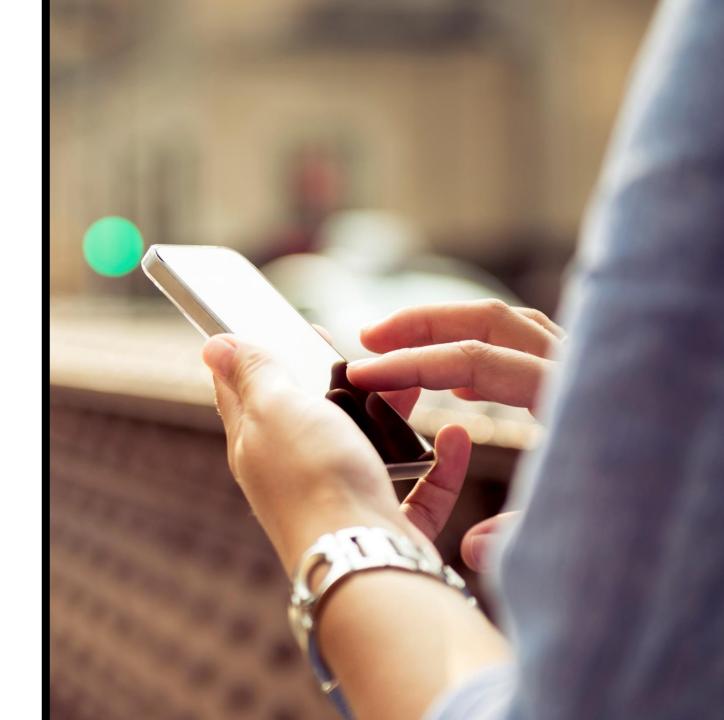


Informed Offers and Informed Addressing

Program Update

January 29, 2020





Current and Upcoming Pilots

We are building on the success of Informed Delivery and piloting two new products in the Product Innovation portfolio



Informed Address (IA)

Enables mailers to prospect to new and interested customers without knowing their physical address

Planning in Progress



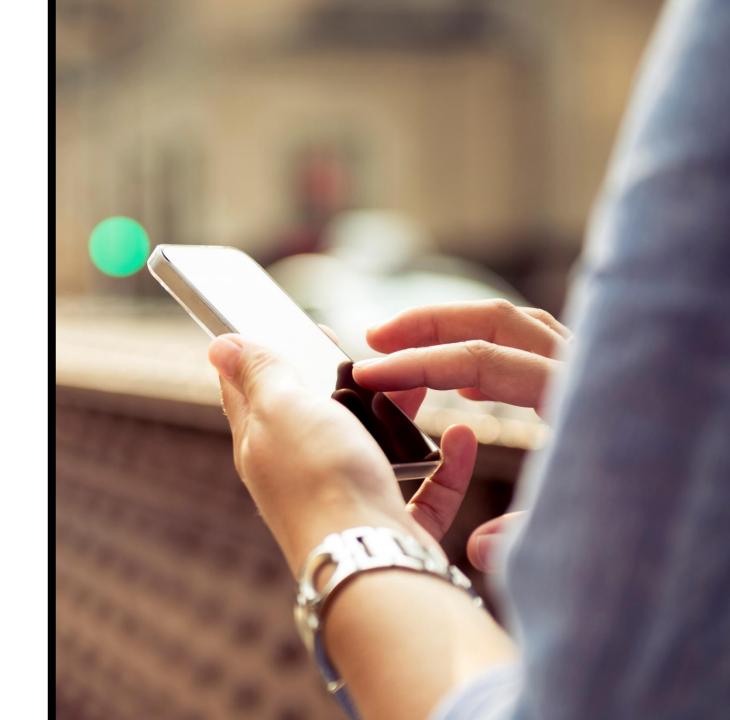
Informed Offers (IO)

Enables mailers to target customers with online offers and physical mail that match their interests

Limited Pilot Completed



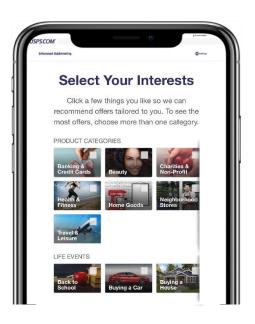
Informed Offers



Informed Offers (IO) Concept

Informed Offers aims to increase mail volumes by enabling consumers to select their favorite categories of mail, virtually browse offers in the mailstream, and receive more relevant mail at home

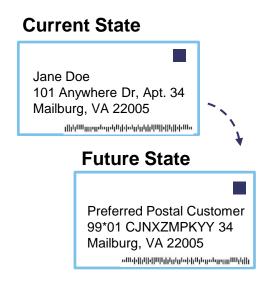
- Consumers will access
 - Informed Offers by clicking an invitation in their Daily Digest
 - COMING TO YOUR MAILBOX SOON. \bowtie **Informed Offers** by USPS* POSTAL SERVICE
- Consumers will select their favorite mail categories and optin to receive mail at home



Consumers can browse current offers in the mail and take advantage of relevant deals



In the future, users will receive mail aligned to their preferences via Informed Address technology



Informed Offers (IO) Pilot Analysis Summary

The IO pilot used a Minimum Viable Product to test consumer and mailer interest in the IO concept.

Pilot Overview



Measurement Period:

8/22/19 - 10/3/19



Location: 29 ZIP codes served by the Merrifield, VA

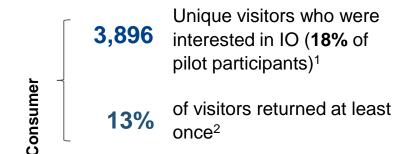
Processing and

Distribution Center



Participants: 22,151 Informed Delivery (ID) email users

Summary Metrics





- 1. Percent of pilot population who clicked on the IO virtual campaign at least once
- 2. Based on data for users who were required to log in
- 3. Individual offer loads on the IO site

A/B Test Measured Login Wall's Effect on Engagement

The pilot tested two versions of the IO experience — with and without a required login — to measure impact on user engagement.

Flow A Login

Required to Access Platform



Explore Offers Page

Log-into Offers

Page

Targeted Offers



Select Preferences &



Opt-into IA

Interact with Offers





Explore Customized Offers Page



Log-into Account



Interact with Offers



Select Preferences & Opt-into IA



5%

Viewed Offers

3% Submitted Preferences

18% Viewed Offers

1% Submitted Preferences

USPS found that users that were not required to login were 4x more likely to see offers.

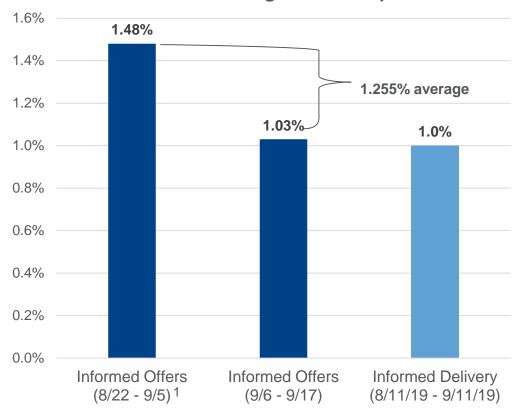
Mailer Relevant Findings



Initial Offer Performance Compared to Informed Delivery

900+ unique users accessed the Informed Offers site and nearly 800 submitted their mail preferences. The pilot can also boast of an impressive click through rate for offers

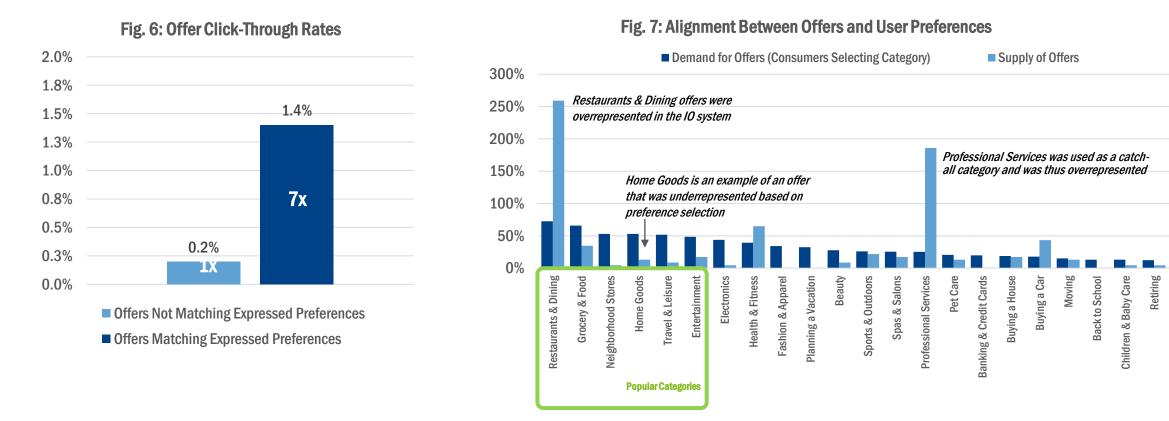
IO vs. ID Click Through Rate Comparison



By enabling consumers to share their preferences and interact with offers most relevant to them, IO provides a more personalized experience for users. As a result, IO campaigns have a click through rate that is nearly 2x higher on average than that of Informed Delivery interactive campaigns.

Offer Performance Based on Category Relevance

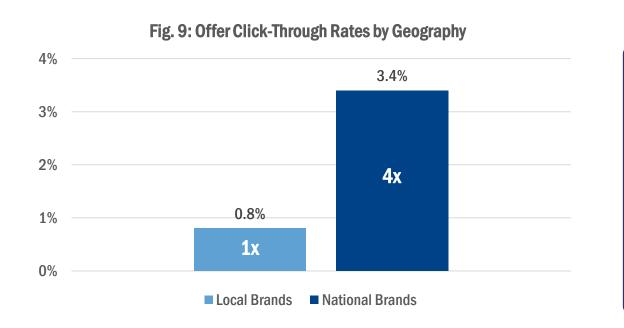
Offers that were tailored to users' expressed category preferences performed 7x better (Fig. 6), which indicates a significant opportunity to improve click-through rates by strategically sourcing offers (Fig. 7).



USPS should consider sourcing more offers within frequently requested categories to further improve click-through rates.

Offer Performance Based on Retailer or Brand Location

Offers from national retailers or brands performed 4x better than local offers (Fig. 9), suggesting an opportunity for improvement in matching offers based on geographic location of users.



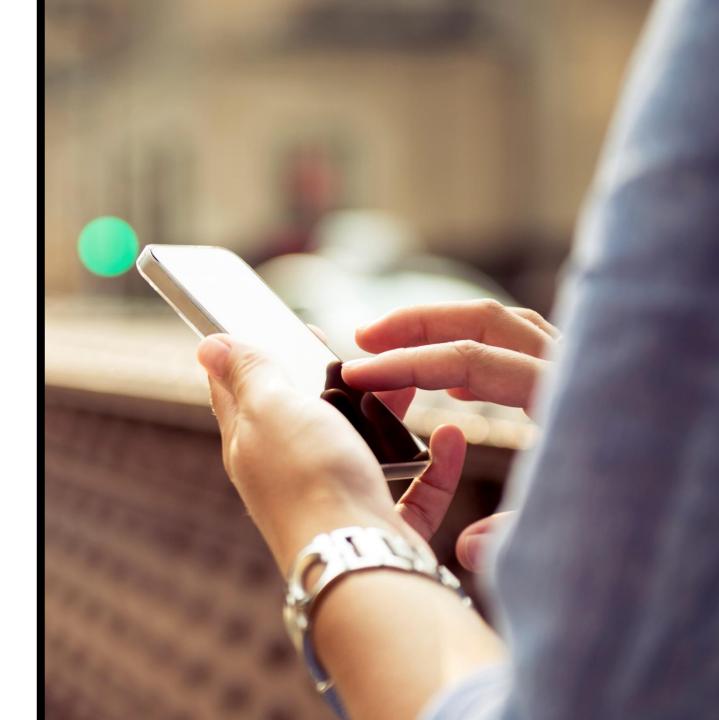
"Most coupons were too far away and therefore somewhat irrelevant for me as a consumer."

Consumers in the pilot may have found local offers to be less geographically relevant because the platform was not capable of filtering offers by specific location within Northern Virginia. In some instances, local restaurants were displayed to users who were more than an hours' drive away. In contrast, national brands were relevant to all consumers, regardless of location.

USPS should consider sourcing offers from national brands as well as developing the platform's geotargeting capabilities.



Informed Address



Overview of Informed Address

Informed Address technology will provide the groundwork for many new USPS applications

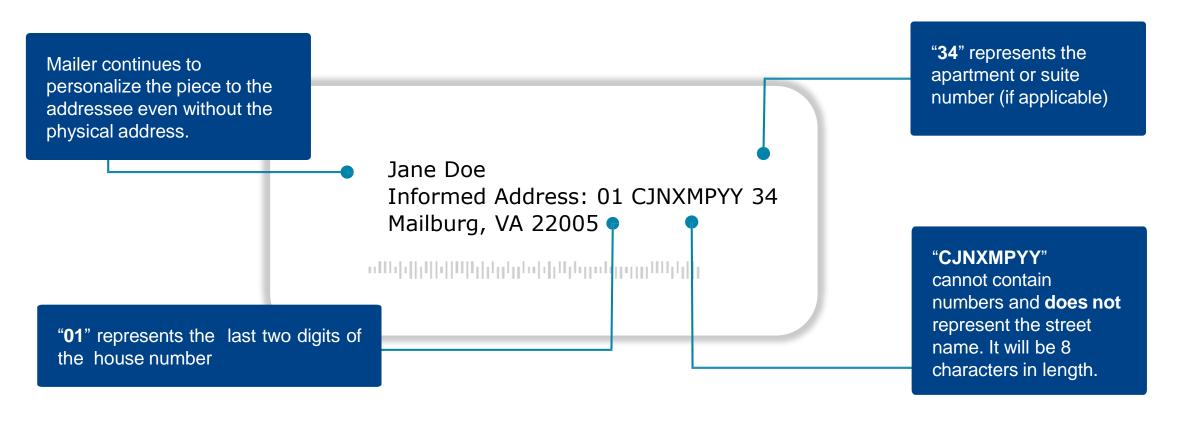
Informed Address **replaces a consumer's physical address with an alphanumeric code**.

With this technology, mailers can reach prospective customers without the need for physical address information.

Current State

Processing and Delivering IA Coded Mail

IA coded mail will be in DPS sequence, allowing the carrier to easily identify the delivery point based on visual cues in a human-readable format



In the future, if an IA-coded mailpiece falls out of sequence, it can be scanned by the MDD to determine the delivery point.

IA Goals

USPS seeks to create a platform with offerings that increase the value of mail for both mailers and consumers



Informed Address creates a new channel for USPS to connect mailers to consumers without sharing private information.



Value to Consumers

Informed Address increases the relevancy of mail by giving consumers the ability to maintain their privacy, and retain the same address no mater where they are at anytime.



Value to Mailers

Informed Address increases the reach of mail by enabling mailers to connect with consumers who are not on their original mailing lists.

By reaching consumers where they are while respecting their privacy, Informed Address will increase consumer engagement with the mail.