determined that the Delivery Survey responses did not fully reflect the general population as intended. For example, older age groups were significantly overrepresented in residential survey responses. During FY 2022, 68 percent of responses came from respondents aged 55 and older; however, according to census data, this demographic represented only 38 percent of the population¹¹ (see Figure 3). In addition, survey responses by delivery receptacle type were underrepresented and differed greatly from their actual proportions. For instance, centralized delivery points (e.g., cluster boxes) made up only 9 percent of survey responses; however, according to the Address Management System (AMS), the actual proportion is 29 percent (see Figure 4). Contractual guidelines outline the need for the supplier to address non-response bias by proposing an approach that minimizes its impact.

“During FY 2022, 68 percent of responses came from respondents aged 55 and older; however, according to census data, this demographic represented only 38 percent of the population.”

Figure 3. Census Data Compared to Responses by Age Demographics

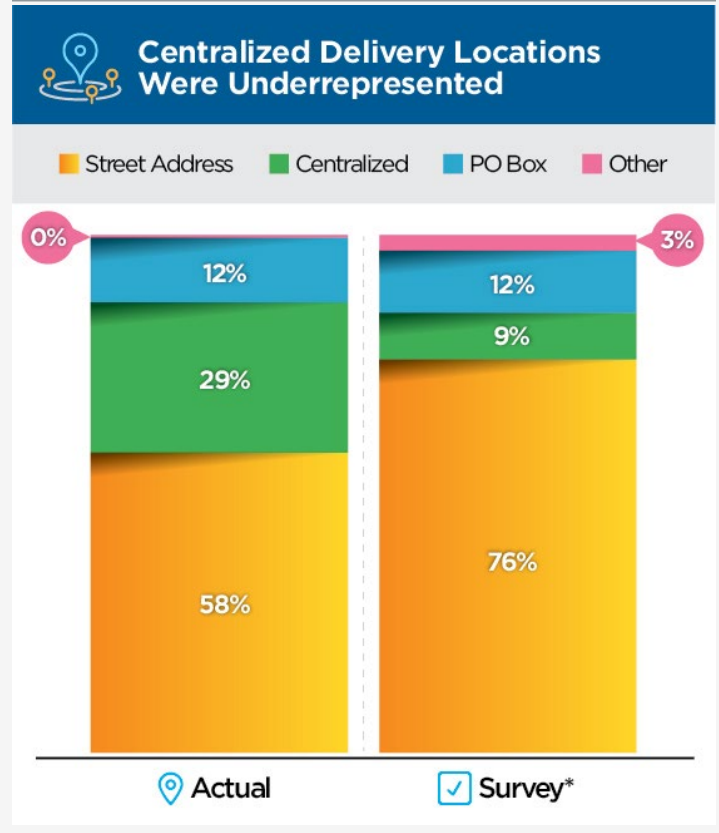


Notes: Census age breakout statistics show percentage of people between the ages of 18 and 100 years old based on 2022 estimates by the U.S. Census Bureau. The team assumed respondents to the Delivery Survey under age 25 were between the ages of 18 and 24, and respondents over 64 are between the ages of 65 and 100. Numbers may not add to 100 percent due to rounding.

*Does not include the 7 percent of respondents who did not provide their ages.

Source: OIG analysis of survey respondents.

Figure 4. Address Management Data Compared to Response by Delivery Type



Notes: Survey respondents self-reported their delivery point from the following choices: Street address; PO Box; Centralized or cluster mailbox; or Other. Actual delivery points are derived from Address Management System data. Street address data include curbside delivery, sidewalk delivery, and other delivery, such as to-the-door. Centralized data include centralized box units or centralized delivery where the carrier has access to more than one customer’s mail receptacle, usually secured by an arrow lock. Numbers may not add up to 100 percent due to rounding.

*Does not include the 2 percent of respondents who did not provide their delivery point type.

Source: OIG analysis of Postal Service Data.

¹¹ Data obtained from residential survey responses with 4,380 that skipped this question.

Assessment of Undeliverable Addresses

During our fieldwork, we discovered that Postal Service personnel did not manage the surveys returned as undeliverable to the addressee, as required. The Postal Service and the supplier were initially unable to provide the completed assessments summarizing the number of surveys returned as undeliverable monthly, as stipulated in the contract. However, during the audit, the Postal Service retroactively calculated the assessment total. Throughout FY 2022, 305,847 or 11.3 percent of invitations were returned. For FY 2023, from October 2022 through June 2023, 252,151 or 13.1 percent were returned. According to the contract, the supplier is obligated to update and maintain mailing lists and the reason for the return in accordance with current Postal Service rules and regulations. Additionally, the supplier is required to monitor and analyze the surveys returned as UAA mail and provide monthly reports outlining the UAA mail percentages of surveys mailed by districts.

The identified contractual issues can be attributed to inadequate oversight by the contracting officer, which led to several challenges. Specifically, the Postal Service did not verify that the supplier:

- included Special Services in the Delivery Survey, incorrectly thinking it was captured in another survey.
- conducted analysis to minimize non-response bias due to potential additional costs associated with such a study and oversampling considerations.
- met the requirement to complete address quality assessments.

Insufficient contract management introduces a heightened risk of non-compliance with contractual obligations, jeopardizing the supplier's ability to fulfill the contract's intended objectives and putting the Postal Service at risk of paying for services not rendered. Proper oversight by the contracting officer would have ensured that the supplier included all Postal Service Market Dominant products required by law and minimized non-response bias to improve the representativeness, and in turn, the survey's value. Regarding UAA mail, monitoring address list accuracy

would have reduced mailing costs and increased the number of survey responses, consequently providing Postal Service management with valuable and actionable data for decision making. We estimated \$74,933 in questioned costs because the supplier did not fulfill these contract terms. Overall, addressing these issues could improve the usefulness of the survey results in driving actions to improve the customer delivery experience.

Recommendation #1

We recommend that the **Vice President, Customer Experience**, enhance contracting officer oversight to ensure suppliers adhere to contract terms, particularly those for requisite product inclusion, non-response bias mitigation, and address quality assessment completion.

Finding #2: Missed Enhancement Opportunities

While the Postal Service's survey process met its legal requirements, there are opportunities to enhance its usage and value. First, the survey is not effectively capturing local, delivery unit-level insights to address customer sentiment concerns. Second, the terminology of certain survey questions is problematic, resulting in incorrect responses that limit the survey's usefulness.

Lack of Actionable Data at the Local Level

The Delivery Survey provides statistically significant insights about customer sentiment at the national and area level. However, the methodology does not effectively capture actionable insights at the local, delivery unit-levels. For example, in FY 2022, 94 percent of the 37,498 delivery units received 10 or fewer survey responses. Such a small number of responses hinders management's ability to truly understand local delivery service issues and make informed decisions or take corrective action necessary to meet annual targets. Postal Service management from headquarters, area, district, and delivery units reiterated the same concern.

“In FY 2022, 94 percent of the 37,498 delivery units received 10 or fewer survey responses.”

Management responses to our inquiries about the usefulness of survey data included, for example, *“I do not believe I can make decisions on Delivery Survey results alone because you do not have enough respondents,” “no way to make decisions without connecting the dots between surveys,”* and *“survey responses do not help identify where the issue occurred.”*

“Management responses to our inquiries about the usefulness of survey data included, for example, ‘I do not believe I can make decisions on Delivery Survey results alone because you do not have enough respondents,’ ‘no way to make decisions without connecting the dots between surveys,’ and ‘survey responses do not help identify where the issue occurred.’”

This occurred because the goal of the Delivery Survey is to provide insights at an area level, with a commensurate statistically significant sample size collected. While the current methodology is useful as an indicator of overall customer delivery sentiment during a particular time period, there are inadequate numbers of survey responses at the delivery unit level to allow local management to identify or address specific and systemic issues under their purview.

The Postal Service’s contract requires the supplier to analyze survey data to identify and recommend solutions to Postal Service management for decision-making and customer retention purposes. Furthermore, survey results must provide statistically reliable estimates representative of the customer experience to drive actionable decision-making. Thus, conducting a cost, benefit, and feasibility

analysis on potential options for increasing local delivery response rates would provide Postal Service officials useful insights about potential survey process improvements. These improvements would ensure that the survey instrument effectively captures customer sentiment in a manner that allows management to effectively address customer concerns, attain delivery experience metric targets, and uphold the Postal Service brand.

Problematic Terminology in Survey Questions

A lack of survey terminology accessibility (for example, plain language), coupled with the Postal Service’s failure to implement planned improvements, limit the usefulness of the surveys’ results. Our audit work confirmed that during FY 2022, 24,895 out of 110,368 survey respondents (22 percent) were unable to provide correct answers to the question regarding their mail delivery location. The Delivery Survey asks customers to self-certify their mail receipt location by choosing one of four options: street address, centralized, Post Office Box, or other. To validate the accuracy of each customer’s response, we obtained invitation and response data from the supplier and compared the 110,368 respondent answers with the Postal Service’s AMS data.¹² Through our analysis we found that, for example, over 34 percent of respondents did not correctly select their location type as “centralized.” Additionally, 2,185 completed the survey but skipped this specific question altogether due to confusion around the terminology (see [Table 1](#)).

“Over 34 percent of respondents did not correctly select their location type as ‘centralized.’ Additionally, 2,185 completed the survey but skipped this specific question altogether due to confusion around the terminology.”

¹² The national USPS database of every delivery address with its associated ZIP Code, ZIP+4 code, and city/state name that serves as the foundation of data for all address correction tools.

Table 1. Number of Responses That Did Not Match Address Management

Response Choice	Number of Surveys	Delivery Type Response Matched AMS	Delivery Type Response Did Not Match AMS	Error Rate
Street Address	82,208	69,394	12,814	15.6%
Centralized	9,741	6,414	3,327	34.2%
PO Box	13,146	9,650	3,496	26.6%
Other	3,088	15	3,073	99.5%
Skipped	2,185	-	-	-
Grand Total	110,368¹³	85,473	24,895	22.6%

Source: OIG analysis of survey respondents.

This issue was previously addressed in a 2018 OIG report,¹⁴ wherein the Postal Service acknowledged customers’ lack of familiarity with delivery mode terminology. In response to that report, management had committed to employing layperson language to mitigate potential misunderstandings. During our review, the contracting officer stated that although management reviewed the “location type” question, they felt the terminology used accurately described a delivery type, and therefore, no updates were needed. However, the Postal Service’s contract requires the supplier to uphold quality reporting standards by validating the methodology and accuracy of the analysis.

When survey questions are not answered correctly, it becomes difficult to draw conclusions or make informed business decisions. To enhance the effectiveness of the survey and drive actionable feedback for improving delivery service, reviewing the understandability of the survey questions is needed. Specifically, defining each of the four delivery points in clear terms would contribute to increased accuracy, thus enhancing the overall value of this research tool.

Recommendation #2

We recommend that the **Vice President, Customer Experience**, conduct a cost, benefit, and feasibility analysis on potential options for increasing local delivery response rates and developing more easily understood survey terminology.

Management’s Comments

While management did not formally agree or disagree with findings 1 and 2, they provided comments signaling disagreement with both findings. Also, management partially agreed with recommendation 1, disagreed with recommendation 2, and agreed with the calculation of the questioned cost. See [Appendix C](#) for management’s comments in their entirety.

Regarding finding 1, management stated that the OIG incorrectly reported the Delivery Surveys solicited input on only eight of nine Market Dominant products, as the law requires. Management stated that, per Postal Service legal review, Special Services is not a Market Dominant product but rather are services that can be applied to some Postal Service products. Management also disagreed that Delivery Survey responses did not fully reflect the general population as intended and that the non-response bias was not sufficiently minimized. Management stated that they do not seek to represent responses based on demographics, but the contractor minimizes non-response bias by oversampling both business customers to equal the volume of residential responses and geographically to allow equal representation of Postal Service areas, districts, and manager levels. Management noted this was a contractor-proposed approach, and the Postal Service accepts this approach.

¹³ The OIG could not match 3,230 addresses with AMS data to the total 113,598 returned surveys.

¹⁴ *Delivering the Best Customer Experience*, (RARC-WP-18-003, December 13, 2017).

Regarding finding 2, management disagreed that the Delivery Survey is intended for local management to use in their offices, but instead that the Delivery Survey is a relationship survey designed to be measured at a national, area, district, and manager level to allow management the opportunity to identify possible improvement in their locations. Management noted there are other tools delivery units can use for customer insights. Management also disagreed with the lack of survey terminology accessibility, and that the Postal Service's failure to implement planned improvements limits the usefulness of the survey's results.

Regarding recommendation 1, management did not agree with enhancing oversight to ensure the contractor adheres to contract terms regarding requisite product inclusion of Special Services because they complied with Special Services since it is not considered a Market Dominant product. However, management will add this category to the list of product questions in the Delivery Survey effective for quarter 1, FY 2024. Also, management will ensure the contractor proposes a plan to mitigate non-response bias and conducts the requisite address quality assessment, which was not previously performed.

Regarding recommendation 2, management disagreed with the recommendation as written, but stated they would conduct a cost, benefit, and feasibility analysis to increase local delivery response rates. Management disagreed with developing more easily understood survey terminology as eight non-postal subject matter experts reviewed the questions for clarity and did not recommend any improvements to the language.

After the receipt of management comments, the Postal Service informed us that they will complete corrective action for recommendation 1 by January 31, 2024.

Evaluation of Management's Comments

We consider management's comments responsive to recommendation 1 and corrective actions should resolve the issues identified in the report. We consider management's comments nonresponsive to recommendation 2.

Regarding management's response to recommendation 2, while management will conduct a cost, benefit, and feasibility analysis for increasing local delivery response rates, they did not provide a date for implementing this action. In addition, management disagreed with developing more easily understood survey terminology. As a result, we view management's response to recommendation 2 as unresolved, and will work with management through the audit resolution process.

Regarding management's disagreement with finding 1, the OIG's legal analysis of Title 39, Code of Federal Regulations § 3055.90 concluded that the Postal Service is legally required to report customer satisfaction for Market Dominant products, including Special Services. Regarding management's disagreement that non-response bias was not sufficiently minimized, we determined that the Delivery Survey residential responses significantly overrepresented older age groups, as noted in our report.

Regarding management's disagreement with finding 2, our analysis indicates that increasing the number of responses at the delivery unit level would support local management's ability to understand their issues and take actions to ensure satisfaction targets are attained. Regarding survey terminology, our audit work confirmed that during FY 2022, 22 percent of survey respondents could not correctly answer the question regarding their mail delivery location.

All recommendations require OIG concurrence before closure. We view the response to recommendations 2 as nonresponsive and will pursue it through the resolution process. Consequently, the OIG requests written confirmation when corrective actions are completed. All recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

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Appendix A: Additional Information

Scope and Methodology

Our audit scope was a nationwide review that covered FY 2021 and FY 2022 on residential customers and small and medium businesses Postal Service Delivery Surveys. To accomplish our objective, we:

- Reviewed Code of Federal Regulations, Postal Service policies, directives, annual reports, and contracts that govern the Delivery Survey process.
- Reviewed prior audit work from the U.S. Postal Service Office of Inspector General related to the subject matter.
- Interviewed Postal Service management and supplier representatives to acquire a knowledge of the Delivery Survey process to evaluate effectiveness of oversight and reporting.
- Interviewed Postal Service Headquarters, area, district, and local management regarding policy, directives, dissemination, and usefulness of survey invitation and response data.
- Consulted with internal experts to review and evaluate survey methodology to determine statistical validity.
- Reviewed supplier data for FY 2022, which included 2.7 million surveys, to determine whether the number of surveys sent each week by district met contractual requirements.
- Obtained invitation and response data from the supplier and compared it to Postal Service AMS data to validate whether responses to survey questions about delivery type matched.
- Analyzed data from Customer Insights 2.0 to determine how many responses were received for each of the 37,498 Postal Service delivery and retail units.
- Analyzed response data to determine and categorize responses by age of respondents.
- Obtained Postal Service cost per piece data to process UAA mail and the number of surveys that

received no response to calculate the impact value.

We conducted this performance audit from January through September 2023 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on August 28, 2023, and included their comments where appropriate.

In planning and conducting the audit, we obtained an understanding of the Customer Experience Delivery Survey internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following four components were significant to our audit objective: control environment, control activities, information and communication, and monitoring.

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified significant internal control deficiencies within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of the AMS, Customer Insight 2.0, and U.S. Census Bureau data by performing completeness and validity tests on the data. We determined that the data were sufficiently reliable for this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Delivering the Best Customer Experience</i>	To illustrate how fine-tuning the survey and using its results in new ways could further improve the delivery experience for customers.	RARC-WP-18-003	December 13, 2017	N/A

Appendix B: Sample of Delivery Survey Invitation



Please respond as soon as possible!

Message from the Vice President of Customer Experience:

Dear Customer:

You have been selected to participate in the U.S. Postal Service Customer Experience Survey. Your responses play a critical role in helping improve service in your area.

Please take a few minutes to help us by answering a couple of questions about the delivery service you recently received.

There are three options to take the survey:

1.

OR

2. Call: 1-866-320-1249 (open 24/7)

OR

3. Scan the QR code →



Sincerely,

A handwritten signature in black ink that reads "Marc D. McCrery".

Marc D. McCrery

Vice President, Customer Experience

If you need help with this survey, please send an email to postalexperience@inmoment.com. We can only respond to questions about the survey.

Source: USPS.com

Appendix C: Management's Comments



September 8, 2023

JOHN CIHOTA
DIRECTOR, AUDIT SERVICES

SUBJECT: Management Response: Postal Service Customer Experience –
Delivery Survey (23-033-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft report – *Postal Service Customer Experience – Delivery Survey*.

In response to the review on the subject draft audit report, the OIG is inaccurate where they state, “The resultant scores have fallen short of annual Postal Service targets in five of the past six years, leaving the Postal Service without important insights to strengthen its brand.” Falling short of reaching the target for Delivery OSAT performance does not indicate that the Postal Service has not still been able to gain insights from the survey feedback received. The Postal Service received 113,598 responses in FY 22. This has provided Postal the ability to calculate key drivers to improve overall satisfaction through the Driver’s Analysis that is reviewed quarterly. This analysis not only gives insight, it provides actionable data for stakeholders to improve overall satisfaction. In addition, Postal has a separate survey for the brand fielded through the Customer Insights group.

The OIG is incorrect when they state that, “The Delivery Surveys solicited input on only eight of nine Market Dominant products, as required by law. Specifically, we identified that the Delivery Surveys did not gather satisfaction measures for Special Services.” Special Services are not a Market Dominate product. Special Services are services that can be applied to some USPS products. Per USPS Legal, neither the statute nor the regulations provide any guidance or definition beyond the expressed language specifying that the degree of customer satisfaction must be provided for each market-dominant product.

The Postal Service disagrees with the OIG’s statement that, “non-response bias was not sufficiently minimized” We determined that the Delivery Survey responses did not fully reflect the general population as intended. For example, older age groups were significantly overrepresented in residential survey responses.” The vendor minimizes non-response bias by oversampling business customers to equal the volume of residential responses as well as oversampling geographically to allow equal representation across all USPS Area, District & MPOOs. This is the proposed approach from the vendor and the Postal Service accepts this approach. The Postal Service does not seek to represent responses based on demographics to measure delivery performance. The Delivery survey is anonymized. To oversample particular demographics would require the Postal Service to track responses by

address after they complete a survey for future oversampling. This would be in conflict with an anonymized survey and possibly privacy concerns.

The Postal Service disagrees with the OIG when they imply that the Delivery survey is intended for local management to use in their local office. The Delivery survey is a relationship survey and not a transactional survey. It is intended to be measured at the National, Area, District & Manager, Post Office Operations (MPOO) levels to allow those management levels to identify opportunities for improvement in their location. Due to the volume of replies received, performance is not measured at the facility level. The Postal Service has other tools to better help local delivery units with customer insights, such as the C360 survey.

The Postal Service disagrees with the OIG where they state that, "A lack of survey terminology accessibility (for example, plain language), coupled with the Postal Service's failure to implement planned improvements, limit the usefulness of the surveys' results." The planned improvements the OIG is referring to, can be found in the Postal Service's reply to RARC-WP-18-003. In that reply the Postal Service management stated, "We believe that our customers lack familiarity with postal terms, specifically with regards to modes of delivery (e.g. centralized delivery or street address)". Centralized mailbox is more often referred to by the USPS as a "Cluster Box" and "Gang Box". Based on these options, Centralized Box and Street Address was favored as the most generic option and no other options were found to be better suited.

The Postal Service agrees with the OIG's monetary impact calculation.

Following is management's response to the two recommendations.

Recommendation #1:

We recommend that the **Vice President, Customer Experience**, enhance contracting officer oversight to ensure suppliers adhere to contract terms, particularly those for requisite product inclusion, non-response bias mitigation, and address quality assessment completion.

Management Response/ Action Plan

Management cannot fully agree with the recommendation as written. Enhancement to contracting officer oversight is not required to ensure suppliers adhere to contract terms regarding requisite product inclusion (Special Services). The USPS is in compliance with Special Services as it is not considered a Market Dominate category. However, this category will be added to the list of Product questions in the Delivery survey effective for Quarter 1 FY24

Regarding non-response biased mitigation, the Postal Service will require the vendor to propose a plan to mitigate non-response bias.

Management agrees that an address quality assessment was not performed by the contractor. The Postal Service will ensure the vendor complies.

Target Implementation Date: N/A

Responsible Officials:

Director, Customer Experience and Strategy

Recommendation #2:

We recommend that the Vice President, Customer Experience, conduct a cost, benefit, and feasibility analysis on potential options for increasing local delivery response rates and developing more easily understood survey terminology.

Management Response/ Action Plan:

Management disagrees with the recommendation as written.

Management will conduct a cost, benefit, and feasibility analysis for increasing local delivery response rates.

Management disagrees on developing more easily understood survey terminology. The current terminology has been optimized as much as possible. Eight non-postal Subject Matter Experts reviewed the questions for clarity and did not find any recommendations to improve the terminology.

Target Implementation Date: N/A

Responsible Officials:

Director, Customer Experience and Strategy

E-SIGNED by Marc.D McCreery
on 2023-09-18 17:07:19 CDT

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cc: Corporate Audit & Response Management

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