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POSTAL SERVICE ADVERTISING

CREATING ENGAGEMENT (AND MEASURING ACROSS MEDIA)



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Background & Purpose

- **US Postal Service in the fall of 2006 implemented a package pickup advertising campaign targeting residential and small business customers, consisting of:**
 - **5 television ads, including one with holiday theme (3 of which ran during this time period; 2 targeted towards small business, 1 towards residential)**
 - **Focus of the TV ads was on building awareness of and generating overall interest and use of Package Pickup**
 - **4 print ads, 3 targeted towards small business, one with holiday theme targeted towards residential**
 - **Purpose of print ads was to build awareness, demonstrate end benefit of using Package Pickup and gaining increase use**
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Background & Purpose

- **US Postal Service has recently implemented a package pickup advertising campaign targeting residential and small business customers, consisting of:**
 - **3 online banner and/or PDA ads**
 - **Build awareness, end benefit of using Carrier Pick-Up**
 - **2 direct marketing pieces**
 - **A Package Pickup mailer with BRC offer for free scales**
 - **Sent to list of small/micro businesses**
 - **Provided information about package pickup with explanation of how it works**
 - **A holiday guide**
 - **Sent to every residential household in the US**
 - **Topics included key dates to remember; holiday stamps; free package pickup; USPS.com/holiday web site; flat rate boxes; shipping options**
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Background & Purpose

- **The purpose of the research:**
 - **Measure the level of consumer engagement with the campaign.**
 - **Evaluate the effectiveness of the package pickup campaign in generating incremental usage of US Postal Service.**
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Method

- **The research:**
 - **A national survey of 2,500 individuals**
 - **screened to have shipped packages in the past year**
 - **estimated incidence in the population based on record of contact of 50%**
 - **Self-completion internet survey administered**
 - **Conducted in early January, 2007**
 - **Copies of the advertising materials were presented at the end of the survey.**
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“Engagement” and USPS

- **USPS has been investigating and assessing the issue of “engagement” for many years, in many different ways**
 - **The USPS has augmented its Residential Customer Communications Tracking Study to more fully explore consumer engagement**
 - **The work has led USPS to view engagement as a multi dimensional concept with four key components: brand engagement, message engagement, media engagement and behavioral engagement**
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USPS Brand Engagement

- **Analysis revealed that brand engagement is driven by a variety of factors:**
 - The emotional connection people have with USPS and the degree of empathy they credit USPS for having regarding their personal situations.
 - It's also directly influenced by the extent to which they associate personal end-benefits with USPS services and products, in terms of making their lives easier and reducing their day-to-day stress
 - **Interestingly, in the context of brand engagement, these factors are even more important than rational dimensions like pricing in driving overall brand consideration**
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USPS Package Pick Up Service Engagement

- **The drivers of overall product consideration differ in important ways from the consideration drivers of the overall brand**
 - **Emotional connections with the brand and the reinforcement of empathy are less important than the relevancy that comes from basic information about how the service operates and relates to holiday shipping**
 - **Relevancy of advertising -- driven by degree to which it conveys that information -- becomes the most important driver of service use**
 - **Likeability of advertising continues to be less influential**
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USPS Message Engagement

- **USPS monitors a variety of measures related to message engagement, including:**
 - Ad and brand awareness
 - Ad relevancy
 - Message importance

 - **USPS also looks for empirical evidence of message engagement reflecting the degree to which changes in brand perceptions occur when messaging runs**
 - Over time, the USPS brand has been very responsive to presence of messaging
 - Not unusual to see dramatic increases on key attributes as the result of integrated communications programs
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USPS Media Engagement

- **Relevance and appeal of the message itself is only part of the communications engagement dynamic**
 - **Enhancement by the media mix and quality of interaction with the media plays a critical role in engagement**
 - **The analysis addresses the contribution and impact of individual media channels - both mass and one-to-one - as well as various combinations of media on brand and behavioral engagement**
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USPS Behavioral Engagement

Relationships between consideration, intent and usage volume across a variety of distribution channels and services were analyzed:

- For the Postal Service business overall
- For Package Pick-up specifically
- And by access point, whether it be retail, online, or other channels like drop boxes

The media mix had a significant impact on driving key behaviors



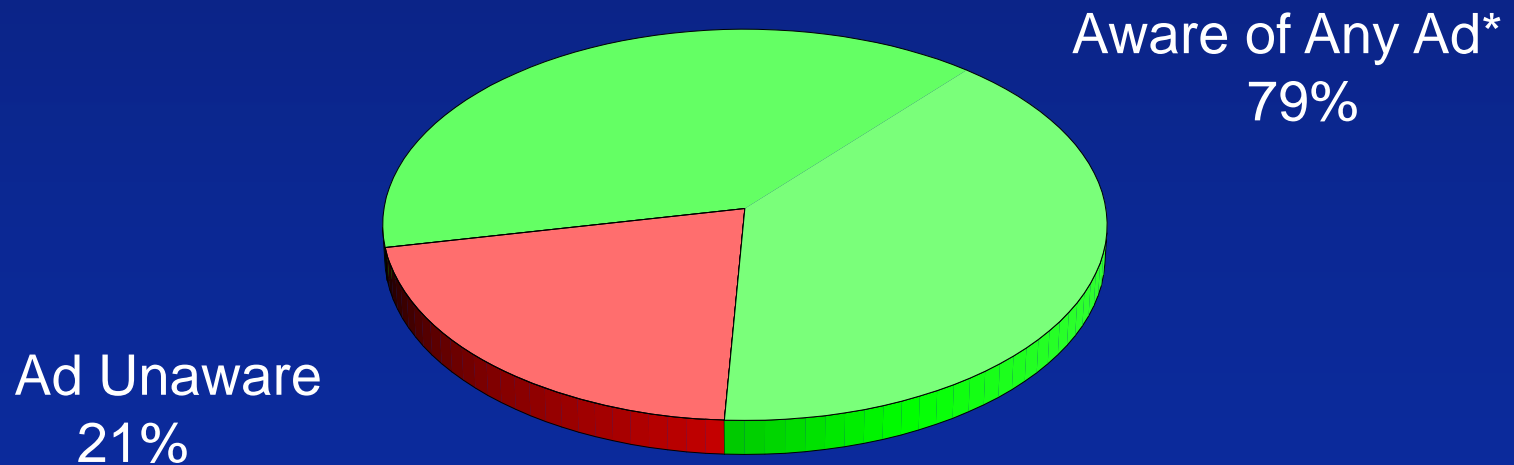
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The Results



Awareness of Overall Campaign – Induced Reach

Total Aware = 88.8 Million

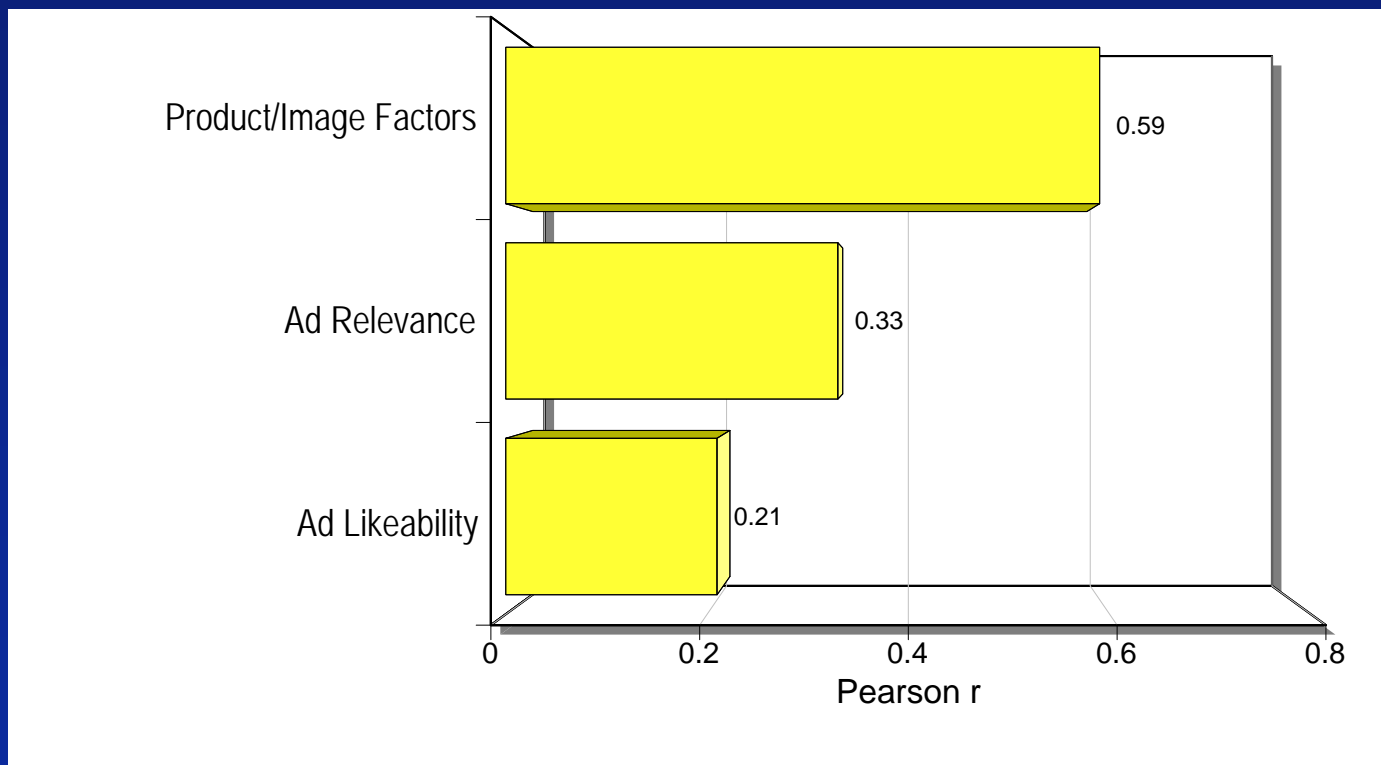


*Saw at least one ad.



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Summary of Drivers of General Brand Consideration

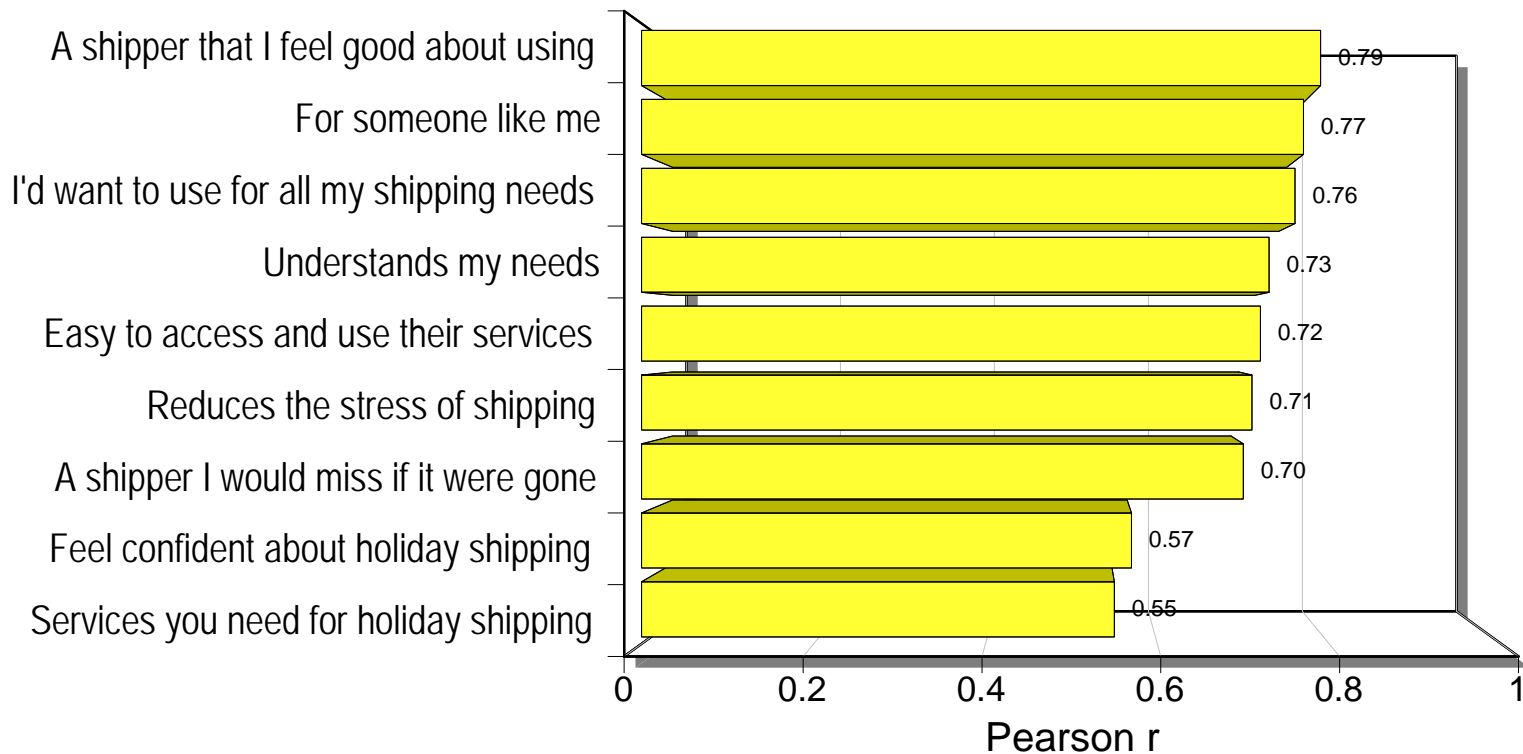


- A measure of the degree of association between each item and whether a company is “Overall the best company for my shipping needs”

Correlation of Product/Image Attributes to General Brand Consideration*



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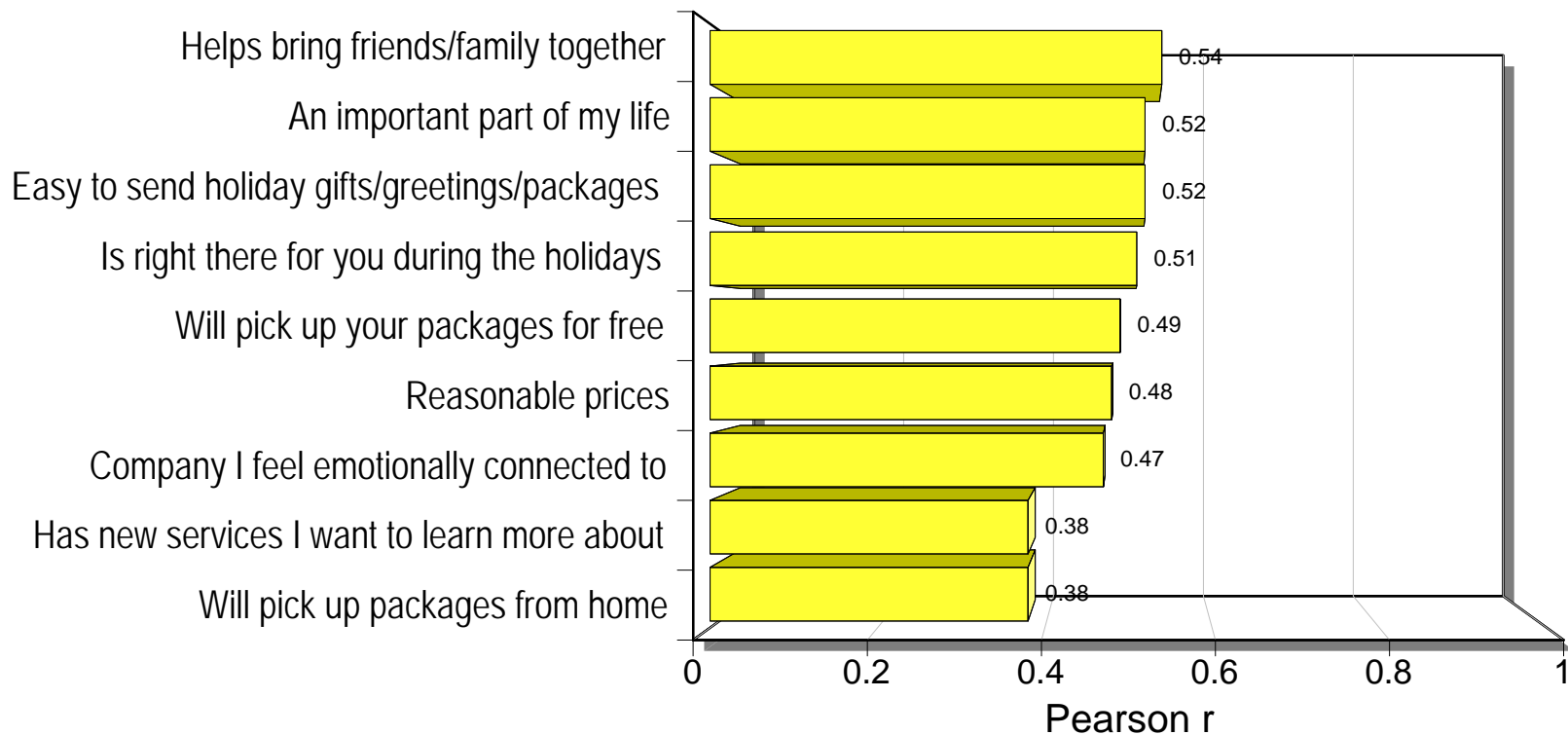


- A measure of the degree of association between each item and whether a company is "Overall the best company for my shipping needs"

Correlation of Product/Image Attributes to General Brand Consideration* (Cont'd)



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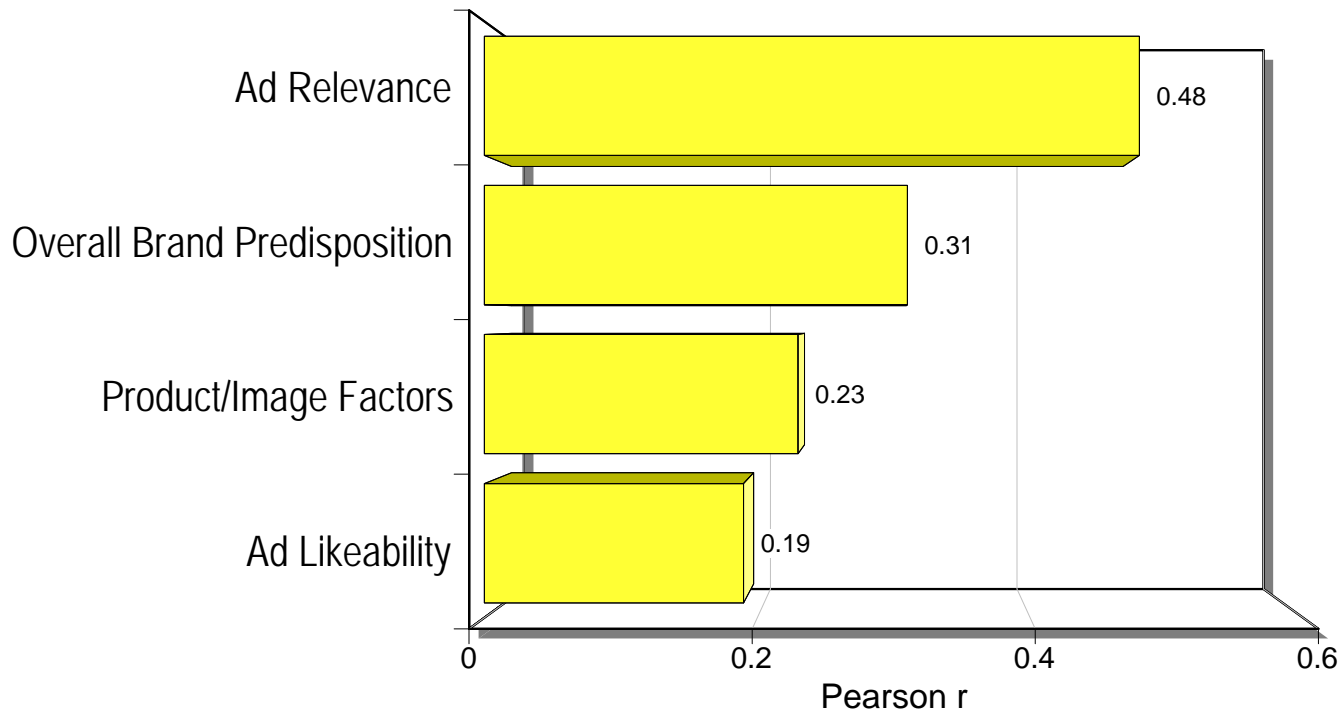


- A measure of the degree of association between each item and whether a company is "Overall the best company for my shipping needs"



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Summary of Drivers of Carrier Pickup Intent*



Note: Base is Aware of Package Pickup.

* A measure of the degree of association between each item and package pickup intent

Correlation of Product/Image Attributes to Carrier Pickup Intent*



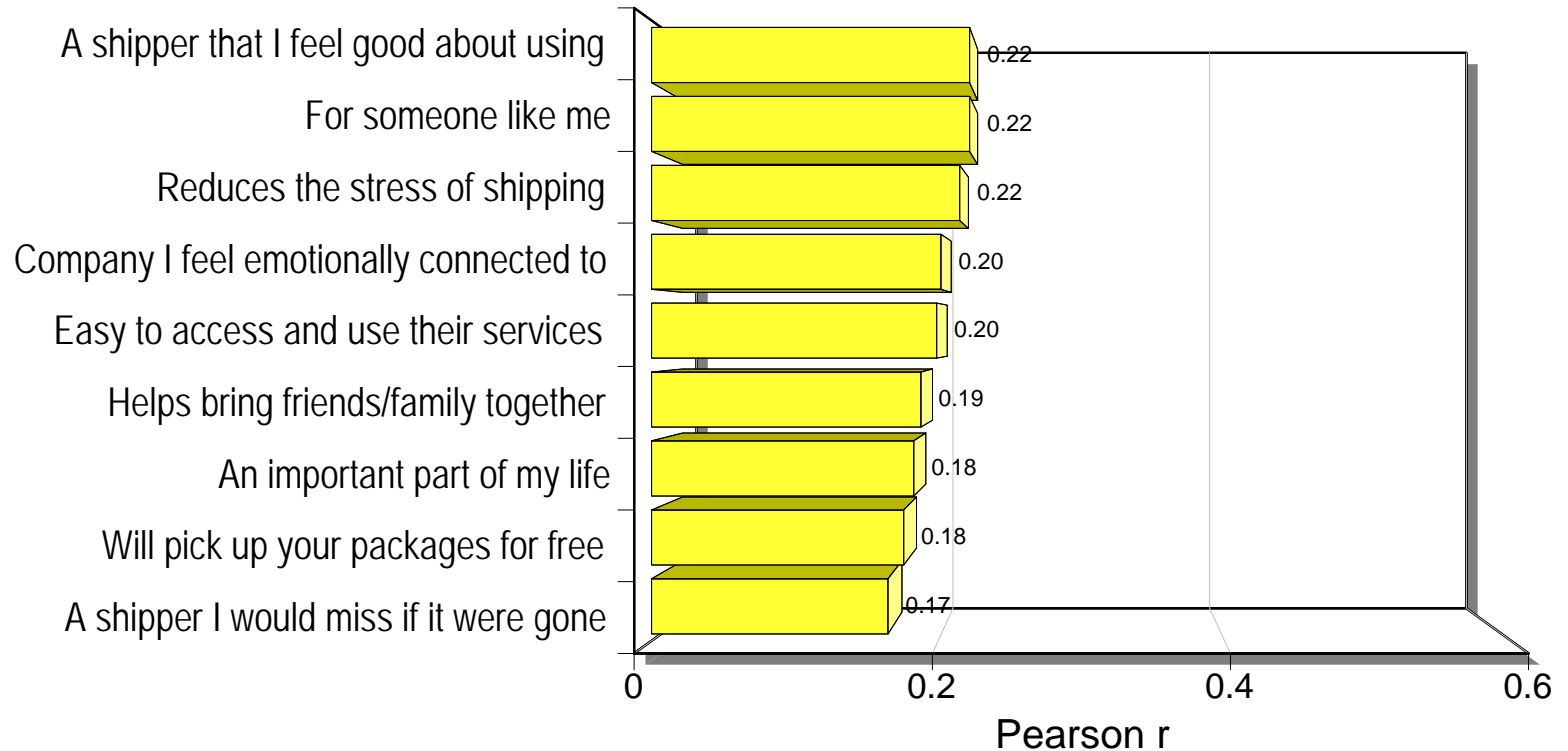
Note: Base is Aware of Package Pickup.

* A measure of the degree of association between each item and package pickup intent

Correlation of Product/Image Attributes to Carrier Pickup Intent* (Cont'd)



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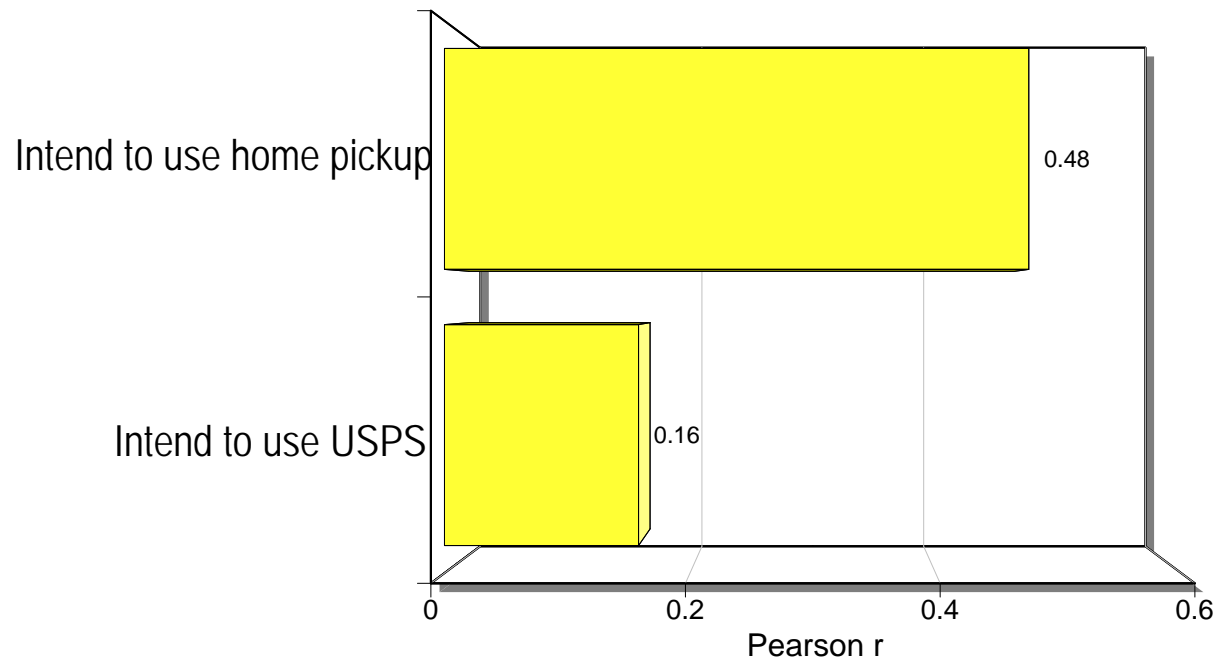
Note: Base is Aware of Package Pickup.

* A measure of the degree of association between each item and package pickup intent

Correlation of Perceived Relevance With Brand/Carrier Pickup Intent



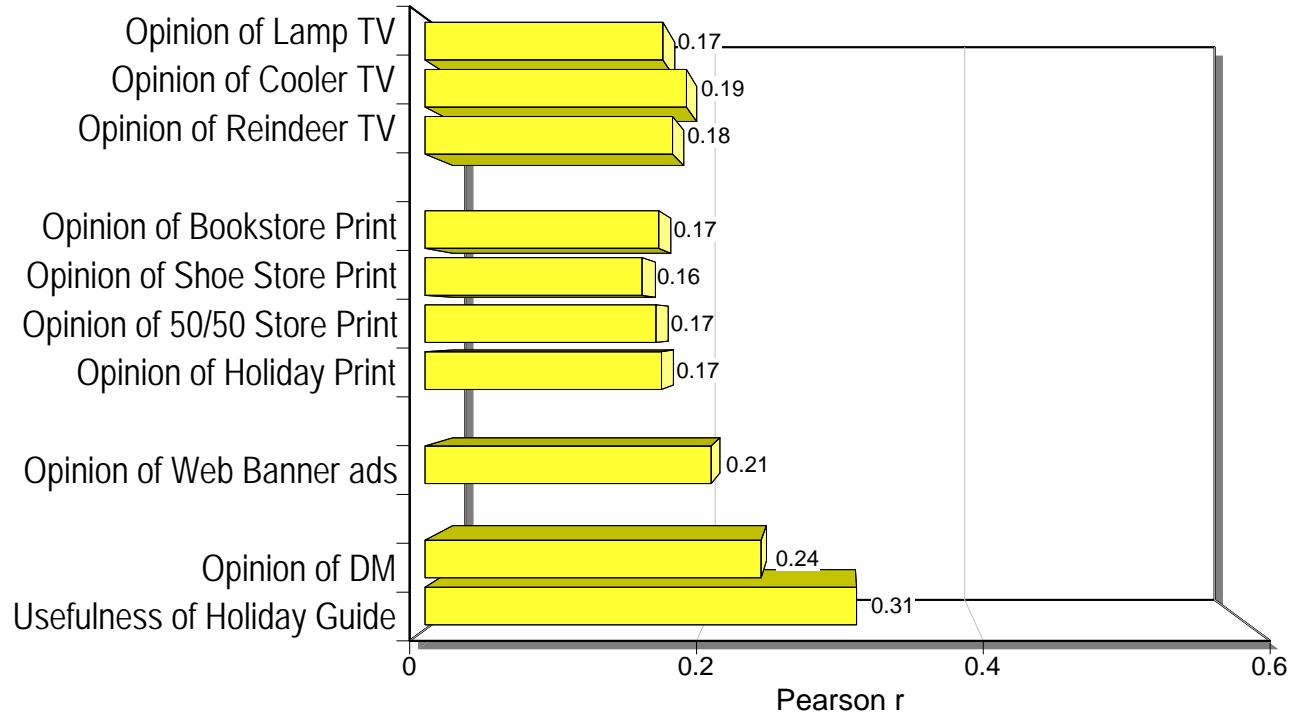
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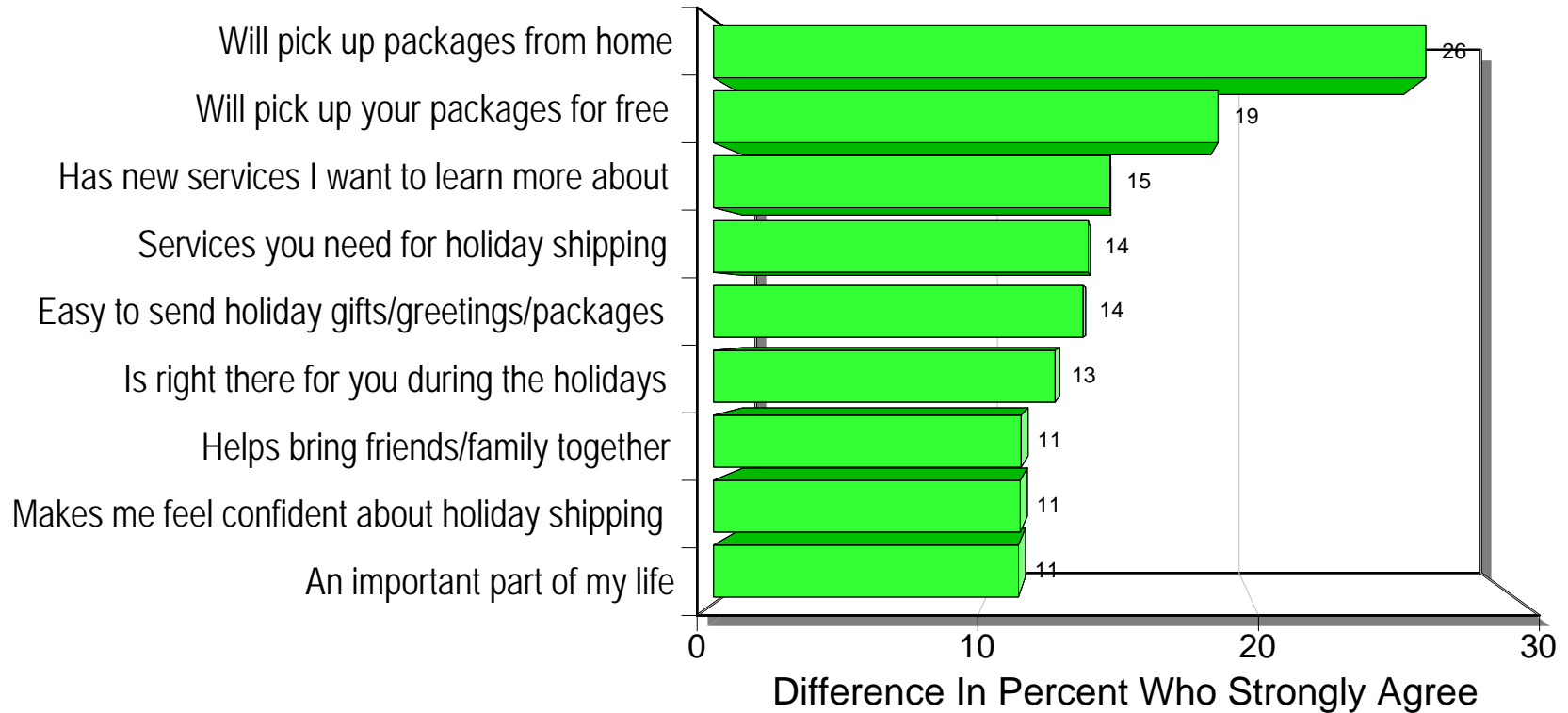
Correlation of Liking of Ads with Carrier Pickup Intent



Product/Image Dimensions on Which the Campaign Had the Greatest Impact



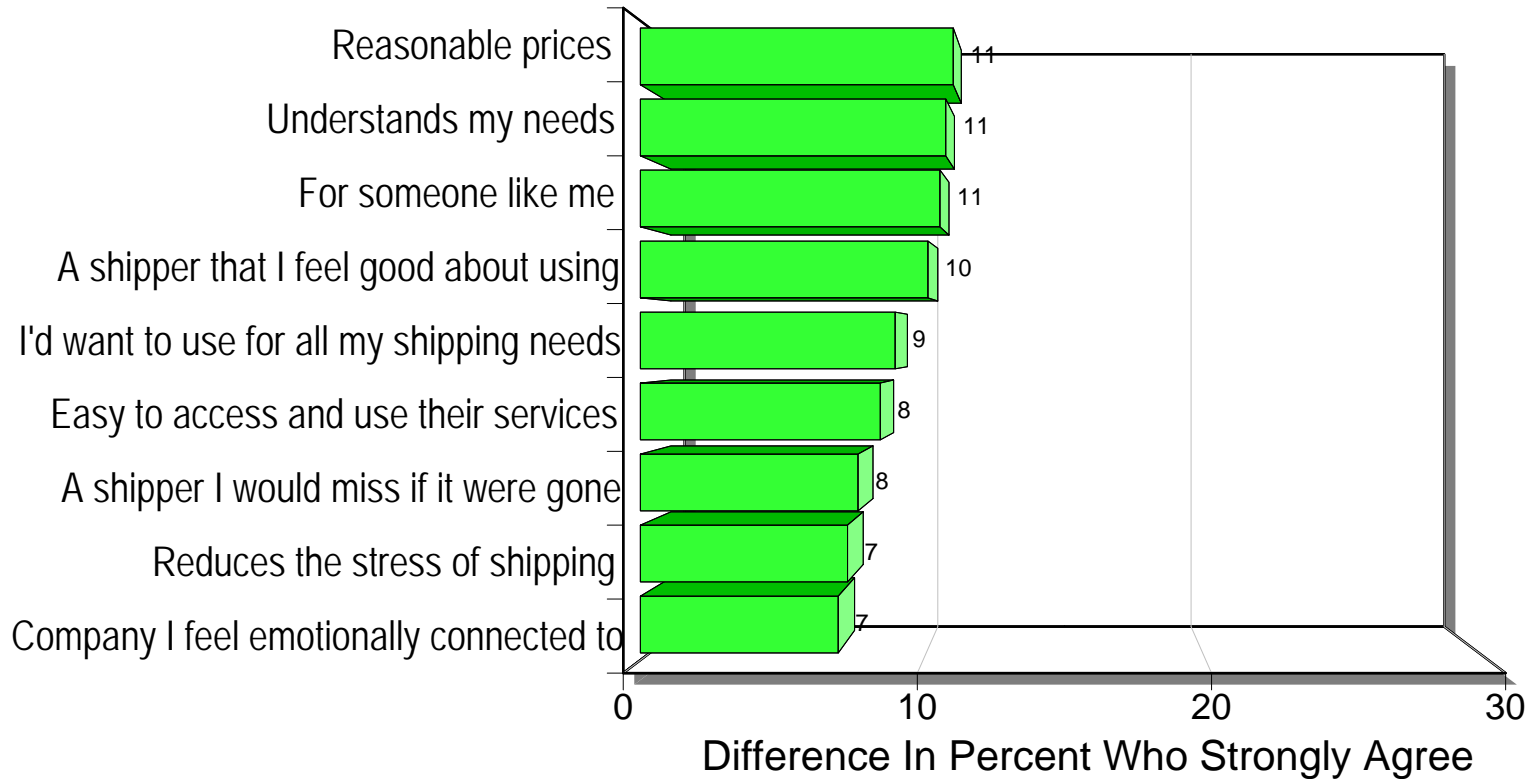
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Product/Image Dimensions on Which the Campaign Had the Greatest Impact (Cont'd)



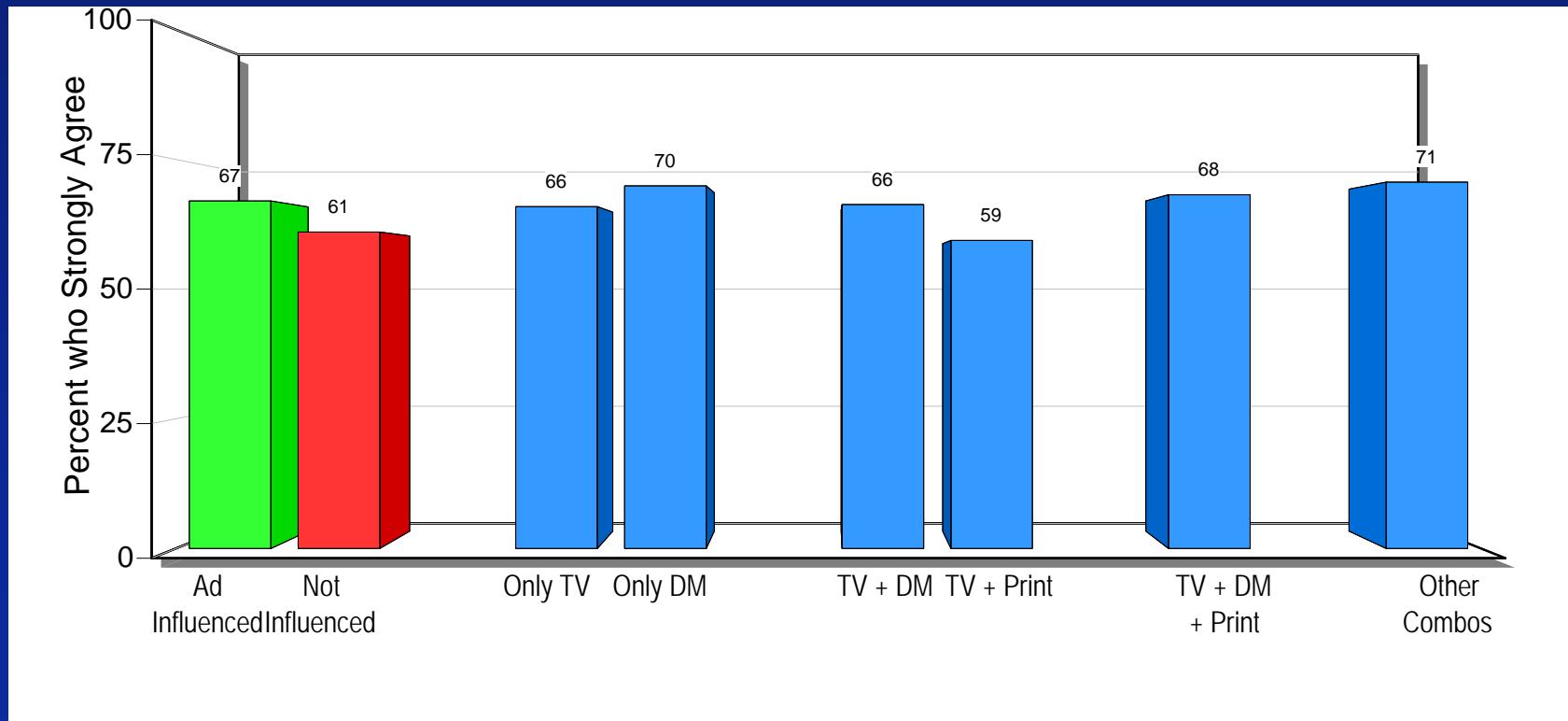
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Impact of Media on General Brand Consideration



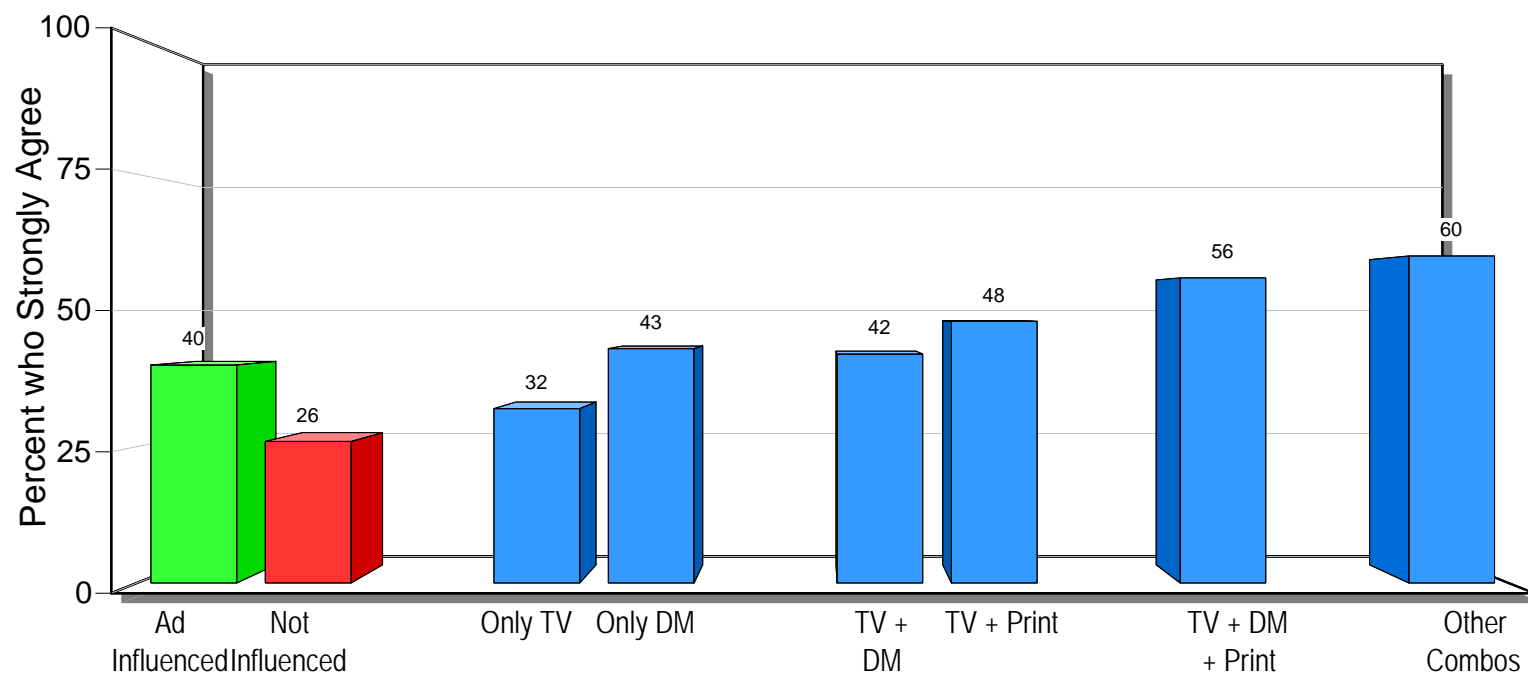
"Overall, the best company for my shipping needs"





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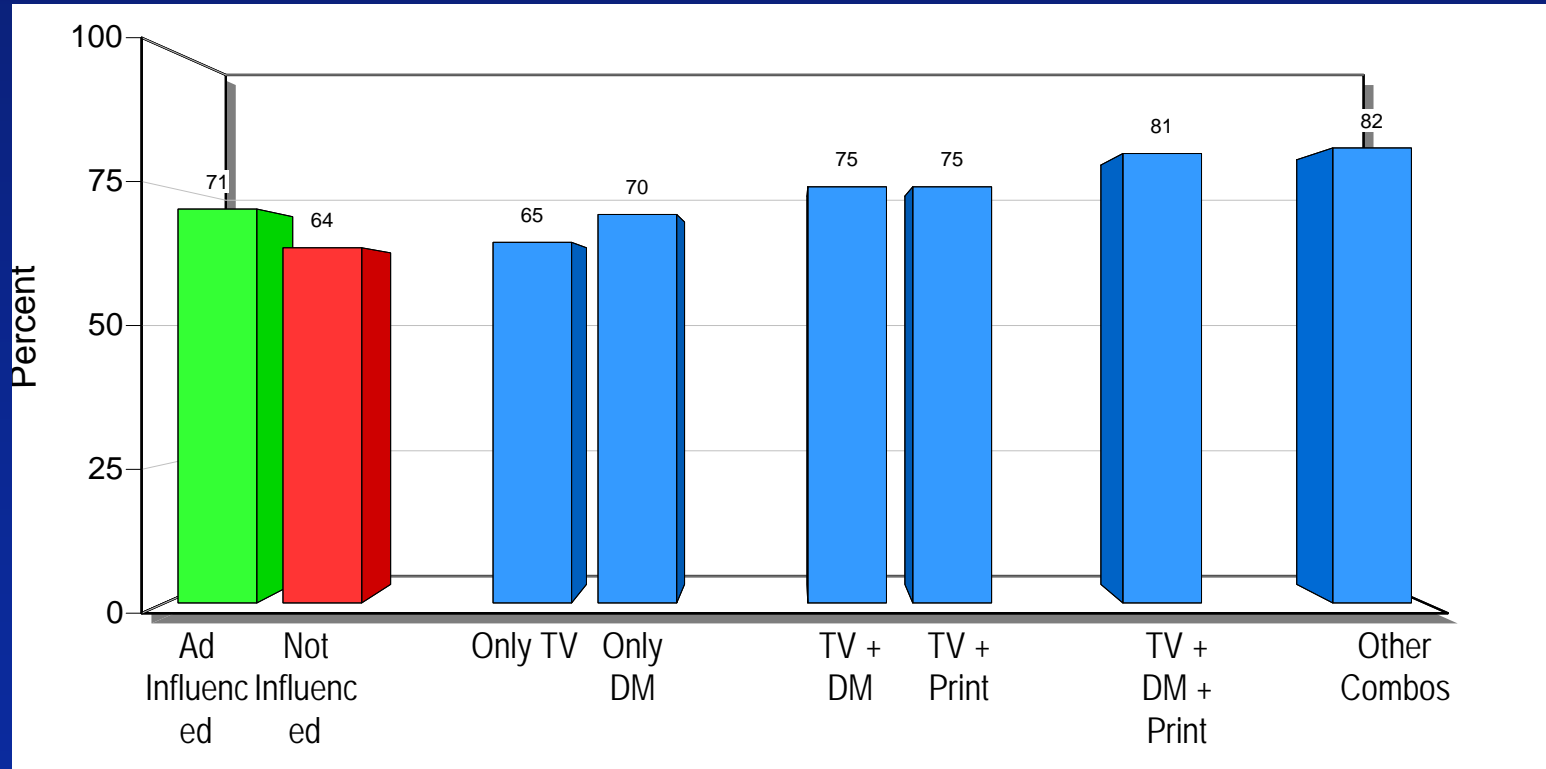
Impact of Media on Carrier Pickup Intent





Impact of Media on Incidence of Shipping USPS*

“Holiday/Non-Holiday Shipments Using USPS Since Oct.1”



*Any mode, not necessarily carrier pickup

Impact of Media on Communication of Product/Image Attributes



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Net Difference in % who Strongly Agree Ad Influenced vs. Not Ad Influenced

	<u>Any Ad Influenced</u>	<u>Only TV</u>	<u>Only DM</u>	<u>TV & DM</u>	<u>TV & Print</u>	<u>TV & DM & Print</u>	<u>Other Combos</u>
Home pickup	26	22	24	35	27	35	31
Free pickup	19	15	17	24	23	28	25
Has new services I want to learn more about	15	7	14	18	19	34	29
Services you need for holiday shipping	14	8	19	19	17	19	21
Easy to send holiday gifts/greetings/packages	14	9	15	17	19	25	17

Impact of Media on Communication of Product/Image Attributes (Cont'd)



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Net Difference in % who Strongly Agree Ad Influenced vs. Not Ad Influenced

	<u>Any Ad Influenced</u>	<u>Only TV</u>	<u>Only DM</u>	<u>TV & DM</u>	<u>TV & Print</u>	<u>TV & DM & Print</u>	<u>Other Combos</u>
Is right there for you during the holidays	13	8	14	17	18	17	19
Helps bring friends/family together	11	4	8	15	19	23	30
Makes me feel confident about holiday shipping	11	5	13	16	13	28	20
An important part of my life	11	4	16	15	18	28	23
Reasonable prices	11	7	19	17	10	15	15

Impact of Media on Communication of Product/Image Attributes (Cont'd)



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Net Difference in % who Strongly Agree Ad Influenced vs. Not Ad Influenced

	<u>Any Ad Influenced</u>	<u>Only TV</u>	<u>Only DM</u>	<u>TV & DM</u>	<u>TV & Print</u>	<u>TV & DM & Print</u>	<u>Other Combos</u>
Understands my needs	11	6	13	13	13	19	20
For someone like me	11	7	17	12	11	19	16
A shipper that I feel good about using	10	6	16	13	12	20	14
I'd want to use for all my shipping needs	9	5	14	9	9	16	19
Easy to access and use their services	8	6	10	8	13	14	15



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Impact of Media on Communication of Product/Image Attributes (Cont'd)

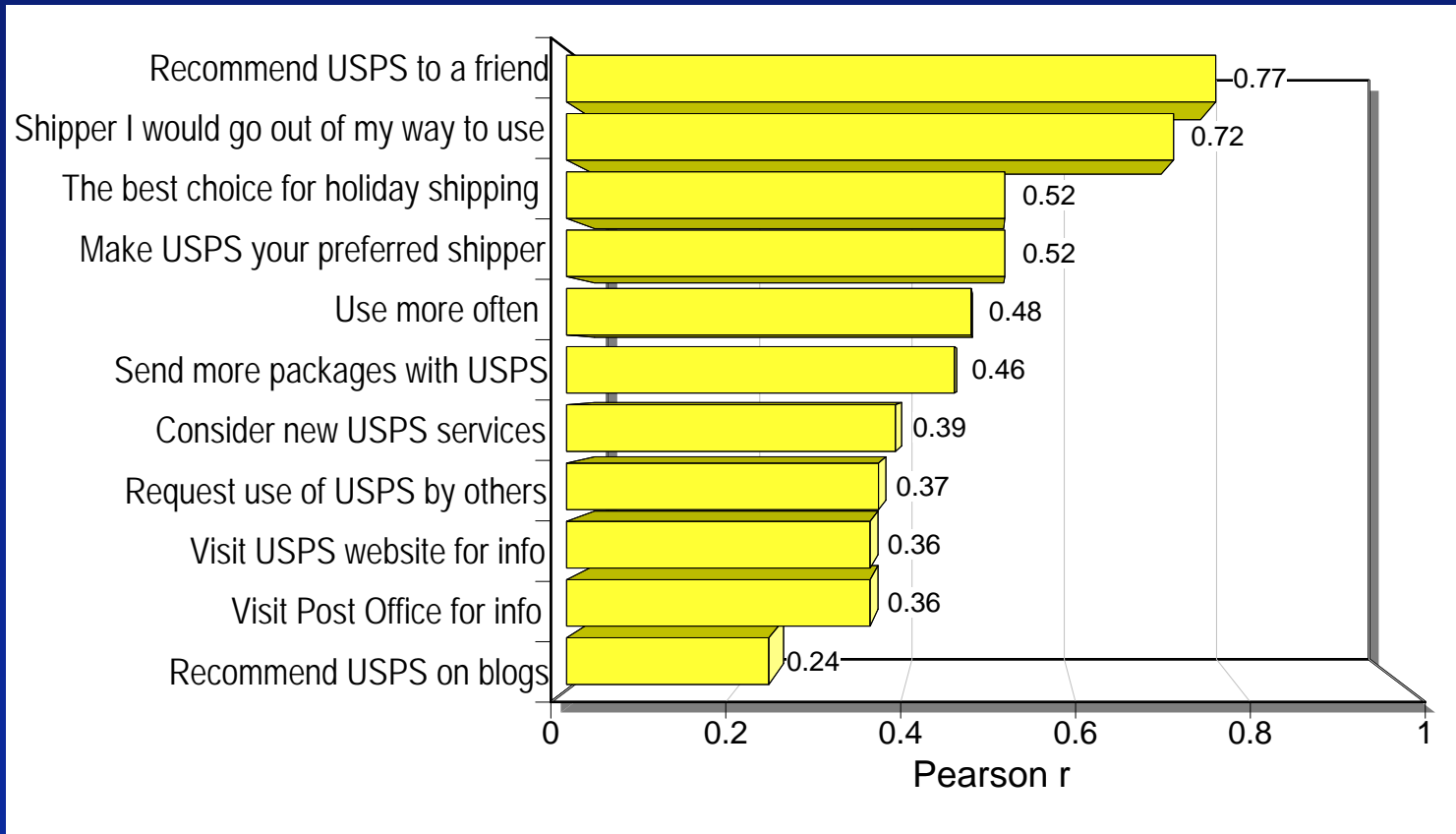
Net Difference in % who Strongly Agree Ad Influenced vs. Not Ad Influenced

	<u>Any Ad Influenced</u>	<u>Only TV</u>	<u>Only DM</u>	<u>TV & DM</u>	<u>TV & Print</u>	<u>TV & DM & Print</u>	<u>Other Combos</u>
A shipper I would miss if it were gone	8	4	13	11	9	16	12
Reduces the stress of shipping	7	5	4	9	8	17	14
Company I feel emotionally connected to	7	2	8	4	15	23	19

Driving General Brand Consideration — Inter-Correlation of Brand Propensity Measures



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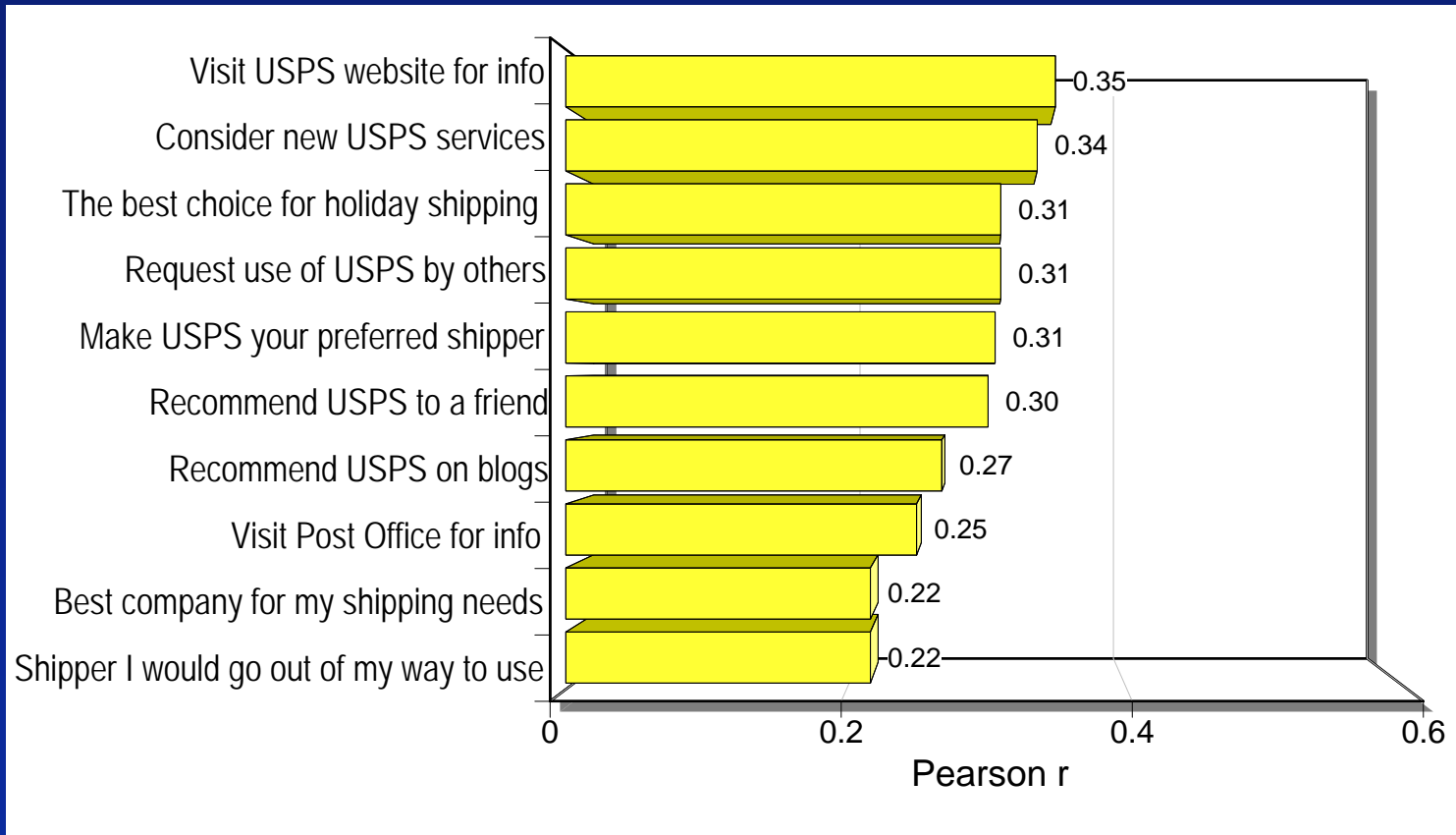


- A measure of the degree of association between each item and whether a company is “Overall the best company for my shipping needs”

Driving Carrier Pickup Intent — Overall Brand Propensity



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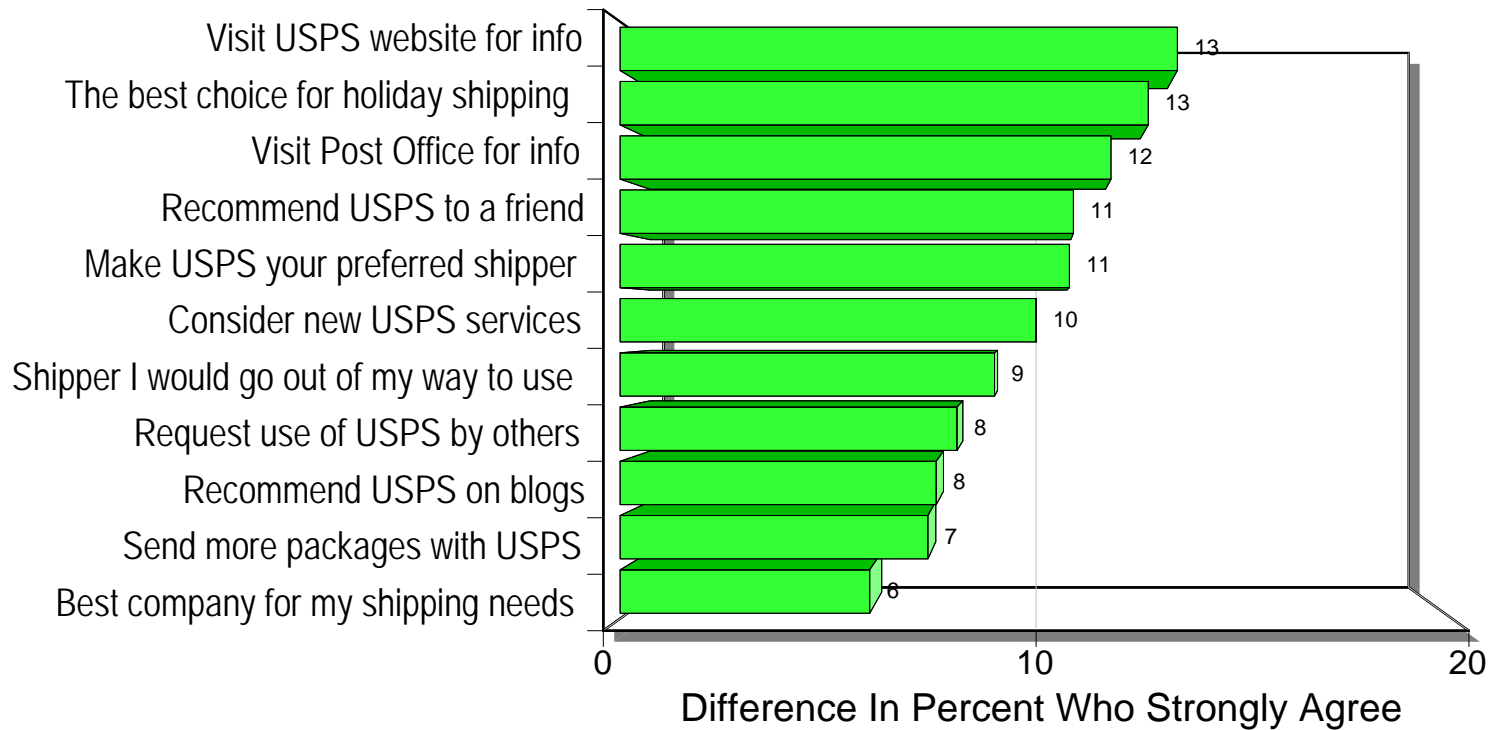


- A measure of the degree of association between each item and carrier pick-up intent

Brand Propensity Measures on Which the Campaign Had the Greatest Impact



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Impact of Media on Communication of Brand Propensity



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Net Difference in % who Strongly Agree Ad Influenced vs. Not Ad Influenced

	<u>Any Ad Influenced</u>	<u>Only TV</u>	<u>Only DM</u>	<u>TV & DM</u>	<u>TV & Print</u>	<u>TV & DM & Print</u>	<u>Other Combos</u>
Visit USPS website for info	13	5	19	22	10	28	24
The best choice for holiday shipping	13	8	20	14	15	25	22
Visit Post Office for info	12	5	8	16	16	24	26
Recommend USPS to a friend	11	5	8	17	11	25	23
Make USPS your preferred shipper	11	5	13	14	13	31	18

Impact of Media on Communication of Brand Propensity (Cont'd)



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Net Difference in % who Strongly Agree Ad Influenced vs. Not Ad Influenced

	<u>Any Ad Influenced</u>	<u>Only TV</u>	<u>Only DM</u>	<u>TV & DM</u>	<u>TV & Print</u>	<u>TV & DM & Print</u>	<u>Other Combos</u>
Consider new USPS services	10	3	8	13	13	16	13
Shipper I would go out of my way to use	9	4	11	11	11	18	19
Request use of USPS by	8	2	0	10	14	30	22
Recommend USPS on blogs	8	2	3	7	14	21	24
Send more packages	7	0	7	12	6	30	19
Best company for my shipping needs	6	4	13	5	-2	7	10

In Summary



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- **The analyses establish meaningful links among the measures commonly used to determine advertising effectiveness – consideration, propensity and actual purchase behavior.**
 - **And they also illuminate relationships between these overall measures and other elements of the advertising mix such as creative, messaging and media choice.**
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In Summary



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- **The campaign appears to have created substantial engagement:**
 - clear communication of advertising messages
 - relatively high levels of perceived relevance and ad “liking”
 - which translated into increased intent and general package shipping behavior
 - influenced by the media mix
 - **Strong evidence that DM and print had a more substantial impact on attitudes than the core medium of TV:**
 - the challenge is achieving greater frequency for each
-

In Summary



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- **The research also uncovered other issues:**
 - at least for this campaign, ad likeability was not a major driver of the campaign's success – but relevance of content was
 - brand relevance doesn't always mean product relevance, especially with new products
 - therefore surveys need to address brand and product measures
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