

Political mailers a win for USPS' bottom line

Everyone hates a political mailer until they get one.

Ask about mailed advertisements from politicians seeking votes, and the typical mail patron will say they are annoying. But most also say mailers help them choose a candidate—and political campaign consultants know it.

“Letter carriers know it too—they see the political mailers that flood their cases each election season,” NALC President Fredric Rolando said. “Political mail works, and it’s an important part of Postal Service revenue.”

With a high-stakes presidential race at the top of the 2016 list, American voters participated in 114 primaries and caucuses, 93 races for governor and other state executives, 34 U.S. Senate and 435 House of Representatives races, thousands of state and local races and a few hundred ballot initiatives.

Estimates of the total spending on these races by campaigns, political parties and independent groups are still being tabulated, but the total was likely in the range of \$6 billion to \$12 billion. Most of this money went to communications with voters, including appeals sent by mail.

For the election, the Postal Service set an aggressive goal of capturing \$1 billion of the political spending—double the \$525 million in revenue it generated during the 2012 presidential election cycle.

The final numbers aren’t out yet, but revenue from political mail increased to \$268 million from October 2015 through July 2016, up more than 50 percent from the same period in 2011-2012.

USPS set out to boost political ad business with a campaign that included special training for sales staff on targeting political mailers, use of

“intelligent mail barcode” technology specifically designed for the tracking the needs of campaigns, outreach at political mailers’ conferences and a one-stop shopping website, *delivethewin.com*, for political mail clients to find information and tools.

Whatever the final results of this effort, political mail from this election contributed to the \$610 million operating profit the Postal Service recently reported for fiscal year 2016, which ended Sept. 30.

Swing voters want mail

While we don’t yet know the full impact of political mail on Postal Service revenue, we do know that voters say mail gets their attention.

In a survey by Summit Research commissioned by the Postal Service in August, 58 percent of swing voters—the crucial group of undecided voters who can swing an election either way—ranked mail as very or somewhat helpful in making their decision, topping all other types of political ads.

The survey also showed that swing voters wanted campaigns to use the mail to educate them about early and absentee voting options. The rules and procedures for early voting and absentee voting vary by state, and some voters don’t even know whether early or absentee voting is available to them.

“Mail is the best way to convey this kind of information,” Rolando said. “The voter gets all the details on paper. The recipient can easily save it for later without having to write it down, print it out, go to a website or call a phone number. The voter can just stick it on the refrigerator.” The same applies to other important information such as voter registration deadlines and polling places.

Ahead of the digital domain

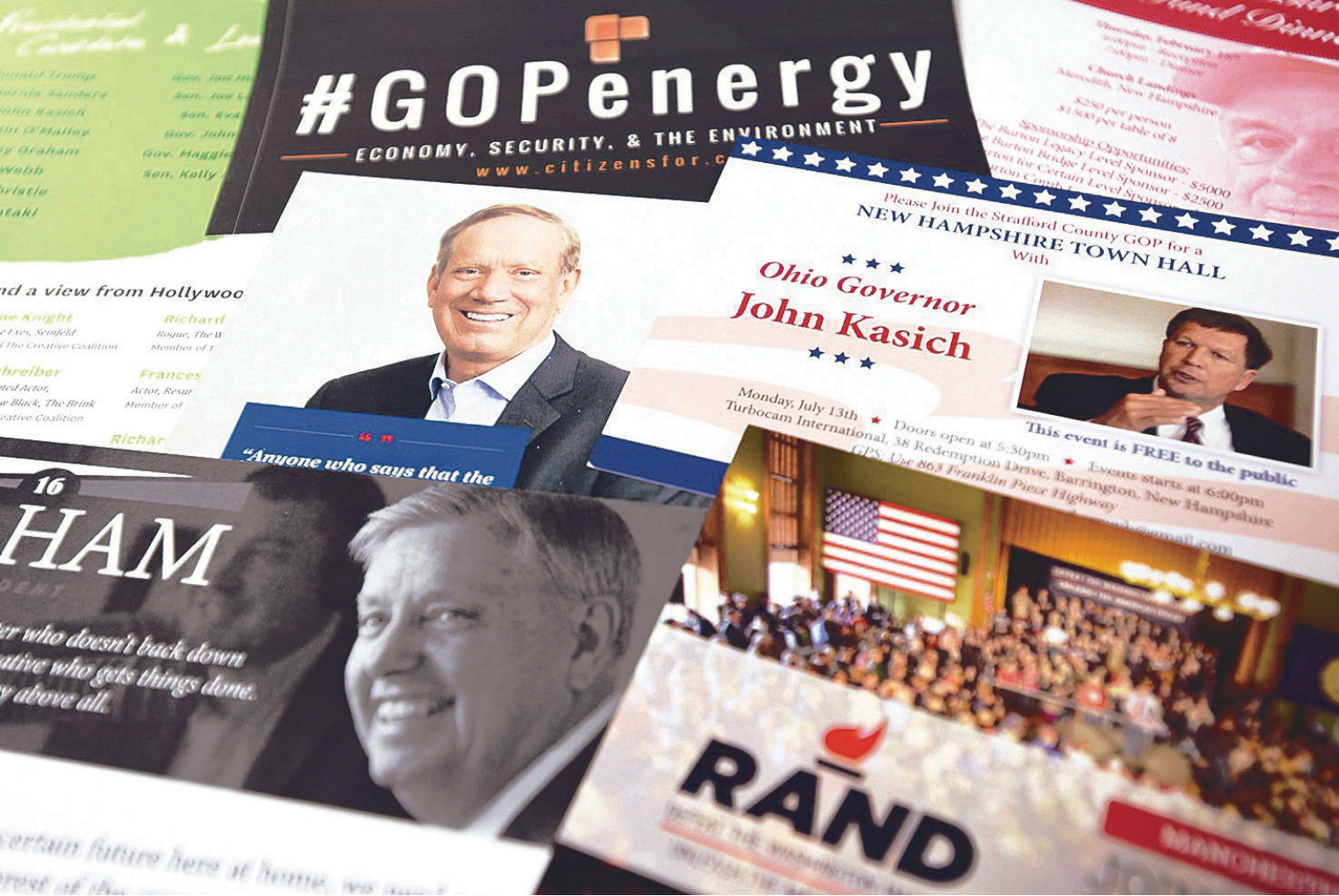
Campaigns still are finding new ways to use the internet as a communication tool. They collect e-mail lists of likely supporters and send appeals for donations and votes. The 2016 campaign was the first in which a major presidential party candidate used Twitter as his primary means of communication.

TV and radio ads are expensive. Advertising on the internet and through e-mail costs less, but is scattershot, and messages can be lost in the noise or in a spam filter. Mail, however, puts a piece of paper in the recipients’ hands, and it is the only way to precisely target voters by state, legislative district, precinct or neighborhood, making it very effective at a reasonable cost.

Still, as the world of communication is changing, so are voters. The younger portion of the millennial generation—those in their teens and 20s—are the first generation to grow up in a fully digital world dominated by search engines and social media. Millennials now make up 30 percent of the electorate with 69 million eligible voters, as large a group as the Baby Boomers, who were born between 1945 and 1965.

But according to the Postal Service survey, politicians who think that the best way to reach this important group is through the internet would be making a big mistake.

“As the much-coveted demographic of 18-to-24-year-olds has grown up with and around computers, focusing exclusively on digital channels seems like the obvious strategy,” said USPS Sales Vice President Cliff Rucker. “What we actually found was that millennials are far more likely than non-millennials to read and engage with direct mail, particularly political mail.”



The survey found that 42 percent of millennials, far from staying glued to their smart phones, say they prefer political mail over other forms of political advertising. And an additional 28 percent say they like mail and online ads equally.

Millennials are also far more likely than other age groups to read and discuss political mail ads, and 66 percent said mail ads prompt them to research a candidate, with 54 percent visiting the candidate's website.

These results mirror those for Baby Boomers and Generation X (born between 1966 and about 1980). Both groups say they prefer mail over any other political media message.

Using mail to prompt voters to check out a candidate's internet communications is a growing tactic as campaigns exploit "multi-channel" communications that reinforce messages through different media and integrate the two to take advantage of the strengths of both.

According to internet ad firm CJG Digital Marketing, people who see a

message in more than one place, such as in both a mail ad and on social media, are 24 percent more likely to act on that message than if they see it in only one place. Smart campaign managers are using messages in one channel to direct attention to the other; for instance, they might send a tweet telling supporters to look for a new brochure in the mail, or promote a website in a postal ad.

Despite marketing, performance could hurt revenue

A management advisory report issued by the office of the USPS Inspector General (IG) last February praised the postal marketing efforts, but warned that they would come to naught if the Postal Service failed to deliver on its promises. Declining service standards, the IG said, threatened to wipe out any gains.

"Political mailers value timely, reliable, and predictable mail service," the report said. "Political mailers and related organizations have raised concerns about mail delays and service

quality, which could impact political mail revenue."

On-time delivery is especially non-negotiable for political mailers. A mail piece that arrives after a voter registration deadline, or after a primary or general election, is worthless. One major national mailer, the report said, called on-time mail service in September of last year "abysmal." This customer even received a mailing on Oct. 13, 2015, that had been postmarked in August.

The report estimated that 5 percent of the political ad revenue goal could be lost because of customers who fear poor service and suggested that the Postal Service respond rapidly to these problems and follow up with customers.

"When USPS reports the final results, we'll know whether it reached its ambitious political mail revenue goal," President Rolando said. "But the IG report reinforces what letter carriers already know: Marketing our services means little if the Postal Service can't get the job done. The Postal Service should do all it can to restore the highest standards of service." **PR**