



Question 5

During FY 2011, Postal Quarter 2, first-class mail decreased by 6.5 percent from SPLY. This statistic emphasizes the urgency for the Postal Service to replace that first-class mail with another type of mail. Letter carriers across the country have been submitting leads through Customer Connect, to the tune of \$1.3 billion in new business, almost all of which comes from parcel business. The Internet continues to create more shipping opportunities. Residential parcel deliveries are on an upswing. In fact, they have doubled from 20 percent of the overall parcel market to 40 percent in less than a decade.

USPS competitors consider it a challenge to take on these shipments, as they can cost significantly more than commercial shipments. To “big brown” or the blue, orange and white truck, delivering packages to a residence costs more than to a business address. Driver and fuel costs are higher outside of the high-density commercial routes. Those companies are forced to recover costs through residential surcharges, delivery area surcharges and other “accessorial charges” that often account for more of the total cost than the freight charges.

That’s where we come in. The USPS infrastructure makes USPS the ideal choice for residential parcel delivery. Measurable productivity increases, reliability and tracking have paid off. First-class mail parcels weighing one to 13 ounces are a bargain at the rate of \$1.71 to \$3.41. The competition charges a residential surcharge of \$2.45 to \$2.75. USPS does not charge extra for fuel surcharges, area surcharges, residential delivery or Saturday delivery. Postal customers will appreciate their letter carrier alerting them of the savings opportunities USPS offers.

This leads us to the Customer Connect lead card, Question No. 5:

5. Would you like information on how to grow your business using Direct Mail?

Yes No

Every Door Direct Mail is now a practical and affordable method for small businesses to reach customers in a local neighborhood or nationwide. A successful example of such a sale occurred in Bakersfield, CA. Branch 782 member Brian Castle submitted a lead card with Question No. 5 marked “yes.” A USPS business specialist met with the patron, who was the manager of a local pharmacy. The pharmacy shared the idea with its neighbor, a dentist, and the two customers shared the production and mailing costs of an EDDM. They found the process so

convenient that each has signed on for additional mailings. This lead is worth \$17,000 in projected revenue so far, which is credited to Customer Connect.

USPS has piloted a program called “Direct Mail Hub,” designed to grow mail volume and increase the value of direct mail to small businesses and other customers. The pilot will be in Raleigh-Durham, NC, and Austin, TX. Direct Mail Hub is a resource to assist small businesses in learning about, designing, creating and sending direct mail. The program will provide access to two third-party-provided, online direct mail platforms. The first platform is a one-stop-shop direct-mail solution called DirectMail2Go. The second platform is a direct-mail supplier network that will match small businesses with qualified providers. The Hub is specially designed for small businesses that may lack the resources to dedicate one person to manage promotions, that have small advertising budgets or that have problems finding the time to manage their marketing needs.

During NALC’s Customer Connect teleconferences, national business agents have included presentations identifying success stories using one or more of the following criteria:

- Letter carrier submitting the most leads consistently (great if sales are the result of such leads).
- Letter carrier with the most positive customer feedback (such carrier relationships are why the program works).
- Letter carrier submitting lead(s) with highest sale.
- Letter carrier with the greatest “pro” customer enthusiasm (explain reasoning).

This month, we’ll share a success from Regions 5: Victor Hernandez of Cedar Rapids, IA Branch 373 turned in a lead to Becky Miller, a sales representative in Hawkeye. That lead, from J. Lloyd International, is estimated to increase postal revenue by \$1,238,000. J. Lloyd International, Inc. owns, operates and distributes toy brands.

Hernandez noticed that J. Lloyd International had been using a competitor regularly. He approached the company and asked if it would be interested in possibly saving some money, filled out the lead card and turned it in. Meanwhile, the business moved to another location in Cedar Rapids. Because Hernandez had turned in the lead, Miller was able to track them down and close the sale.

Hernandez is enthusiastic about Customer Connect and has approached almost every business on his route. A previous lead now regularly produces up to 300 small parcels per week. Thanks, Victor! 