

MILLENNIALS and the MAIL

Young Americans like the Postal Service as much as or more than previous generations —just not to pay the bills



By 2019, Millennials—the generation born between 1980 and 1996—will outnumber any other generation. According to the Pew Research Center, they are already the predominant generation in the workplace, outnumbering Generation X (born in the 1960s to 1980s) and Baby Boomers (born between World War II and the 1960s).

Generations are handy categories for studying changes over time, but the generalizations can mislead. If you go by the stereotypes, Millennials interact seamlessly with their cell phones and multitask effortlessly. They want instant gratification. And they don't have time for traditional mail.

However, according to the U.S., Postal Service Office of the Inspector General (OIG), this last assumption is wrong.

The OIG examined Millennials' attitudes on mail in a July report, "Millennials and the Mail," that found reason to be optimistic about the group's affinity for mail service.

The OIG report relied on data from its Postal Omnibus Survey of 3,391 respondents of all ages, including 1,130 Millennials as well as a separate online survey of 2,447 Millennials. To dig deeper and solicit their suggestions, the OIG also conducted an in-depth moderated online discussion with 69 Millennials.

The basic finding of the report: Millennials like USPS as much as or more than older generations do. Perhaps that shouldn't be surprising; after all, other surveys have shown that Millennials use public libraries more than any other generation, prefer printed books over digital ones and are driving a recovery in bookstore sales.

Millennials, the report found, like the Postal Service as much as other generations. "Millennials, Gen X, and Boomers all reported comparable levels of satisfaction with the Postal Service," it

said. "Around 80 percent of each generation said they were either somewhat or very satisfied with USPS."

However, Millennials were the most likely of the age groups to say USPS was an "innovative organization," with 59 percent agreeing, slightly more than Generation X (54 percent) or Baby Boomers (50 percent).

The OIG report confirms and expands on similar research by USPS that included data on Millennials, such as research showing that young adults respond well to direct mail, especially from political campaigns.

"As the much-coveted demographic of 18-to-34-year-olds has grown up with and around computers, focusing exclusively on digital channels seems like the obvious strategy," said Cliff Rucker, since retired as USPS senior vice president for sales and customer Relations. "What we actually found was that Millennials are far more likely than non-Millennials to read and engage with direct mail, particularly political mail."

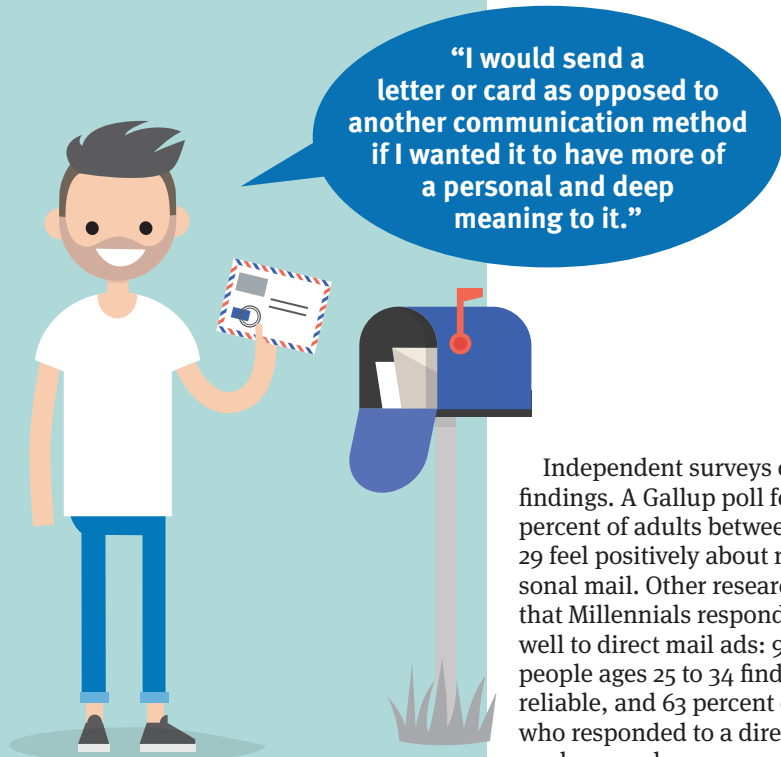
In USPS research conducted jointly with the American Association of Political Consultants, Millennials said they were more likely to discuss political mail with others (78 percent compared to 63 percent for non-Millennials), use political mail to remind them when to vote (75 percent compared to 58 percent for non-Millennials) and thoroughly read political mail (40 percent compared to 18 percent for non-Millennials).

Other USPS research has shown that half of Millennials agree that they "like to discover what the mail brings every day and consider time spent looking at/reading mail time well spent," while only 44 percent from the other generations said the same.



The Office of the Inspector General report "Millennials and the Mail" included statistics about and quotes from survey respondents, which can be found on the following pages.





Independent surveys confirm the findings. A Gallup poll found that 95 percent of adults between ages 18 and 29 feel positively about receiving personal mail. Other research has found that Millennials respond surprisingly well to direct mail ads: 90 percent of people ages 25 to 34 find direct mail reliable, and 63 percent of millennials who responded to a direct mail piece made a purchase.

“Millennials stand out a bit higher than other generations in terms of engaging with mail,” Neil O’Keefe, senior vice president of marketing and content for the Data and Marketing Association, told CNBC. “It’s unique to the generation that hasn’t experienced the amount of mail of past generations.”

Generational differences emerge in the details of the research, however. Millennials like the mail, but they interact with it in different ways than other groups.

In the OIG report, Millennials reported receiving less mail, and checking the mail less often, than their parents’ and grandparents’ generations. On the other hand, younger customers connect to USPS on the internet more than other generations, and the Postal Service’s digital platforms are attracting younger customers. The younger the generation, the more likely they were to have visited USPS.com and to have a USPS.com account. More Millennials (25 percent) reported using the USPS Mobile app than Generation X (17 percent) or Baby Boomers (6 percent).

The Postal Service expects that its Informed Delivery system, which allows users to sign up to receive photos of incoming mail and easily track and manage package delivery through a phone or computer, will bridge the gap between the mail and the internet.

USPS also is encouraging marketers, including political campaigns, to in-

clude mail as part of “multi-channel” campaigns to drive more customers to an internet site. More than half (58 percent) of Millennials surveyed by USPS said that mail was very or somewhat likely to cause them to go to the internet to learn more about a political campaign.

A personal touch— but no bills, please

As you might expect, the OIG report found that Millennials just don’t have time to handle bills through the mail and are comfortable with sending money through the internet instead.

“I like to receive all my bills online,” one young respondent said. “I like the way most businesses are now sending everything paperless; it saves me time and it’s more convenient.”

On the other hand, Millennials reported that they appreciate the personal connection that a holiday or birthday message received by mail makes, and three out of four said that receiving personal mail from friends and family makes them feel special.

“Building seamless links between mailed bill statements and online payment methods, through Informed Delivery, could be key to enhancing transactional mail’s value with young consumers,” the OIG report said.

In another stereotype-busting finding, the report said Millennials respond surprisingly well to marketing mail. In surveys, 62 percent of Millennials said they had visited a store in the past month based on information received in the mail, compared to 55 percent of Generation X and 52 percent of Baby Boomers.

Millennials especially enjoy receiving, and using, coupons by mail—69 percent said they like restaurant coupons, and 65 percent enjoy local retail store coupons.

Typically received bills through the mail

Millennials	62%
Gen X	72%
Boomers	77%

Typically paid bills through the mail

Millennials	22%
Gen X	29%
Boomers	40%

Millennials prefer to use USPS for small packages rather than large packages

48% prefer USPS for sending small packages

40% prefer USPS for receiving small packages

23% prefer USPS for sending large packages

19% prefer USPS for receiving large packages

Serving the customer of the future

The OIG found that Millennials put a high value on convenience and timeliness. After all, this is a generation that grew up with the internet and smartphones and the feeling of instant gratification that these technologies bring. They aren't used to going to the post office, putting stamps on envelopes or writing checks or letters.

So when they do choose to use the Postal Service, Millennials value convenience and speed in those transactions, and they frequently suggested automated services as a way to facilitate convenience. The most popular idea, with 71 percent saying they were interested, was self-service kiosks.

One participant asked for "kiosks or machines to process sending packages without going to the post office, waiting in line and dealing with their employee. I want it to be like the vending machine where I can drop small or large packages, weigh and scan it automatically, and give me the amount to pay and print out the receipt. Quick and easy transaction."

Of course, self-service kiosks and similar automated processes already exist in many post offices and other retail sites, suggesting that the infrastructure of convenience already is in place for Millennials to discover. The Postal Service currently has 2,800 self-service kiosks in post offices. Millennials loved the idea of self-service kiosks, but 40 percent had no idea that they already exist.

"Many of the concepts Millennials discussed are similar to existing products—but the participants were simply not aware of them," the OIG report said. "Most prominently, ideas similar to Informed Delivery, Self-Service Kiosks, and Carrier Package Pickup were very popular. This indicates that USPS

is likely on the right track with recent initiatives but could work on promoting these services to Millennials."

Though the kiosks already are available for public use, Millennials want them in convenient places beyond post offices—and if USPS put them in other locations, such as in grocery stores or on college campuses, more Millennials might notice them.

A similar disconnect appeared with Informed Delivery. Millennials expressed enthusiasm for this and other services that give them knowledge and control of their mail, but most did not know that it already exists. One survey respondent even offered an idea that almost exactly describes Informed Delivery: "I think they could offer a service where they notify you on what type of mail you will be receiving each day. Maybe they could start a system that scans mail and emails you a list every morning."

Other ideas the respondents suggested include loyalty programs that reward customers for repeated use of postal products and ways to customize postage and packaging similar to the custom stamps consumers currently can make using their own images.

How they live = how they mail

One intriguing finding in the OIG report is that for Millennials (and perhaps for any generation), living arrangements have a substantial effect on mail use and preferences.

Millennials live differently than their parents and grandparents did. They are getting married later in life and also having children later. For instance, 69 percent of women between the ages of 25 and 29 had given birth to a child in 1976; in 2014, just 50 percent had. Consistent with the stereotype, more of today's young adults live with their parents than in any other living

"If the package is bigger than a large priority mailbox, I will definitely go elsewhere...If the USPS even offered a cheaper, slower version for larger packages, I wouldn't go elsewhere."



"I would like... vending machines that sell stamps located in popular shopping establishments like grocery stores and discount retailers."

“My household receives a lot more mail since living with my husband. And we receive/ship a lot more mail/packages since having children.”



“I send cards for holidays. I send them for Easter, birthdays, Christmas. I like to make the picture cards with my son on them mainly. I feel like photo cards make things more memorable.”

18-to-34-year olds

1975 2016

Live with a married spouse

57% 27%

Live with an unmarried partner

<1% 12%

Live with parents

26% 34%

Live with a relative or roommate

11% 21%

Live alone

5% 8%

arrangement—31 percent of people between the ages of 18 and 34 lived with their parents in 2016, up from 26 percent in 1975.

These lifestyle differences matter because Millennials who live with a spouse and/or child were much more familiar and engaged with USPS products and services. Living with a spouse or child increases Millennials' likelihood of sending personal correspondence at least several times a year by 44 and 57 percent, respectively.

Millennials with children reported that they enjoy receiving and sending mail, including marketing mail. For example, Millennials living with a child were 66 percent more likely to enjoy receiving mailed advertisements than those not in that living arrangement.

Millennials living with a child also were more satisfied with the Postal Service overall and were more likely to rate the Postal Service higher on innovation and customer service than other Millennials. And those living with a spouse or a child were 59 and 44 percent more likely to agree that USPS will be relevant to them in the future, respectively. Those living alone or with roommates were 28 percent less likely to agree that USPS will be relevant to them in the future.

Gender differences also stood out in the OIG research.

Millennial men said they send mail more frequently than women said they do. This was true across all types of mail—from personal letters to letters for work to greeting cards and packages. Men in that generation also were more likely to say that they are the primary handler of household income and expenses and the primary person to fetch and sort incoming mail for the household and send outgoing mail.

On the other hand, Millennial women enjoy receiving mail generally, especially personal mail, more than

men, and seemed to be more excited to check the mail on a regular basis.

Millennial men reported more than women that they enjoy receiving mailed ads—42 percent of men, compared with 33 percent of women, liked mail ads. These men singled out credit card offers, newsletters and outreach from other organizations as the ads they preferred, while there was no gender difference for coupons or ads for local businesses and restaurants.

Of course, these gender differences may not be unique to Millennials. In fact, it is sometimes difficult to tell whether the differences in attitudes across generations are unique to the generation or simply a factor of their age—will Millennials change their minds as they get older?

The stark differences in attitudes toward mail that are associated with living arrangements also could change how most Millennials view the mail as more live on their own, get married and have children.

Get the word out

The OIG report recommended one important way for USPS to capture the enthusiasm of Millennials. “The OIG found that Millennials are interested in a number of products and services that are already available,” the report said. “The Postal Service should ensure these products and services are visible and accessible to its younger customers.”

The OIG also urged USPS to keep researching consumer attitudes—after all, since this report showed that a generation assumed to have disdain for old-fashioned postal mail actually likes it, more research could yield a treasure trove of useful information for the Postal Service to boost business as a new generation takes over as the dominant group of consumers. **PR**