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Postal Rate and Fee Changes, 2001)

Docket No. R2001-1

**SURVEY RESULTS OF THE
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

OCA-LR-J-2

March 6, 2002

Summary of the Contents of OCA-LR-J-2

The Office of the Consumer Advocate (OCA) determined that there could be benefit in finding sources of quantitative information on consumer satisfaction with postal services that would be alternative to those available solely from the Postal Service, generally obtained through discovery. (See, e.g., Postal Service Library References J-162 and J-197). OCA believed that a possible alternative source would be marketing classes at universities throughout the United States. Many of these classes train students in the crafting of survey instruments and the proper administration of such instruments. Typically, these classes are taught by marketing professors who are experts in their fields and who would guide and oversee the students' work. OCA viewed this a win/win endeavor – the students would benefit from having to develop a survey that measured satisfaction with common, widely used products and services (postal) and actually have those results utilized in a regulatory proceeding (Docket No. R2000-1), and OCA would have information generated from a large number of consumers of postal services.

OCA was fortunate that professors at the University of Southern California shared OCA's view that this project could be beneficial in the instruction of marketing students enrolled in the university. OCA contacted Morley Winograd, Director of the Center of Telecommunications Management at the Marshall School of Business, who, in turn, put OCA in touch with Professor Omar El Sawy, Director of Research at the Center. On Friday, September 28, 2001, OCA faxed a list of possible survey questions to Professor El Sawy. OCA held a telephone conference with Professor El Sawy on October 1, 2001.

Soon after, during the week of October 9, Professor El Sawy enlisted Professor Francis Pereira to work on this project with two of the honors sections of a course called "Business Decisions Under Uncertainty (BDUU)." Seventy students were enrolled in the two classes

Professor Pereira divided them into 13 groups, many of which had 3 – 4 students each. Under the supervision of Professor Pereira, the students developed a set of common, core questions, and they were permitted to add a question or two of their own design. By mid-November, the 13 groups of students had administered the survey, compiled the results, and written reports of the results. Several groups prepared power point presentations on their results. The students presented the results to Professor Pereira, in class, on November 19, 2001. A member of the OCA staff attended the presentations.

During the week of November 26, 2001, all the groups' reports and power point presentations were e-mailed to OCA. These written reports and power point presentations are contained in Part III of the instant Library Reference.

Jennette Allen and Stephanie Cheng, two of the students in the class, volunteered to aggregate the results of all groups and present them as a master report. This was provided to OCA on January 15, 2002, and is set forth as Part I of the instant Library Reference. At the present time, OCA plans to have Ms. Allen and Ms. Cheng make an oral presentation to the Commission in May of this year on the findings of the two BDUU classes.

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PART I. Report of Jennette Allen and Stephanie Cheng Aggregating All Business Decisions
Under Uncertainty Results

**PART I. WRITTEN REPORT AGGREGATING
THE 460 SURVEY RESPONSES COLLECTED
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

PREPARED BY:

**JENNETTE ALLEN
STEPHANIE CHENG**

**DIRECT REPORT
OF
JENNETTE ALLEN AND STEPHANIE CHENG**

I. Statement of Qualifications

Our names are Jennette Allen and Stephanie Cheng. We are both second year students in the Marshall Honors Program at the University of Southern California. Jennette Allen is pursuing a bachelor of science in accounting at the Leventhal School of Accounting; Stephanie Cheng is pursuing a bachelor of science in business at the Marshall School of Business. During the Fall 2001 semester, we were enrolled in one of two honors sections of a statistics course titled "Business Decision Under Uncertainty" taught by Professor Francis Pereira. In addition to pursuing academic endeavors, we are both student leaders on the USC campus. Jennette Allen is the Assistant Director of Community Affairs for the USC Student Senate as well as the president of Trojans for Integrity, and Stephanie Cheng is a resident advisor for the new Parkside International Residential College as well as a member of the executive committees for the Emerging Leaders Program and the LeaderShape Institute.

II. Purpose and Scope of Report

The purpose of this report is to describe the key findings of a survey distributed by eleven groups of students enrolled in BUAD 309 (Business Decisions Under Uncertainty) as well as the more detailed findings from our specific group's data. The class survey (see Appendix I) focused on consumers' perceptions of the United States Postal Services (USPS) and the proposed 8.8% postage rate increase. In general, we found that consumers are satisfied with the primary services offered by the USPS. However, consumers indicated that some of their needs are not being met, such as their need for more postal clerks at the United States Post Offices. Moreover,

consumers' inability to rate many USPS services and clearly determine that the level of service has improved over the past five years suggests that consumers are not well informed about the activities and efforts of the USPS. In our opinion, the USPS should consider increasing its consumer focus by researching consumer postal needs, making necessary changes, and promoting its existing services and noteworthy improvements.

III. Class USPS Survey Results

(1) Sample Demographics. Jennette Allen and Stephanie Cheng compiled the 460 survey responses collected by Marshall Honors Program students. Due to collection and data entry errors, we had the following number of respondents and percentages in the following demographic categories:

Gender (460 Respondents)

Males	48.90%
Females	51.10%

Age Group (420 Respondents)

Under 20	17.60%
20-34	24.70%
35-50	24.00%
50-64	18.00%
Over 65	15.40%

Annual Household Income (456 Respondents)

Under \$15,000	14.60%
\$15,000 to under \$25,000	9.60%
\$25,000 to under \$50,000	22.30%
Over \$50,000	53.20%

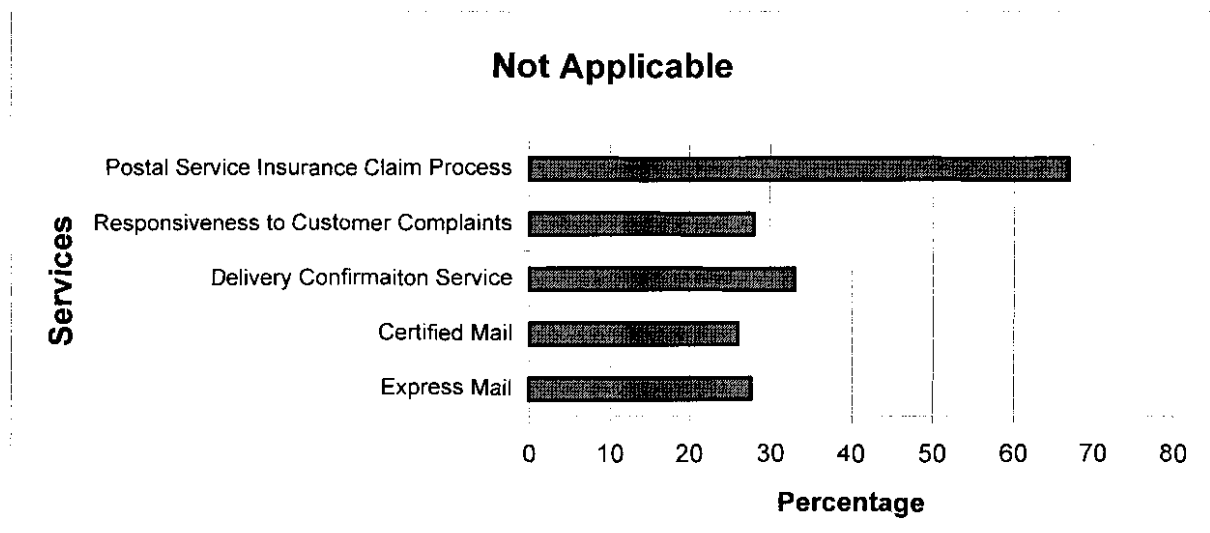
Ethnicity (460 Respondents)

African-American	5.20%
Asian-Pacific Islander	18.90%
Caucasian	58.20%
Hispanic	11.50%
Other	6.00%

(1) Statistical Analysis. In general, the data indicated that respondents are satisfied with the level of service at the United States Postal Services (see Appendix II). However, we would

like to highlight two areas of concern: the lack of consumer awareness and the proposed postage rate increase. First, responses suggest that consumers are not aware of and/or do not use several of the services the USPS provides. As seen in Graph 1, a significant number of consumers are not able to rate USPS services and selected a rating of not applicable. For example, over 65% of respondents did not or were unable to rate the postal insurance claims process. The inability of these respondents to rate these services may indicate that consumers are not aware that these services exist or are not comfortable with using them. Moreover, this data may suggest that these services are unnecessary; if this is the case, the USPS should consider not offering them in order to focus resources on its other primary services (i.e. first class mail).

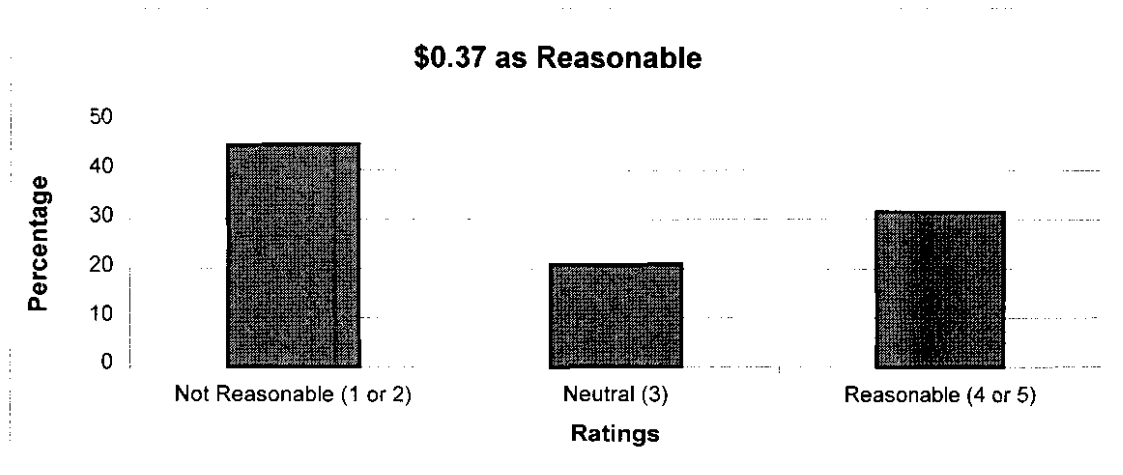
Graph 1



Second, regarding the proposed postage rate increase, almost half of the respondents did not view \$0.37 for a one-ounce letter as reasonable (see Graph 2). In this instance, we defined “not reasonable” as ratings of 1 or 2 and “reasonable” as ratings of 4 or 5. Some of our classmates argued that these responses are related to the increased email usage in recent years because consumers have now become accustomed to sending written text for free. In addition, perhaps respondents viewed \$0.37 for a one-ounce letter as not reasonable because they are not

aware of the cause of the rate increase. By communicating more clearly and more publicly to the consumers (i.e. explaining the causes related to postage rate increases), the USPS can work to increase consumer acceptance of future rate changes as “reasonable.”

Graph 2



IV. Individual Group USPS Survey Results

(1) Sample Demographics. Our individual group consisted of Jennette Allen, Stephanie Cheng, and Lorig Kalaydjian. Lorig designed many of the graphs shown in this report. For our individual group survey (see Appendix III), we collected responses from 93 individuals, whose demographic information is as follows:

Gender

- Males 44.09%
- Females 55.91%

Age Group

- Under 20 20.43%
- 20-34 17.20%
- 35-50 18.28%
- 50-64 19.35%
- Over 65 24.73%

Annual Household Income

- | | | |
|------------------------------|---|--------|
| • Under \$15,000 | | 10.75% |
| • \$15,000 to under \$25,000 | | 1.08% |
| • \$25,000 to under \$50,000 | 1 | 1.83% |
| • Over \$50,000 | | 76.34% |

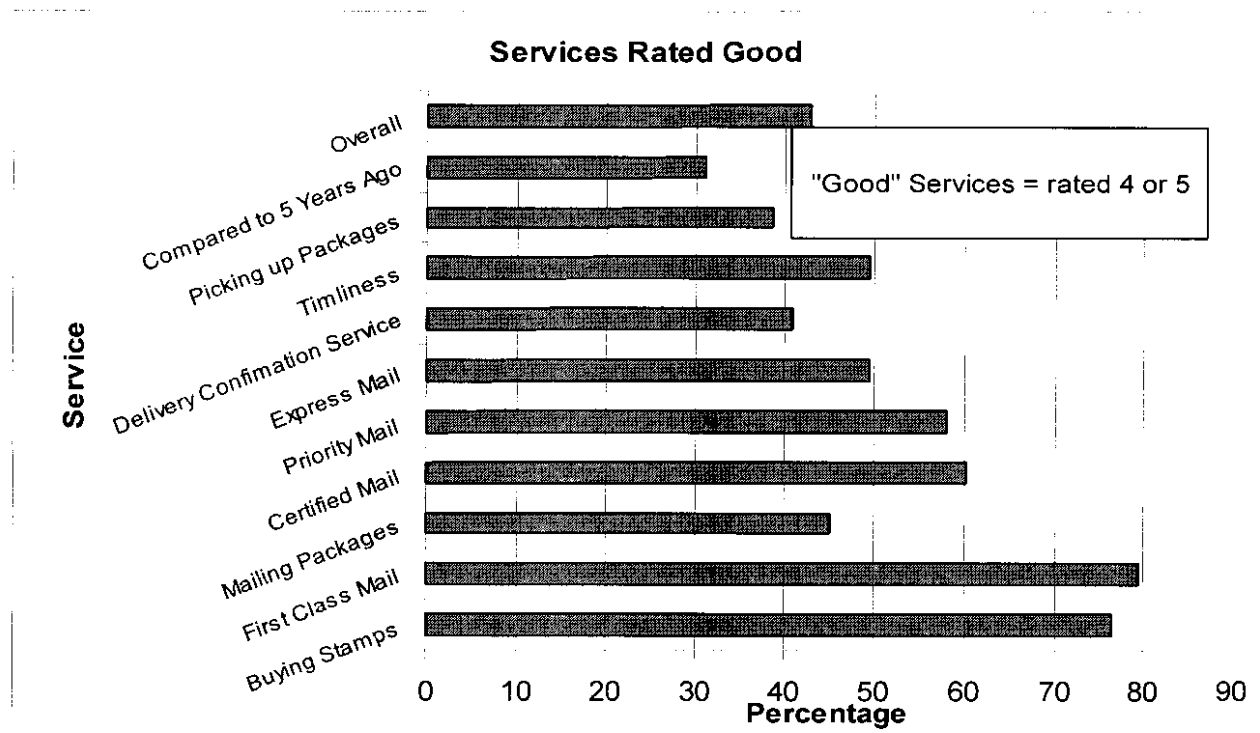
Ethnicity

- | | |
|--------------------------|--------|
| • African-American | 6.45% |
| • Asian-Pacific Islander | 5.38% |
| • Caucasian | 72.04% |
| • Hispanic | 4.30% |
| • Other | 11.83% |

We noted that our analysis would be based on heavily skewed data, since most of our respondents were Caucasian and individuals with incomes over \$50,000.

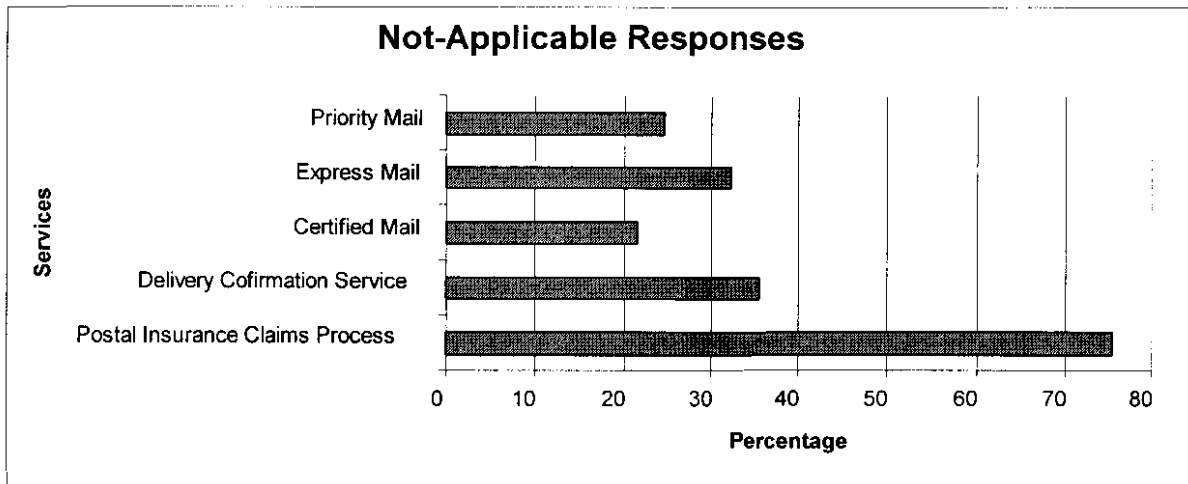
(2) Statistical Analysis. Based on the responses collected, a significant number of USPS consumers feel that the USPS's basic services are good overall. We defined "good" as ratings of 4 or 5 and "poor" as ratings of 1 or 2 on a scale of 1 to 5 with 1 being poor and 5 being excellent. For example, we can see in Graph 3 that around 79.6% of respondents gave the USPS a rating of "good" for first class mail services, and approximately 76.3% of respondents gave the USPS a rating of "good" concerning their ease of buying stamps. Of the 46 individuals who rated timeliness of postal delivery as "good," almost 85% also rated first class mail as "good." Regarding responsiveness to consumer complaints, 17 respondents rated it as "poor" and another 17 respondents rated it as "good."

Graph 3



However, we can see in Graph 4 that a noticeable number of consumers are not able to rate services at the USPS and selected a rating of not applicable. For example, over 75% of respondents did not or were unable to rate the postal insurance claims process.

Graph 4

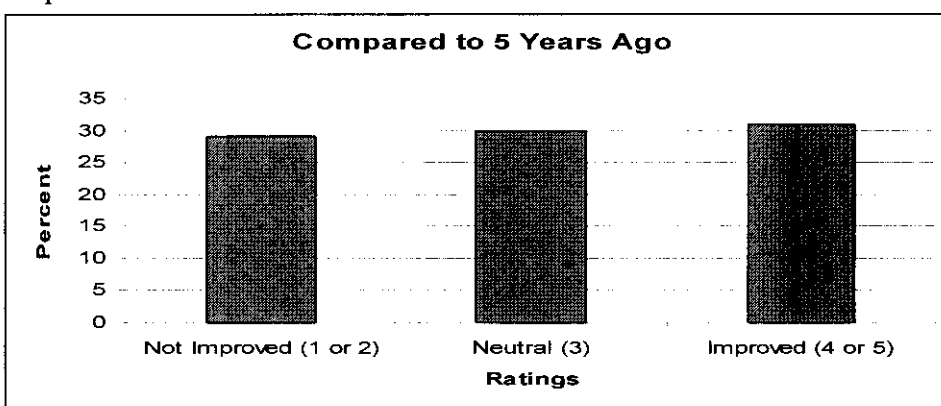


In addition, although the USPS received supportive survey responses regarding the level of certified mail, priority mail, express mail, and delivery confirmation services, around 30% of respondents marked "not applicable" to rate each of these four aforementioned service categories. Possibly, consumers are not aware that these services exist, and in this case, the

USPS should attempt to advertise them more. On the other hand, these not applicable responses could indicate that consumers use these services infrequently, and therefore the USPS should consider not offering them.

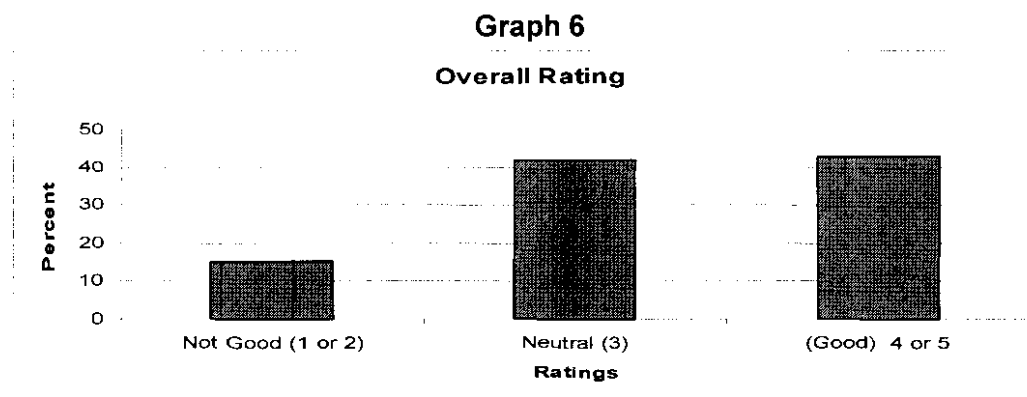
Despite high ratings on specific services, when asked if the level of service at the USPS overall had improved compared to five years ago, responses (see Graph 5) appeared mixed with approximately 31% feeling that the level of service at the USPS had improved (rating of 4 or 5), approximately 29% disagreeing that it had improved (rating of 1 or 2), and approximately 30% expressing a neutral opinion (rating of 3).¹ Of the 29 individuals who agreed that the level of service at the USPS had improved, 15 or a little over half felt that \$0.37 for a one ounce letter was reasonable (rating of 4 or 5) while 9 felt that it was not reasonable (rating of 1 or 2).

Graph 5



Additionally, as seen in Graph 6, over half of the respondents felt neutrally (rating of 3) about the statement that the overall level of USPS today is excellent. Of the 14 people (approximately half male and half female) who disagreed that the USPS today is excellent (rating of 1 or 2), 78.6% felt the level of service compared to five years ago had not improved (rating of 1 or 2), 92.9% did not visit the U.S. Post Office frequently

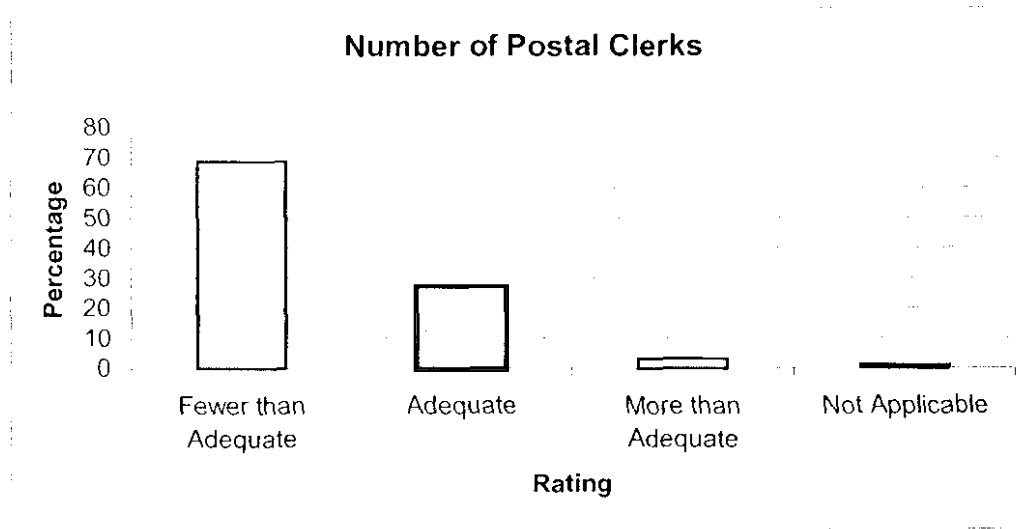
(responded that they visit never, once a month, several times a year, or once a year), and 92.9% felt that there were fewer than adequate clerks available.



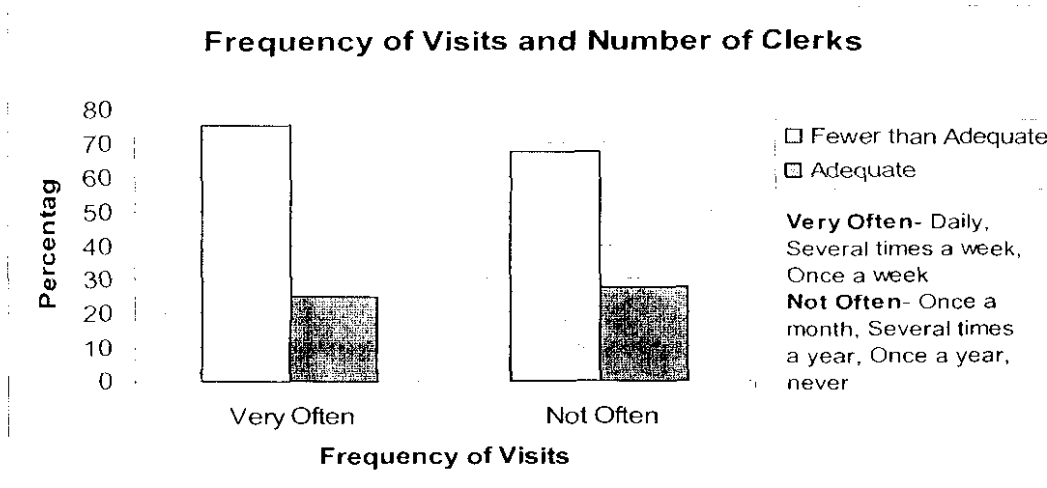
The data also indicates some approaches the USPS can take to improve its overall rating in the consumers' mind. First, the data suggests that most respondents strongly agreed (rating of 4 or 5) that there were not an adequate number of clerks available at the U.S. Post Office. Of the twenty individuals who responded that they go to the U.S. Post Office very often (responded that they visit daily, once a week, several times a week), 75% indicated that the number of postal clerks available is fewer than adequate. Of the remaining 73 respondents who do not go to the U.S. Post Office often (responded that they visit never, once a month, several times a year, or once a year), approximately 67% felt that the number of postal clerks available is fewer than adequate.

¹ In this case, we used a scale of 1 to 5 to rate whether the respondent strongly disagreed (rating of 1) or strongly agreed (rating of 5) with the statements shown on our attached survey.

Graph 7



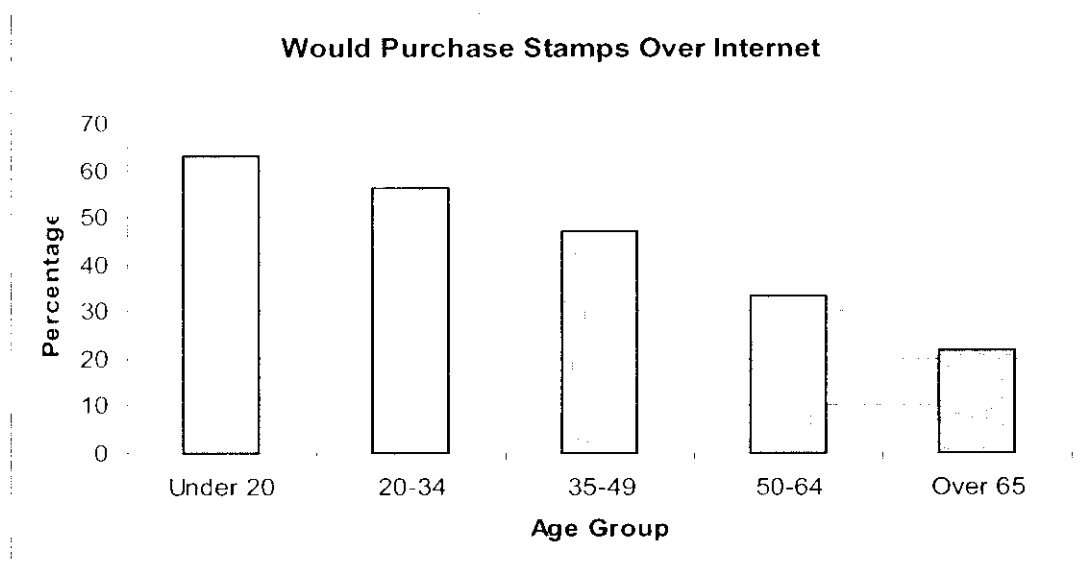
Graph 8



Second, responses indicate that the percentages of individuals willing to purchase stamps over the Internet (rating of 4 or 5) share an inverse relationship with age. As seen in Graph 9, the frequency of individuals willing to use the Internet stamp purchasing option starts at a high of around 63% for the under twenty respondents (which includes a fairly equal number of males and females) and dwindles to approximately 21.7% for the over sixty-five respondents (which includes four times as many males as females). Moreover, the sixty-five and older respondents appear adamantly opposed to using the Internet, as evidenced by the fact that 74% of them felt

strongly against purchasing stamps in this manner. Based on these findings, it appears that if the USPS decides to allow consumers to purchase stamps over the Internet, it should probably market this new option to the under twenty demographic. Moreover, all of the under twenty individuals who responded positively to Internet buying visit the U.S. Post Office relatively infrequently (responded that they visit never, once a month, several times a year, or once a year). Therefore, if the USPS targets this population segment with this Internet service, the organization can potentially build a better business relationship with these consumers and thereby increase its profits over time.

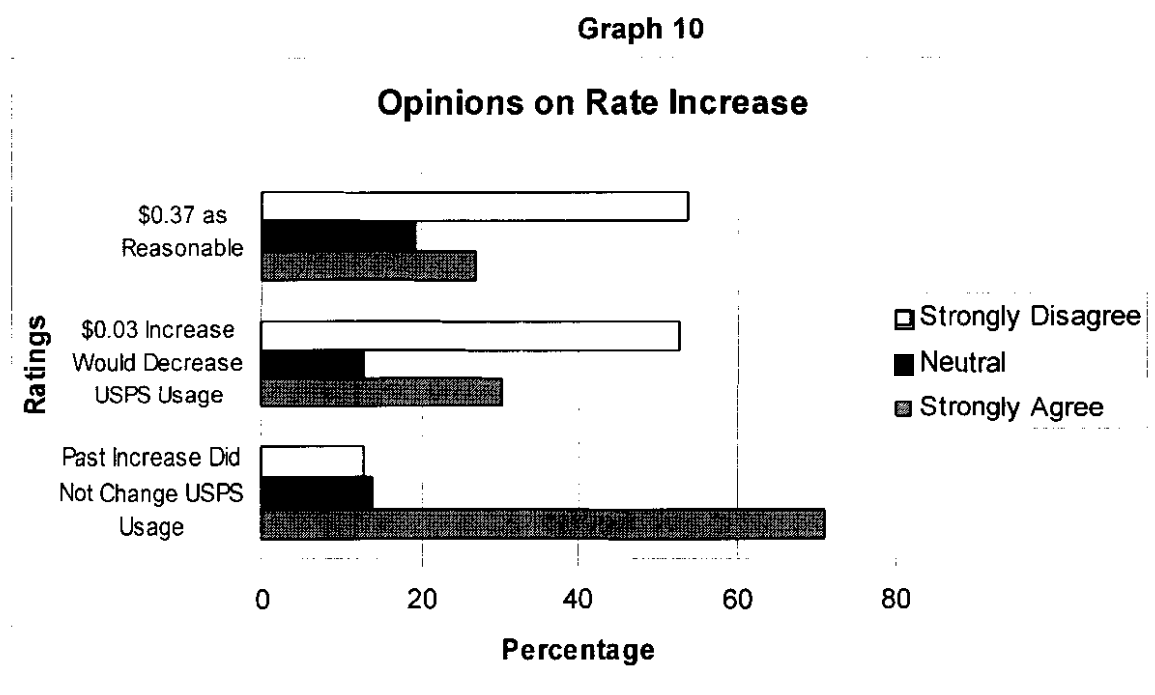
Graph 9



Third, when asked if they would be willing to purchase postal products in excess of five dollars from a vending machine, almost half of the respondents agreed that they would most likely use it (rating of 4 or 5). Of these 44 respondents who said that they would use this purchasing feature, approximately 84% do not visit the U.S. Post Office frequently (responded that they visit daily, once a week, or several times a week). Interestingly, exactly twenty-two males and twenty-two females made these favorable responses for a total of forty-four supportive

respondents of which almost 80% had incomes of over \$50,000.ⁱⁱ We cannot conclude, however, that an individual with an annual income of more than \$50,000 is more likely to purchase postal products using a credit card than an individual with an annual income of less than \$50,000.

Lastly, regarding the postal rate increase, we attempted to obtain unbiased responses via separating and strategically organizing a series of three questions. Respondents were asked to rate the following three statements from strongly agree (rating of 5) to strongly disagree (rating of 1): (1) I view \$0.37 for a one ounce letter as reasonable; (2) A \$0.03 increase in the First Class Mail rate would decrease my Postal Services usage; (3) After the last First Class Mail rate increase, my postal service usage did not change. By not first asking the respondents to recall past behavior resulting from previous postal rate increases, they would be more likely to rate the first two statements honestly without being influenced by any feelings concerning their past actions. This technique allowed us to capture some insightful data:



² Please note that this result may be extremely biased because 67 of the 93 respondents in this non-random sample had annual household incomes of over \$50,000.

Among 93 respondents, 53.76% disagreed (rating of 1 or 2) with the first statement that \$0.37 for first class mail was reasonable, while only 26.88% agreed (rating of 4 or 5) with this statement. However, when compared with responses as to whether a \$0.03 increase in postage would alter their use of postal services, only 30.11% agreed (rating of 4 or 5) while 52.69% disagreed (rating of 1 or 2) that the price increase would alter their usage of postal services. Over 70% of the respondents disagreed (rating of 4 or 5) that past increases in postage rates altered their usage of postal services, while less than 13% agreed that the past rate changes had altered their usage.

V. Conclusion

Based upon our analysis of the data compiled from our survey, we have five recommendations to make to the Postal Rate Commission regarding the USPS. First, respondents ranked many USPS services highly; however, there are several services (including priority mail, express mail, certified mail, delivery confirmation service, and the postal insurance claim service) that respondents rated not applicable, suggesting that they never or rarely use them.³ As indicated by one respondent (see Appendix V), it appears that most consumers are not aware of the services that the USPS offers. We recommend that the USPS should either advertise these services more to encourage additional usage by consumers or reconsider if these services are economically advantageous. If they are not profitable services, the USPS should consider discontinuing them and/or allowing private businesses to offer them. If the customer usage of these services is found to be absolutely necessary, another option might be to combine similar services into one service, in order to limit the number of choices available to the consumer.

³ Perhaps in the case of insurance claim process, one should point out that a rating of not applicable indicates that respondents' mail often arrives safely and therefore they need not use this service.

Second, there is little evidence to suggest whether consumers as a whole feel that the USPS has satisfactorily improved, not improved, or stayed the same compared to five years ago. This fact, in conjunction with the highly disparate satisfaction rates concerning different services, leads us to recommend that the USPS should make a highly-visible effort to improve consumer services at the U.S. Post Office, so that consumers are aware that the U.S. Post Office is a welcoming, hassle-free place in which to conduct business. In addition, the USPS should also be aware that individuals who view the overall level of service as not excellent also tend to not visit the U.S. Post Office frequently and feel that there are fewer than adequate clerks. Possibly, these people visit the U.S. Post Office during their peak USPS usage seasons. Thus in order to improve the overall impression of the USPS and encourage repeat business, the U.S. Post Office may want to provide extra clerks and/or extra comfort services (i.e. complementary food and additional benches) during busier times of the year to make every consumer's visit a pleasant one.

Third, in addition to improving consumer service levels, an effort should be made to adjust the number of postal clerks at the U.S. Post Office to meet consumers' daily needs during peak hours of operation. The individuals who do not visit the post office often, we initially hypothesized, might go during busier times (i.e. the holidays) and therefore have a misperception that there were not enough postal clerks available. However, our survey results indicate that the consumers who frequently use the services at the U.S. Post Office felt more strongly than consumers who go much less often that there were fewer than adequate postal clerks available. For instance, one respondent (see Appendix III) who visits the U.S. Post Office frequently indicated that postal clerks often leave to take their breaks and are not replaced by another clerk even when there is a long line of people waiting to be served. Hence, this postal clerk issue

appears to be bothersome for consumers year-round as opposed to simply a seasonal problem. Perhaps the USPS should consider analyzing the various levels of congestion within the post office on a daily and/or yearly basis. This data can then be used to adjust and arrange postal clerks' work schedules in order to ensure that there are an adequate number of postal clerks available to service consumers every day of operation.

Fourth, based on the survey responses from our sample, we advise that the USPS offer and market the sale of stamps via the internet as well as make postal products available in vending machines that accept credit cards. A majority of responses we collected were favorable to having and using both of these services. However, we would advise that Internet stamp sales should be marketed toward the younger, probably more Internet savvy consumers based on the inverse relationship between age and willingness to use this buying feature. One survey of small businesses by the HOAA provides further support for the sale of internet stamps in general: 67% of respondents said it is *very* likely that they would purchase stamps over the internet, while only 5% said they would in all likelihood not do so.¹ Moreover, 98% indicated that they would most likely use commercial software products that would enable postage printing directly from their computers. Of these affirmative responses for the use of such software products, 81% indicated that they would use the software products to print postage on both envelopes and labels. Ultimately, both these additional purchasing options might lessen the need for the U.S. Post Office to hire additional postal clerks since consumers will have alternative methods of purchasing postal products. In turn, these additional conveniences may also tend to improve consumers' overall opinion of consumer service in relation to the U.S. Post Office and U.S. Postal Services.

And fifth, in regards to the upcoming postal rate increase of three cents, we noted that customers clearly do not want the postage rates to rise. One respondent over the age of 65 said (see Appendix V) that she likes everything about the USPS except the fact that the postage rates are continually rising, and these recent rate hikes have encouraged her not to mail as many letters as she has in the past. However, if past customer behavior of our entire non-random sample is indicative of future customer behavior, a three-cent rate increase will not alter most customers' usage of the USPS' services based on customer-provided historical behavior. Therefore, if the Postal Rate Commission is hesitant to agree to future rate increases for fear of a decrease in usage, it is evident from the data gathered that this is not a necessary concern at this time. Yet it should also be noted that past behavior and survey responses, especially from a non-random sample, are not always accurate predictors of the future. Therefore, a rate increase must be done with the utmost care and consideration for the customer.

Appendix I

Class United States Postal Services Survey

1. How would you rate the following postal services or products?

	Not Applicable	Poor				Excellent
First Class Mail	①	✖	✖	✖	✖	●
Priority Mail	①	✖	✖	✖	✖	●
Express Mail	①	✖	✖	✖	✖	●
..... ①	✖	✖	✖	✖	✖	●
Delivery Confirmation Service	①	✖	✖	✖	✖	●

Certified Mail .

2. How would you rate the U.S Postal Services on the following?

	Not Applicable	Poor				Excellent
Timeliness of Mail Delivery	①	✖	✖	✖	✖	●
Responsiveness to Consumer Complaints	①	✖	✖	✖	✖	●
Postal Service Insurance Claim Process .	①	✖	✖	✖	✖	●
Ease of Buying Stamps	①	✖	✖	✖	✖	●
Ease of Mailing Packages	①	✖	✖	✖	✖	●
Ease of Picking Up Packages	①	✖	✖	✖	✖	●

3. To what extent would you agree or disagree with the following statements?

	Not Applicable	Strongly Disagree				Strongly Agree
The level of service at the U.S. Post Office has improved compared to 5 years ago . . .	①	✖	✖	✖	✖	●
I view \$0.37 for a one-ounce letter as reasonable	①	✖	✖	✖	✖	●
If available, I will be willing to purchase stamps over the Internet	①	✖	✖	✖	✖	●
I will be willing to use my credit card to purchase postal products in excess of \$5 from a vending machine	①	✖	✖	✖	✖	●
Overall, I would rate the level of today's U.S. Postal Services as excellent	①	✖	✖	✖	✖	●

4. On average, how often do you visit a U.S. Post Office?

- ☐ Never
- ☐ Daily
- ☐ Once a week
- ☐ Several times a week
- ☐ Once a month
- ☐ Once a year
- ☐ Several times a year

Please Mark Only One Response Per Category:

GENDER

- ☐ Male
- ☐ Female

AGE GROUP

- ☐ Under 20 years
- ☐ 20 – 34 years
- ☐ 35 – 49 years
- ☐ 50 – 64 years
- ☐ Over 65 years

ANNUAL HOUSEHOLD INCOME

- ☐ Under \$15,000
- ☐ \$15,000 to under \$25,000
- ☐ \$25,000 to under \$50,000
- ☐ Over \$50,000

ETHNIC GROUP

- ☐ African-American
- ☐ Asian-Pacific Islander
- ☐ Caucasian
- ☐ Hispanic
- ☐ Other

Appendix II

Class Group Survey Responses

Question 1	0	1	2	3	4	5	Total
First Class Mail	27	5	26	114	185	103	460
Priority Mail	81	3	22	102	177	75	460
Express Mail	127	7	25	91	141	69	460
Certified Mail	120	4	19	103	123	91	460
Delivery Confirmation Service	152	15	28	102	90	73	460
Question 2	0	1	2	3	4	5	Total
Timeliness of Mail Delivery	5	6	55	156	163	75	460
Responsiveness to Consumer Complaints	129	51	95	102	60	23	460
Postal Service Insurance Claim Process	308	18	31	61	24	18	460
Ease of Buying Stamps	7	20	30	90	134	179	460
Ease of Mailing Packages	7	22	61	121	127	81	419
Ease of Picking Up Packages	42	32	84	160	92	50	460
Question 3	0	1	2	3	4	5	Total
Improved Level of Service	60	24	57	154	132	33	460
\$0.37 as Reasonable	9	122	68	88	95	37	419
Stamps Over Internet	41	96	60	79	89	95	460
Credit Card Purchases	17	76	59	71	79	118	420
Overall Rating	2	28	56	182	136	56	460
Question 4							
Never	5						
Daily	13						
Once a Week	91						
Several Times a Week	28						
Once a Month	147						
Once a Year	28						
Several Times a Year	91						
Total	403						

Appendix III

Individual Group United States Postal Services Survey

1. How would you rate the following postal services or products?

	Not Applicable	Poor				Excellent
First Class Mail	①	—	★	+	!	●
Priority Mail	①	—	★	+	!	●
Express Mail	①	—	★	+	!	●
Certified Mail	①	—	★	+	!	●
Delivery Confirmation Service	①	—	★	+	!	●

2. How would you rate the U.S. Postal Services on the following?

	Not Applicable	Poor				Excellent
Timeliness of Mail Delivery	①	—	★	+	!	●
Responsiveness to Consumer Complaints	①	—	★	+	!	●
Postal Service Insurance Claim Process	①	—	★	+	!	●
Ease of Buying Stamps	①	—	★	+	!	●
Ease of Mailing Packages	①	—	★	+	!	●
Ease of Picking Up Packages	①	—	★	+	!	●

3. To what extent would you agree or disagree with the following statements?

	Not Applicable	Strongly Disagree				Strongly Agree
The level of service at the U.S. Post Office has improved compared to 5 years ago . . .	①	—	★	+	!	●
I view \$0.37 for a one-ounce letter as reasonable	①	—	★	+	!	●
If available, I will be willing to purchase stamps over the Internet	①	—	★	+	!	●
I will be willing to use my credit card to purchase postal products in excess of \$5 from a vending machine	①	—	★	+	!	●
After the last First Class Mail rate increase, my postal service usage did not change. . .	①	—	★	+	!	●
A \$0.03 increase in the First Class Mail rate would decrease my Postal Services usage. .	①	—	★	+	!	●
Overall, I would rate the level of today's U.S. Postal Services as excellent	①	—	★	+	!	●

4. On average, how often do you visit a U.S. Post Office?

- ☐ Never
- ☐ Daily
- ☐ Once a week
- ☐ Several times a week
- ☐ Once a month
- ☐ Once a year
- ☐ Several times a year

5. In general, the number of postal clerks available at the Post Office counter is . . .

- ☐ Fewer than Necessary
- ☐ Adequate
- ☐ More than Necessary
- ☐ Not Applicable

Please Mark Only One Response Per Category:

GENDER

- ☐ Male
- ☐ Female

AGE GROUP

- ☐ Under 20 years
- ☐ 20 – 34 years
- ☐ 35 – 49 years
- ☐ 50 – 64 years
- ☐ Over 65 years

STATE and ZIP CODE

State: _____

Zip Code: _____

ANNUAL HOUSEHOLD INCOME

- ☐ Under \$15,000
- ☐ \$15,000 to under \$25,000
- ☐ \$25,000 to under \$50,000
- ☐ Over \$50,000

ETHNIC GROUP

- ☐ African-American
- ☐ Asian-Pacific Islander
- ☐ Caucasian
- ☐ Hispanic
- ☐ Other

Appendix IV

Individual Group Survey Responses

Question 1	0	1	2	3	4	5	Total
First Class Mail	1	0	2	16	44	30	93
Priority Mail	23	1	5	10	35	19	93
Express Mail	30	1	5	11	28	18	93
Certified Mail	20	1	3	13	26	30	93
Delivery Confirmation Service	33	3	4	15	20	18	93

Question 2	0	1	2	3	4	5	Total
Timeliness of Mail Delivery	3	1	8	35	28	18	93
Responsiveness to Consumer Complaints	39	4	13	20	12	5	93
Postal Service Insurance Claim Process	70	3	4	10	4	2	93
Ease of Buying Stamps	0	5	4	13	26	45	93
Ease of Mailing Packages	2	11	12	26	23	19	93
Ease of Picking Up Packages	11	5	13	28	24	12	93

Question 3	0	1	2	3	4	5	Total
Improved Level of Service	9	12	15	28	22	7	93
\$0.37 as Reasonable	0	37	13	18	17	8	93
Stamps Over Internet	6	29	8	10	17	23	93
\$0.03 Increase	4	33	16	12	14	14	93
Credit Card Purchases	5	28	7	9	17	27	93
Post Rate Increase / Purchases Decrease	2	7	5	13	19	47	93
all Rating	0	8	6	39	30	10	93

Question 4	
Never	2
Daily	4
Once a Week	15
Several Times a Week	1
Once a Month	41
Once a Year	6
Several Times a Year	24
Total	93

Question 5	
Fewer than Adequate	64
Adequate	25
More than Adequate	3
Not Applicable	1
Total	93

Appendix V

Individual Group Respondent Anecdotes

B.A. said that most of the people that he speaks with regarding the U.S. Postal Services are satisfied with home delivery but are dissatisfied with the level of service at the U.S. Post Office primarily because of long waits in line. Most of the people he knows do not use services other than first class mail. He feels that probably very few consumers know that there is a U.S. Post Office in Santa Ana that collects mail from a box until 9:00 p.m. and that someone can find a postal clerk in the back of the U.S. Post Office branch to postmark letters until 11:00 p.m. Also, B.A. suggested that the U.S. Postal Services stop selling stamps by postage amount and start selling them by function instead.

D.H. and M.Y. complained about the long wait in line at the Leisure World U.S. Post Office. M.Y. said that there are benches for consumers, but there are never enough of them for everyone in line. M.Y. mentioned that clerks often leave to take their breaks and are not replaced by another clerk even when there is a long line of people waiting to be served.

G.B. said that he has purchased postal products from a vending machine at the post office using a credit card and that it worked well for him.

R.M. said that his U.S. Post Office branch in Sunset Beach does not deliver mail. He picks up at and delivers mail to the U.S. Post Office. The Sunset Beach residents have voted more than once to prohibit the U.S. Post Office from delivering mail.

T.R. said that he picks up and delivers mail to the San Luis Rey U.S. Post Office because mail has been stolen from curbside mailboxes like the one at his home. He also periodically has a dispute with the U.S. Post Office over whether his mail should be addressed to Oceanside or San Luis Rey.

J.A. said that the parking lot at the U.S. Post Office is too small to meet consumer needs, so she avoids visiting the U.S. Post Office in Mission Viejo whenever possible. Additionally, she has had difficulties receiving mail in a timely fashion at her college address. Often letters arrive up to a month after their initial postage.

F.D. said that he is not trying to mail more letters than necessary. Therefore, if the postage rates increase, his usage will probably not change significantly.

M.M., who sends her son to the nearest U.S. Post Office in Dana Point because the lines are too long for her, said that her son often returns with a negative story about his experiences at the post office.

S.C. said that he was very pleased when he went to the nearest U.S. Post Office in Costa Mesa and saw that a take-a-number machine had been installed. He was less pleased when after taking number 74 he saw that number 37 was being served. He then waited for the "normal" 20 minutes.

S.D. was pleased with her local U.S. Post Office in Newport Beach. However, during the holiday season, she mails packages at Mail Boxes etc. because of the long lines at the U.S. Post Office.

S.P. was pleased with the confirmation service.

I.L. and M.H. said that they hated the long lines to mail packages at their local branch of the U.S. Post Office.

M.A. said that when she was at the U.S. Post Office in Mission Viejo, where a take-a-number machine is used, the postal clerks read the numbers so fast that she had no chance to tell them it was her turn. She did not feel comfortable approaching a clerk, so she finally drew another number from the machine and waited over forty minutes to complete her business. M.A. also said that she has never had a problem buying stamps at the supermarket or through the mail.

J.V. had a positive image of the U.S. Post Office and no complaints.

R.S. said that she has not been receiving mail at her home address. Her letters often are delivered to neighbors' homes or never arrive. For example, one mail-in rebate has been mailed to her home twice, and she still has not received either rebate letter or check. She is very upset and dissatisfied with the mail delivery service.

I.A. said that she likes the U.S. Postal Services, but does not like the fact that the price of postage keeps going up all the time. Due to the continual rise in postage, she plans not to mail as many Christmas cards this holiday season as she has in the past.

J.B. mentioned that she was afraid to mail a letter because she was concerned about getting anthrax.

T.Z. and H.E. both mentioned that U.S. Post Offices in their respective hometowns in Michigan and Massachusetts seem to have better consumer service and shorter lines than those that they have used in Los Angeles.

C.W. complained that the lines at the U.S. Post Office that he visits in Anaheim Hills, California, are always extremely long.

D.B. complained about the service and very long waits at the U.S. Post Office that she uses in Los Angeles. She did not have any positive comments regarding the location or safety of the particular postal branch.

J.V. said that the lines at the post office are too long and it is not worth her time to wait in line to buy stamps. She prefers buying her stamps from the supermarket because it is more convenient and does not cost any more.

M.A. said that even though shipping boxes home from college using UPS is more expensive, it is worth the extra \$15 if she does not have to wait in line at the post office.

M.D. said that the bulletproof glass at the post office in South Central Los Angeles makes her feel uncomfortable and she avoids going to the post office at all times.

S.A. said that the constant rate increases were bothersome because they have been raised so many times that it is difficult to keep track of the current price. Furthermore, she complained that due to the rate increases, it has become necessary for her to buy one-cent stamps in order for her old stamps to not go to waste. This is a hassle and has discouraged her from buying stamps in bulk for fear of the rates changing.

PART II. Sample Postal Service Survey Prepared by Students at USC

**SAMPLE POSTAL SERVICE SURVEY
PREPARED BY:
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

UNITED STATES POSTAL SERVICES SURVEY

1. How would you rate the following postal services or products?

Excellent		Not		Poor		
		Applicable				
First Class Mail	①	✓	✗	✗	✗	●
Priority Mail	①	✓	✗	✗	✗	●
Express Mail	①	✓	✗	✗	✗	●
Certified Mail	①	✓	✗	✗	✗	●
Delivery Confirmation Service	①	✓	✗	✗	✗	●

2. How would you rate the U.S. Postal Services on the following?

Excellent		Not		Poor		
		Applicable				
Timeliness of Mail Delivery	①	✓	✗	✗	✗	●
Responsiveness to Customer Complaints	①	✓	✗	✗	✗	●
Postal Service Insurance Claim Process	①	✓	✗	✗	✗	●
Ease of Buying Stamps	①	✓	✗	✗	✗	●
Ease of Mailing Packages	①	✓	✗	✗	✗	●
Ease of Picking Up Packages	①	✓	✗	✗	✗	●

3. To what extent would you agree or disagree with the following statements?

		Not		Strongly		Strongly
		Applicable		Disagree		Agree
The level of service at the U.S. Post Office has improved compared to 5 years ago	①	✓	✗	✗	✗	●
I view \$0.37 for a one ounce letter as reasonable	①	✓	✗	✗	✗	●
If available, I will be willing to purchase stamps over the Internet	①	✓	✗	✗	✗	●
I will be willing to use my credit card to purchase postal products in excess of \$5 from a vending machine	①	✓	✗	✗	✗	●
After the last First Class Mail rate increase, my postal service usage did not change	①	✓	✗	✗	✗	●
A \$0.03 increase in the First Class Mail rate would decrease my Postal Services usage	①	✓	✗	✗	✗	●
Overall, I would rate the level of today's U.S. Postal Services as excellent	①	✓	✗	✗	✗	●

UNITED STATES POSTAL SERVICES SURVEY

(Continued)

4. On average, how often do you visit a U.S. Post Office?

- ☐ Never
- ☐ Daily
- ☐ Once a week
- ☐ Several times a week
- ☐ Once a month
- ☐ Once a year
- ☐ Several times a year

5. In general, the number of postal clerks available at the Post Office counter is . . .

- ☐ Not Necessary
- ☐ Adequate
- ☐ More than Necessary
- ☐ Not Applicable Please Mark Only One Response Per Category:

GENDER

- ☐ Male
- ☐ Female

AGE GROUP

- ☐ Under 20 years
- ☐ 20 - 34 years
- ☐ 35 - 49 years
- ☐ 50 - 64 years
- ☐ Over 65 years

STATE and ZIP CODE

State: _____

Zip Code: _____

ANNUAL HOUSEHOLD INCOME

- ☐ Under \$15,000
- ☐ \$15,000 to under \$25,000
- ☐ \$25,000 to under \$50,000
- ☐ Over \$50,000

ETHNIC GROUP

- ☐ African-American
- ☐ Asian-Pacific Islander
- ☐ Caucasian
- ☐ Hispanic
- ☐ Other

PART III. Thirteen Reports Prepared by Student Groups at USC

**PART III. THIRTEEN REPORTS PRODUCED BY
INDIVIDUAL GROUPS OF STUDENTS
IN THE BUSINESS DECISIONS UNDER UNCERTAINTY CLASS
AT THE UNIVERSITY OF SOUTHERN CALIFORNIA**

Preface to the Thirteen Group Reports

Part III contains the written reports and power point presentations of the groups of students in the BDUU class that were transmitted to OCA as e-mail attachments during the week of November 26, 2001. No substantive changes have been made to these documents; only minor formatting changes have been made to coordinate a large number of incompatible word processing programs and other software in a master Library Reference file.

Summary Tabulation of Consumer Satisfaction Responses

These tables consist of satisfaction results obtained from combining percentage figures from all of the 13 student surveys. Each percentage figure below indicates the level of customer satisfaction associated with the listed class or service.

General Measures of Satisfaction

General Measure of Satisfaction	Percentage of Respondents Satisfied
Overall Satisfaction	39.4%
Timeliness	49.2%
Responsiveness	22%
Buying Stamps	59.3%
Mailing Packages	46 %
Picking up a Package	40.2%
Value of a \$0.37 cent Stamp	27.7%

Measures of Satisfaction with Specific Classes/Services

Class of Mail	Percentage of Respondents Satisfied
Express Mail	53.1%
First Class	62.3%
Priority Mail	60.1%

Special Services	Percentage of Respondents Satisfied
Certified Mail	44.8%
Delivery Confirmation	43.2%
Insurance Claims	20.5%

A. Project of Alice Ahn, Linda Lee, Wendy Lu, Joann Paek: Written Report

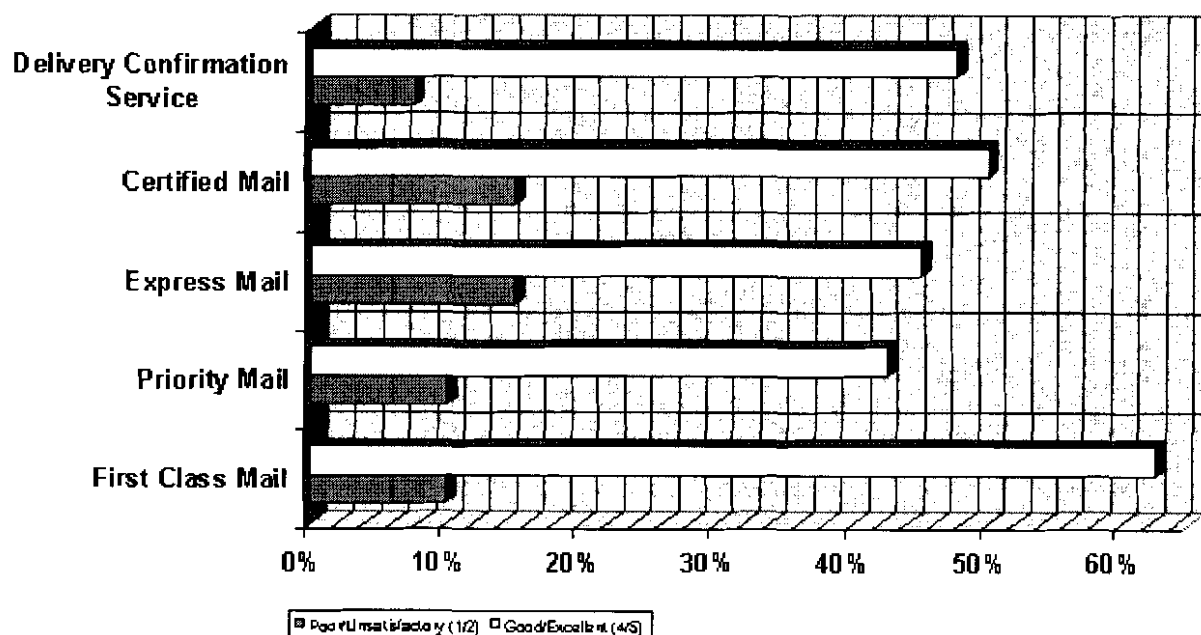
**WRITTEN REPORT OF GROUP ONE
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

U.S. POSTAL SURVEY ANALYSIS

**PREPARED BY:
ALICE AHN
LINDA LEE
WENDY LU
JOANN PAEK**

U.S. Postal Service Survey Analysis

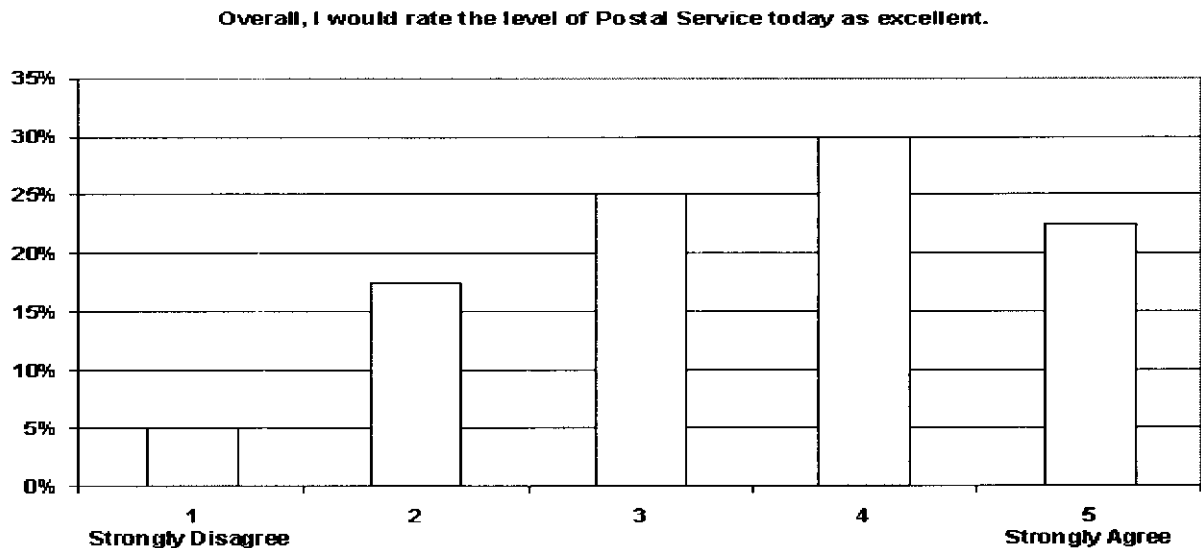
We conducted a survey of 40 people to study their opinions regarding the U.S. Postal Service. In addition to rating their satisfaction with specific postal products and services, respondents also indicated their overall level of satisfaction. Another goal of our survey was to discover their feelings about the proposed postal rate. Furthermore, we investigated their willingness to purchase stamps online or even to design and print their own e-stamps.



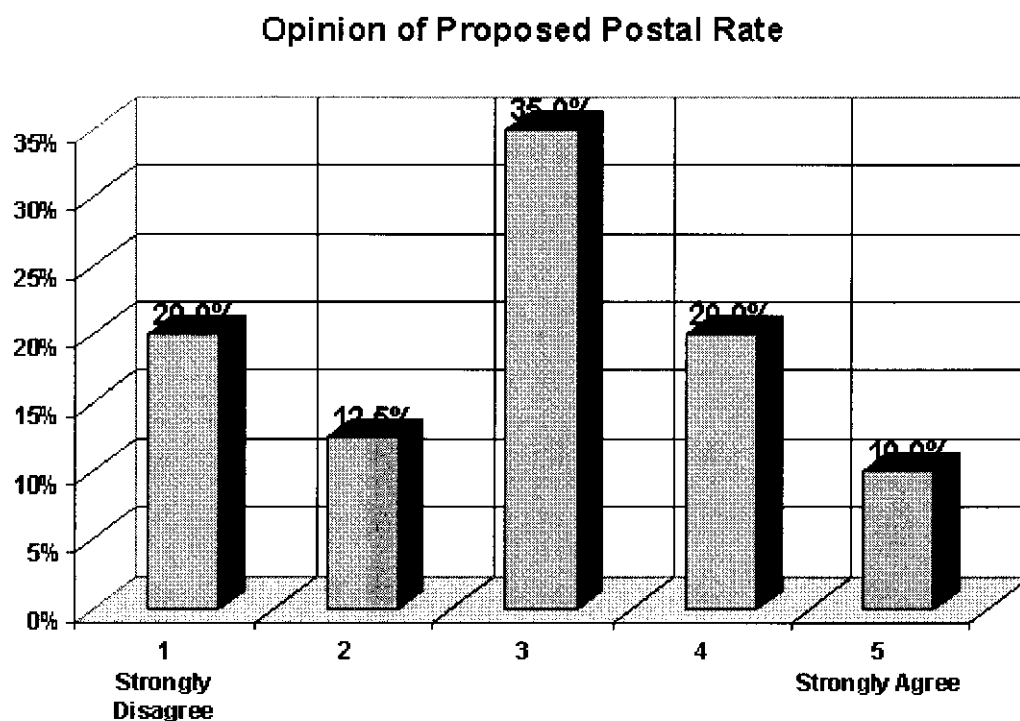
In order to address whether the general population is satisfied with the U.S. Postal service, a change within the original questionnaire had to be made. By placing that as the first question in the previous survey, the data becomes skewed because the respondent cannot see the totality of the service which the post office provides. Asking individual sub-categories of the general service offered, such as express mail, certified mail, etc... causes the respondent to think of the

services offered by the post office in totality, which creates a more accurate response about the general satisfaction of the USPS.

The graph above shows the different types of mailing services that the USPS offers and the corresponding satisfactory rates along with the unsatisfied rates. We decided that any score higher than a three meant that they were generally satisfied with that particular service. We added all of the scores higher than three and put that in a percentage to show how many were overall satisfied with the postal service. In the same way, we also added up the scores that fell less than three. By doing this, we found the respondents overall unsatisfactory rates of the different mailing services. This graph clearly shows that the sample population is generally satisfied with the delivery confirmation service, certified mail, express mail, priority mail, and first class mail. It can be inferred that the majority of the sample population did not have much problems in these different services. The majority have received mail and have gotten their mail sent to prospective recipients in that manner of service.



The corresponding graph would then make a lot of sense. It would be safe to hypothesize that if all the components of the total general service were generally satisfactory, than the overall sample satisfaction in service should also be satisfactory. What is interesting is that the over 55% of the people were generally satisfied with the overall service provided by the USPS. 25% were neutral, while the remaining 20% were unsatisfied with the service. From the previous graph, the percentage of satisfaction ranged from 40%-60%, while the unsatisfied ranged from 5%-15%. This would signify that those that are neutral range from 25%-55%. This shows consistency in data which makes it more reliable.



Another aim of this survey was to determine people's opinion about the proposed postal rate. We asked respondents to rate, on a scale of 1 to 5, with "1" being "strongly agree" and "5"

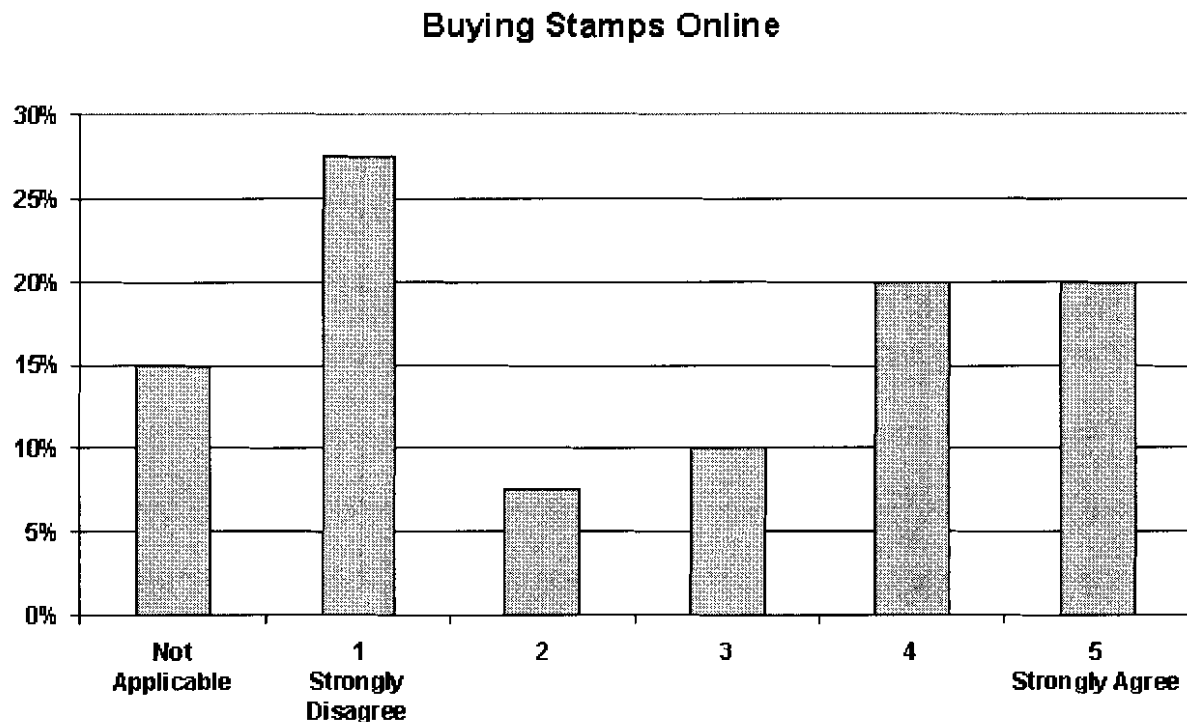
being “strongly agree,” the statement “I view \$0.37 for a one ounce letter as reasonable.” This graph shows the responses to the proposed rate increase, from 34¢ to 37¢ over the next 1½ years.

Looking at the graph, one can see that 35% of respondents neither disagreed nor agreed with the statement. 20% of those surveyed strongly disagreed and 12.5% disagreed somewhat; generally stated, 32.5% disagreed with the statement. On the other hand, 30% agreed with that the proposed price was reasonable—10% of those feeling strongly about it. 2.5% of respondents abstained by indicating “0,” or “Not Applicable”; this is not shown on the graph.

We considered possible reasons for 32.5% of the sample disagreeing with the statement. Though one potential reason is general dissatisfaction with the Postal Service, we felt this argument to be fairly invalid, because as shown by the other graphs, the respondents were mostly content with the quality of service they were receiving. We concluded that, although over 60% of respondents rated the First Class Mail service as “Good” or “Excellent,” they did not feel this service to is reasonable at the new price of 37¢, even if they are willing to accept a 34¢ price tag.

30% of respondents agreed with the postage increase; they feel that 37¢ is a reasonable price for a one-ounce first-class letter. In speaking with these respondents, they revealed likely reasons for the rate increase. They cited inflation and the general rise in prices and costs of business as grounds for raising postage. Since so much correspondence is now sent via electronic mail over the internet, the amount of letters sent via postal mail has decreased dramatically; therefore, it is to be expected that the postal service would raise postage in order to still provide the same quality of service for a lower quantity of mail. Those who agreed with the statement felt that it is only natural for the postal rate to increase—one respondent told us that she felt even 37¢ was a bargain!

However, altogether, the sample was fairly evenly distributed over the three positions: disagree, agree, and neither. 32.5%, 35%, and 30% are fairly close; when working with a sample of only 40 observations, 2.5% and 5% are only one person and two people, respectively. Considering the small size of the sample as well as the almost-even distribution, we cannot draw any definite conclusion about the population and people's opinion of the proposed postal rate.



Another important aspect of this project was to examine the public's response to buying stamps online. Therefore, one question that we paid special attention to was "To what extent would you agree or disagree with the following statements: If available, I would be willing to purchase stamps over the internet." We recorded all of the responses and created a bar graph to show what percentage answered not applicable (0), or strongly agree to strongly disagree (1-5). By studying the graph, you can see that there is an interesting distribution of answers.

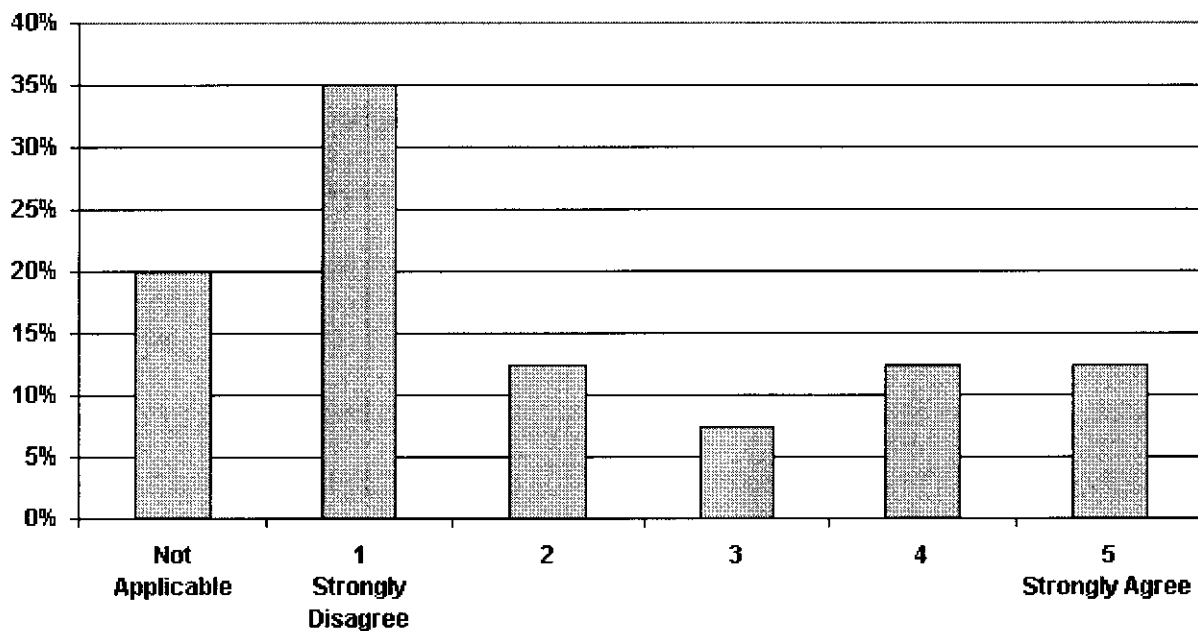
We realized that most of the people were strongly opinionated about this survey question. About half of them responded with not applicable or strongly disagree and the other half seemed highly in favor of buying stamps online. Few of the surveyed population answered neutrally. Thus, according to the graph, approximately half of the population would take advantage of the availability of stamps online, and the other half would not care of this service.

Our group concluded that a large percentage of the American population still does not own computers, let alone have access to the internet. Since we, ourselves, are bombarded with images of the internet, we assume that all Americans are exposed to the same culture and technology. However, we need to realize that this is not the case. Rather, many Americans do not own personal computers or have access to the internet. Thus, this survey question would not be applicable to a large part of the total American population. There may also be people who own computers but have never experimented with buying items online because they would rather go to the store and pick it up (the traditional way).

There are many factors that affect the population's response to this survey question. Why would I rather buy stamps online if my postal office is down the street? How much confidence do I have in the internet? Is it safe to give out my credit card number online? All these questions are interrelated and must be considered to answer this question about buying stamps online.

Even though many people had negative opinions about online stamps, there was still a large percentage of people who would be willing to try this service. If available, why not? If it is more convenient for customers to shop online, and if they are already accustomed to it, then they would most likely take advantage of this new postal service. Thus, the overall distribution of answers is divided in half on the two extremes of the graph.

Personalized Stamps via Internet



We added the question: “If available, I would design and print my own stamps from the Internet.” The possible answers ranged from Strongly Disagree (1) to Strongly Agree (5), and N/A (0). Our question builds upon the question: “If available, I will be willing to purchase stamps over the Internet.”

It is evident from the bar graphs that the number of postal service customers who are willing to design and print their own stamps filters from the number of customers who are willing to buy stamps off the Internet. This is shown through the similar trends of the two graphs: Both show most people to “Strongly Disagree” with the Postal Services integration onto the Internet. The number of people not willing to buy stamps online (N/A and Strongly Disagree) is slightly larger than the number for those willing to buy the stamps online (Agree and Strongly Agree). Similarly, the number of people not willing to design and print their own

stamps (N/A and Strongly Disagree) is larger than the number for those who are willing to design and print their own stamps (Agree and Strongly Agree).

The most important difference to observe between buying stamps online and personalizing stamps online, however, is the downward shift from 5's to 0's. Buying stamps online received 42% for N/A, Strongly Disagree and 40% for Agree, Strongly Agree (which shows the two extremes to be almost equal in support). On the other hand, creating personalized stamps and printing them received 55% for N/A, Strongly Disagree and 24% for Agree, Strongly Agree (which shows a huge disparity in the opinion of this online service). This is because the people willing to purchase stamps online must own or have access to a computer and printer and/or have access to the Internet.

People who are willing to design and print their own stamps off the Internet may need special postage paper in addition to the computer, printer, and Internet. Plus, these people must spend their time to create the stamps. Thus, in addition to the technology required to buy stamps online, a customer must also have extra time to buy the special stamp paper and personalize their stamps online. This lack of efficiency accounts for the increased number of people who recorded N/A or Strongly Disagree for creating personalized stamps. Overall, the survey information reflects the fact that many Americans do not own a computer or the Internet to use online Postal Services, and, thus, disagree with the statement "If available, I will be willing to design and print my own stamps."

In summary, we were able to make several conclusions based on the data collected from the sample survey about the U.S.P.S. Generally, most services received positive ratings from the respondents; they are generally satisfied with the postal service. However, responses to the postal rate increase show any definite leaning either way—from our sample, we cannot deduce

whether or not the population may feel 37¢ is reasonable for a first-class one-ounce letter.

Lastly, those surveyed were divided on the issue of buying stamps online, but most were hesitant to spend time, effort, and money designing and printing their own stamps. Since the sample population is presently satisfied with the U.S. Postal Service, we feel it is unnecessary to make adjustments in the postal rate or to enhance convenience through the Internet.

****Anecdote:**

One woman (Caucasian, 60+ year old, over \$50,000 income) strongly agreed to the postal rate increase to \$0.37. She believes that US Postal rate is very cheap compared to the postal service rates in Europe. She thinks that \$0.37 is not only reasonable, but also a very good deal. In addition, she also said that although she lives in Torrance, she drives to LAX Post Office every time because the employees there are much more friendly. Thus, she drives the extra 20-40 minutes just to get better service.

B. Project of Jenny Allen, Stephanie Cheng, Lorig Kalaydjian: Written Report and Power Point Presentation

**WRITTEN REPORT AND POWER POINT PRESENTATION
OF GROUP TWO
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

**PREPARED BY:
JENNY ALLEN
STEPHANIE CHENG
LORIG KALAYDJIAN**

Written Report

United States Postal Services Survey Results

For our United States Postal Services Survey (see attached survey), we collected responses from ninety-three individuals, who included respondents from eleven states in addition to California and Washington, D.C.. When analyzing our demographics, we had the following number of people in each of the listed categories:

Gender

- Males = 41
- Females = 52

Age Groups

- Under 20 = 19
- 20-34 = 16
- 35-50 = 17
- 50-64 = 18
- Over 65 = 23

Income

- Under \$15,000 = 10
- \$15,000 to under \$25,000 = 1
- \$25,000 to under \$50,000 = 11
- Over \$50,000 = 71

Ethnicity

- African-American = 6
- Asian-Pacific Islander = 5
- Caucasian = 67
- Hispanic = 4
- Other = 11

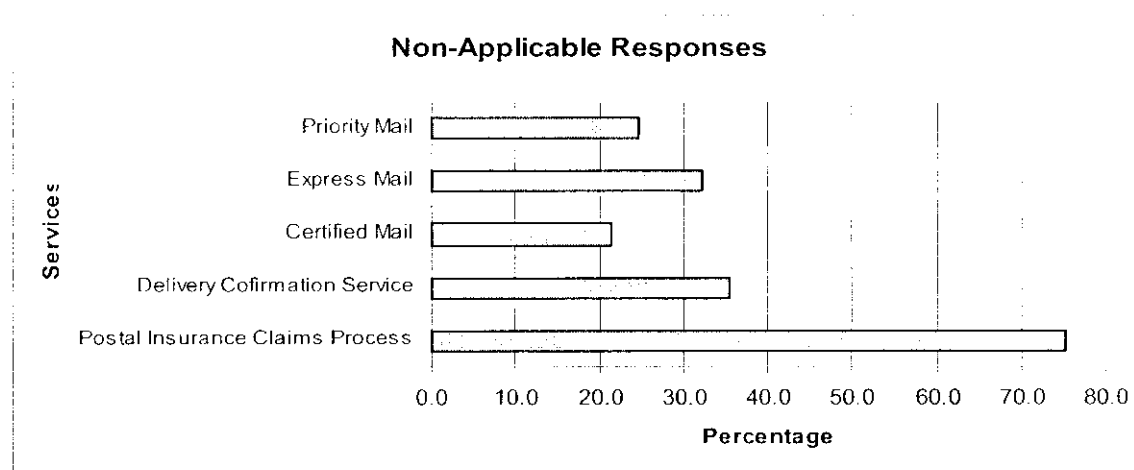
We noted that our analysis would be based on heavily skewed data, since most of our respondents were Caucasian and individuals with incomes over \$50,000.

A significant number of respondents believe that the U.S. Postal Services' basic services are fairly good overall. In this case, we defined "good" as ratings of four or five on a scale of one to five with one being poor and five being excellent. For example, we can see on the following page that around 79.6% of respondents gave the U.S. Postal Services a rating of 4 or 5 for first class mail services, and over 76.3% of respondents gave the U.S. Postal Services a rating of 4 or 5 concerning their ease of buying stamps.

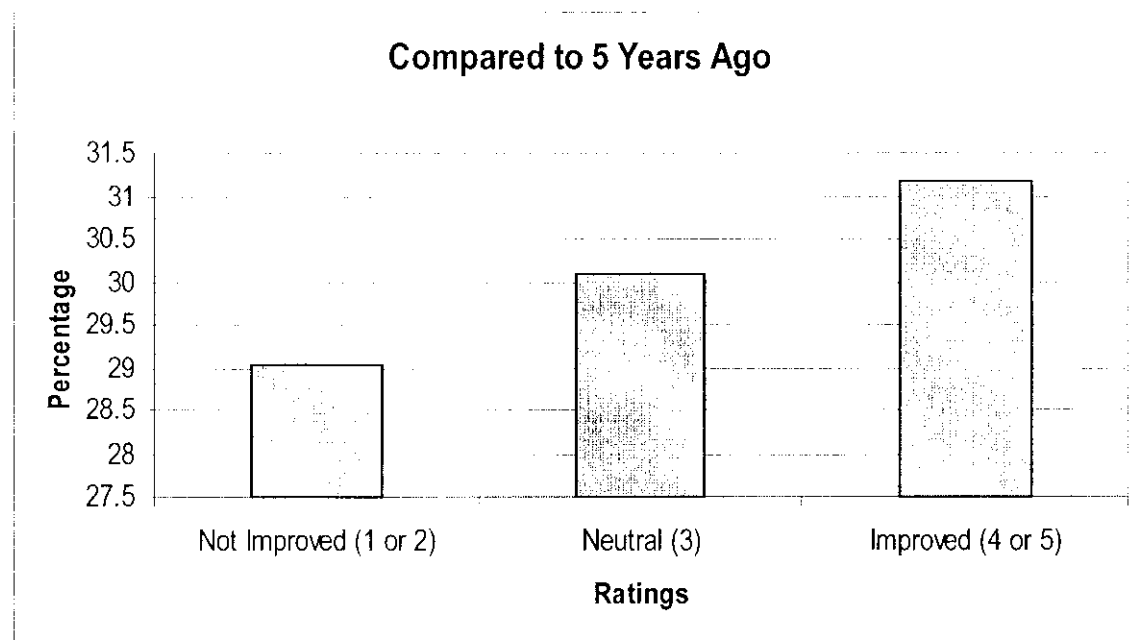


Moreover, from the results shown below, over 75% of respondents were not able to rate the insurance claim process (rating of not applicable), suggesting that probably few customers have ever needed to use this service because the U.S. Postal Services has satisfactorily delivered mail. The U.S. Postal Services also received fairly supportive survey responses regarding the level of certified mail, priority mail, express mail, and delivery confirmation services. Yet we noted that

around thirty percent of respondents marked not applicable to rate each of these four aforementioned service categories.

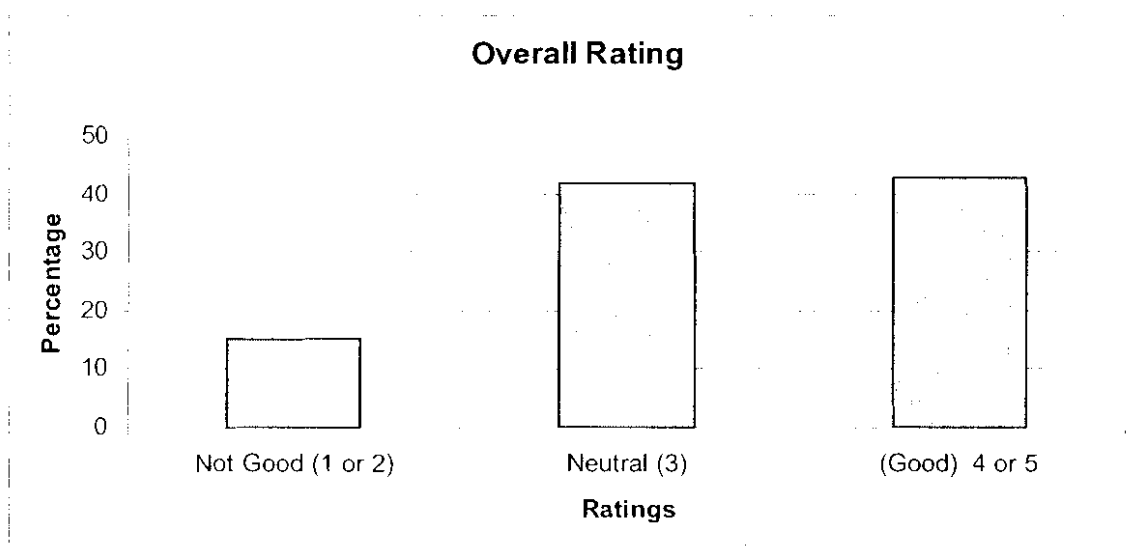


Possibly, customers are not aware that these services exist, and in this case the U.S. Postal Services should attempt to advertise them more. On the other hand, these not applicable responses could indicate that customers use these services rather infrequently, and therefore it may make economic sense for the U.S. Postal Services to consider not offering them at all.



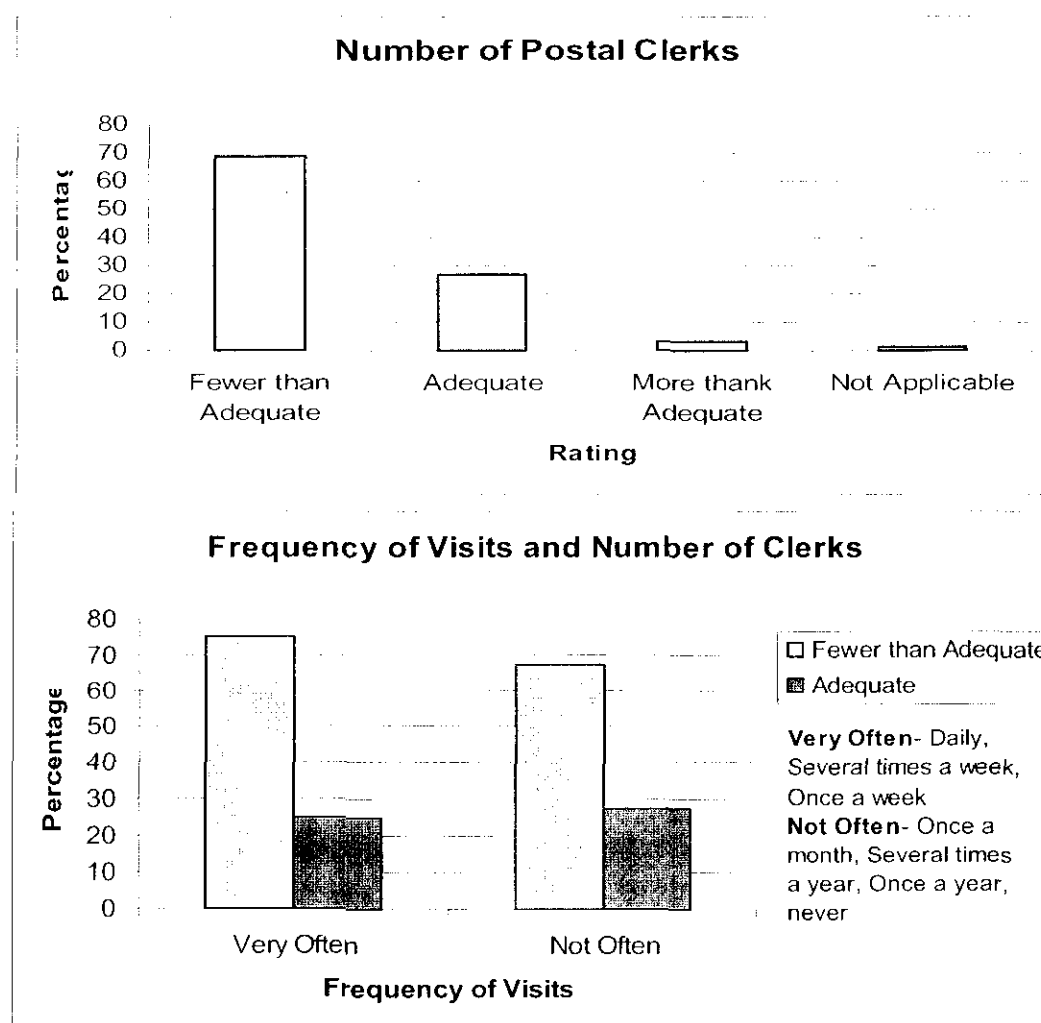
Despite these high ratings on particular services, when asked if the level of service at the U.S. Post Office had improved compared to five years ago, respondents' results appeared rather

mixed with approximately 31% feeling that the level of service at the U.S. Post Office had improved (rating of 4 or 5), approximately 29% disagreeing that it had improved, and approximately 30% expressing a neutral opinion (rating of 3). Additionally, over half of the respondents felt neutrally (rating of 3) about the statement that the overall level of U.S. Postal Services today is excellent. Hence there appears to be a desire for an improved level of service, especially in the U.S. Post Office, and our survey responses suggest some methods that the U.S. Postal Services can utilize to make these customer-desired improvements.

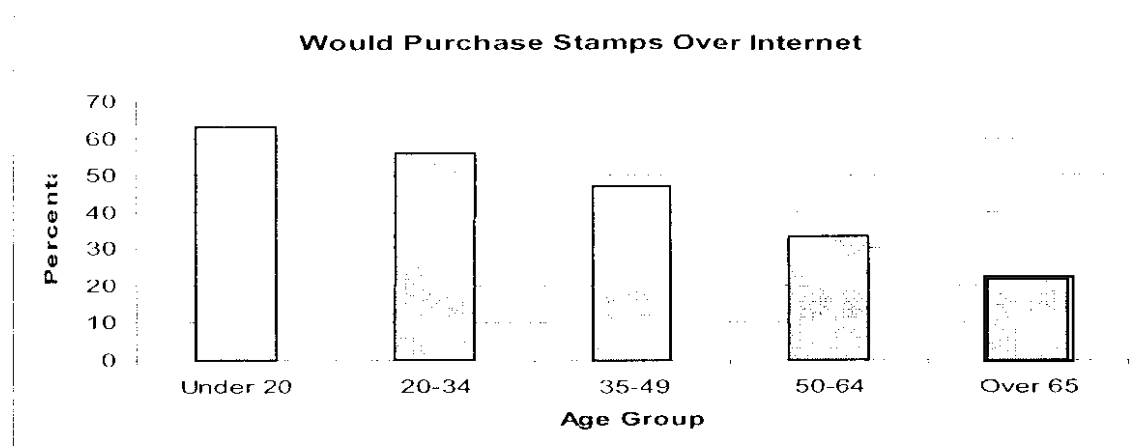


First, customers strongly feel that more postal clerks are needed at the U.S. Post Office counters. Of the twenty individuals who go very often to the U.S. Post Office (responded that they visit daily, once a week, and several times a week), fifteen or seventy-five percent felt that the number of postal clerks available are fewer than adequate. Of the remaining seventy-three respondents who do not go to the post office often (responded that they visit never, once a month, several times a year, and once a year), forty-nine or approximately sixty-seven percent felt that the number of postal clerks available are fewer than adequate. The individuals who do not visit the post office often, we initially hypothesized, might go during busier times (i.e. the

holidays) and therefore have a misperception that there were not enough postal clerks available. However, these survey results indicate that the customers who frequently use the services at the U.S. Post Office felt more strongly than customers who go much less often that there were fewer than adequate postal clerks available. Perhaps the U.S. Postal Services should consider analyzing the various levels of congestion within the post office on a daily and yearly basis. This data can then be used to arrange postal clerks' work schedules in order to ensure that there are an adequate number of postal clerks available to service customers every day of operation.



Second, the U.S. Postal Services should consider selling stamps over the internet. However, this method of purchasing stamps should be marketed toward the younger, probably more internet savvy customers because our data indicates that the percentages of individuals willing to use this purchasing feature (rating of 4 or 5) share an inverse relationship with age. As seen in the following graph, the frequency of individuals willing to use the internet stamp purchasing option starts at a high of around 63% for the under twenty respondents (which includes a fairly equal number of males and females) and dwindles to approximately 21.7% for the over sixty-five respondents (which includes four times more males than females). Moreover, the sixty-five and older respondents appear adamantly opposed to using the internet, as evidenced by the fact that 74% of them felt strongly against purchasing stamps in this manner.

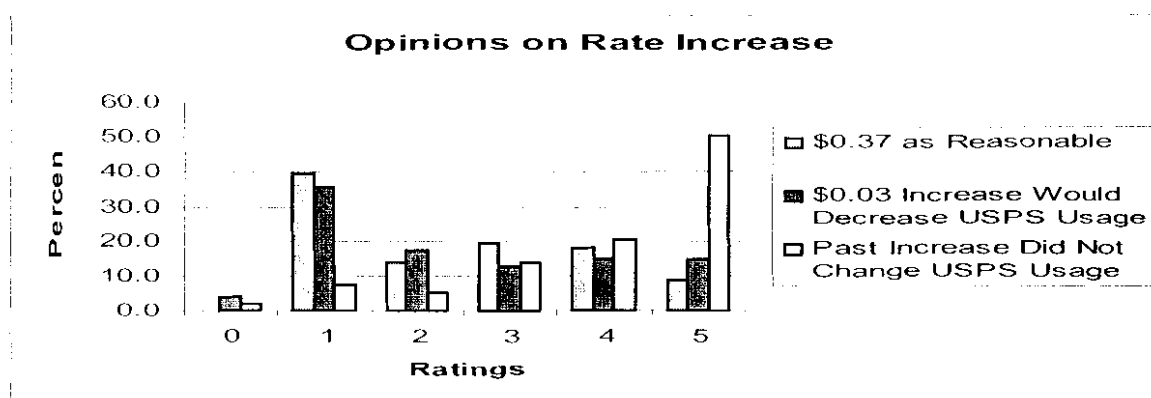


Third, the U.S. Postal Services could offer customers with the ability to purchase postal products in excess of five dollars from a vending machine. When asked if they would be willing to use this option, almost half of the respondents agreed that they would use it (rating of 4 or 5). Interestingly, exactly twenty-two males and twenty-two females made these favorable responses

for a total of forty-four supportive respondents of which almost 80% had incomes of over \$50,000.⁴

Steph – add more here!

Regarding the postal rate increase, we attempted to obtain unbiased responses via separating and strategically organizing a series of three questions. Respondents were asked to rate the following three statements from strongly agree to strongly disagree: (1) I view \$0.37 for a one ounce letter as reasonable; (2) A \$0.03 increase in the First Class Mail rate would decrease my Postal Services usage; (3) After the last First Class Mail rate increase, my postal service usage did not change. By not first having the respondent recall his or her past behavior based on previous rate increases, it would be less likely to influence his or her feelings about the upcoming rate increase. This technique allowed us to capture some insightful data, shown below, which suggests to us that people are strongly opposed to a first class mail postage rate increase; however, their purchasing behavior of this postal service is not likely to decline.



Steph – Please add conclusion

(perhaps we can mention the articles we plan to investigate to find out more)

⁴ Please note that this result may be extremely skewed because 67 of the 93 respondents in this non-random sample had annual household incomes of over \$50,000. Hence we cannot conclude that an individual with an annual income of more than \$50,000 is more likely to purchase stamps using a credit card than an individual with an annual income of less than \$50,000.

Power Point Presentation

United States Postal Services Survey Results




Jenny Allen
Stephanie Cheng
Lorig Kalaydjian




Topical Coverage

- Demographics
- Graphical Analysis
- Preliminary Conclusions



Demographic Quick Facts

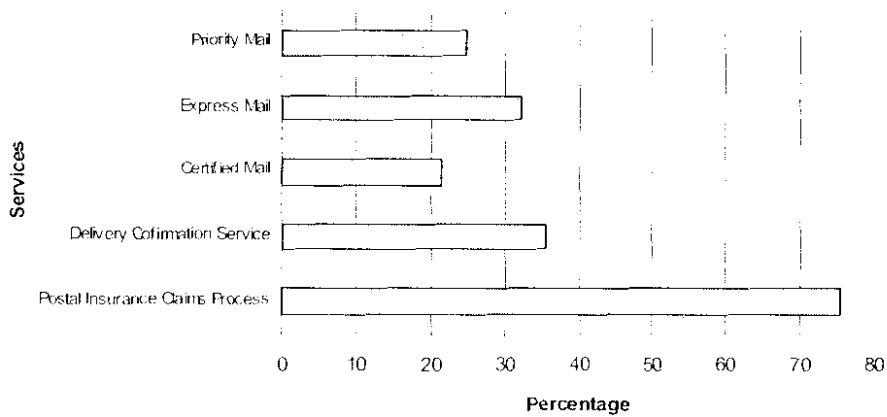
- Total Sample Size = 93 People
 - Males = 41
 - Females = 52
- Fairly Balanced Age Groups
 - Under 20 = 19
 - 20-34 = 16
 - 35-50 = 17
 - 50-64 = 18
 - Over 65 = 23



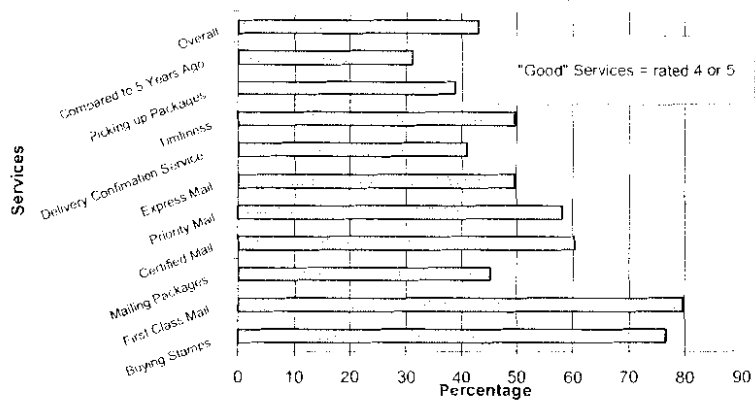
Demographic Quick Facts 2

- 71 People had Incomes Over \$50,000
- 67 People were Caucasian
- 41 People visit the U.S. Post Office Once a Month
- Respondents from 10 States & Washington, D.C.
 - Hawaii, Illinois, Kansas, Massachusetts (2), Michigan, Missouri, New York (2), Pennsylvania, Texas, and Washington

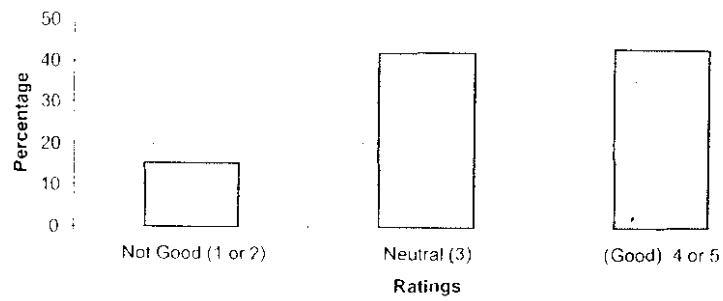
Not Applicable Responses



Satisfaction with Services

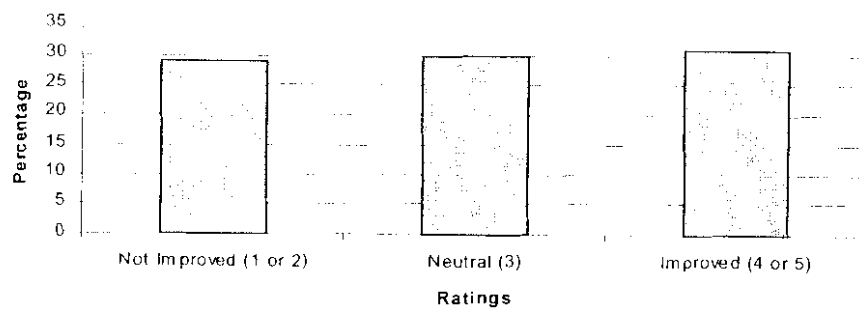


Overall Service

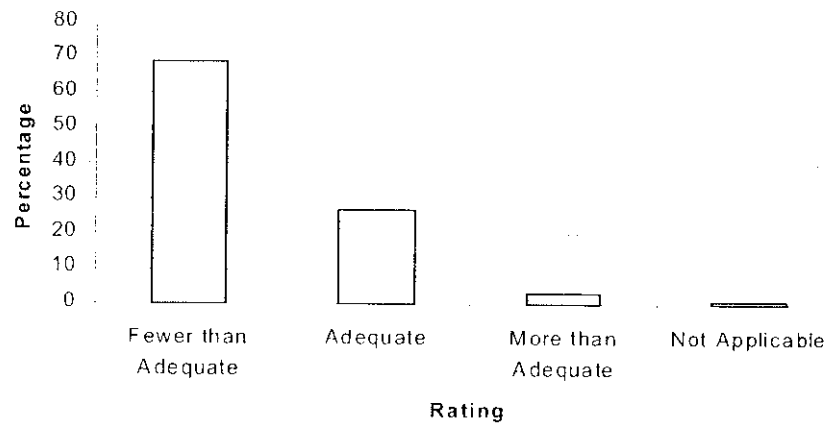


Level of Service Comparison

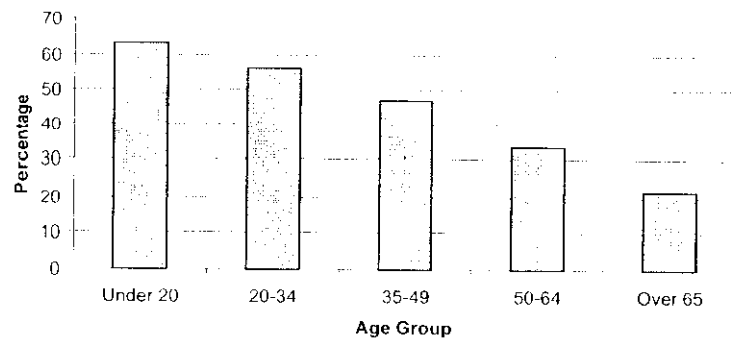
Compared to 5 Years Ago



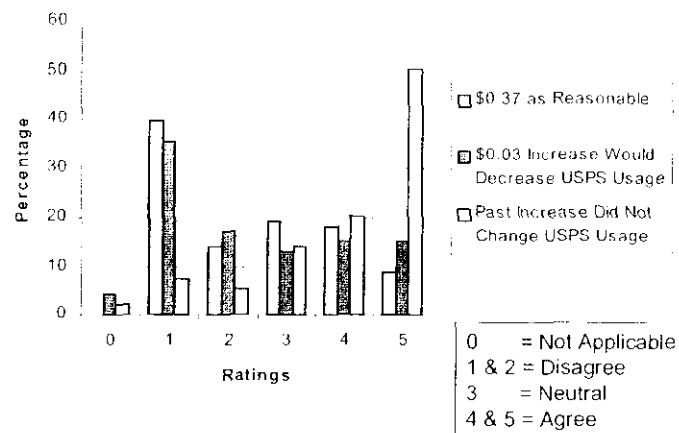
Number of Postal Clerks



Internet Stamps



Opinions on Rate Increases



Preliminary Conclusions

- Significant number of Not Applicable Responses
 - Not aware of services OR
 - Unnecessary services are provided by USPS
- People tended to complain about the Post Office as opposed to Postal Services
- Customers would prefer additional postal clerks at U.S. Post Office
- Improvements to Postal Services might include the availability of stamps online and postal products in vending machines that accept credit cards
- People do not want rates to increase, but their usage probably will not change regardless

C. Project of Darcy Baker, Lora Bartolome, Jake Himmelstein, David Linton: Written Report

**WRITTEN REPORT OF GROUP THREE
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

U.S. POSTAL SERVICE

**PREPARED BY:
DARCY BAKER
LORA BARTOLOME
JAKE HIMELSTEIN
DAVID LINTON**

The project on the U.S. Postal Service provided much insight into the overall quality of its products and services. Our data was obtained through a questionnaire distributed to a sample of 40 individuals, ranging in age, ethnicity, income, and gender. Overall, we put our primary focus upon the analyzation of age groups and the post office. Thus, each of the following groups contained 8 respondents (totaling to 40):

Under 20
20-34
35-49
50-64
Over 65

In the survey, the five postal products and services questioned were: first class, priority, express, certified, and delivery confirmation service mail. **Figure 1** shows the percentage of respondents that found the services to be good or excellent (a rating of 4 or 5 on the survey). It is important to note that those respondents who answered “Not Applicable” were not factored into the percentage for each category. The results show that almost $\frac{3}{4}$ of all those surveyed felt that first class, priority, and express mail were good or excellent. In contrast, less than 50% of people gave such a rating to certified mail and the delivery confirmation service. The reason for this is most likely the fact that people are relatively unfamiliar with the latter two services. Because first class, priority, and express mail are very widely used and recognized, people are more likely to say that they are pleased with its service. However, since many people were not familiar with certified mail and the delivery confirmation service, they simply rated it as average rather than to just answer “not applicable”.

With respect to approval ratings of various services, there did not seem to be too much variation. These include, timeliness of mail delivery, responsiveness to customer complaints,

insurance claim process, and ease of buying stamps, mailing packages, and picking up packages. As seen in **Figure 2**, the overall ratings vary only slightly between an average score of 3 and a good score of 4. As was the case with the mail service above, the reason that responsiveness to complaints and insurance claim process were seen only as average may have much to do with the fact that most postal customers never encounter one of these situations. Thus, once again, rather than marking down “not applicable” the respondent may simply give it a score of average. In essence, people seem to be relatively pleased with the mail service and products that they receive. Very few people seemed to be upset with any particular item shown in Figure 1 or Figure 2. In addition, age was no affect upon people’s response in either of the first two groups of questions.

One of the more interesting findings of our study on the Post Office is the fact that age does have quite a large bearing on approval ratings. **Figure 3** depicts this finding. With respect to E-Stamps, results showed that younger respondents were much more likely to purchase stamps over the internet than older respondents. For those surveyed under the age of 35, the mean value was 3.8125—meaning a very good possibility that they would purchase stamps over the internet if available. Conversely, those 35 and over responded that they were quite unlikely to use E-Stamps, with a value of 2.375. With respect to the question, “I view \$0.37 for a one ounce letter as reasonable”, the results were reversed; those 35 and over agreed, while those 34 and under disagreed. Interestingly enough, both groups agreed on the overall level of Postal Services today—each with a mean value between 3.5 and 3.7.

As a final analysis of the U.S. Post Office, it is necessary to look at the frequency of visits to the post office. This functions as a sort of gauge to determine how often a sample population may visit a post office. The results, shown in **Figure 4**, show that the majority of

those surveyed visit the post office either once a week or once a month. Once again, analyzing the age group statistics, it is quite evident that the younger groups were, as a whole, much less likely to go to the post office--maybe once a month. On the other hand, adults go to the post office more often for work or personal reasons - maybe once a week.

All in all, it is quite evident that, while age does play a large factor in approval individual aspects of the post office, almost every respondent saw the overall level of services at the post office as "good".

Percentage of Respondents that Say the Following Services are Good-Excellent (4/5)

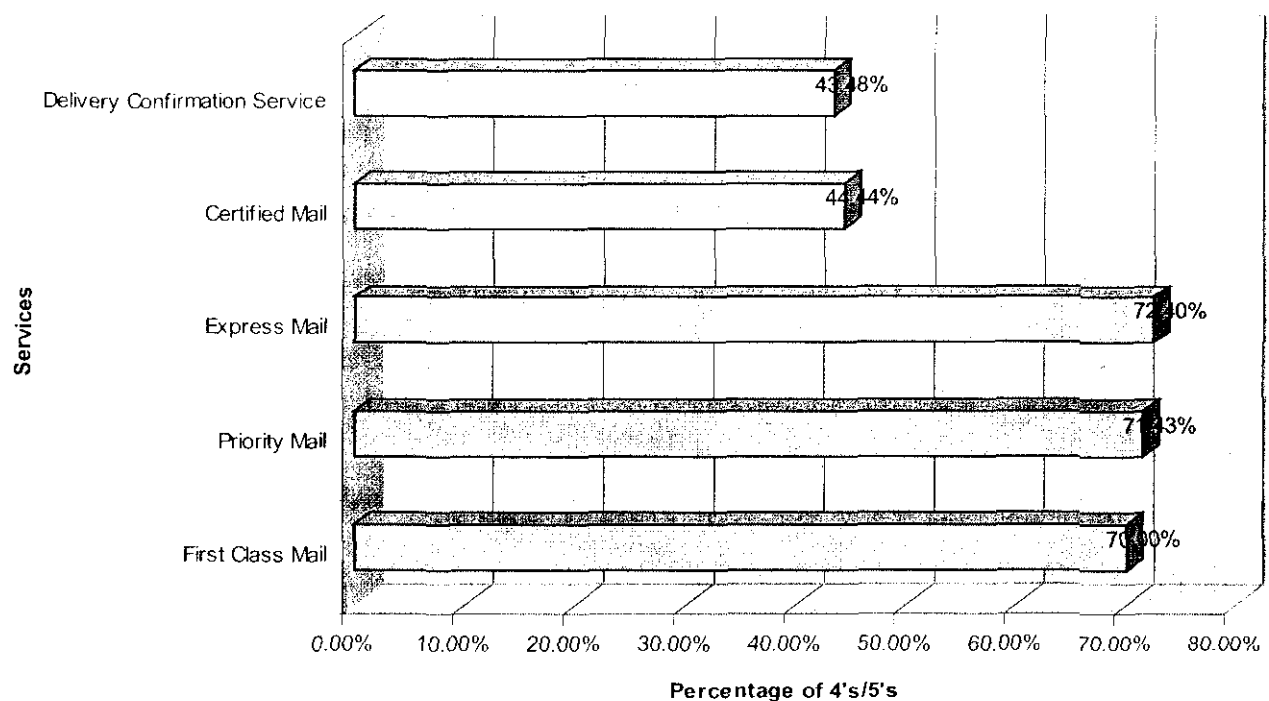


Figure 1.

Approval Rating of Postal Service

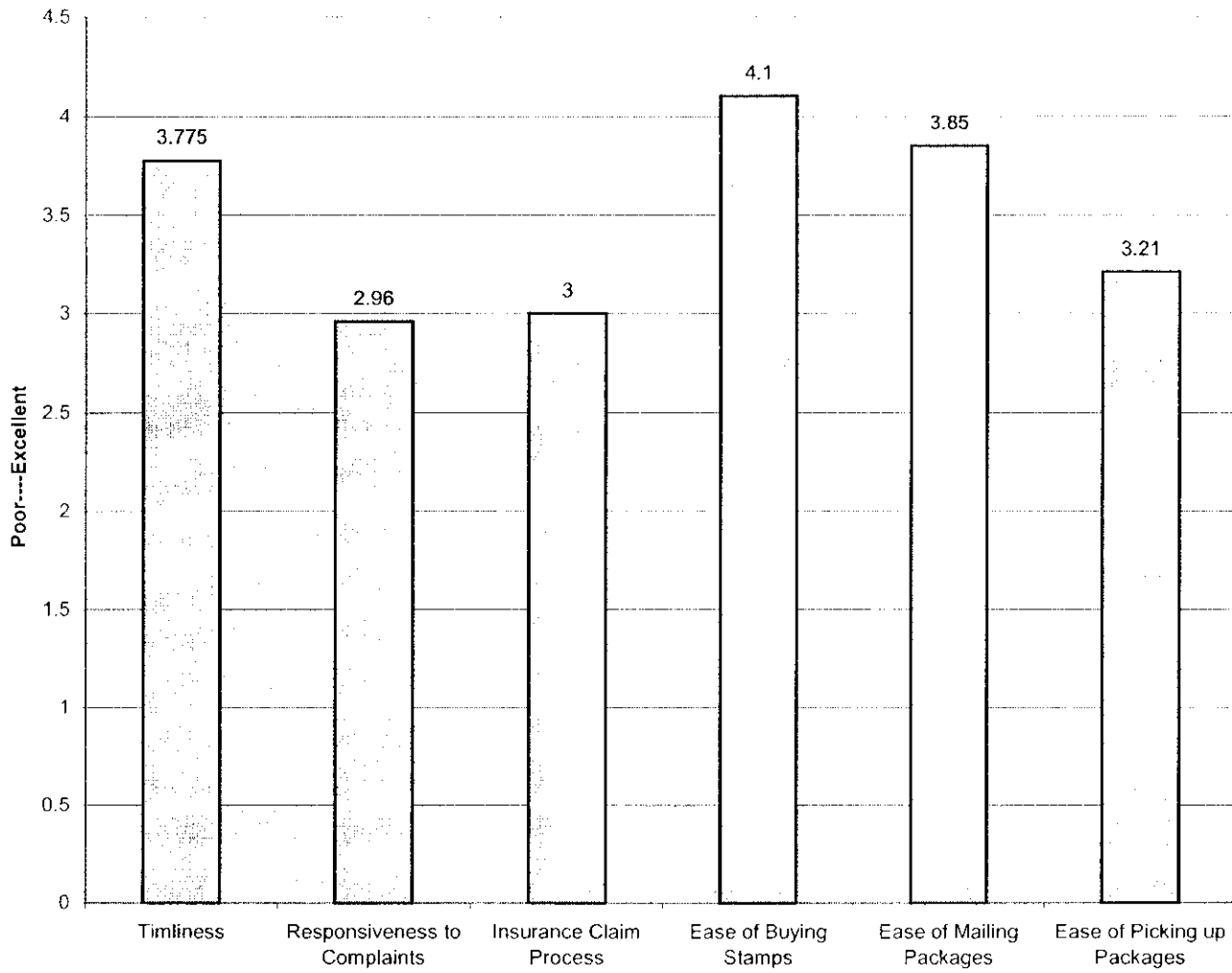


Figure 2.

D. Group Three Project of Jessica Bauer, Fred Le Cao, Jill Myers, Aleks Konacki: Written Report

WRITTEN REPORT OF GROUP THREE
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA

PREPARED BY:
JESSICA BAUER
FRED LE CAO
JILL MYERS
ALEKS KORNACKI

The United States Postal Service

The goal of statistics is to generate unbiased and accurate information from raw data. This quest for “pure” facts can often be hindered by non-sampling errors, and always by sampling errors. It follows that a survey will always have differences from the true population because inherently it is impossible to capture the thoughts and feelings of the entire population when a sample is drawn.

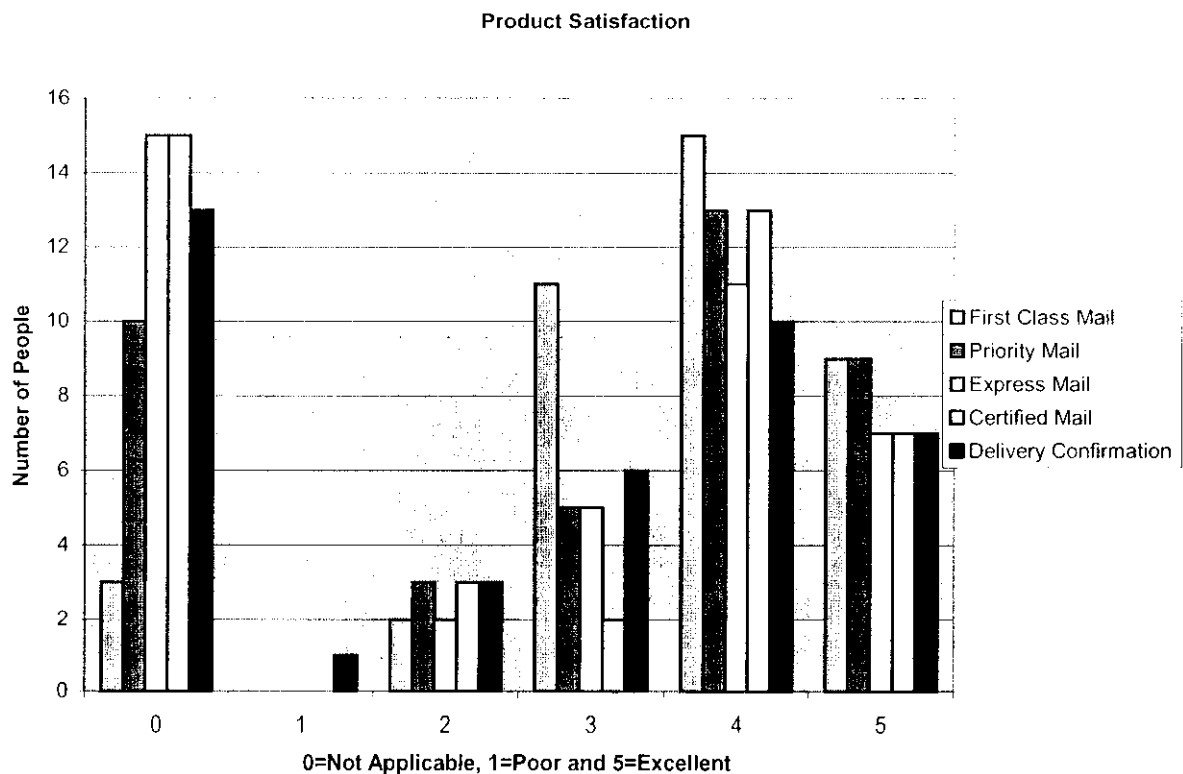
Although information from a sample will always have a small degree of inaccuracy, there are several ways to attain the most unbiased results possible. For example, the central limit theorem states that a sample large enough will have the shape of a normal, bell-shaped curve. This curve almost always accurately approximates the responses of the population. Although this United States Postal Service study has empirical results for 40 samples, which is considered sufficiently large, there are a significant number of non-response responses to the questions. As result, many of the graphs for this study do have normal curves, but some form t-curves, which capture small sample results.

Furthermore, the most common way to attain unbiased information is through the survey itself. Certain nuances and phrasings will influence people to respond contrary to their true feelings. Therefore, one must word questions neutrally so they don’t elicit emotions in the questionnaire-takers that sway their answers. This study used questions standardized across the BUAD 309 class, which were carefully formulated in hopes of achieving the highest degree of neutrality.

To complete this survey, the group of 40 was divided by age groups in to sections of 10 and given to each member of the group. Those surveyed were parents and family members.

fellow USC students, and individuals from respective work places. We attempted to draw a judgment sample based on true population demographics.

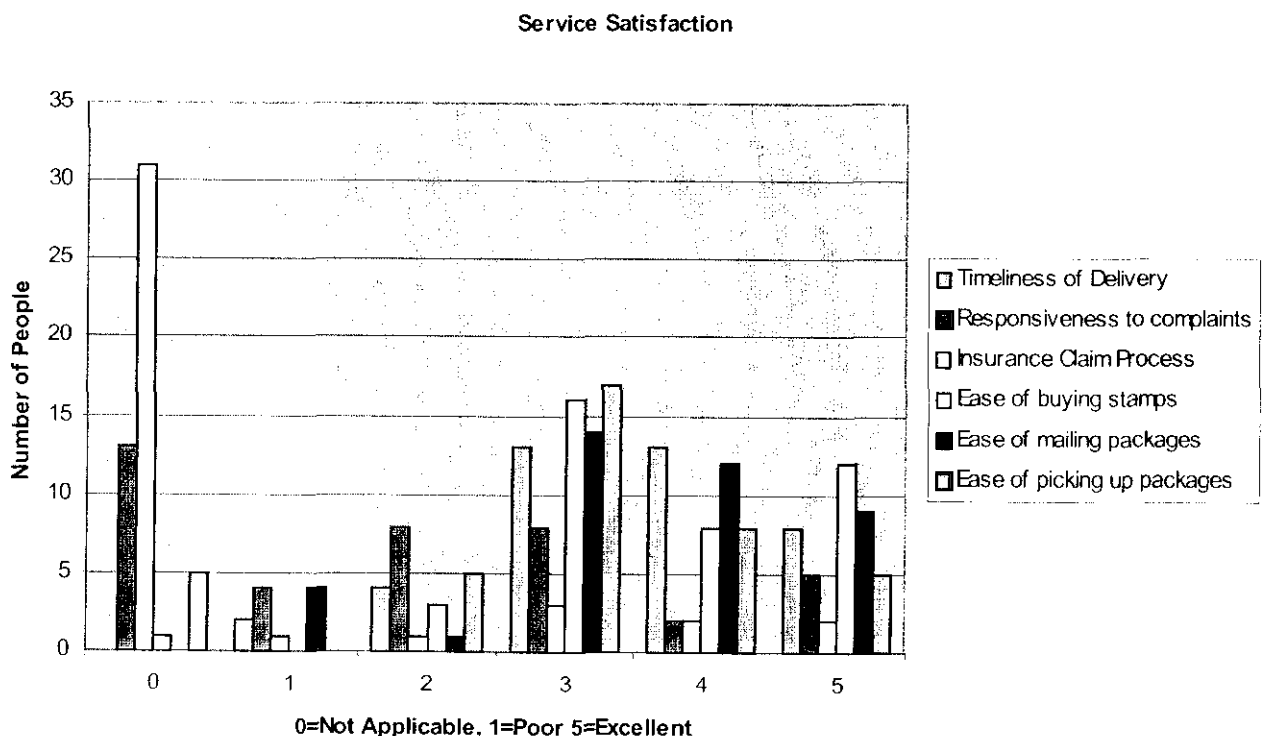
We found a few potential for sampling biases for this survey. This has to do with the ethnic backgrounds and incomes for those questioned. Of the 40 survey-takers, 29 had incomes over 50,000 dollars. Twenty-nine out of 40 survey-takers were also Caucasian. This could lead to biased results because people from different backgrounds and income levels may have varied experiences with their local post offices. Another factor here is the areas where the respondents were from. Had they been from areas of high crime, perhaps from other parts of the country, or wealthy suburbia, the results may have been different.



The above graph compiles the results from the United States Postal Service's "Product Satisfaction" portion of the survey. This graph is skewed to the left, indicating those surveyed

responded more favorably. For Priority Mail, Express Mail, Certified Mail, and Delivery Confirmation, the data indicates a positive attitude, with answers primarily in the 4 and 5s. The First Class Mail fell largely on the 3s and 4s, moving the average to slightly above average satisfaction.

There are many responses in the “0” category because many of those surveyed never use the products in question. This could be an explanation for why the results are lower for seldom-used products such as Certified Mail and Express Mail, which had a “Not Applicable” response rate of 37.5%. An average postal user is most familiar with First Class Mail, and thus had a “Not Applicable” of 7.5%. This disparity in service usage may also have to do with terminology. When people visit the post office, or just use “regular mail,” little thought is given to the specific name of the product or service being used. They might not recognize the name of a product they have used in the past on the survey, and thus would mark “not applicable.” Further, products other than First Class Mail are more expensive, and thus less used compared to the others. For such services, customers often use other companies, like UPS or FedEx.

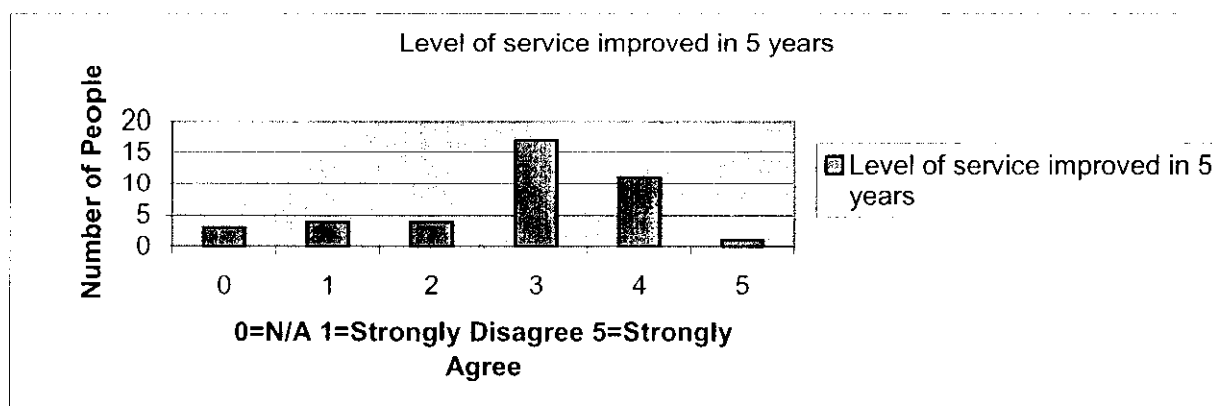


For the above graph, the responses are more centered around a response of “average” or 3. People feel that the Postal *services* are just average. There are more “poor” and “below average” responses here, versus the Postal Products portion. Further, this graph resembles a normal curve. With all 6 segments of the questions on Postal Services, the highest response rate (besides Not Applicable) is on 3.

For the “Insurance Claim Process,” 31 people choose Not Applicable, indicating that this is a seldom-used service offered by the United States Postal Services. There is also a high Not Applicable response rate for “Responsiveness to Complaints.” This could be a result of several factors. First, customers may not have that many complaints and thus have not gone through the process, which may be supported by the low number of poor and below average responses. Secondly, if a customer does have a complaint, often they do not actually report it. Thirdly, if a complaint is voiced, a customer may never see the result if the change is a internal or administrative one. Finally, customers may not visit the Post Office enough to see the changes implemented.

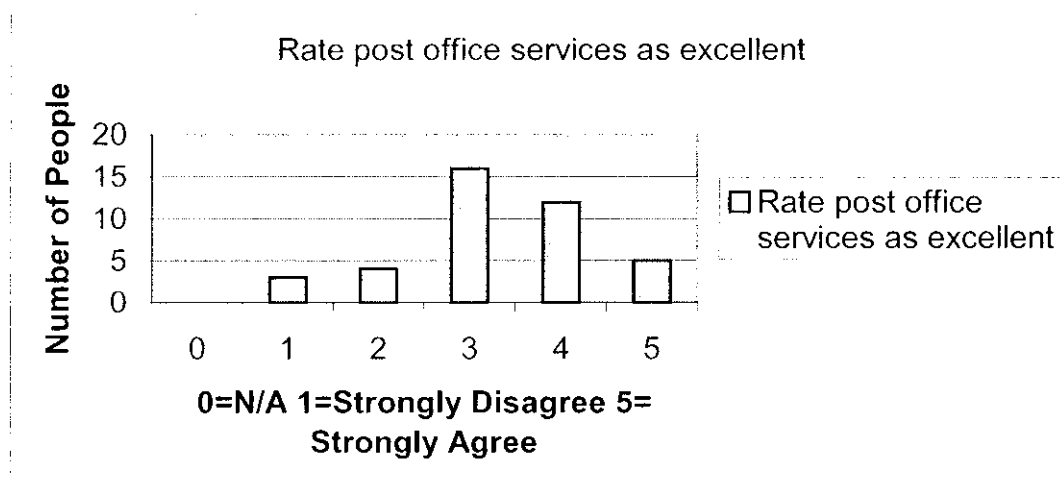
The next set of survey questions deals with the opinions of Postal customers in relation to various proposals of the United States Postal Service.

This graph shows that people generally feel that the level of service basically has not improved or has just improved a little in the last 5 years. This is important to consider, as the



United States Postal Service obviously needs to improve their services as indicated by the above survey results.

This graph shows that people generally feel that the level of service basically has not improved or has just improved a little in the last 5 years. This is important to consider, as the United States Postal Service obviously needs to improve their services as indicated by the above survey results.



The above graph indicates that 40% of the people feel neutral towards the United States Postal Services, while a large percentage (30%) agree that the overall post office services are excellent. It is interesting to note that there are no “Not Applicable” responses found here. This is because everyone has an opinion on the overall quality of the United States Postal Service. Issues such as terminology and non-usage do not apply to this question.

Income	If available, I will be willing to purchase stamps over the Internet					
	5 (strongly agree)	4	3	2	1 (strongly disagree)	0 (not applicable)
Under \$15,000	1 (33.3%)	1 (33.3%)	0	0	0	1 (33.3%)
\$15,000 to under \$25,000	0	0	0	0	1 (100%)	0
\$25,000 to under \$50,000	0	2 (66.7%)	0	0	1 (33.3%)	0
Over \$50,000	7 (23.3%)	6 (20%)	3 (10%)	3 (10%)	6 (20%)	5 (16.7%)

The data in this table is relatively inconclusive because our sample is overly representative of the over \$50,000 income category. Most of the respondents that we had resources to survey were USC students or family members that have an Internet access, so our results are skewed in that direction. As is apparent in the table, our sample was also too small to actually get meaningful response data in other income categories, even if we had attempted a judgment sample based on income level. We still would have no response data for some of the categories. We postulate that a census would reflect that respondents in higher income brackets would take advantage of Internet stamps.

	I view \$0.37 for a one ounce letter as reasonable				
Income	5 (strongly agree)	4	3	2	1 (strongly disagree)
Under \$15,000	1 (33.3%)	1 (33.3%)	0	0	1 (33.3%)
\$15,000 to under \$25,000	0	0	0	0	1 (100%)
\$25,000 to under \$50,000	0	0	1 (33.3%)	2 (66.7%)	0
Over \$50,000	4 (13.3%)	0	5 (20%)	10 (33.3%)	10 (33.3%)

Here again we really don't have enough respondents to draw a general conclusion. However, we can be relatively confident that income level doesn't significantly affect support against or support for the price increase. In both the two extreme income categories, under \$15,000 and over \$50,000, 33.3% of the respondents in their respective categories strongly disagree with the price increase. The table also demonstrates that most of our respondents tended to answer in the 3 or below ranking. Apparently, people are price-conscious whether or not they have a lot of money.

Age	If available, I will be willing to purchase stamps over the Internet					
	5 (strongly agree)	4	3	2	1 (strongly disagree)	0 (not applicable)
Under 20 years	3 (42.9%)	0	0	1 (14.3%)	1 (14.3%)	2 (28.6%)
20-34 years	2 (22.2%)	3 (44.4%)	0	0	3 (33.3%)	0
35-49 years	3 (27.3%)	2 (18.2%)	2 (18.2%)	0	3 (27.3%)	1 (10%)
50-64 years	1 (14.3%)	3 (42.3%)	1 (14.3%)	0	0	2 (28.6%)
Over 65 years	0	0	0	2 (33.3%)	2 (33.3%)	2 (33.3%)

Sample size limits our interpretation here as well, however we can make some conclusions. All of our respondents that are over 65 years old would most likely not take advantage of Internet stamps. However, the prospects are more optimistic for younger people. About 66.6% of those between 20 and 34 are very likely (answered 3 or above) to use the Internet stamp option, 63.7% of those between 35 and 49, and 70.9% of those between 50 and 64. Any marketing strategy to make Internet stamps work should be aimed at these demographic groups. Those under 20 may use Internet stamps, but their utilization of the program would most likely be low until they reached the 20 to 34 age group when the United States Postal Service becomes more important to paying bills and sending packages as most people under 20 rely on parents to take care of such activities.

There are a few ways in which this survey may be improved. For example, the question on rate increase is not perfect. Different results may have been obtained had the question indicated a clear correlation between rate increase and improvement of service, as that is what the rate increase would presumably do. As it is, customers may feel as if the increase will do little good. This assertion is supported further with the question on improvements over the last 5 years. People may feel that if the post office did not improve over the last 5 years, with a previous rate increase, then there will be little done to make the Postal Service better. Although

not practical perhaps, several survey-takers requested a place to write free-form answers. In doing this, the Postal Service may find areas that need improvements that were not taken into consideration by the creators of the survey. This option might work for surveys such as these, with a sample size of 40. Yet, for those made up of 3000 people, it would be very time consuming to tabulate and interpret. Thus, it is important to create thorough questions from the start.

There are many conclusions to be drawn from the data collected in this survey. First, people have a higher satisfaction level with Postal Products, such as different mail services. The level of satisfaction for Postal services, such as ease of buying stamps, mailing packages, and responsiveness to complaints received was slightly lower, with the average being 3s. Secondly, people overall do not support an increase to \$0.37 for a First Class Mail stamp. This is despite their income level and despite the fact that they *generally* like the services and products offered by the United States Postal Service. This might be due to the fact that people in the past have seen little correlation between increase in price and improvement in services. Also, people in general do not like price increases. These factors make an increase of three cents difficult to justify.

Lastly, with a little more research, we would recommend that the United States Postal Service make stamps available online for purchase. This, however, is tentative because many people do not have the Internet and/or do not trust purchasing items online. Still, 18 out of 40 support online sales. Overall, people seem marginally satisfied with the post office. Results show that progress does need to be made to the services, but these being made, it is assumed that people would be more likely to support the increased stamp rate.

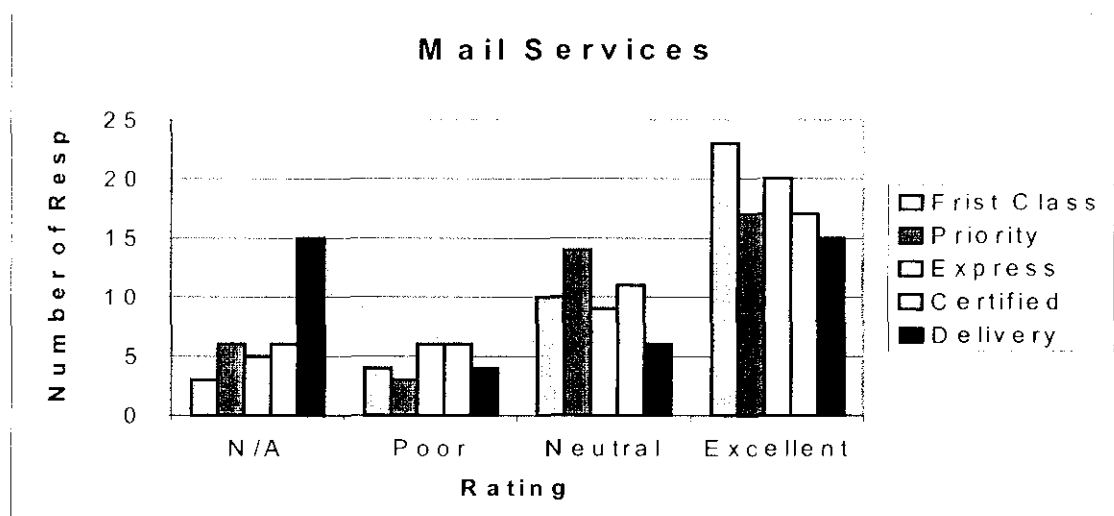
E. Group Five Project of Jeff Fohrer, Amirt Arora, David Chacko, Matt Stuart: Written Report

**WRITTEN REPORT OF GROUP FIVE
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

**PREPARED BY:
JEFF FOHRER
AMIRT ARORA
DAVID CHACKO
MATT STUART**

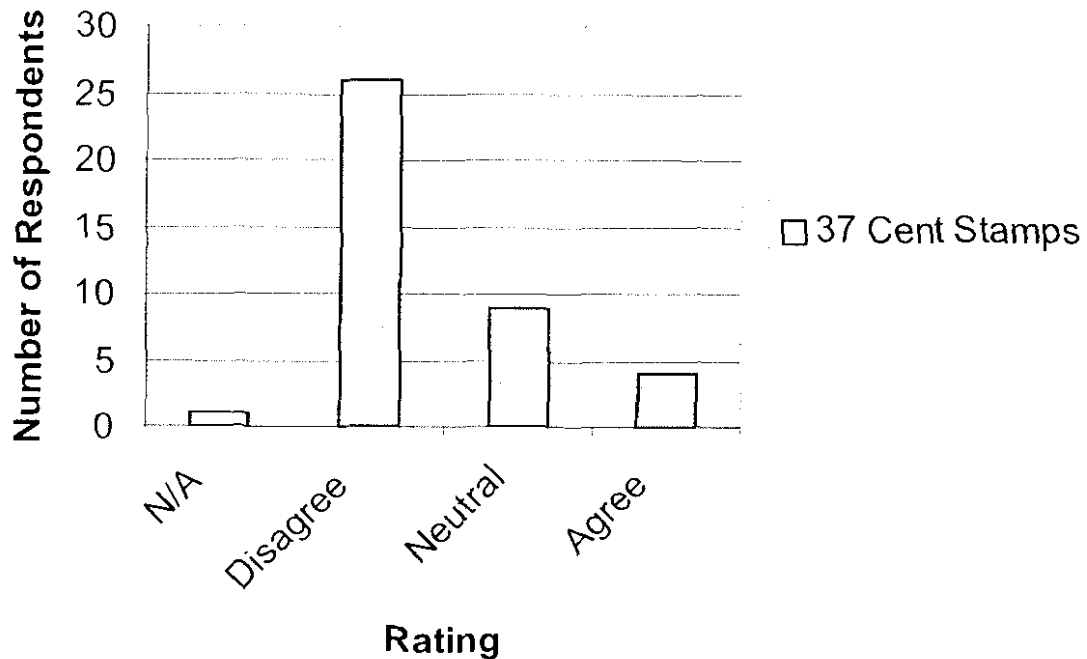
The purpose of this survey is to examine some of the more important aspects of the U.S. Postal Services. The survey encompassed various postal services and products, ranging from different mailing options to customer service to the recent scare of anthrax. Also included was the prospect of potential future changes that the Post Office is thinking of implementing. We distributed forty surveys that covered these key areas; taking into account different income levels, nationalities, and age groups.

The data concerning the different types of mail services show a fairly clear trend. While some respondents were either unfamiliar with or had not used the different mail services, the general trend shown by the other respondents was that they felt all five types of mail services examined by this survey were good to excellent. Nearly all respondents were familiar with First Class mail, and the majority of the respondents gave this service a good to excellent rating. A



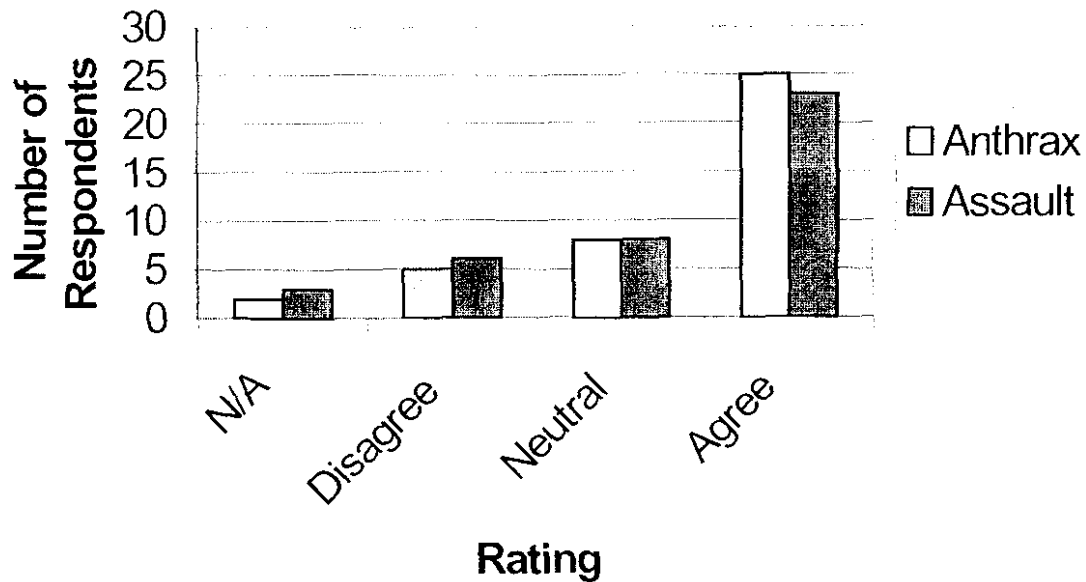
large number of the sample was either unfamiliar with or had not used Delivery mail. Of those that did rate this service, however, the trend again pointed to the fact that most people were satisfied with their service through this mailing option.

Stamp Rate Increase

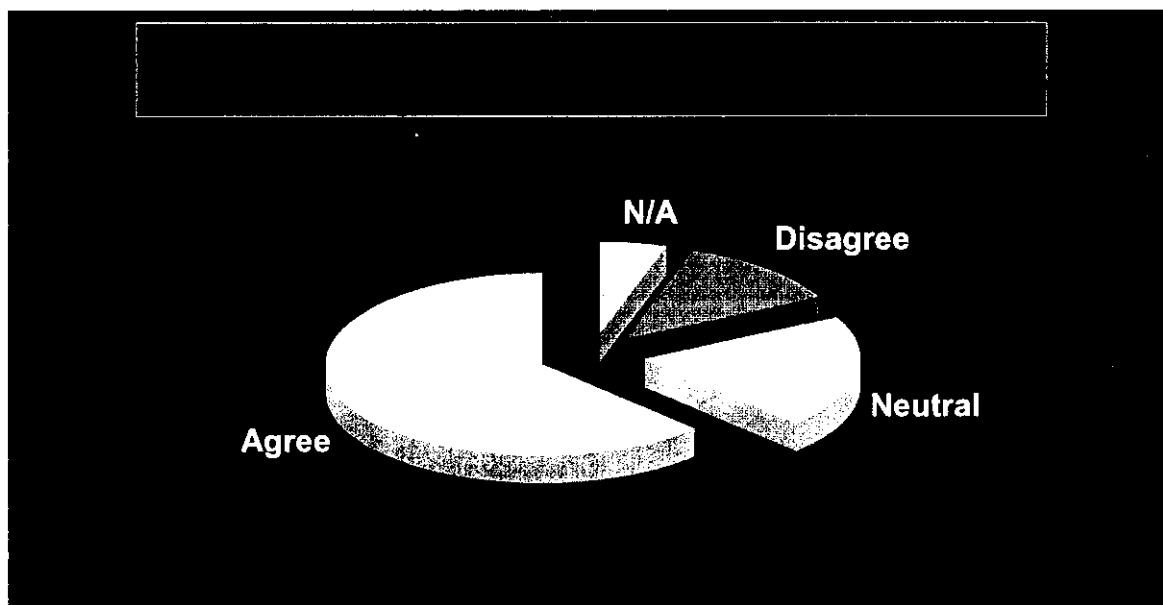


Contrasting sharply with the results concerning satisfaction with different mail services, well over half of the sample was against a three-cent increase in postal rates for first class mail. Nearly the same number of respondents rated First Class mail as good to excellent as were opposed to the three-cent rate increase. This suggests that possibly consumers are satisfied with the level of service they are receiving, but that they are unwilling to pay more for either the same or an increased level of service. For reasons that this survey was not designed to answer, most people are unwilling to support an increase in postal rates on first class mail, which means that there are other factors that consumers are considering. In fact, only ten percent of our sample supported the suggested three-cent increase, while over sixty percent were opposed to this rate increase.

Postal Threat Concerns

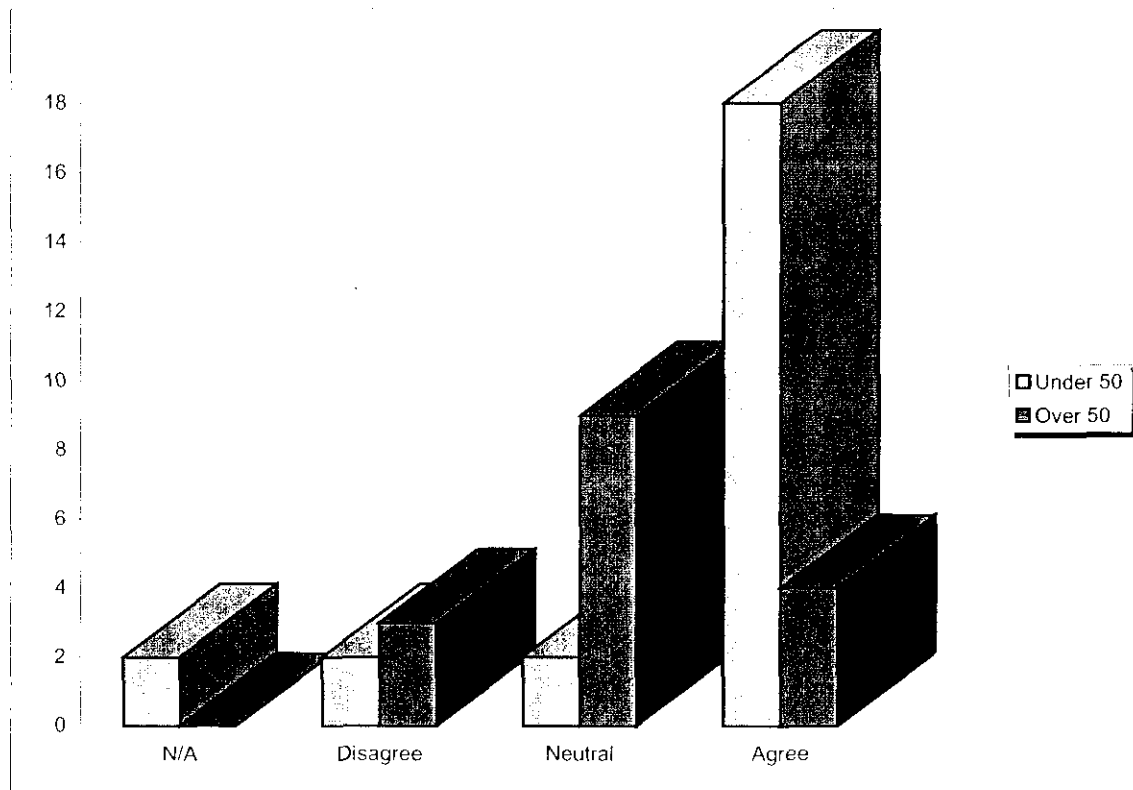


In light of the recent safety threats at post offices, this survey included a section to determine how safe consumers felt at post offices. Specifically, the survey focused on two areas—the postal shootings of a few years back and the recent anthrax attacks through the mail. When asked if their post office use decreased or would decrease in the future as a result of these two factors, more than half of the respondents responded that their use did not and would not decrease. Only a small percentage of the population (between 10% and 15% for each factor) gave the opposite response. The data shows that people are still confident in their safety at the post office. Perhaps, the respondents are confident that the postal service has taken the necessary steps to deal with both issues and are therefore confident that their safety has not been compromised.



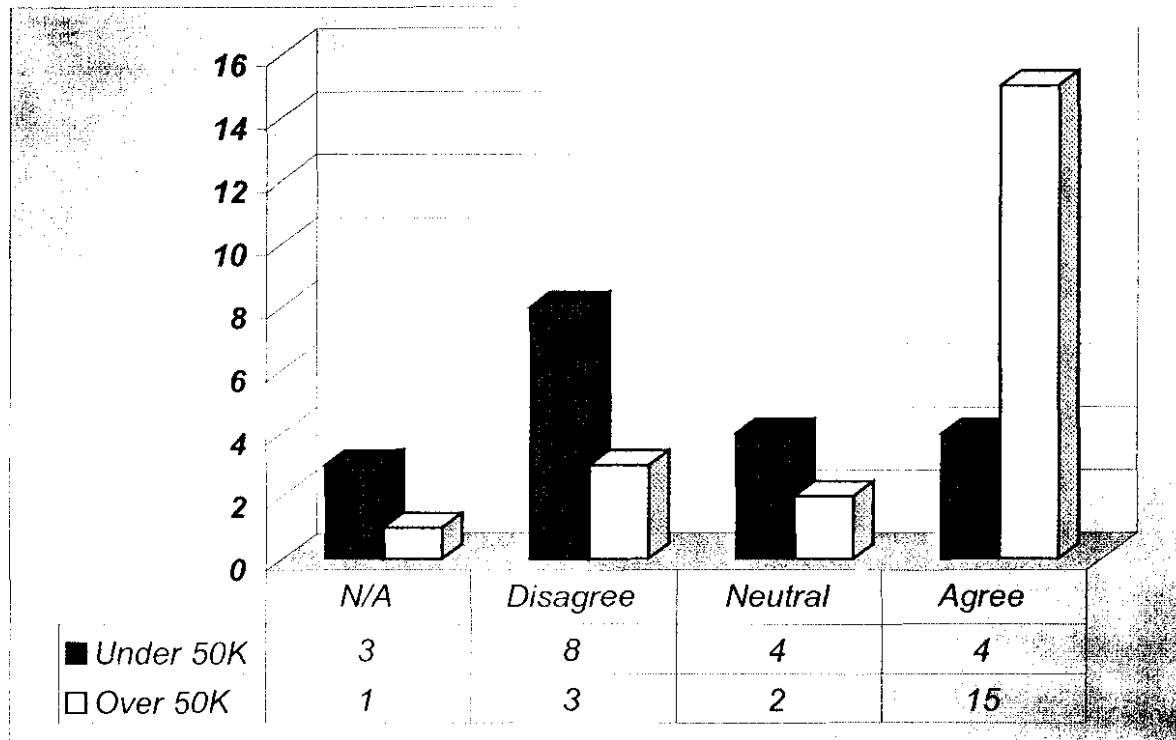
	N/A	Disagree	Neutral	Agree	Total
Anthrax	5%	13%	20%	63%	100%

When asked, whether they /agreed disagreed with the following statement “Despite the recent anthrax incidents, I will continue to use postal services as I did prior to the first incidents”, 63% of respondents agreed/strongly agreed, while only 13% disagreed. While people are not in a frenzied state where the anthrax incidents have completely altered the way the general public lives its life, it is in the back of about 33% of our sample’s minds. If the incidents continue, it might be a good idea for the postal service to start a promotional/feel-good campaign highlighting that the incidents have only affected the minutest percentage of postal users, and that the postal service is aggressively trying to contain the problem. Maybe a campaign that educates the viewer on what security measures are being taken would best reinforce the postal service’s image as a safe organization to do business with. But which demographic this campaign should target the graph seen above:



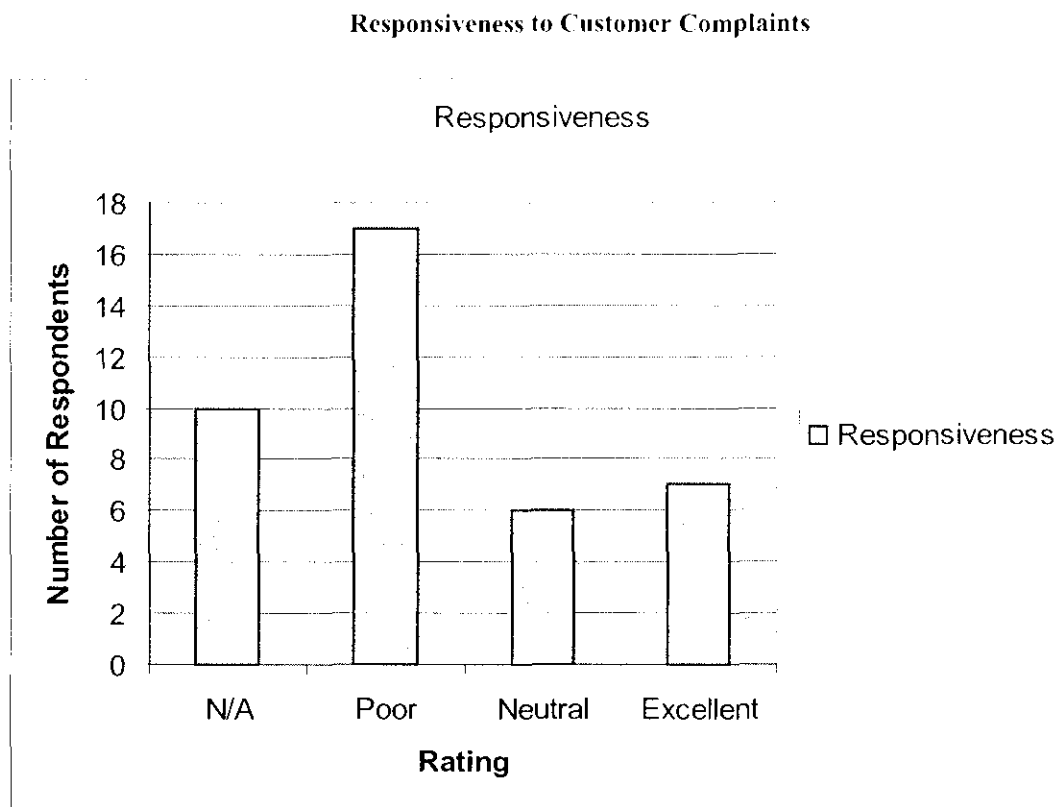
Those under fifty are the most confident that they will continue to use the postal service as they have before. 18 of 24 respondents for this demographic stated that they agree/strongly agree that they will continue to use the postal service as they had prior to the anthrax incidents. On the other hand, those over fifty were much less confident, as 75% of respondents either disagreed, strongly disagreed, or were neutral on the issue. Thus any type of ad campaign that the postal service runs will need to be geared towards the elderly population to allay their insecurities, as they are the most affected demographic.

Comparison of those who make less than \$50,000 and more than \$50,000 on the issue of buying e-stamps.



We chose to discuss the issue of e-stamps because the concept is very resonant as the postal service tries to deal with how it will evolve technologically in the 21st century. Based on our sample, e-stamps seem like a concept whose time may arrive shortly. Of the 21 individuals surveyed with household incomes over \$50,000, 15 agreed that they would be willing to purchase stamps over the Internet. But of those with incomes under \$50,000 only 4 out of 19 individuals replied that they would agree to purchase stamps over the Internet. This is likely attributed to the fact that those in this demographic either don't have Internet access, or use it so infrequently that they are still insecure about making purchases with their credit card over the

net. Not surprisingly, all of the individuals who agreed that they would use e-stamps were college students-individuals who tend to have more familiarity with the Internet than any other demographic. But the time of e-stamps should arrive shortly, as more and more people gain access to the internet and feel more secure in making purchases on-line. Of course this isn't to say that e-stamps will eliminate traditional postage, but it will be an alternative that should be successful.



In terms of responsiveness to customer complaints, we found from our survey of forty people that the Postal Service has been lacking in its ability to respond to customer complaints in an adequate manner. Our results show that of the forty respondents; nearly half felt the U.S. Postal Services were poor in terms of being responsive to customer complaints, while roughly a quarter of the respondents had either no opinion or felt the question was not applicable to them. The remaining respondents were split between feeling that the responsiveness of the Post Office was either average, or excellent.

The important aspect to take away from this question is to see that almost sixty percent of those who did not feel this question was not applicable to them felt that the Postal Services responsiveness to customer complaints was poor. We found that the majority of those who filled out the N/A option of the survey for this question were young people under the age of twenty. Since young people tend to have less contact with the mail services than older people, they also have less knowledge and experience with the various Postal Services. The people from the older demographics were the majority of those who indicated that the responsiveness of the Postal Services was lacking, so this should set off a red light with the Post Office that the responsiveness of the customer complaint system needs improvement.

In this survey we looked at the different services and products offered by the U.S. Postal Service. The general trends indicate that the largest portion of the sample surveyed was satisfied with the different mailing options provided by the Post Office. However, the same cannot be said for those surveyed about the possible increase to 37 cents per stamp; perhaps stemming from the fact that many are already feel that the amount they are currently paying for stamps is sufficient for the level of service they are receiving. Overall, those sampled feel that their safety has not been compromised at the Post Office, whether it be in the form of attacks at the Post Office or via anthrax, though a more careful in depth look shows that those over fifty were much less confident about their safety. The prospect of e-stamps shows that not surprisingly that those who are most interested in utilizing this potential service are those that are much familiar with the Internet, especially college students. Finally, in respect to the responsiveness of the customer complaint system it is very evident that the Post Office still has a way to go before people will be satisfied with the manner with which their complaints are

F. Group Six Project of Alexis Harrington: Written Report

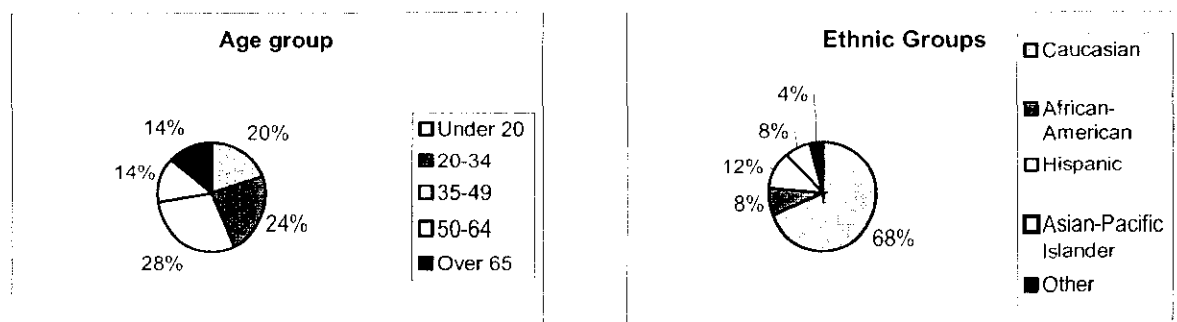
**WRITTEN REPORT AND POWER POINT PRESENTATION
OF GROUP SIX
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

**PREPARED BY:
ALEXIS HARRINGTON**

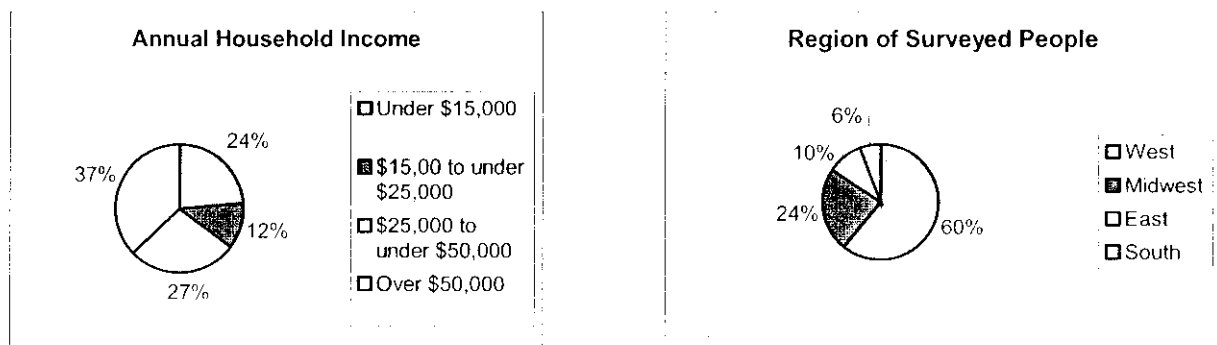
Written Report

The U.S. Postal Service survey that we conducted was an observational study to determine the feelings and attitudes about the services and products, as well as to analyze the 37 cent stamp price. Our surveys were administered in-person, over the phone, and through email. The telephone and in-person surveys helped to better explain questions to the respondents, but may have been biased if another respondent took a different approach to the question. In particular, we received questions about “Respectfulness of Mail Delivery” and what constituted “First Class Mail”. Also, while analyzing the questions to the survey we concluded that since the answers were not free response and limited to only 5 answer possibilities, some respondents may have felt that none of the choices offered were suitable. This could have resulted in biased answers to some of the questions because some of the respondents may have felt stifled.

The U.S. Postal Services surveys were administered to a variety of demographic samples. The demographics conducted included gender, age group, income, ethnic group and U.S. region. This survey was not a simple random sample because these demographics did not completely represent the natural population of the United States, with the exception of a 49/51 male to female ratio. The other demographics are represented with the following graphs:



While the age group demographic is fairly evenly distributed, it does not coincide with the natural U.S. population demographics of age, which shows larger percentages of older age groups (50 and above). As far as ethnic groups are concerned, it is extremely skewed, showing a very large percent of Caucasians. In addition the U.S. regions are extremely skewed with a very large percent of our sample being from the west, mainly California. Also our regions are skewed

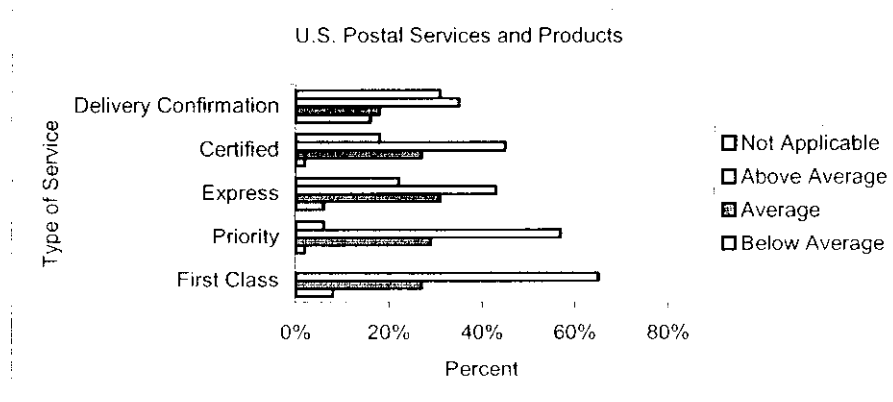


because not only have we not surveyed every state, but the states that we did survey were concentrated in specific cities; Los Angeles, Las Vegas, Fargo and Hershey in particular.

Income may have been misrepresented, because some students were confused as to whether to put down their income (many not having one) or their parents' income. This may seem trivial, but the mentality of a higher income bracket may be different than a lower income bracket, skewing our results when comparing to annual income.

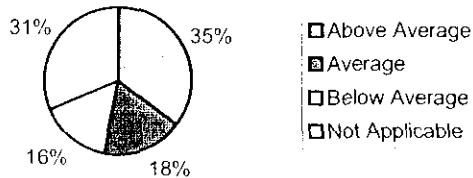
After taking a look at the demographics, we compared the U.S. Postal services and products by breaking up the Excellent to Poor (5 to 1) results into Above Average (5 and 4), Average (3) and Below Average (2 and 1). Looking at the First class, Priority, Express, Certified and Delivery Confirmation the surveyed sample tended to represent a more positive (average and above average) feeling towards their satisfaction of U.S. Postal Services. Of the first four categories listed 92% or more of the sample chose above average or average; while 31% of the sample chose "not applicable" for their answer to Delivery Confirmation service quality. Since

first class mail demonstrated the largest average and above average responses we conducted a 95% confidence interval for that question resulting in the population mean to be in between 3.73 and 4.19. We can conclude that if we took all possible samples of size 51 we would find that 95 of 100 intervals constructed would capture this population mean. We can conclude that “4” will be the most popular rating for First Class Mail. The following graph evaluates our sample’s results:

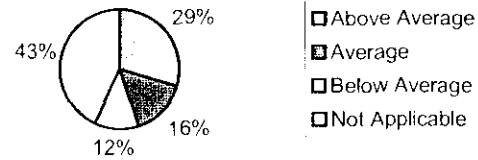


Delivery Confirmation Services along with Postal service Insurance Claim Process had very high “not applicable” responses, 31% and 43%, respectively. This is an example of one of the nonsampling errors we encountered for our survey. This nonresponse error formed a bias to these questions because of the large percentage of respondents who chose “not applicable” to these services. We feel that we cannot draw adequate conclusions to these two survey questions because, we cannot assume that the “not applicable” portion would be split evenly among the above average, average and below average categories.

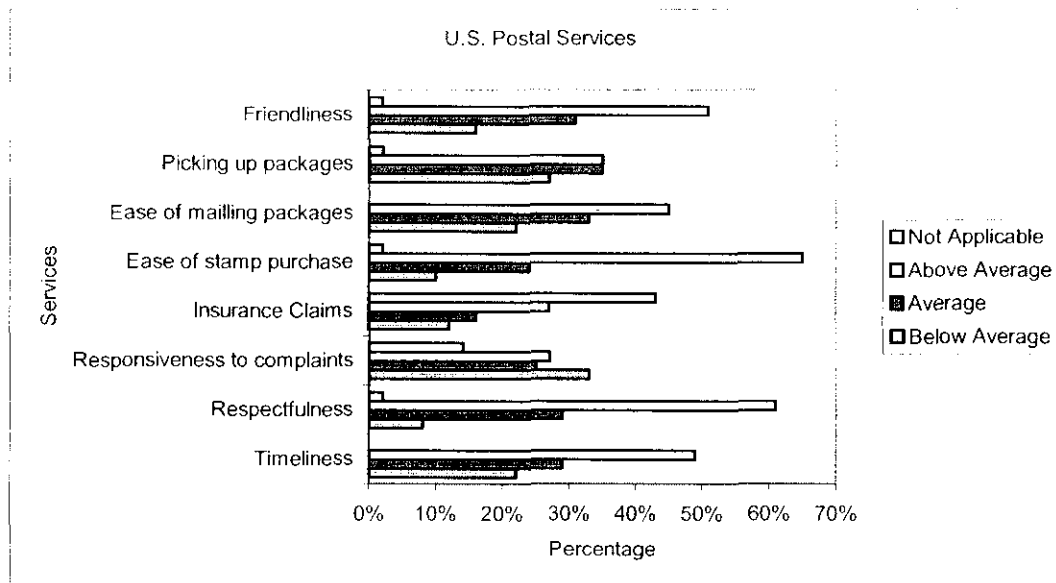
Delivery Confirmation Service



Postal Service Insurance Claim Process

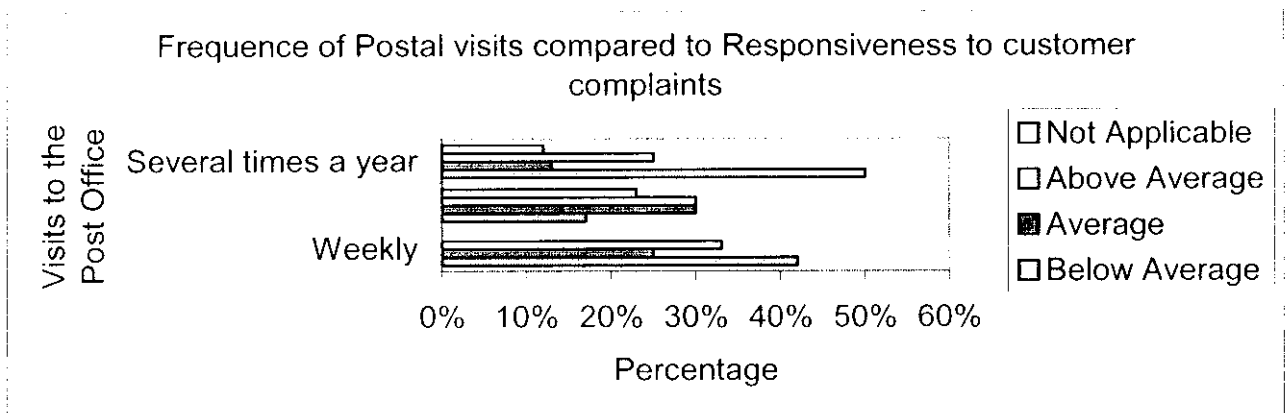


In regards to the responsiveness to customer complaints, the majority (38% of the people surveyed) felt that the U.S. Postal Service was below average in its responsiveness to customer complaints; however, the sample felt that the U.S. Postal Service was above average in every other category.



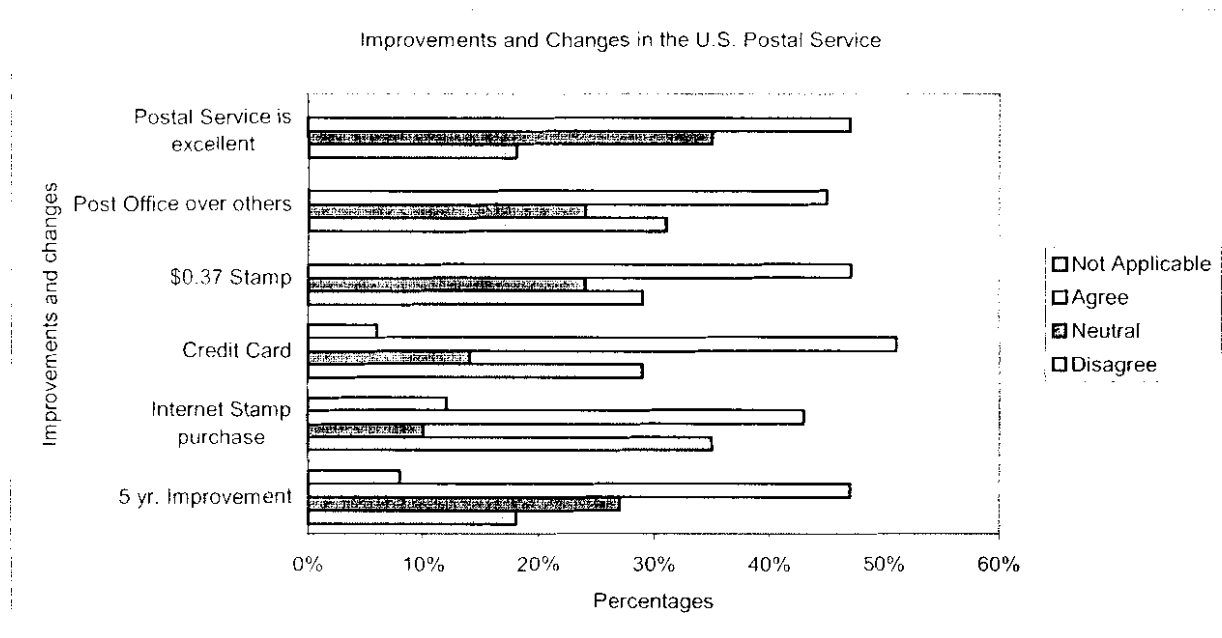
With respect to the majority of people surveyed we could make some observations about how the sample rates responsiveness to customer complaints by how often the respondent visits the U.S Post office. It appears that people who only visit the Post Office a couple times a year

have a lower opinion (50%) about the responsiveness to customer complaints than those who visit more frequently. Also, people who visit the post office weekly or more frequently have a stronger opinion about the responsiveness, resulting in no “not applicable” results. We feel that it is possible that people who visit less frequently may be less inclined to complain about, or have nothing to complain about, thus resulting in more “not applicable” responses.

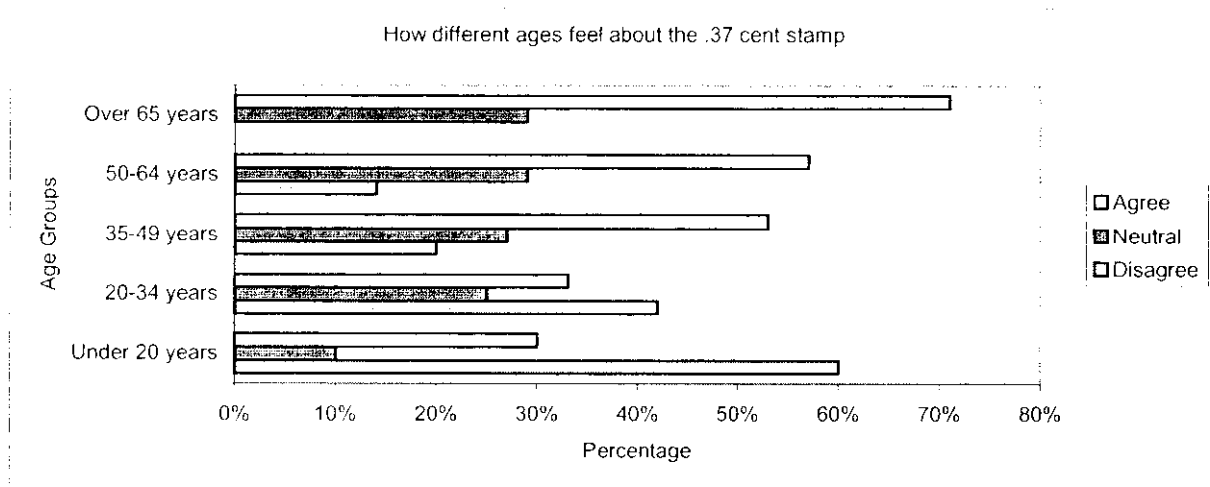


While analyzing the results to the improvements and changes of the U.S. Postal services and products we observed that people were in favor of 37 cents for a stamp, lending to the idea of an unbiased survey.

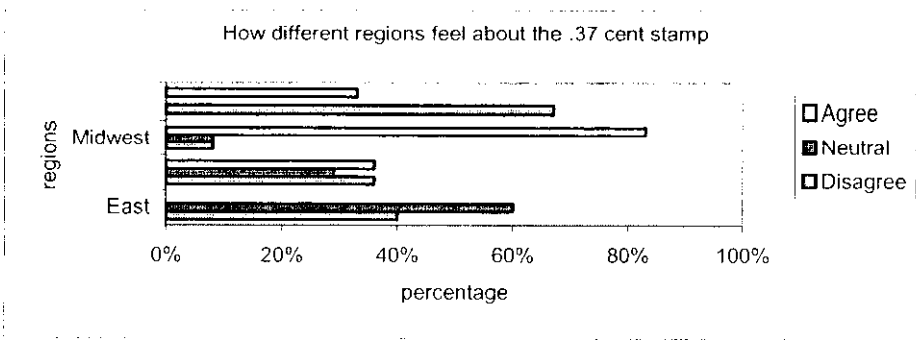
The question, “I view \$0.37 for a one ounce letter as reasonable....” took on the following responses--29% of the sample disagreed with the statement while 47% agreed with the statement, while the rest were neutral.



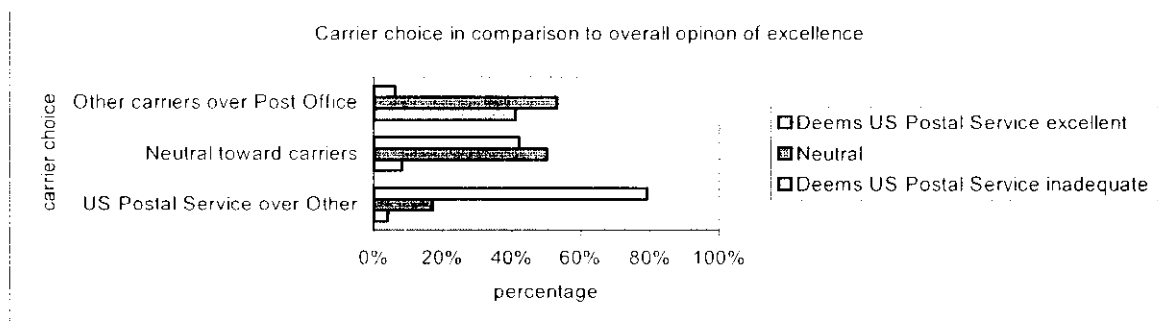
When conducting and administering this survey we knew that the main purpose was to gauge the response of the stamp price increase in addition to the overall feelings of the U.S. Postal services. With that in mind we took several comparisons of the response to the .37 cent stamp with all of the demographics and concluded that there was a particular relationship between age and view of the .37 cent stamp. As the ages increased the view of the .37 cent stamp as being reasonable became more and more positive, while as ages decreased the view of the .37 cent stamp as being reasonable became more and more negative. This relationship could be because the older generations have experienced more of the benefits and seen more of the improvements over the years, whereas the younger generations may not appreciate the value of the U.S. Postal Service because of the increased use of “e-mail” and other electronic sources of mail.



After looking at how the different age groups felt about the .37 cent stamp we also wanted to examine the relationship between the different regions. We found that 83% of our Midwest sample agreed with the .37 cent stamp, while none of the East coast agreed with this pricing. The Midwest responses may be considered biased because of the “nice and friendly” people we surveyed from that particular region of the country or on an optimistic note they may just get really good service in that area. The west was distributed fairly evenly, and this could be because there were 28 people surveyed from this area. Which could be considered very close to a large sample and according to the central limit theorem for almost all populations the sampling distribution of a variable is approximately normal when the simple random size is sufficiently large. In conclusion, for our survey it is a large enough sample to be considered close to normal and shows this graphically.

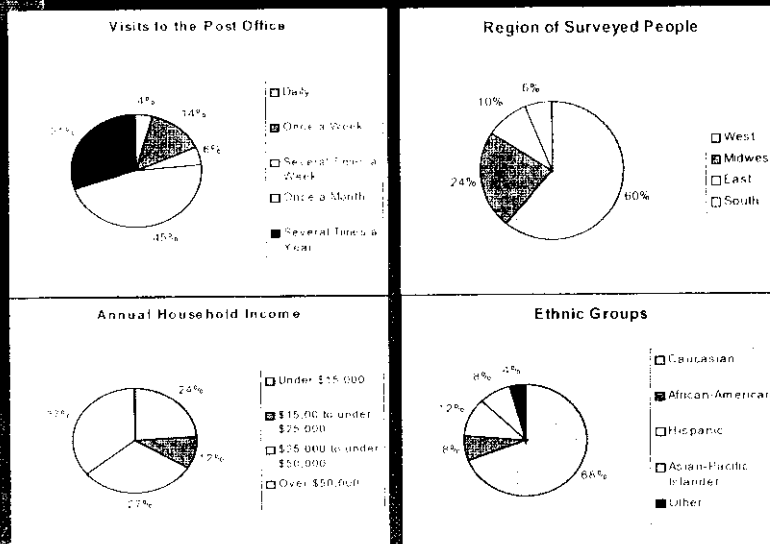


While conducting the survey we included three of our own questions: “Respectfulness of Mail Delivery”, “Friendliness of U.S. Postal Workers”, and “I would rather use the U.S. Postal service over UPS, FedEx, or another Private Mail Carrier”. This last question was placed right before the “Overall, I would rate the level of the Postal Service today as excellent” question. This could have led the respondents into associating the two questions together resulting in similar results. However, it is logical to endorse a private mail carrier if one is unsatisfied with the overall service of the U.S. Postal service, and the answers would reflect this negative correlation. The following graph shows that people that rated the U.S. Postal Service as excellent are very likely to choose the Post Office over UPS, FedEx, or another carrier.



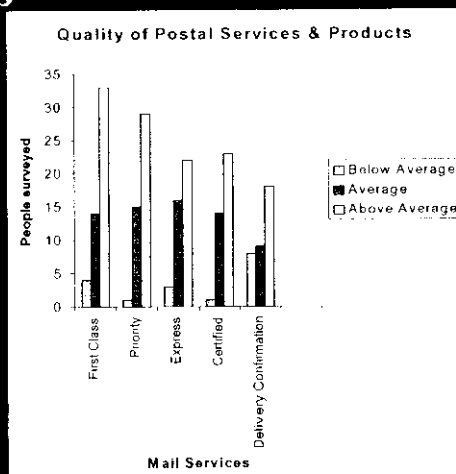
In conclusion, of our 51 people surveyed the sample reflected positive feelings overall about the U.S. Postal Service, and were surprisingly accepting to the 37 cent stamp which would increase the current stamp price by 3 cents.

Demographics of Postal Survey



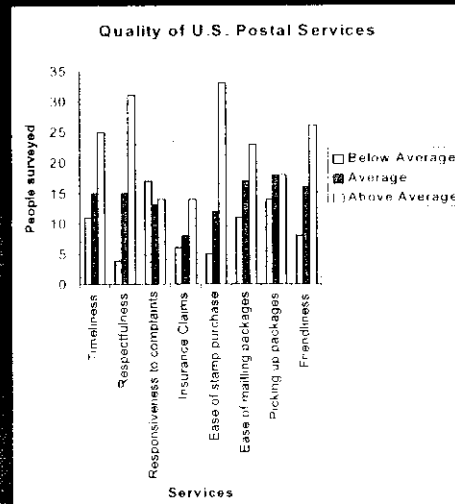
Positive feelings about Mail Services

- 92% or more of the people felt the mail services were average or above average
- 77% felt Delivery Confirmation was average or above average



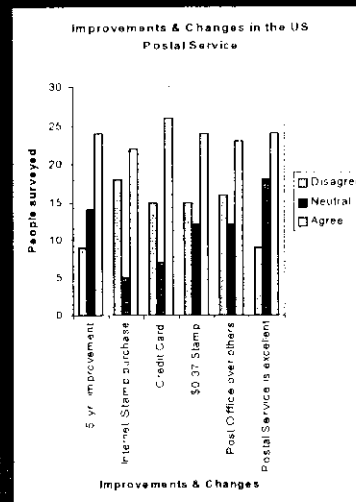
U.S. Postal Service not so responsive to customer complaints

- The majority (38% of the people surveyed) felt that the U.S. Postal Service was below average in its responsiveness to customer complaints
- However the majority of the people felt that all other aspects were average or above average



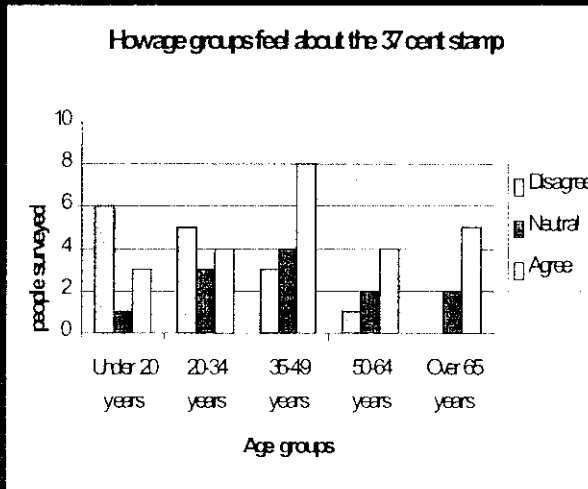
The 37 cent Stamp

- *"I view 37 cents for a one ounce letter as reasonable"*
- 29% of the sample disagree with this statement
- 47% agree with this statement



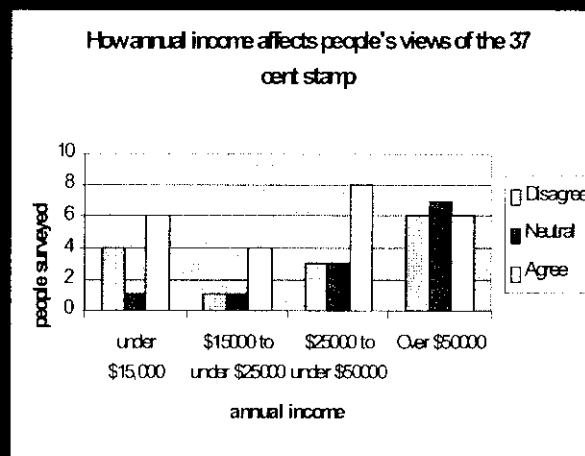
Younger age groups are more likely to disagree with increasing the stamp to 37 cents

- Under 20 years:
-60% Disagree
-30% Agree
- 20-34 years
-42% Disagree
-33% Agree
- 35-49 years
-20% Disagree
-53% Agree
- 50-64 years
-14% Disagree
-57% Agree
- Over 65 years
-0% Disagree
-71% Agree



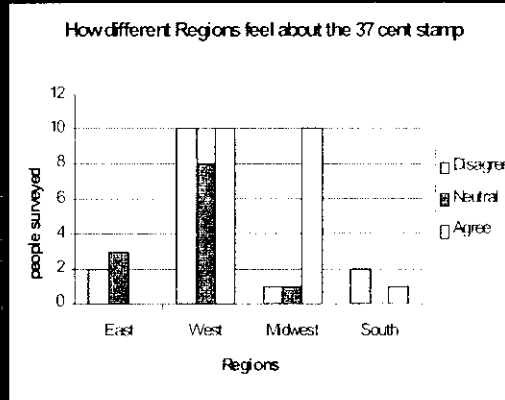
Larger incomes do not indicate strong support for raising the price to a 37 cent stamp

- Under \$15000
-36% Disagree
-55% Agree
- \$15000 to under \$25000
-17 % Disagree
-67% Agree
- \$25000 to under \$50000
-21% Disagree
-57% Agree
- Over \$50000
-32% Disagree
-32% Agree



The Midwest justifies a 37 cent stamp

- 83% of people surveyed from the Midwest region agree that 37 cents is reasonable
- 67% and 40% of the south and east, respectively disagree with the statement



How does the American population feel about the U.S. Postal Service?

- Overall our results indicate positive feelings about the U.S. Postal services and products

- G. Group Seven Project of Kate Healy, Michelle Mierz, J.D. Roux, Natalie Viola: Written Report and Power Point Presentation

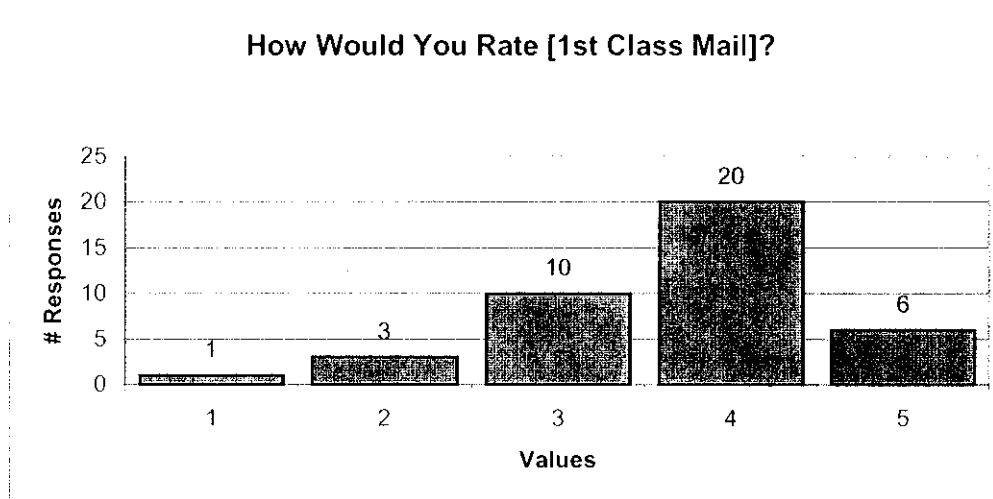
**WRITTEN REPORT AND POWER POINT PRESENTATION
OF GROUP SEVEN
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

**PREPARED BY:
KATE HEALY
MICHELLE MIERZ
J.D. ROUX
NATALIE VIOLA**

Written Report

The United States Postal Service (USPS) is discussing the possibility of implementing a three-cent rate increase to all first class mail. Such an increase may have an adverse effect on the usage of the postal services by the American people. Forty people were sampled to help draw inferences about consumer response to not only this rate increase, but also the general opinion of the USPS.

I. CUSTOMER SATISFACTION WITH FIRST CLASS MAIL

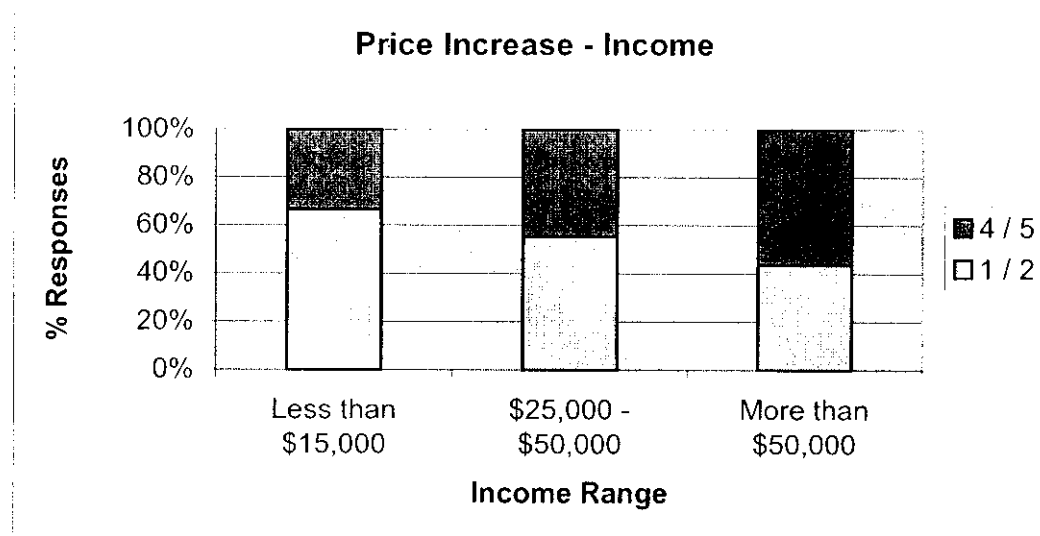


The histogram depicting the respondent's opinions on the first class mail service is negatively skewed or skewed left. The left skewness suggests that there are a large number of lower opinions and a smaller number of higher opinions surrounding the modal class. There are fourteen responses to the left of the mode and six opinions to the right. The modal class is four, correlating to a response of "good" on a scale of one, being poor, to five, being excellent. It can also be noted that there was no non-applicable response; that everyone surveyed had an opinion regarding this topic. The central location is observed at the mode. In left skewed data sets, theory states that the mean is less than the median, which is in turn less than the mode.

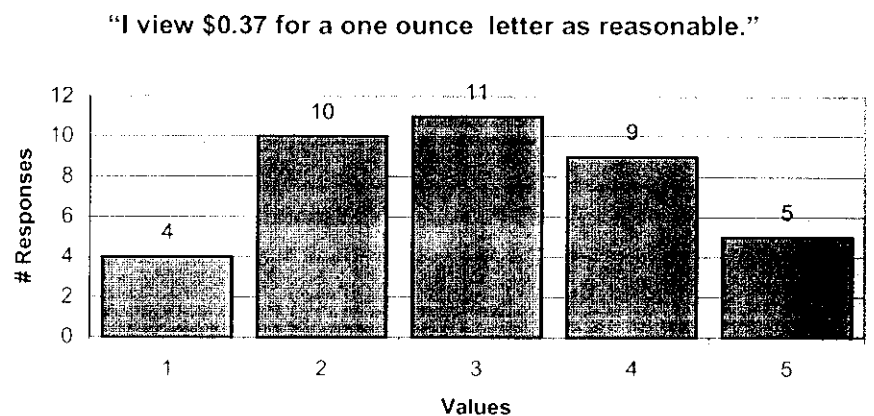
When looking at the histogram for first class mail as compared to a possible increase in postage prices, an interesting relationship appears. While twenty-six out of forty are either “Satisfied” (4) or “Very Satisfied” (5) with first class

mail, only fourteen out of forty responded that they would find a rate increase reasonable. In fact, the histogram for the rate increase resembles a normal curve. This shows that, in general, the responses center around the “Neutral” response of three.

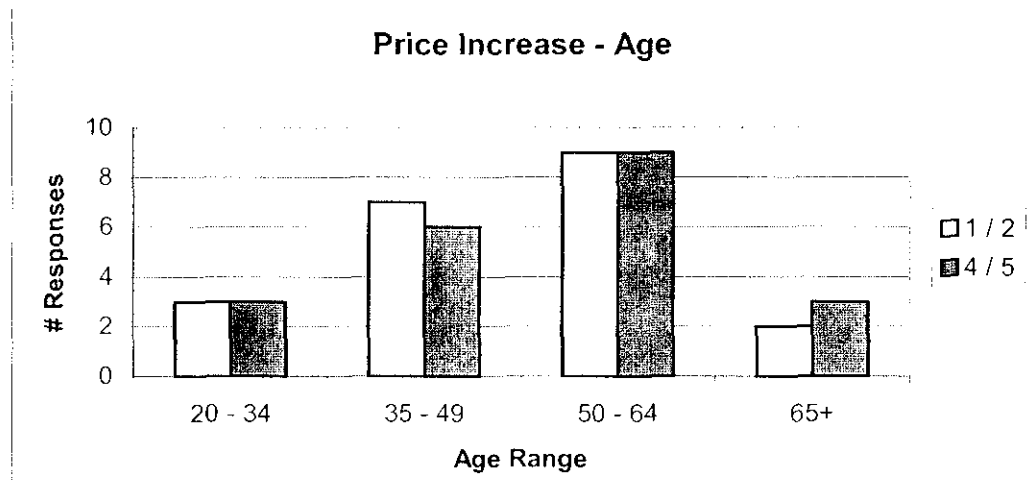
II. DEMOGRAPHIC EFFECTS ON REACTION TO FIRST CLASS MAIL PRICE INCREASE



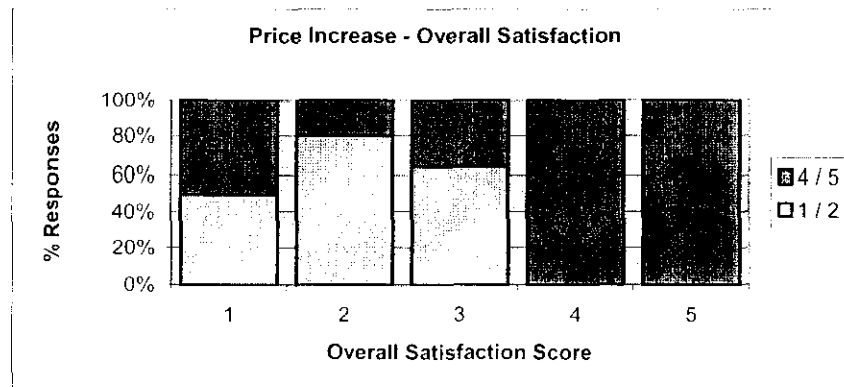
The demographics show that those with an income over \$50,000 are more likely to view \$0.37 for a one ounce letter as reasonable compared to those with a lower income. This reflects that the greater one's income, the less one would be concerned about a three cent increase in postage per letter.



Although many might believe that the opinion on price increase would be contingent upon age, the survey indicates that such a presumption is most likely false. On the contrary, the histograms as separated by age are almost identical. The maximum disparity for any given age demographic between responses of ones or twos versus fours or fives is one, with two of the age groups having identical distributions.

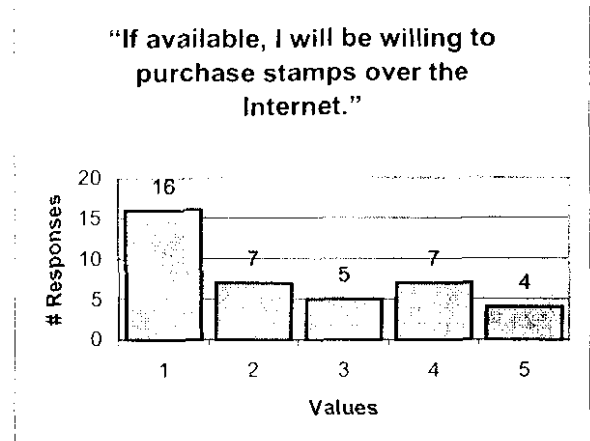
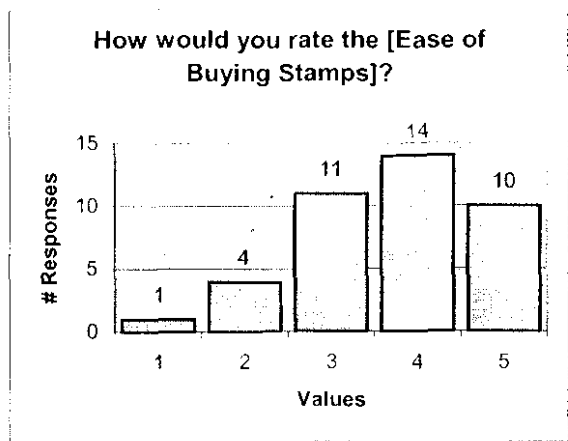


Unsurprisingly, considering the comparisons drawn, it can be noted that the more satisfied a respondent is with the USPS, the more likely he or she is willing to accept a price increase. Therefore, one easy way to implement a price increase without much objection from the American public is to attempt to increase their satisfaction with the postal services.

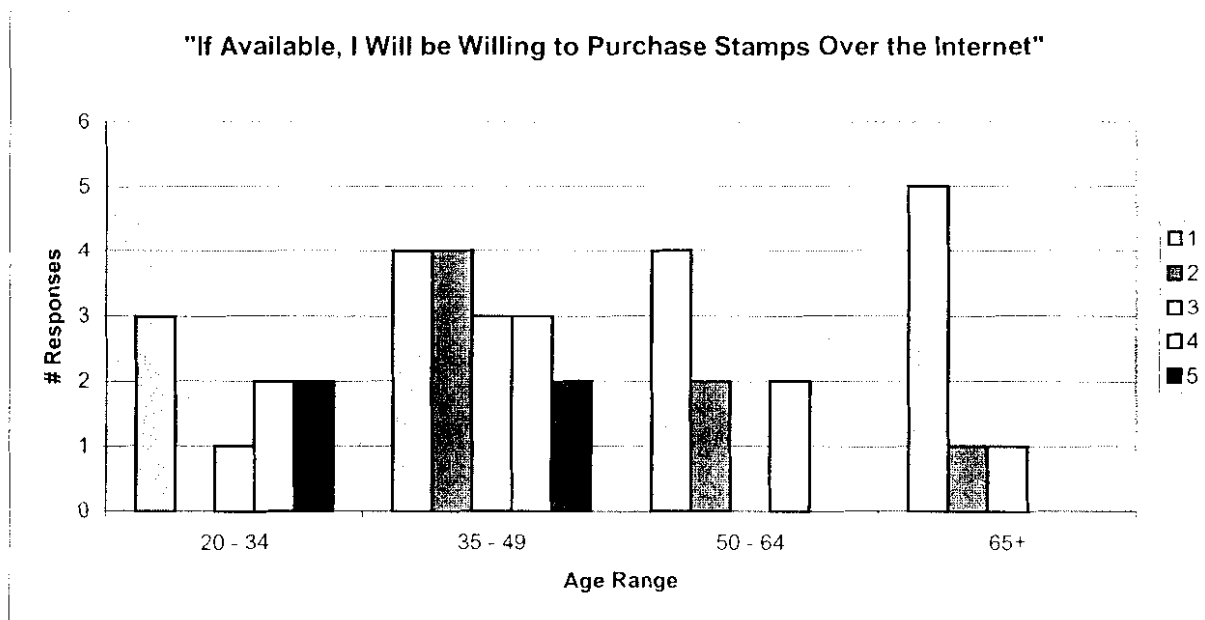


III. PATRON SATISFACTION WITH STAMP PURCHASES

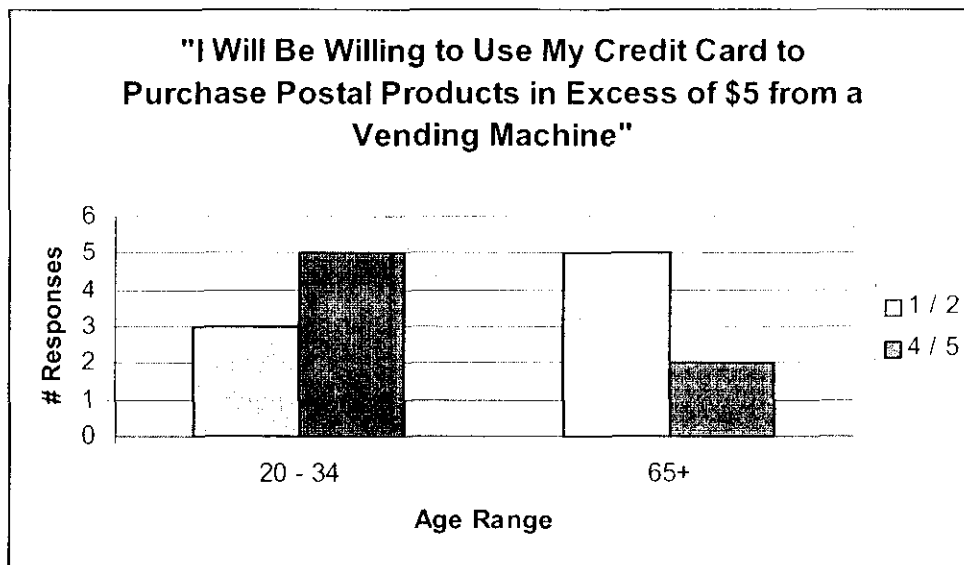
The histogram for “Ease of Buying Stamps” is negatively skewed, while the histogram for “Buying Stamps over the Internet” is positively skewed. The modal class for “Ease of Buying Stamps” is four (fourteen responses), which correlates to “Good,” while the modal class for “Buying Stamps over the Internet” is one (ten responses), which corresponds to “Strongly Disagree.” When comparing these Two inversely distributed responses, there is a negative correlation. The surveyed respondents documented that it is rather easy to buy stamps at a post office; however, these same participants also expressed the opinion that they would most likely not partake in buying stamps over the internet.



IV. SENIOR CITIZENS AND TECHNOLOGY



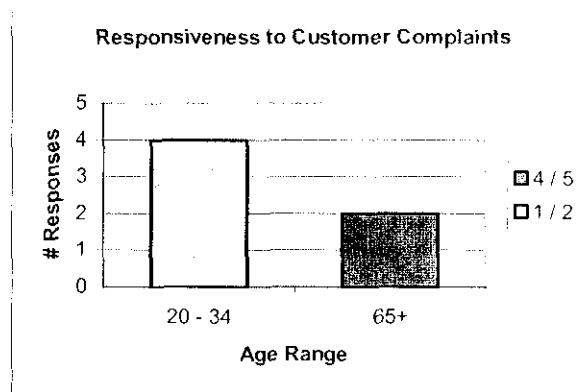
The surveys indicated that those over fifty years of age were not inclined to want to purchase stamps over the internet. This disinterest is expressed by both the fifty to sixty-four and the over sixty-five categories. In the age groups less than fifty, the distributions of opinions were fairly evenly distributed across the scale of one to five. It can be assumed that this reflects the older generation level of discomfort with the internet, especially in regards to over the internet purchases. These respondents' opinions may be altered in part by a concern about safety of using a credit card on the internet. Secondly, they are used to relying on other, more traditional means, of completing daily tasks, like purchasing stamps at the post office. It can also be assumed that those in older age demographics also do not own the up to date and current technology that those in younger age demographics do. For instance, Generation X has primarily grown up being accustomed to computers and their applications.



Similar trends emerged when the group of people over the age of sixty-five were asked about the prospect of using credit cards at vending machines to purchase stamps. On a scale of one to five with one being "Strongly Disagree" and five being "Strongly Agree," five people responded with either ones or twos, while only two responded with fours or fives. When compared to those of age between twenty and thirty-four, an inverse relationship is displayed. This younger demographic was almost twice as likely to respond with fours and fives compared to ones and twos. This shows that younger people are more comfortable with technology, and the idea of credit cards used at vending machines might be more effective in areas predominated by younger people. One possibility could be on or near a college campus. As time passes and this younger generation grows up, such options created by technology will become more plausible.

V. RESPONSIVENESS TO CUSTOMER COMPLAINTS

Diverging from what many might believe, the analysis of the responses shows that younger users of the postal services are more likely to believe that the USPS is not responding to their needs. This is indicated in their response to the prompt, “How would you rate the USPS on responsiveness to customer complaints?” When responses of 0 (No Opinion) and 3 (Neutral) are omitted, the data points to an interesting conclusion. While all four people from age 20-34 said they were either Very Dissatisfied (1) or Dissatisfied (2), both people over the age of 65 responded that they were either Very Satisfied (5) or Satisfied (4).

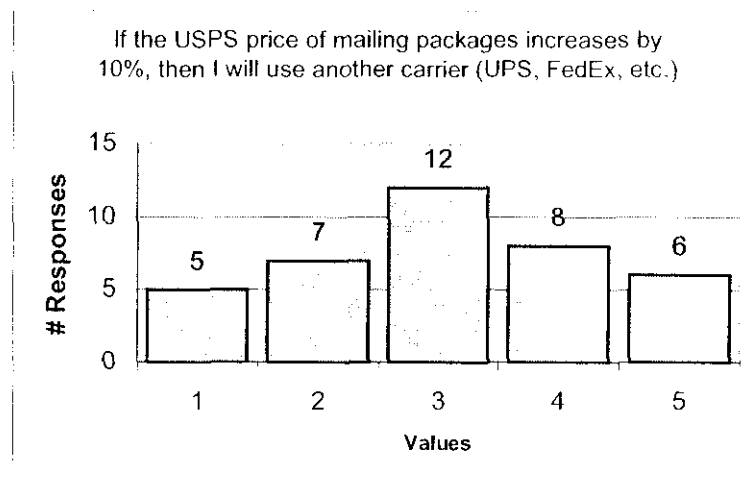


VI. NON-RESPONSE FOR INSURANCE CLAIM

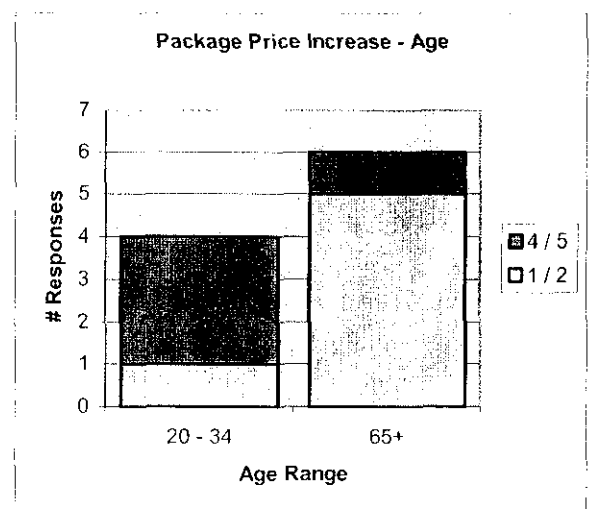
Of our forty surveys administered, twenty-eight respondents answered that insurance claim process was non-applicable for them. We find this noteworthy because no other question showed that across our sample people were not familiar with this service. Also, this means that seventy percent of our sample either do not use or are not familiar with this service. We may recommend either that the Post Office advertise this service or how it may be useful to users or reevaluate their attention to such a service that is either unknown to users or simply not helpful.

VII. DEMOGRAPHIC EFFECTS ON REACTION TO PACKAGE RATE INCREASE

To shed light on possible consumer reaction to a price increase on parcel postage, a question was added to the class survey. In conjunction with the prompts in question number three, this added prompt asks the respondents to gage their possible reaction if the USPS were to increase parcel postage by 10%. The response histogram resembles a normal curve centered around the "Neutral" response of three. This question further illuminates that those sampled, in general, are fairly neutral in their opinion about a USPS price increase. However, further conclusions can be inferred when more in depth analysis, using cross-sections, is conducted.



When asked if they would consider another carrier instead of the USPS increasing their parcel postage by 10%, those from age 20 to 34 were more likely to use another service as compared to those over the age of 65. Three out of four in the younger demographic responded favorably by choosing either four or five, while five out of six in the older



demographic responded negatively by choosing either one or two. In conjunction with economic theory, people will seek substitutes when encountered with a price increase. The older generation might have more loyalty to their original service provider, the USPS.

Another possibility could be that the older generations have been conditioned to be loyal to the post office from years of using it.

An interesting observation in this category can be seen when comparing overall satisfaction with the postal service. Since most respondents who indicated high satisfaction with the USPS would be hesitant to switch carriers when faced with the 10% price increase, the reasonable assumption would be that the opposite would hold true for those very dissatisfied with the USPS. However, the data in this sample indicates that even these unsatisfied customers have a high degree of loyalty to the USPS. Three out of four of those who are very dissatisfied with the USPS gave a response of one (strongly disagree) and two (agree) when prompted with the possibility of switching carriers when encountered with a price increase for package shipping. Two conclusions emerge: either these users remain hopeful that the USPS will eventually improve and meet their standards, or these individuals made a mistake and actually intended to select four or five to convey their willingness to change carriers. Such possible mistakes would fall under the category of errors in data acquisition, which is a non-sampling error.



In conclusion, it is rather difficult to make broad generalizations on the basis of such a small sample size. While some relationships were apparent, for example the likelihood of older people buying stamps over the Internet, others were less clear. Other weaknesses in our sample include lack of variation in regard to ethnic backgrounds and household income. If the survey were re-administered to a large number of a more demographically diverse group of people that more accurately mimics the population, then perhaps more conclusive correlations could be drawn from the data.

SURVEY SAMPLE RESULTS

1. How would you rate the following postal services or products?

	0	1	2	3	4	5
First Class	0	1	3	11	19	6
Priority	11	1	2	11	11	4
Express	14	0	3	8	12	3
Certified	9	0	1	11	14	5
Confirmation	10	0	6	11	8	5

2. How would you rate the U.S. Postal Services on the following?

	0	1	2	3	4	5
Timeliness	0	2	9	15	12	2
Responsiveness	12	8	7	10	1	2
Insurance	28	3	1	5	1	2
Buying Stamps	0	1	4	11	14	10
Mailing Packages	1	0	4	25	7	3
Pick Up Packages	4	0	12	16	5	3

3. To what extent would you agree or disagree with the following statements?

	0	1	2	3	4	5
5 Years Ago	3	6	6	19	6	0
Internet Stamps	1	16	7	5	7	4
Credit Card	1	10	8	6	9	6
Reasonable Price	1	4	10	11	9	5
Other Carriers	2	5	7	12	8	6
Overall	1	5	6	19	7	2

4. On average, how often do you visit a U.S. Post Office?

Never	Daily	Weekly	Weekly+	Monthly	Yearly	Yearly+
0	1	12	4	16	0	7

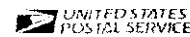
Demographics

Gender	Male	16	Female	24				
Age	20 - 34	8	35 - 49	16	50 - 64	8	64+	8
Income	15,000 -	4	\$15,000 +	3	\$25,000 +	10	\$50,000 +	23
Ethnic Group	Caucasian	33	African	3	Hispanic	1	Asian	3

USPS Survey Results

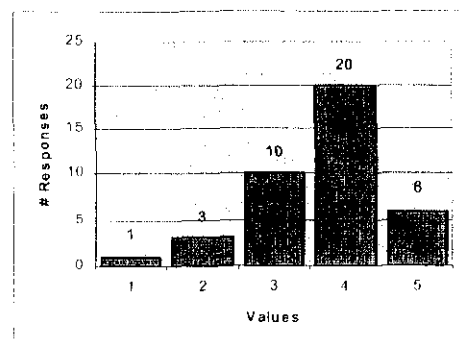
Kate Healy
Michelle Mierz
J.D. Roux
Natalie Viola

BUAD 309 (Business Decisions Under Uncertainty)
Noon Section

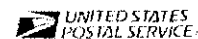
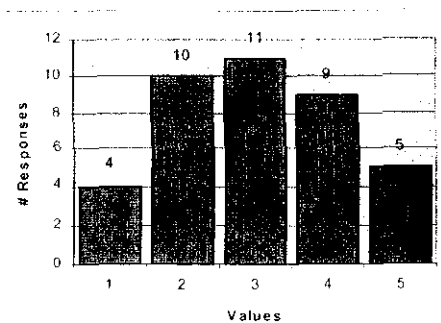


USPS First Class Mail

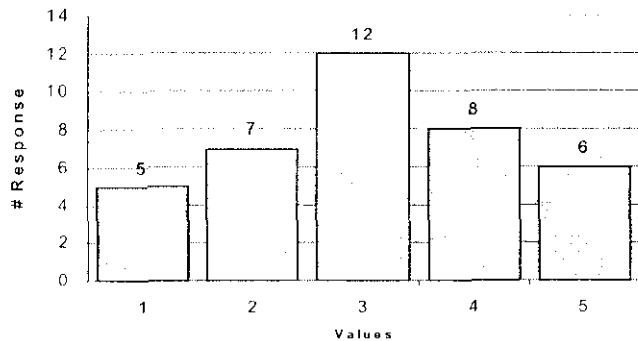
How would you rate
[First Class Mail]?



"I view \$0.37 for a one ounce
letter as reasonable."



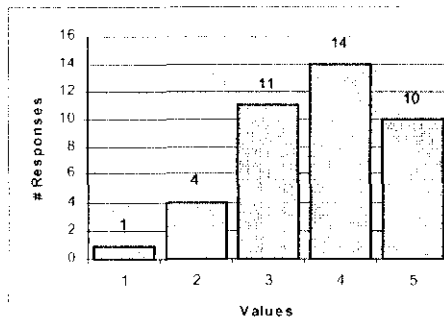
“If the price of mailing USPS packages increases by 10%, then I will use another carrier (UPS, FedEx, etc.).”



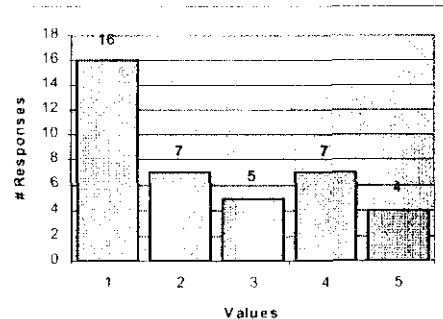
UNITED STATES
POSTAL SERVICE

USPS Stamp Purchases

How would you rate the
[Ease of Buying Stamps]?



“If available, I will be willing to
purchase stamps over the Internet.”



UNITED STATES
POSTAL SERVICE

- H. Group Eight Project of Vanessa Motley, Brianna Legrand, Alicia Moy, Anna Culhane: Written Report and Power Point Presentation

**WRITTEN REPORT AND POWER POINT PRESENTATION
OF GROUP EIGHT
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

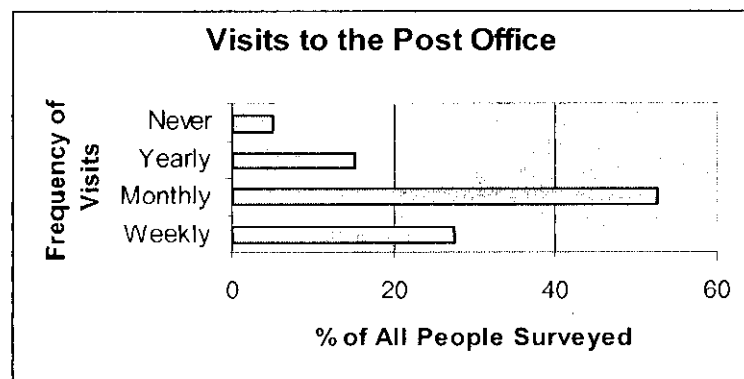
**PREPARED BY:
VANESSA MOTLEY
BRIANNA LeGRAND
ALICIA MOY
ANNA CULHANE**

Written Report

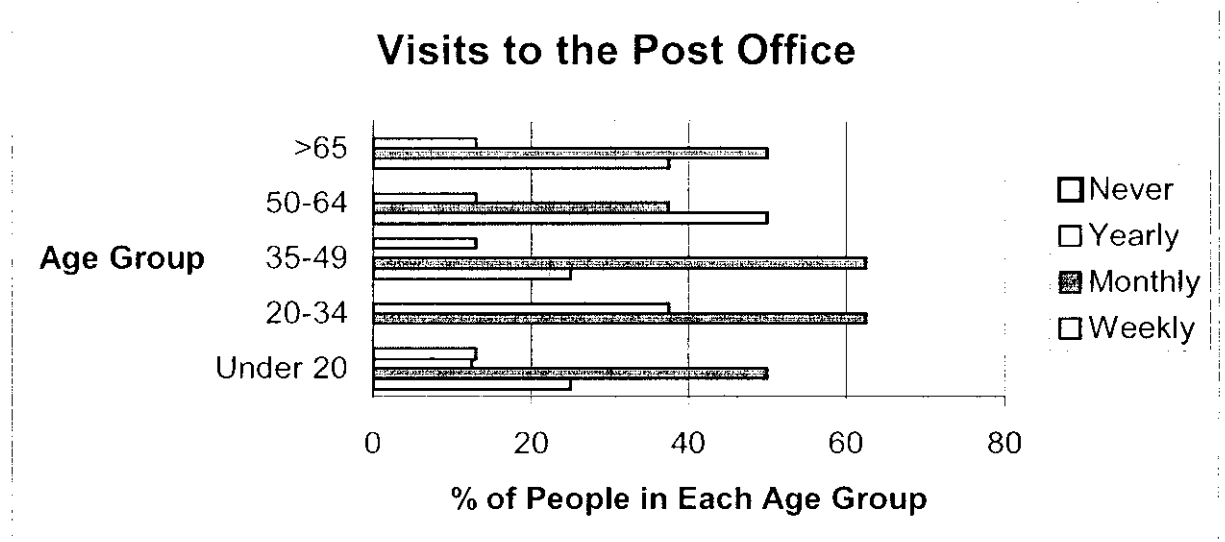
Postal Survey Project

To conduct this survey, we chose a sample of forty people from five different age ranges. The purpose of the survey was to use the opinions of individuals to evaluate the postal service and determine a general feeling about changes that may be implemented. We chose to analyze five questions that we thought were the most important in evaluating what people think of the postal service. We chose the frequency of visits to the post office as the first question to ensure that our data was based on people who were actually knowledgeable about the services. This question also provides us with an idea of how much weight should be given to the opinions of those surveyed.

For the questions we chose to analyze, we graphed the data in terms of percent of everyone surveyed as well as the percent of those surveyed in each age group. The first graph for each question contains the information from all forty people surveyed. We chose to include these graphs to give us a general view of all responses to each question. The second graph for each question shows the data divided into age groups, our only control. We chose to calculate the percentages for these graphs by age group as opposed to by the total number of surveys because this way we can more easily compare the data across different age groups.



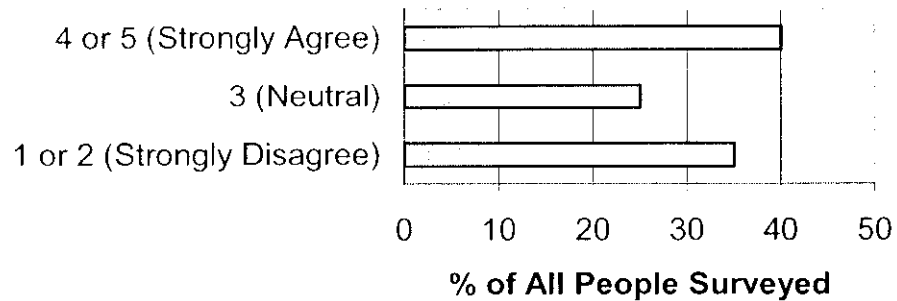
A majority of the people surveyed visit the post office monthly (several times a year, once a month, several times a month).



Younger age groups have a higher percentage of people who visit the post office less often. This could be because they are more accustomed to the internet and email and find these more efficient alternatives to using the post office.

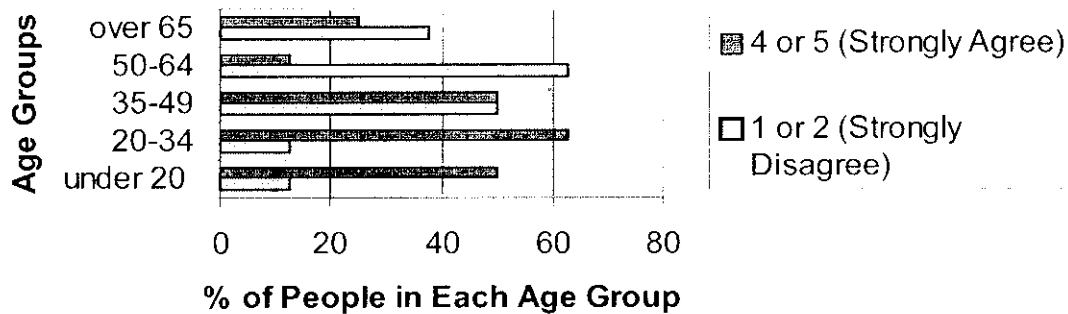
The majority of the two oldest age groups visit the post office either monthly (several times a year, once a month, several times a month) or weekly (once a week, several times a week, daily). This could be attributed to the fact that older people are less accustomed to using the internet and they are more used to going to the post office to mail a letter. These people may also have more time on their hands to visit the post office.

If Available, I Will be Willing to Purchase Stamps Over the Internet



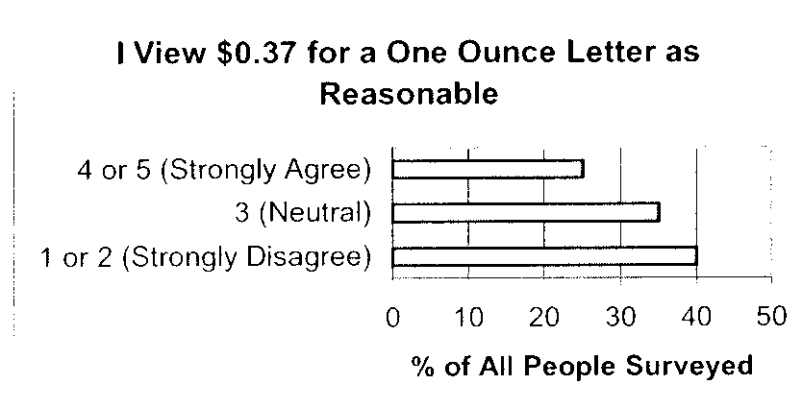
Overall, there are more people who would be willing to purchase stamps over the internet, however, the difference between “agree” and “disagree” is minimal. Also, twenty-five percent of the people surveyed took a neutral stance on the question.

If Available, I Will be Willing to Purchase Stamps Over the Internet

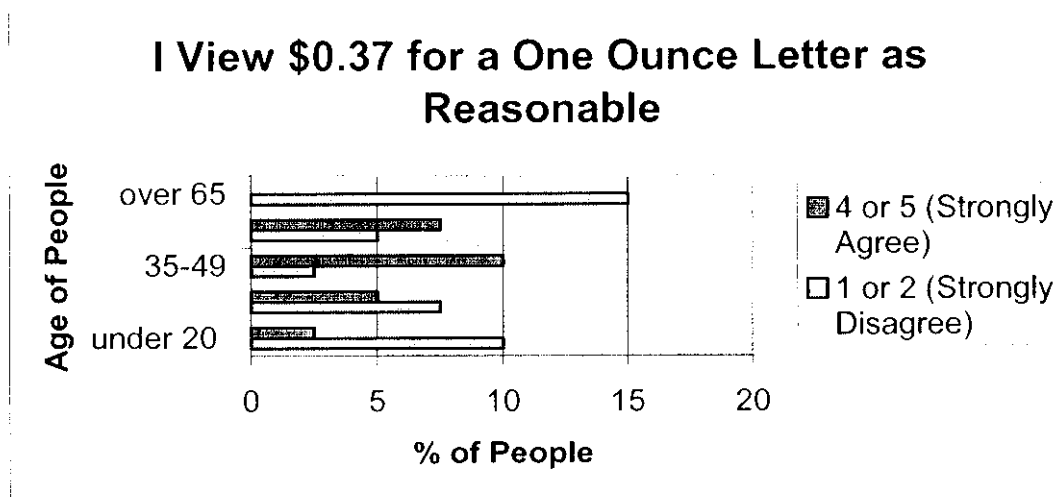


When broken down by age group, it is clear that older people are less willing to purchase stamps over the internet while younger people are more likely to use this innovation. For the age groups of 50-64 and over 65, those who disagreed outnumbered those who were willing to use the internet to buy stamps. On the contrary, a majority of those 20-34 and under 20 strongly agreed that they would be willing to purchase stamps over the internet. For the age group of 35-

49, those surveyed were equally divided on the issue. The fact that the older age groups were more likely to disagree with this new way to purchase stamps can be attributed to their lack of technological knowledge and comfort with the internet. However, younger generations are generally more accustomed to using the internet and can see the convenience in this method of purchasing stamps.

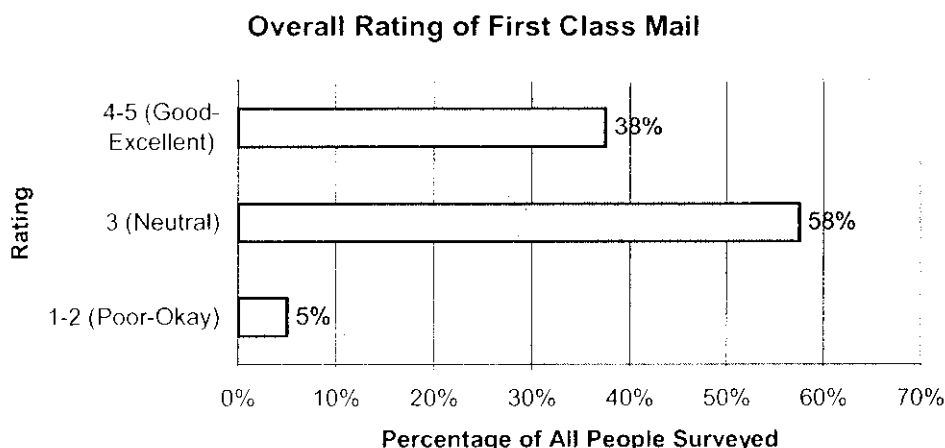


More people felt that \$0.37 for a one ounce letter is unreasonable than reasonable.

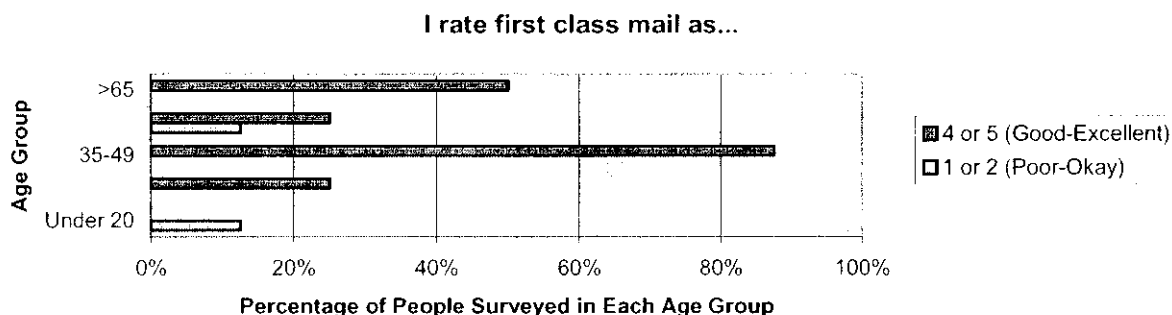


The age groups of under 20, 20-34, and over 65 generally thought that \$0.37 was unreasonable. These age groups usually have lower incomes than people 35-49 and 50-64 because they are students, are just starting their careers, or are retired so they may be more

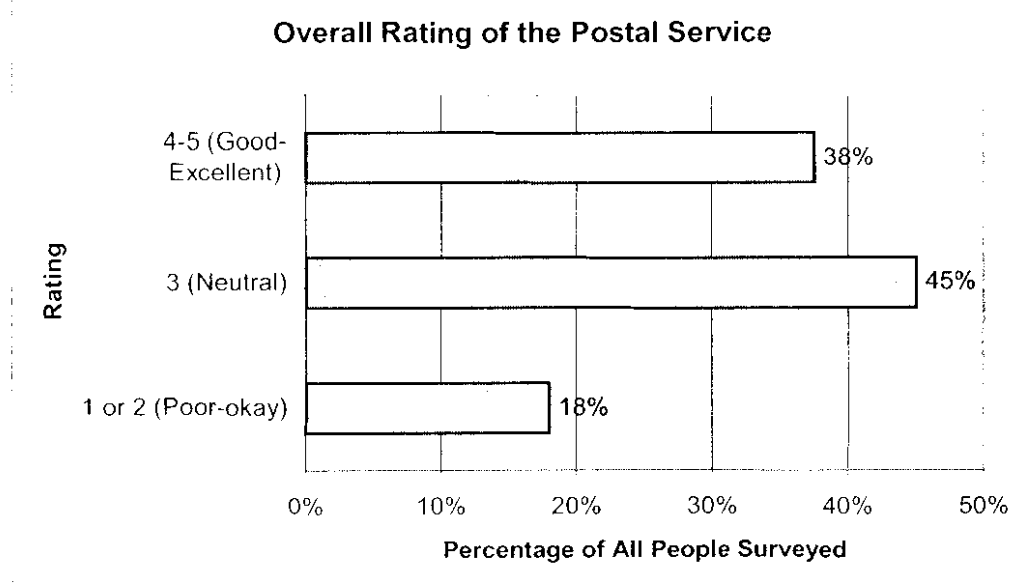
sensitive to a higher price. Also, people over the age of 65 may be more accustomed to much lower prices for a stamp. The age groups of 35-49 and 50-64 thought that this price was more reasonable.



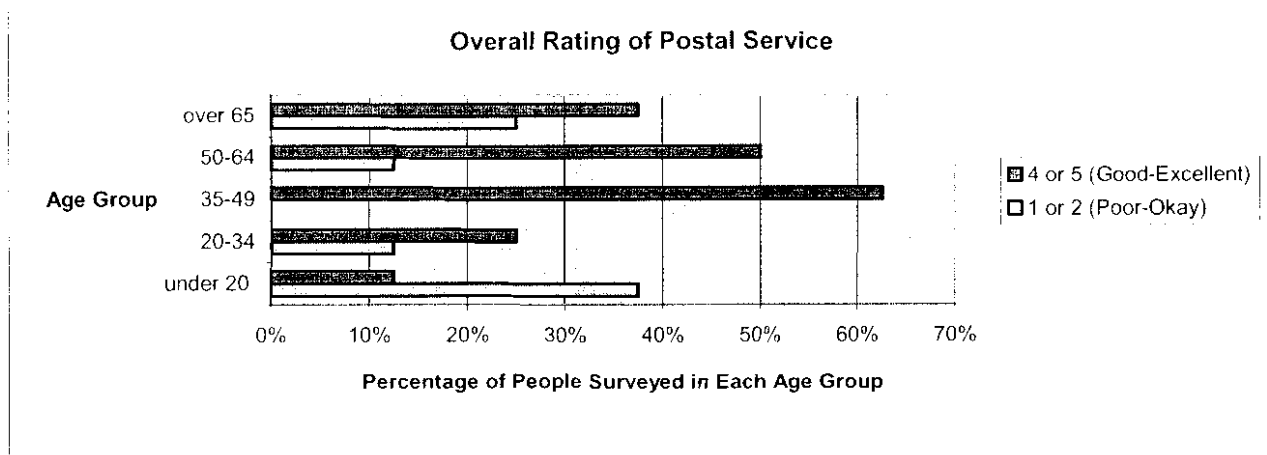
The majority of people surveyed did not have a strong opinion about first class mail because as long as their letters or packages are delivered in a timely fashion they have no reason to rate the service as poor or excellent. However, the people who felt strongly generally thought that first class mail was good or excellent.



Opinion on first class mail depends largely on personal experience. We see no direct correlation between opinion of first class mail and age groups. People who have a strong opinion generally have had either a specific positive or negative experience outside of the regular mail delivery.



Out of the participants in the survey, most took a neutral stance on the overall rating of the postal service. Of those who did have an opinion, more people had a favorable view the postal service's performance.



Analysis of the data through age groups showed that the age groups over 65 and under 20 had the largest percentage of those dissatisfied. The remaining age groups, which fell between 20 and 65, were, for the most part, more than satisfied with the postal service. In the age group

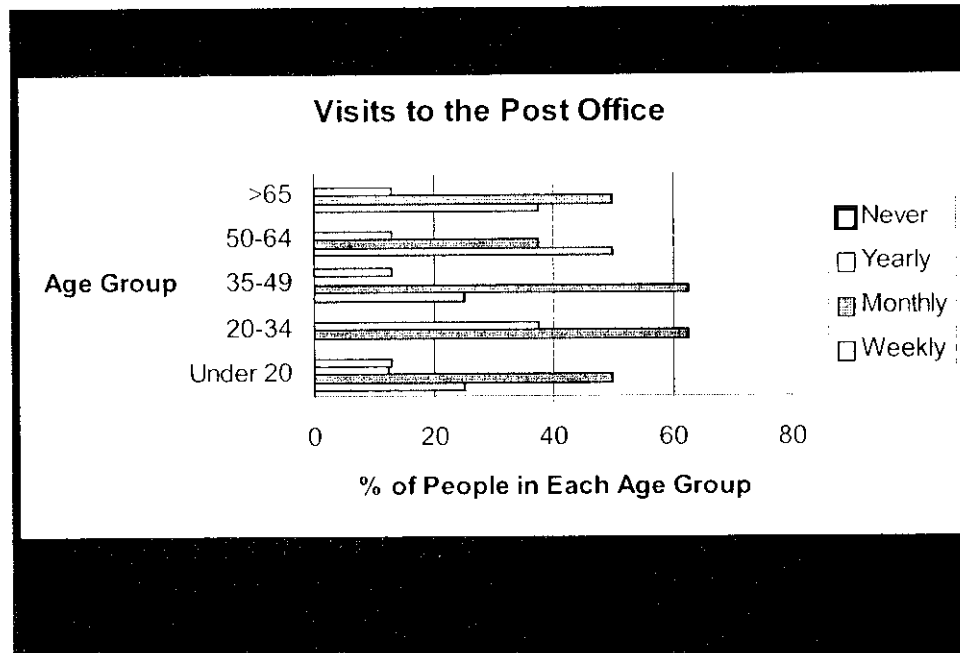
of 35-49. no one rated the postal service as poor. Because there are so many external factors that may affect one's opinion on the overall evaluation of the postal service, it is difficult to explain the reasons for our results. Perhaps analysis of the data considering income levels, race, gender, or location of the post office would have provided a better explanation of the data.

Conclusion:

Overall, we found that the majority of those sampled would be willing to purchase stamps on the internet, disagree with a three cent increase in stamp price, and were satisfied with first class mail service and the post office in general. However, many people took a neutral stance which provided an unclear assessment of their feelings. Therefore, it is difficult to arrive at a concrete conclusion on which actions the post office should take in the future.

There may be several reasons that our data may not be representative of the entire population. These findings are also not conclusive because the sample was not representative of the entire population or random. It may not be representative of the entire population because most of the surveys were taken by people with common demographics. Also, there were many variables which were not taken into consideration (i.e. income, race, gender) when analyzing the data.

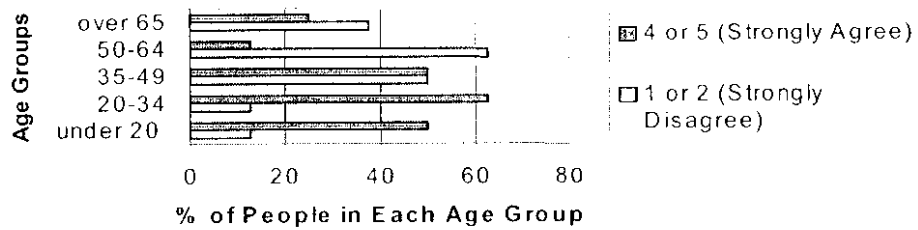
Power Point Presentation



Frequency of Visits

- Younger age groups visit post office less often
- Older age groups visit post office more often

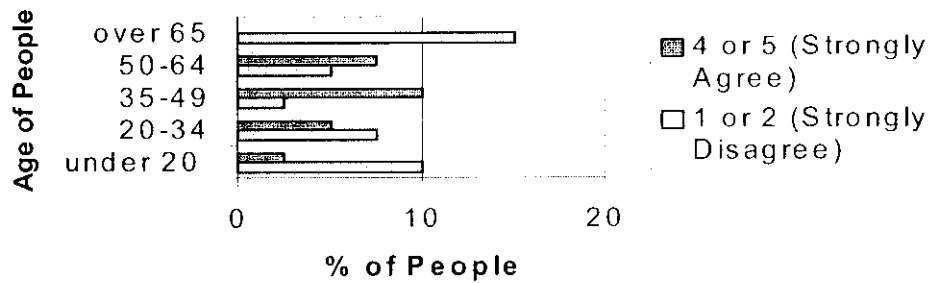
If Available, I Will be Willing to Purchase Stamps Over the Internet



Purchasing Stamps Online

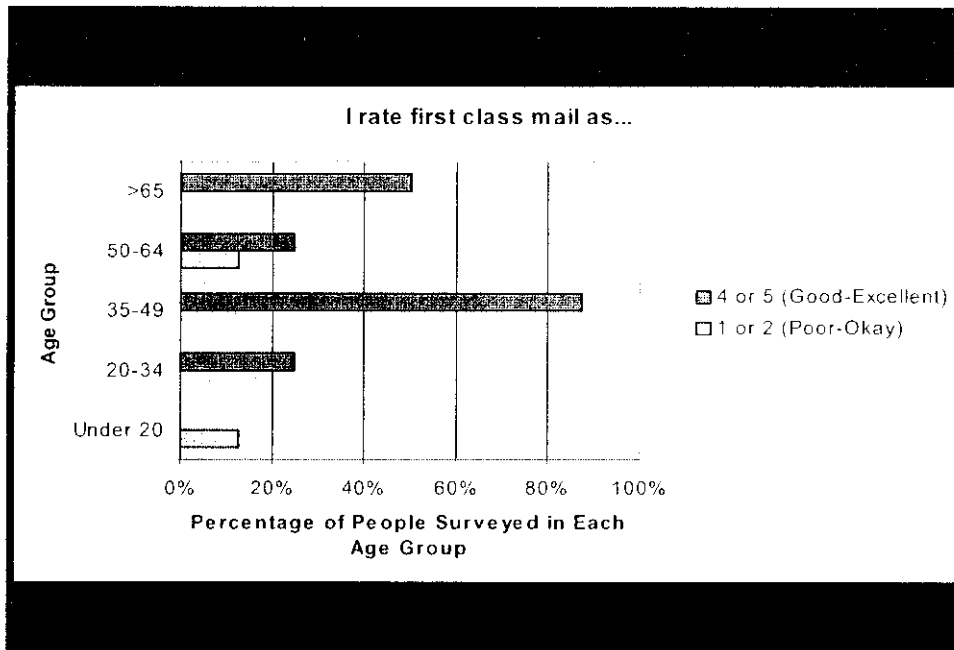
- Older people less willing to buy stamps on internet
- Younger people much more willing to buy stamps on internet

I View \$0.37 for a One Ounce Letter as Reasonable



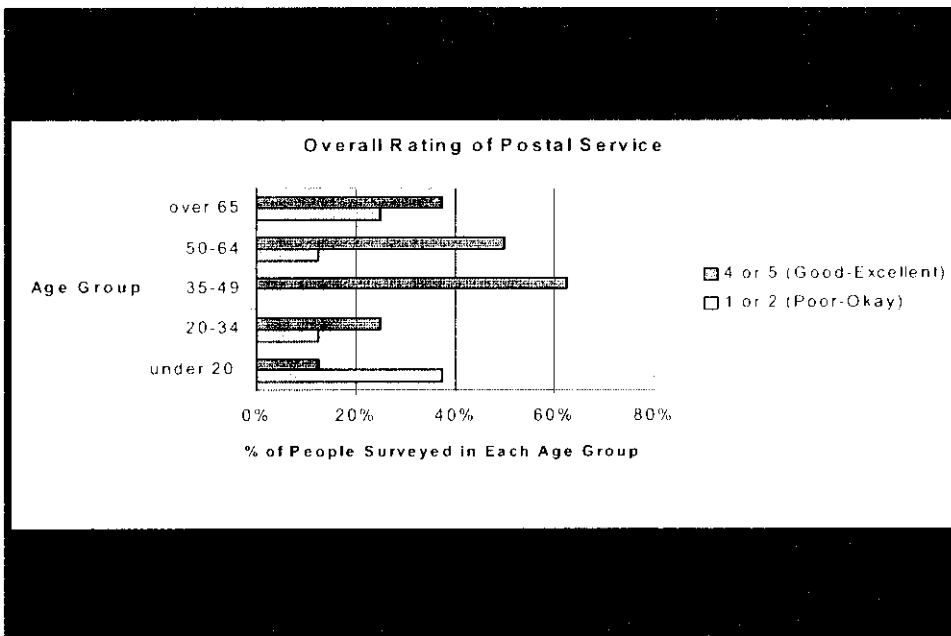
Is \$0.37 Reasonable?

- Majority of under 20, 20-34, and over 65 say that \$0.37 is unreasonable
- Majority of 35-49 and 50-64 say that \$0.37 is reasonable



First Class Mail

- Many more people said first class mail was good or excellent than poor
- Opinions on this service depended largely on personal experiences, not age groups



Overall Ratings

- Under 20 and over 65 had largest percentages of dissatisfied people
- Other ages were generally satisfied
- No one 35-49 was dissatisfied

I. Group Nine Project of Diana Oh, Claire Uy, Amelia Wong: Written Report

**WRITTEN REPORT
OF
GROUP NINE
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

**PREPARED BY:
DIANA OH
CLAIRE UY
AMELIA WONG**

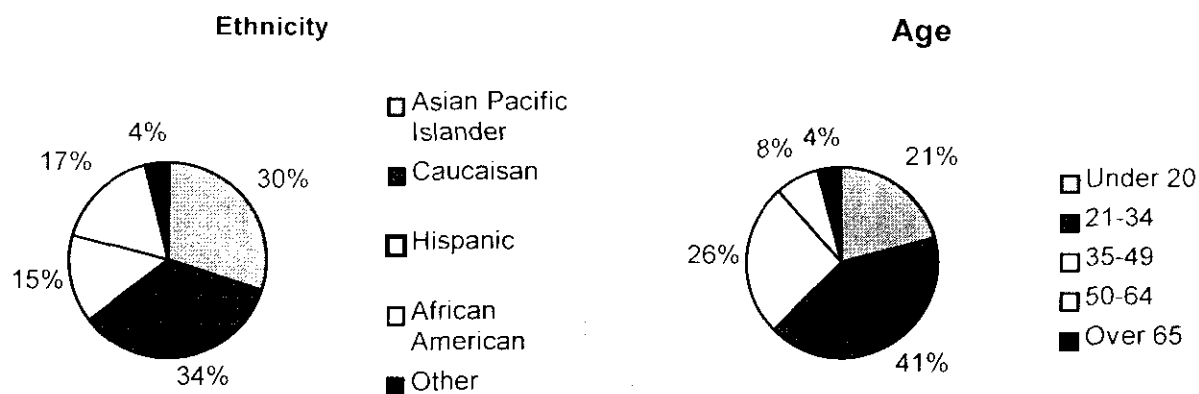
I. Introduction:

The purpose of this project is to get a general overview on public opinion regarding the level of service the U.S. Postal Service provides, as well as the views on the proposed increases in postal rates from 34 to 37 cents.

We decided to focus on some of the more significant aspects that stood out from the United States Post Office survey conducted. We tried to focus mostly on the general opinions of the \$.37 increase on one-ounce stamps, the overall opinions on the various services offered at the U.S.P.S., the usage of internet versus the age group of the respondents and if that had any influence on whether people were willing to buy stamps on the Internet, and if the U.S.P.S. needed any specific improvement on a certain service that they provided. Other significant trends that we noticed will be mentioned further along in this report.

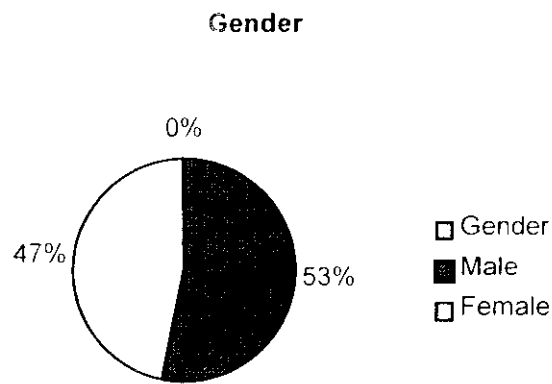
II. Demographics

We surveyed a total of 53 people and broke the audience of our survey into the various demographics as shown in the graphs below: ethnicity, age, gender, and income.

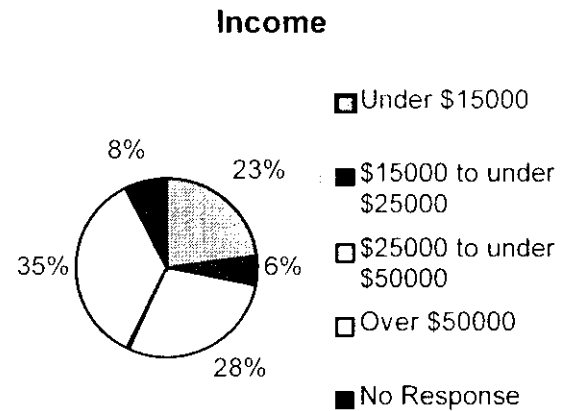


These are the breakdowns in terms of ethnicity. As you can see, There are predominately more Asian Pacific Islanders and Caucasians than any other ethnic group surveyed.

These are the breakdowns in terms of age. There are a majority of 21-34 year olds than any other age group.



These are the percentages of the male and female respondents. As you can see, there is a pretty even percentage of males and females.



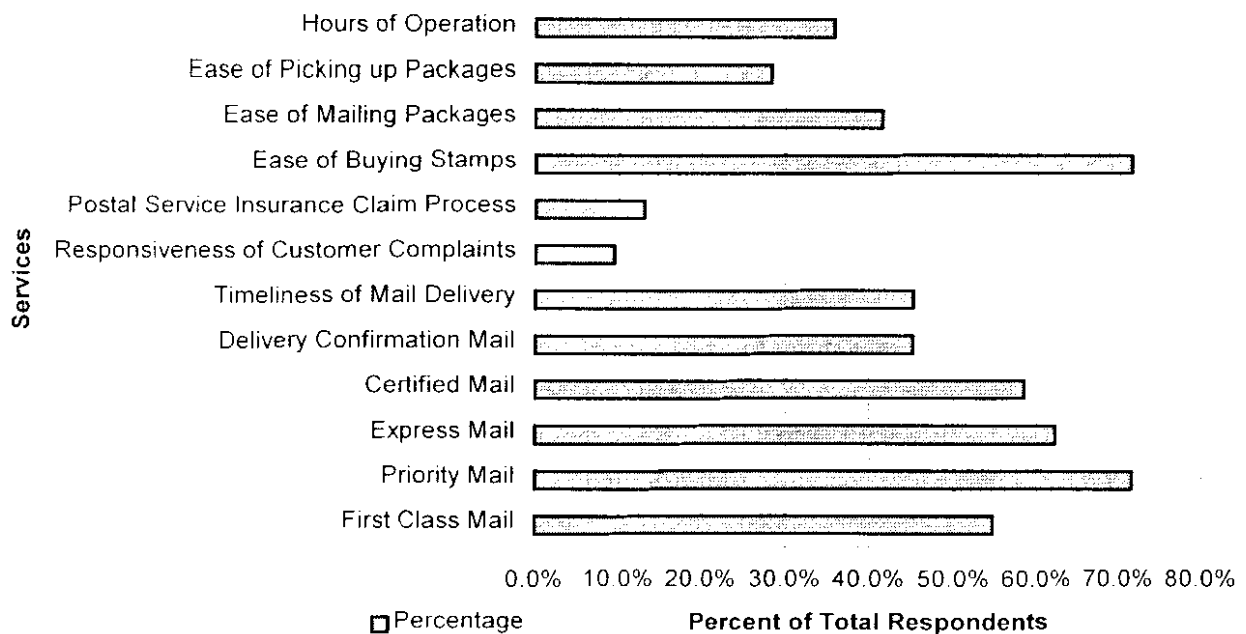
This pie chart shows the breakdown of income Among the people surveyed. There is a majority of \$25000 o under \$50000 income group and the \$50000 income group.

III. General Opinions on the Level of Service

Our survey was set up so that the respondents rated the postal services or products on a scale of 1-5, 1 being extremely dissatisfied and 5 being extremely satisfied. The respondents also had the option of answering 0, which meant the question was not applicable to them i.e. they had never used that service before.

We broke our data into general categories of Dissatisfied, Satisfied, Neutral, and Not Applicable. Dissatisfied consists of those respondents who answered either 1 or 2. Neutral consists of respondents who answered 3, and Satisfied consists of respondents who answered with either a 4 or 5.

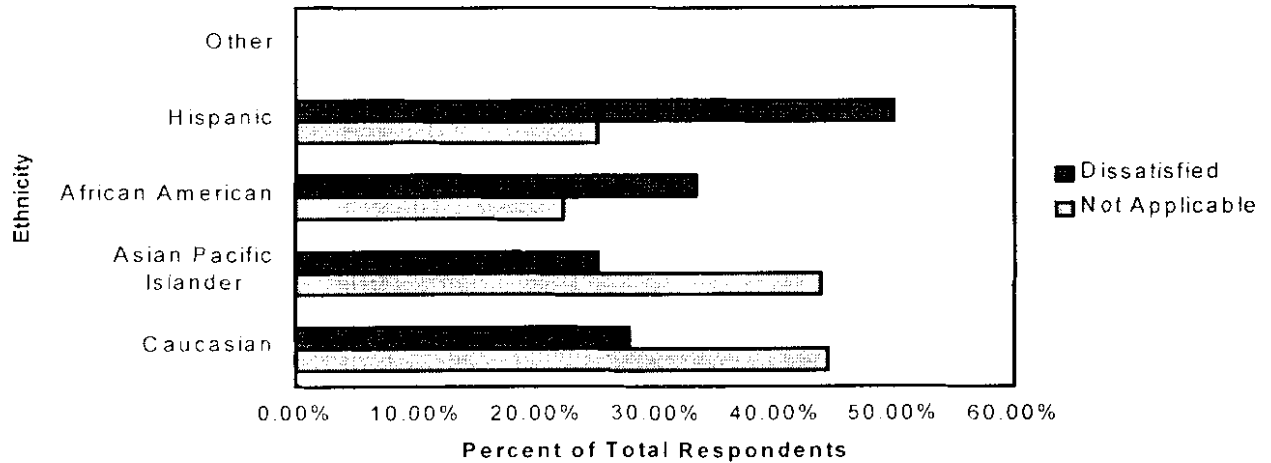
Percentage of Total Respondents that are Satisfied with USPS Services



This graph represents the overall satisfaction with the various services of the U.S. Post Office.

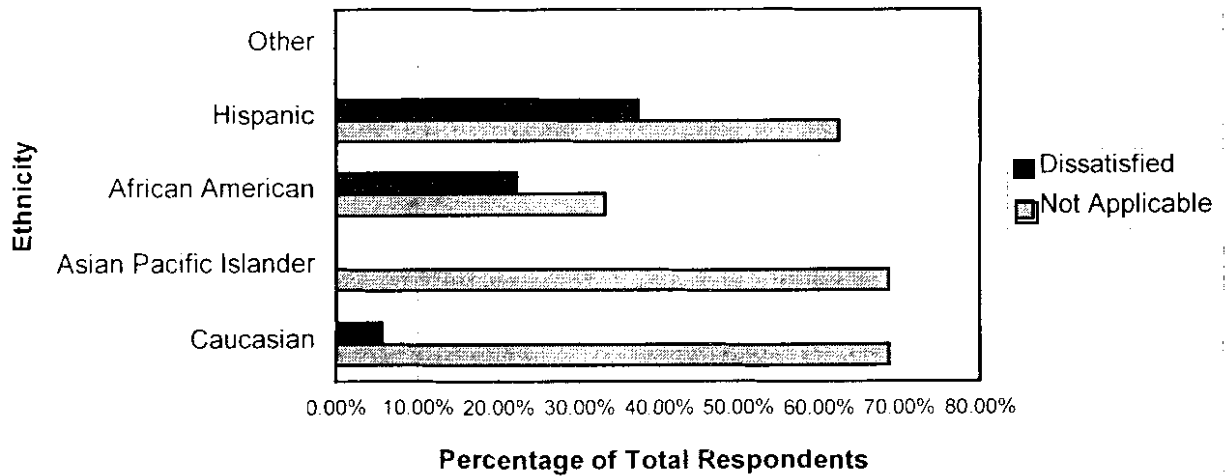
Generally, most of the surveyers were satisfied with the services or products offered by the U.S.P.S. However, there were two interesting outliers of the overall satisfaction of the U.S.P.S. being the “Postal Insurance Claim Process” and the “Responsiveness of Customer Complaints”. The first impression that we got was that most respondents were dissatisfied with these services, however, when investigating the responses, we came to a different conclusion.

"Not Applicable" vs. "Dissatisfied" Views on the Responsiveness of Customer Complaints



We investigated the views on how the people felt on the U.S.P.S' Responsiveness of Customer Complaints by the breakdown of the different ethnicities. Asian Pacific Islanders and Caucasians were not as dissatisfied with this service, however a greater percentage responded with a 0 or "Not Applicable". On the other hand, a larger percentage of Hispanics and African Americans answered with a "dissatisfied" than with a "Not Applicable".

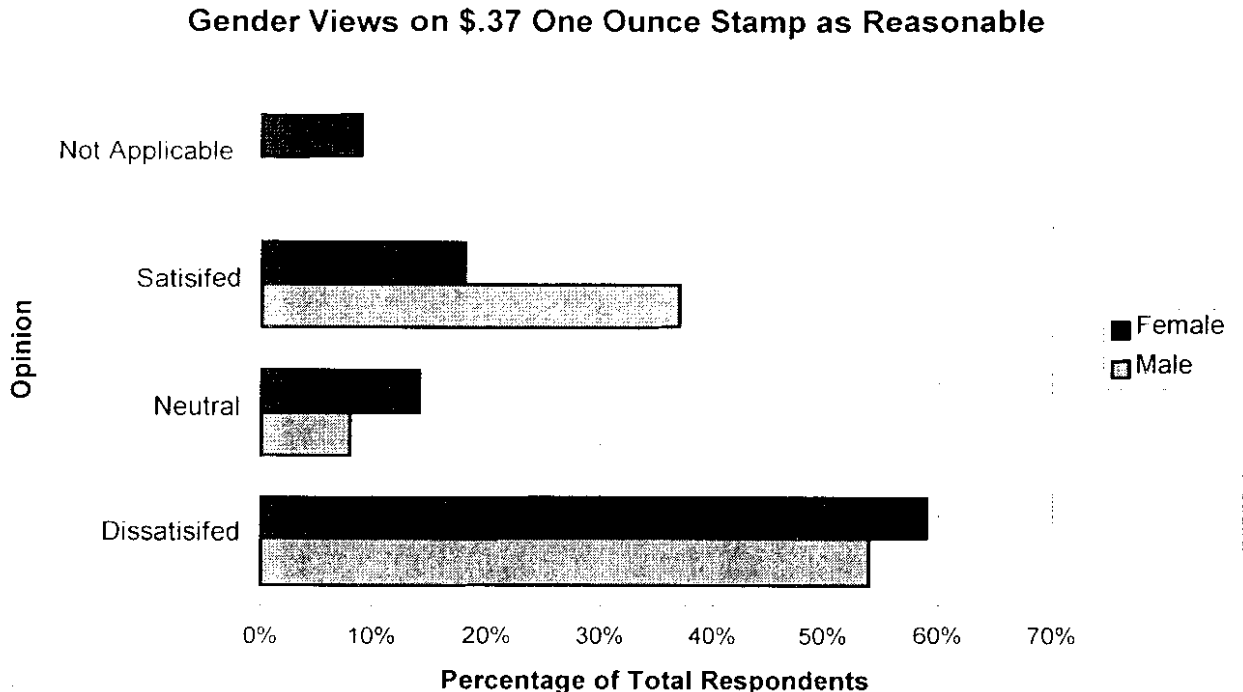
"Not Applicable" vs. "Dissatisfied" Views on the Postal Service Insurance Claim Process



By looking at the responses of Postal Service Insurance Claim Process, we found that 4 out of the 5 ethnic groups that we surveyed, Hispanic, African American, Asian Pacific Islander, and Caucasian, all answered "Not Applicable" as a larger percentage than they answered "Disatisfied". We came to the conclusion that maybe most of the respondents did not know about this service or did not use it as they did not find it useful. This is an interesting question that our group would like to further investigate.

IV. Opinions on Postal Rate Increase to \$.37

Our group decided to investigate on how the different genders viewed the \$.37 increase on a one ounce stamp. This next graph is an analysis on the gender views on the \$.37 one ounce stamp as reasonable.



As you can see from the graph, more females tend to disagree more than males with the

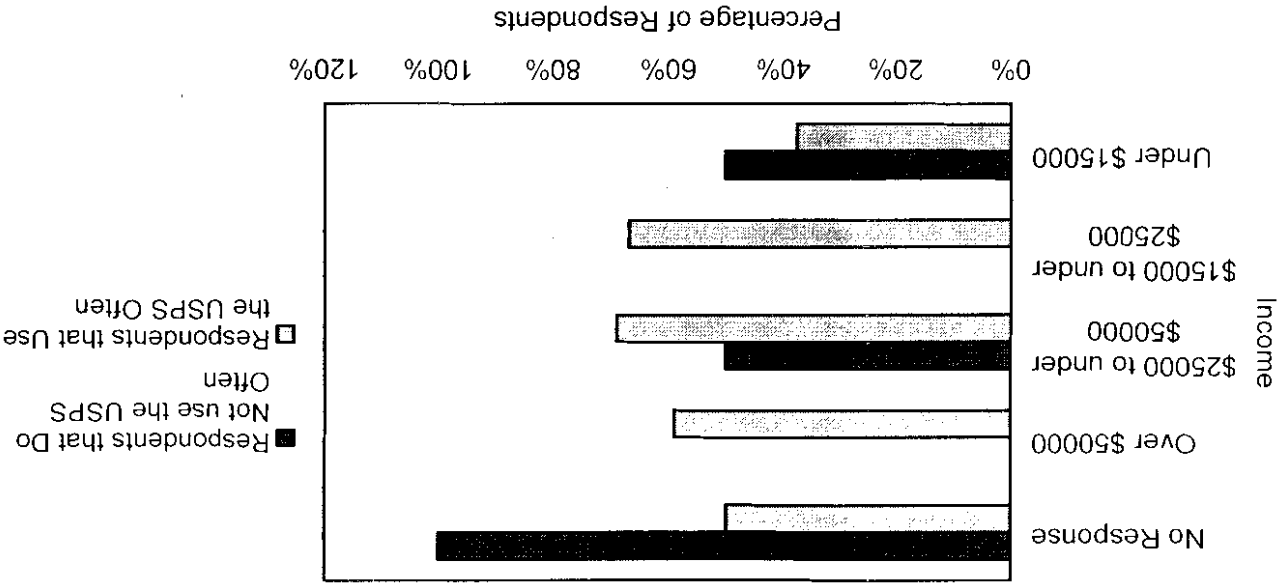
\$.03 increase of an one ounce stamp, whereas males agree more than females with the \$.03

increase.

While analyzing the opinions on the \$.03 increase on a once ounce stamp, we realized that there was a possible correlation between how many times a person uses the U.S.P.S. and how likely they were to disagree with the stamp price increase. We also broke down our

respondents into income brackets. We decided that people that use the U.S.P.S. daily, once a week, several times a month are considered to be frequent users versus the people that use it never, once a year, and several times a year.

Percentage of Disagreement Regarding the \$.37 Stamp Increase of Those Who Use the USPS Often vs. Those That Don't

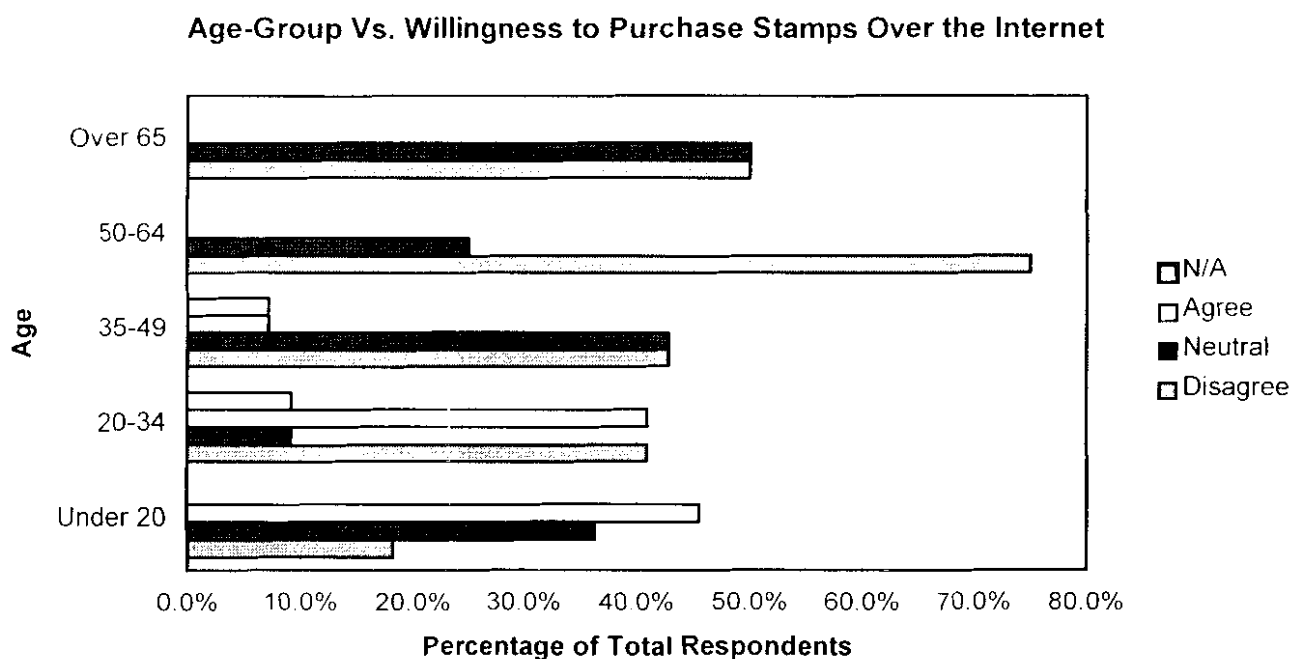


In analyzing our data, the first interesting thing that we noticed was that only 5 out of the 53 respondents do not use the U.S.P.S. often. In addition, as you can see, it seemed to be that

there is a no correlation between people that use the USPS frequently and a dissatisfaction of a \$.37 increase. People that did not use the USPS often were just as dissatisfied with a stamp price increase. Another interesting point that we came to notice was that the income group Under \$15000 seemed less in disagreement towards the increase than people with higher incomes. This shows that income does not strongly correlate with the respondents' opinions on the price increase. However, it seems in general that the respondents are in disagreement with a \$.37 stamp increase.

V. Willingness to Purchase Stamps over the Internet

We also compare the willingness of respondents to purchase stamps over the Internet with the age group they belonged to.



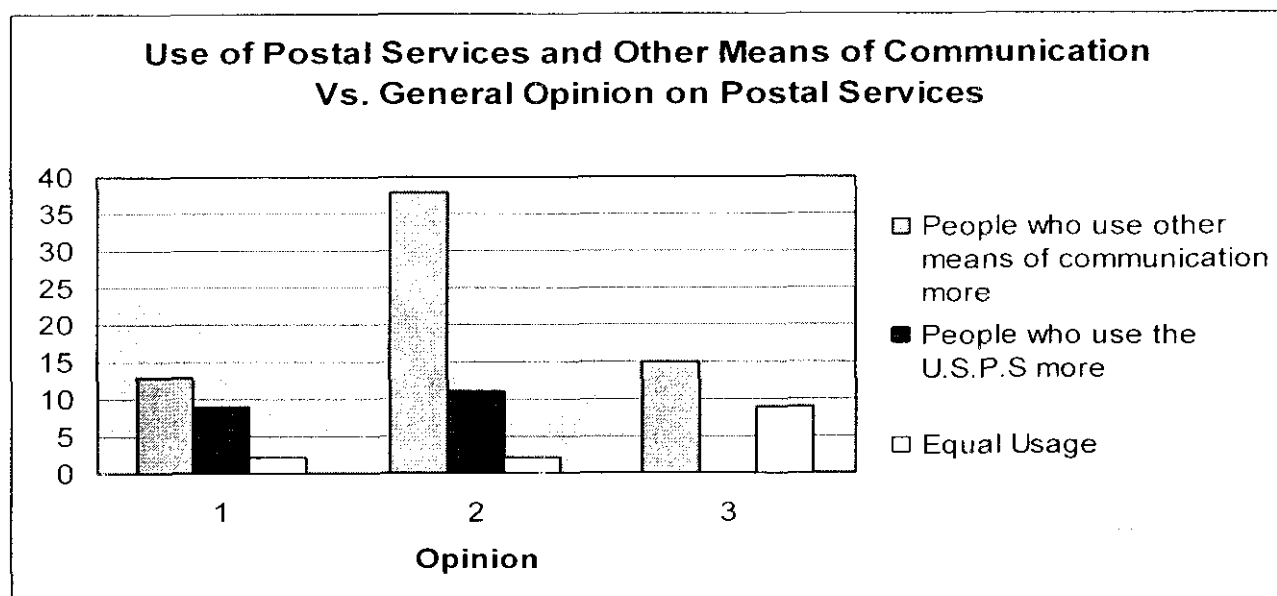
As can be seen, the two are inversely related; as age decreases the willingness to purchase stamps over the Internet increases. In addition, the age bracket 50-64 and over 65 are not as receptive to purchasing stamps over the Internet compared to those in the other age brackets. It

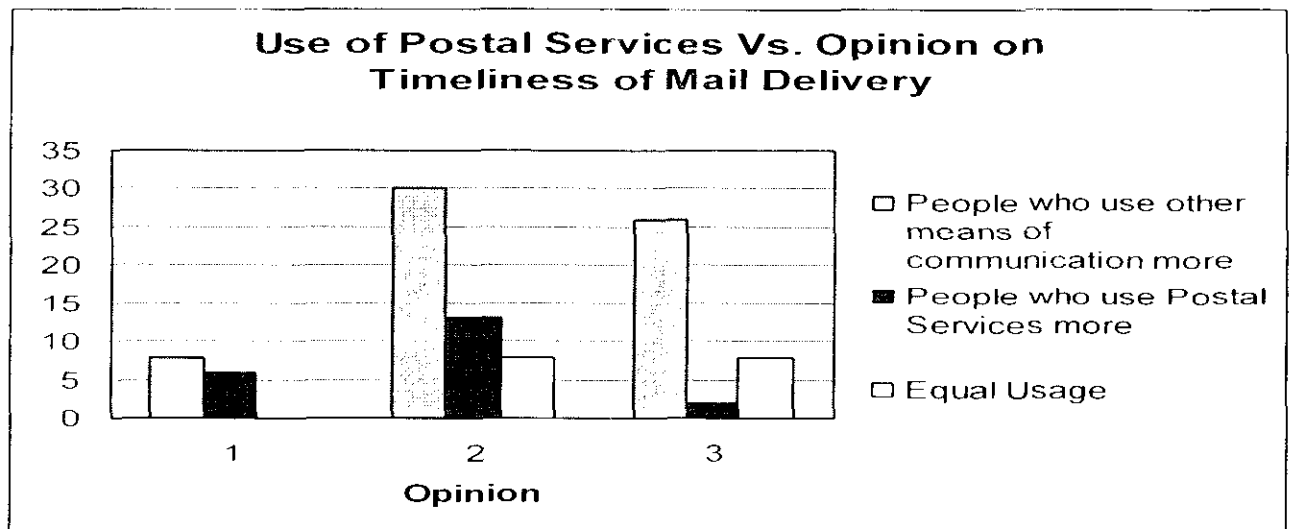
is also interesting to note that in the 20-34 age bracket there is an equal amount of respondents that are either unwilling or willing to use the Internet to purchase stamps.

VI. The Effect of Other Means of Communication

We added a question onto our survey requesting our respondents to give an estimated percentage on how often they used the different means of communications: e-mail, fax, Postal Services, Other Postal Carriers (i.e. FedEx), and Other. We thought that, since these days, many people tend to use email, fax, etc., this would affect their use of the Postal Services and/or their opinions of it.

First of all, for both of the above graphs, we grouped 1 – 2 under “Poor,” 3 under “Neutral,” and 4 – 5 under “Excellent.” This allowed us to better see the differences between the data.





We tried to find out if we would be able to find a correlation between the two data, i.e. for the first graph, if a person used email or fax more than he did the Postal Services, would his opinion more likely be negative? Would his usage of email or fax be a result of a negative opinion (would usage be a result of opinion?)? Or, to turn things around, would opinion be the result of usage? Did a person who used Postal Services less be more likely to answer positively because he had a less number of experiences with the U.S.P.S to base his opinion on? Did a person who used the Postal Services more be more likely to answer negatively?

With our survey, we found no correlations. Most people tended to answer 3—neutral. Only when a person used all means equally did he tend to answer more satisfactorily.

For the second graph, we also thought that, perhaps, if a person had a low opinion on the timeliness of mail delivery, this was the reason they tended to use other means of communication more often. From our survey, however, people who used email or fax more often actually tended to have a higher opinion on the timeliness of Postal Service delivery—and those who *did* use the U.S.P.S. had a lower opinion on it.

VII. Conclusion

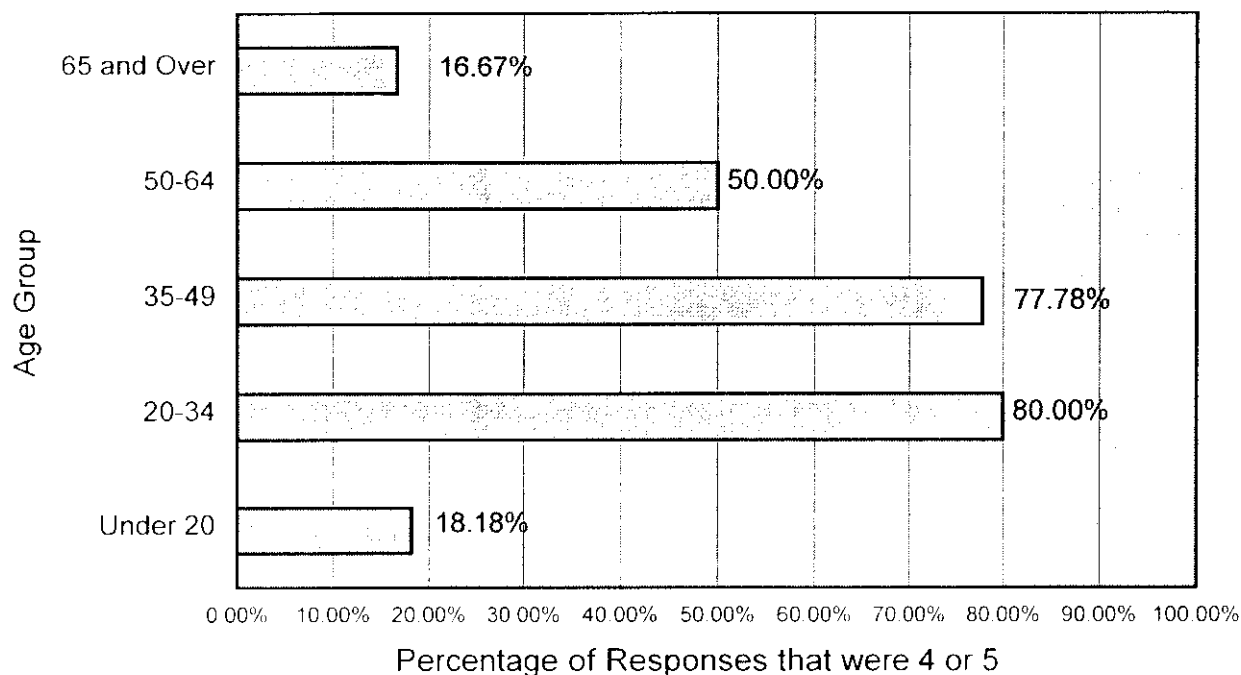
While we attempted to gather a random sample, our data may be skewed by the large number of responses coming from Caucasians and Asian Pacific Islanders. Another factor that may have affected our data was the disproportionate age and income groups (i.e. more 20-34 year olds and more peoples with incomes over \$50000). In addition, a large number of our pool of respondents came from the Los Angeles area. Most Post Offices in big cities may be less accommodating because of the large number of people that go there. Therefore, our data may not reflect the views of everyone the U.S.P.S. serves.

J. Group Ten Project of Sonja Pavlov: Written Report

**WRITTEN REPORT OF GROUP TEN
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

**PREPARED BY:
SONJA PAVLOV**

Overall Excellence by Age Group

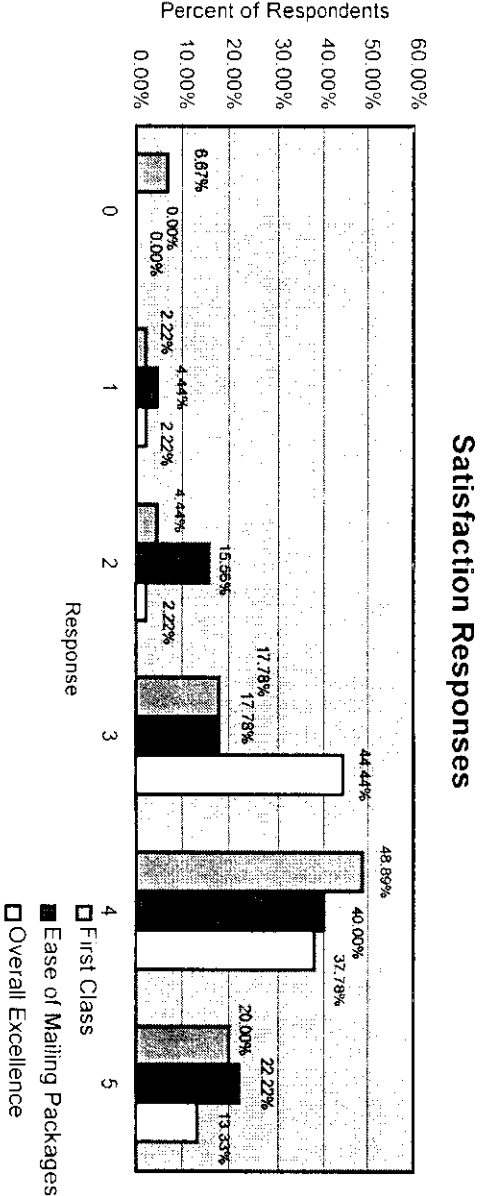


With the objective of evaluating the United States Postal Service's perceived effectiveness, the first comparison that is prudent to discuss is the overall public feeling towards the postal service broken down by age group. We wanted to see if there was any difference of opinion between different ages, and if there was, which ages were more satisfied than the others. We compared the number of responses that were fours and fives and then turned them into percentages for each of the groups. The graph that we got was bell shaped with the majority of the data located in the 20-49 age group region. In both of these age groups the percentage that gave either a four or five was around 80% as opposed to the younger and older age groups that only had around 17% that gave it a four or five. This comparison showed that there was indeed a significant difference in opinions between the various age groups. The middle age population (20-50) seemed to be the most satisfied with the postal service, and the older and younger

populations were significantly less satisfied. The average response for people under 20 was a 3. for 20-34 and 35-49 the average was a 3.8, 50-64 was 3.6, and 65 and over was 3.5.

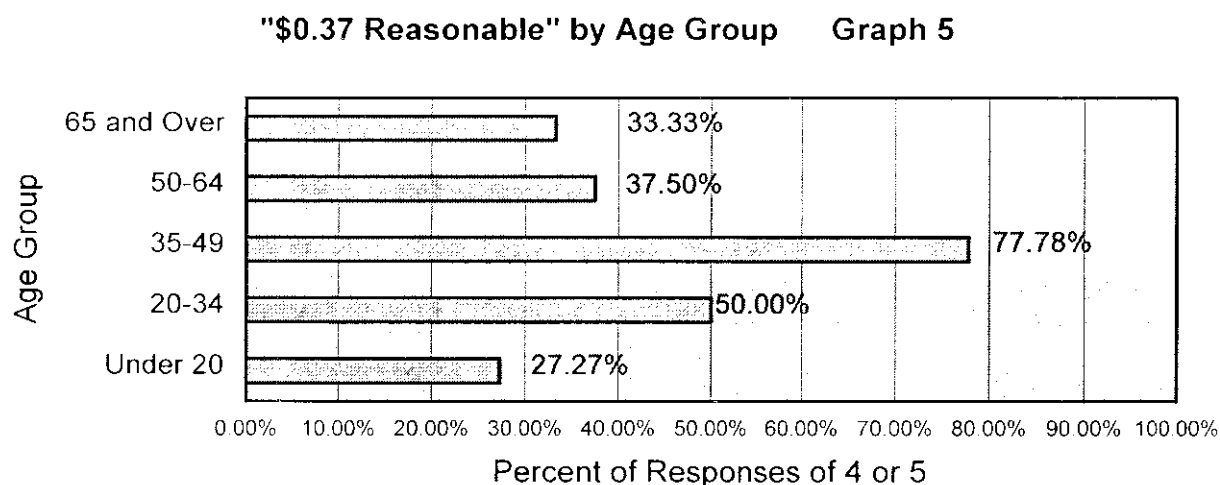
The next comparison that we decided to make to measure the overall satisfaction was to compare the responses for the overall feeling towards first class mail, the ease of mailing packages, and the overall excellence of the post office. We thought that those would be good factors to compare to see what influenced the public's opinion towards the post office. The graph that we developed for this comparison is skewed left, with the majority of the data being located in the 3, 4, and 5 regions. This means the majority of the responses given for these questions were average or above average. By the similarity of the spread it looks as though there is a possibility that these three factors are correlated. The average for all three of these questions was a 3.6, but they had varying standard deviations (which were also fairly close). The standard deviations were 1.289 for first class mail, 1.124 for ease of mailing packages, and .830 for overall excellence. The overall excellence had the smallest standard deviation meaning that the data varied less than the other two, so the average, 3.6, was a fairly good estimate.

What is interesting in this graph is that both case of mailing packages and feelings towards first class mail had the majority of their data in column four. First class mail had 49% of



the data in column 4, and ease of mailing packages had 40%, meaning that their feelings were above average. The majority for overall excellence was in column 3, with 45% of their respondents giving it an average rating.

One of the most important components of the survey, yet one of the hardest to track and interpret, revolves around the respondents' opinions on raising the price of mailing a one-ounce letter from its current price of \$.34 to \$.37. When studying the respondents' willingness to do this, we find some interesting trends. One of the first of these revolves around the correlation between the respondent's age and his/her willingness to raise the price. As you can see of Graph 5 below, the distribution is roughly bell-shaped and unimodal, centered on the ages 35-49. Interestingly, those within the 35-49 age range were far more likely than other respondents to see the price increase as reasonable.

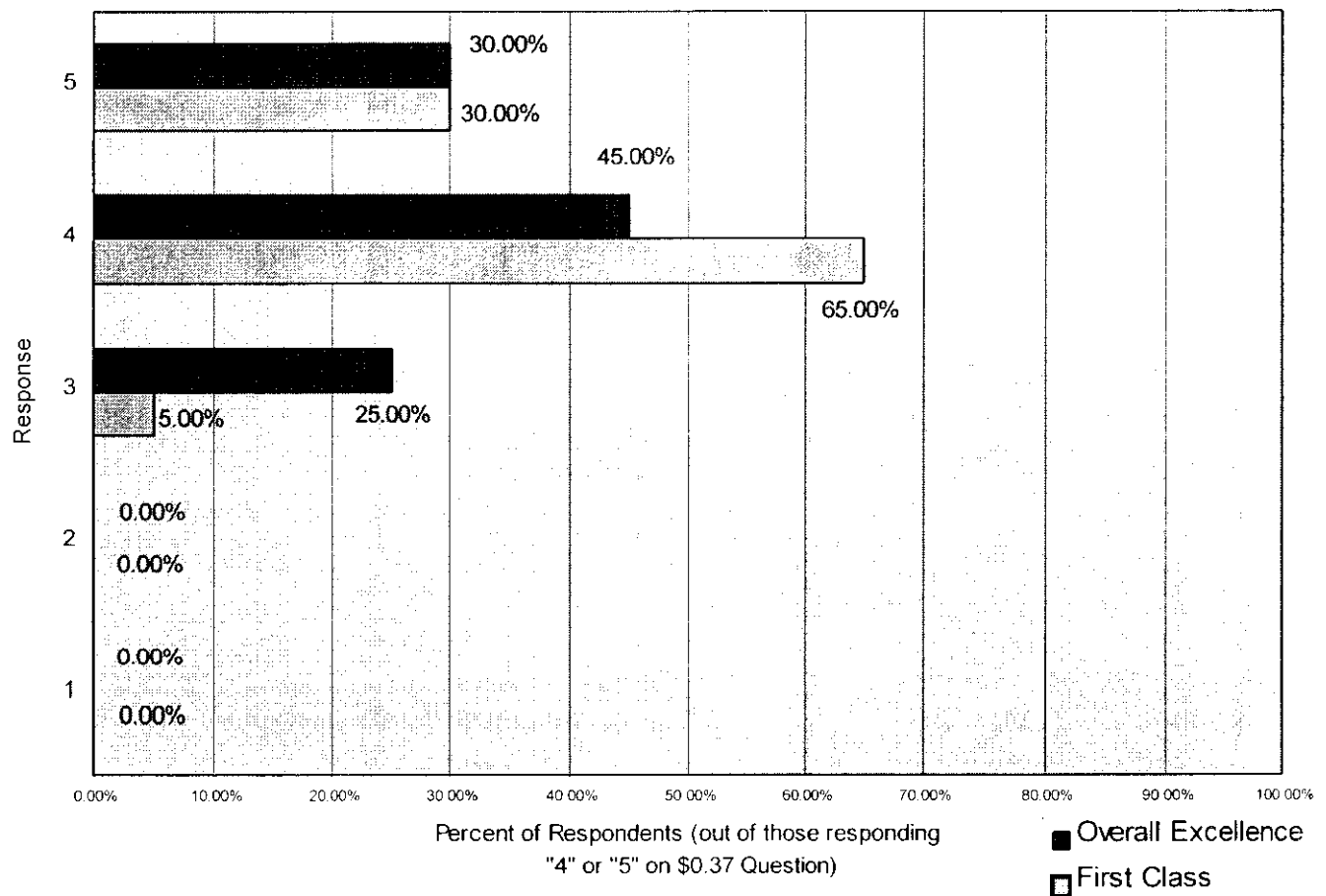


Nearly 80% of those in the 35-49 age range thought that \$.37 was reasonable whereas all the other age distributions were 50% or below. The extreme age distributions (above 65 and under 20) were the least likely to see the price increase as reasonable. This is probably attributed to the fact that people in those distributions do not have full-time jobs and thus have a lower

income level: they would see the price increase as more significant compared to working baby-boomers.

Since the 35-49 age range is an active distribution - they are perhaps the most politically active segment and a large portion of the work-force and management teams of companies, the price increase has a greater chance of being enacted and accepted even if the other less powerful distributions, under 20 years for example, are opposed. Overall, however, the mean score of all respondents was a 2.911 signifying that most people are neutral, not strongly agreeing or disagreeing with the price increases reasonability.

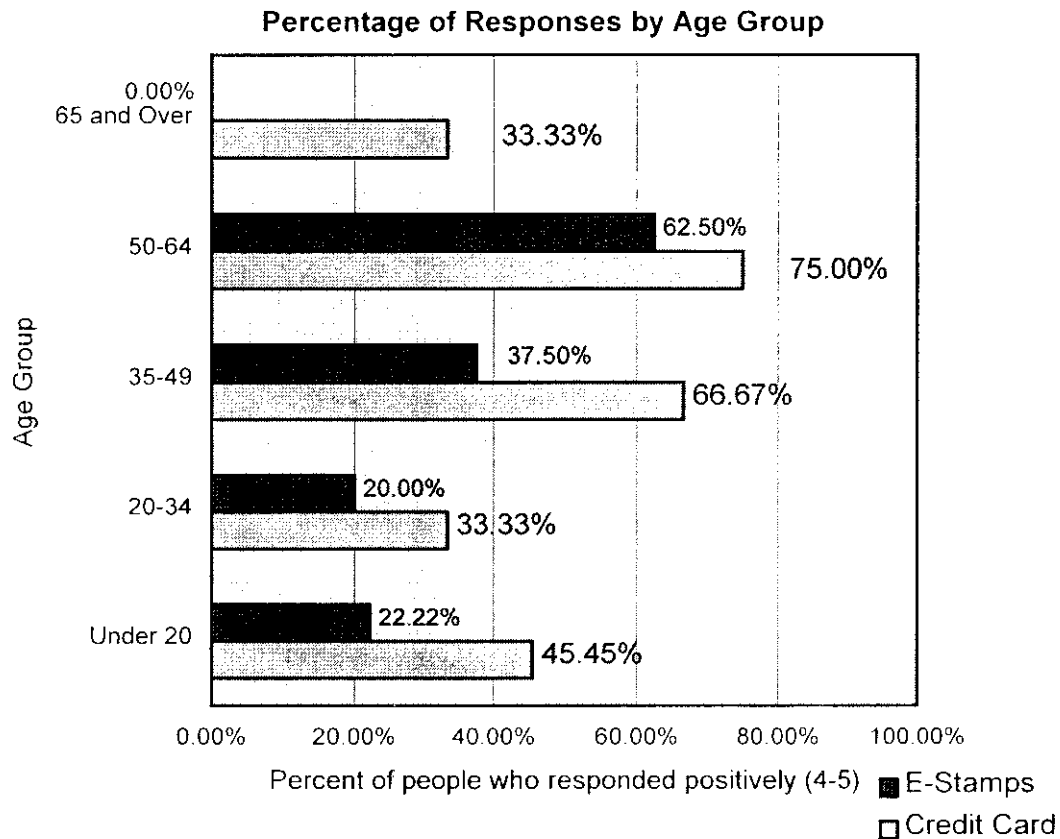
First Class and Overall Excellence Among Supporters of \$0.37



Another correlation with the respondents' willingness to see the price increase as reasonable was their level of satisfaction with the postal service. There is a direct relationship between peoples' view of the price increase and their perceived level of service. On Graph 6, we see that nobody that rated the price increase reasonability as a four or five thought the postal service was doing an excellent level of service. On the other hand, those satisfied with the postal service saw the increase as acceptable. If the postal service improved its services, perhaps more people would favor a price increase. Especially when looking at individual responses, it is apparent that particular people who were angered at the postal service and gave it constant one or two ratings, were strongly opposed to the idea of raising rates.

The United States Postal Service is looking to enact an automated system of purchase for stamps over the Internet. The proposed system uses a secure server in which stamps can be purchased over the Internet with the use of a credit card. Determining potential end users propensity to use such a system is key in deciding whether or not to go forward with implementation. In testing for an end users propensity to have a positive inclination to use such a system we decided their opinion would be based on certain existing partialities and predispositions. Currently there is an automated system at certain physical locations where customers can purchase stamps with a credit card. This is the closest system currently in use to the new proposed Internet system; with the main correlation being the use of a credit card to purchase the stamps. We believe two of the factors determining the effectiveness of the proposed online system are: people's proficiency level with the Internet and their comfort level with using a credit card over an electronic medium. In researching the feasibility on the customer side of an Internet based stamp purchasing system, we looked at the existing customer satisfaction with credit card ordering, as well as asking directly if potential customers would use

an online ordering system. This data was then correlated with their age (as there is plausibly a direct correlation between age and computer proficiency on the population level).

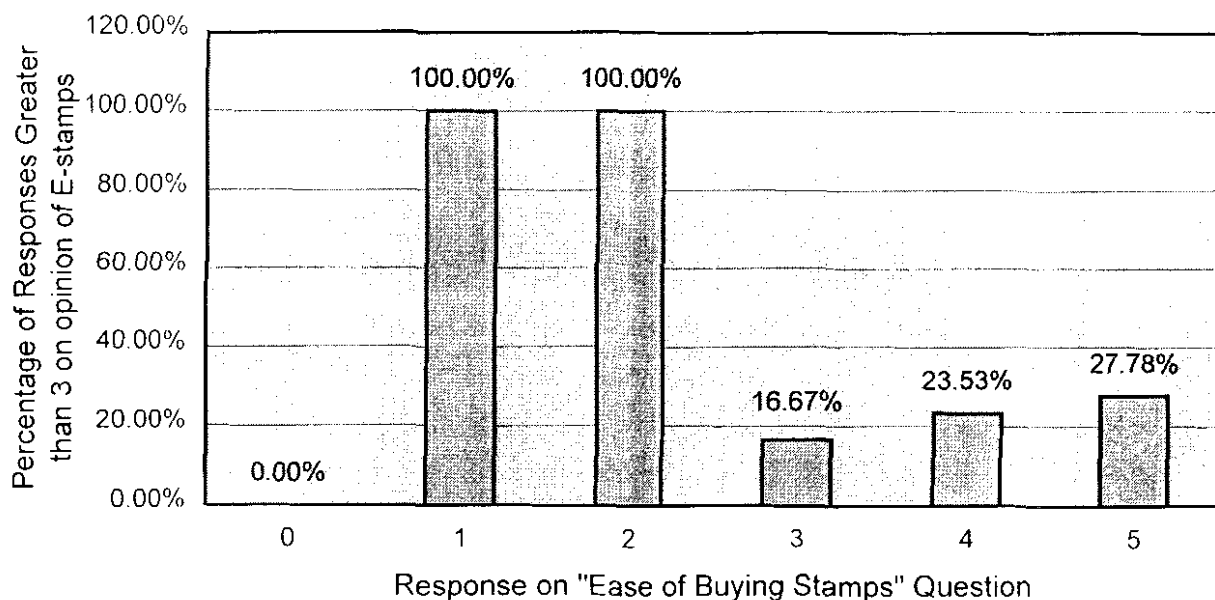


The chart above shows the percentage of people who responded positively (a 4 or 5, with 5 being the highest rating) in each age group to both the proposed E-stamps and the current credit card purchasing system. The credit card approval rate is markedly higher in all age ranges. In fact, the average approval rate of Credit Card billing at physical locations is 207% of the average positive response to e-stamp ordering. However, when the 65 and over age category is eliminated, the difference in approval ratings closes by 53%.

The overall trend tends toward a high correlation between positive personal impression of credit card ordering and a positive opinion of E-stamps (with an exception of the over 65

category in which no one had a positive response to E-stamps). E-stamp positive opinions lagged 13-30% behind credit card opinions in each category but always reacted in the same direction. Out of a total of 45 respondents, only 22 had a positive opinion of Credit card billing, and only 12 had a positive opinion of e-stamps. From the data set as a whole, the average response from 1 (lowest) to 5 (highest) was 2.73 on e-stamp ordering and 3.29 on credit card ordering, with respective standard deviations of 1.483 and 1.408. The 90% confidence interval is then calculated to be $2.37 < x \leq 3.097$ for e-stamps and $2.94 < x \leq 3.63$ for credit card ordering. This shows with a high degree of confidence that the population's response to both ordering solutions is less than positive. Interestingly respondents age 35-64 had the highest positive response rate. So while it seems logical to assume young people would be the most likely to use electronic mediums to purchase stamps, the data does not necessarily uphold this assumption.

Ease of Buying Stamps vs. "4" or "5" Responses on E-Stamps



*It must be noted that only one person who had a positive response to e-stamps voted a 1 and one person a 2 on the ease of buying stamps question.

Another prominent factor in a customer's propensity to use the Internet to buy stamps is their current impression of how easy it is for them to get stamps through conventional methods.

The graph below shows the percentage of positive response (4 or 5) on the e-stamp question categorized by their opinion on the ease of buying stamps. For example: 23.54% of people who voted a 4 on their opinion of the ease of buying stamps said they had a positive inclination to buy e-stamps.

The general correlation shown in this graph is that relatively few (less than 30%) people had a positive opinion of buying stamps on the Internet. The logical assumption would be that people who like using credit cards to purchase stamps would appreciate the convenience of the Internet and also like purchasing over the Internet using the same credit cards. However, relatively few people had a high opinion of e-stamps. It is also notable that the higher opinion a person had on the use of a credit card to buy stamps at a physical location, the higher their positive response rate was to e-stamps. This shows that people who are not satisfied with existing credit card purchasing options are not likely to view the internet e-stamp purchasing option as a viable alternative.

In evaluating this discussion of the public opinion of the United States Postal Service one must keep in mind that the data set was skewed to the primarily Caucasian demographic with an income above \$50,000. Regardless of this innate disadvantage, the data set implies that the U.S. Postal Service customer has a neutral to good opinion of overall service, of the overall timeliness of the postal service, and over 50% said that a postal rate increase would not affect their usage patterns. In the process of researching, the most often voiced complaint was not the Postal Service's service on the whole but rather the individual customers experience at the individual postal precincts. Perhaps more attention should be given to the customers experience at the Postal Office rather than to package services to increase the public's overall satisfaction.

K. Group Eleven Project of Sonja Pavlov, Jason Peterson, Tim Phillips, Andrew Maria,
Christopher Ward: Written Report

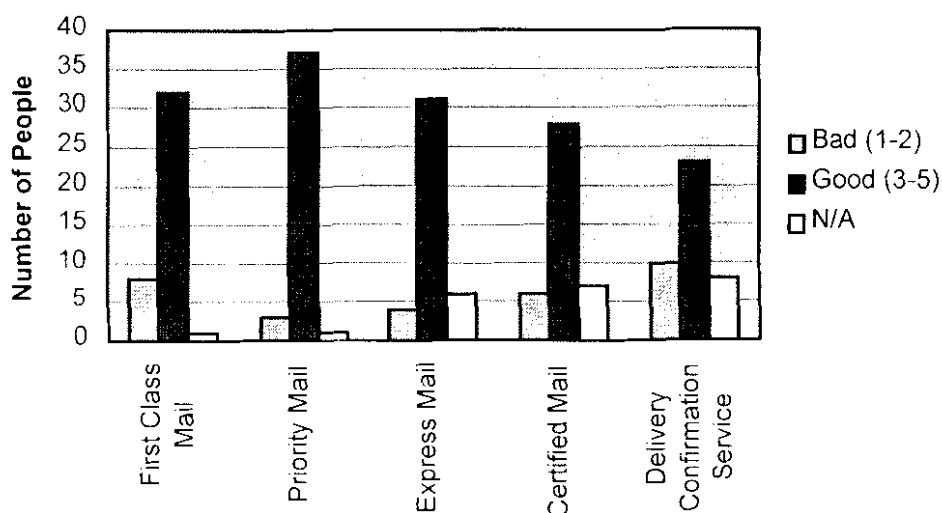
**WRITTEN REPORT OF GROUP ELEVEN
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

POSTAL SERVICE WRITE UP

**PREPARED BY:
SONJA PAVLOV
JASON PETERSON
TIM PHILLIPS
ANDREW MARIA
CHRISTOPHER WARD**

The results of the first question helped to show that people tend to agree with or like the United States Postal Office and its various functions. For example, in the following graphs, the “good rating” (3 or higher) far outweighed the bad in any of the services. Priority Mail received the highest ratings and Delivery Confirmation Service the lowest; that, however, was most likely due to the large number of people who had never used the service.

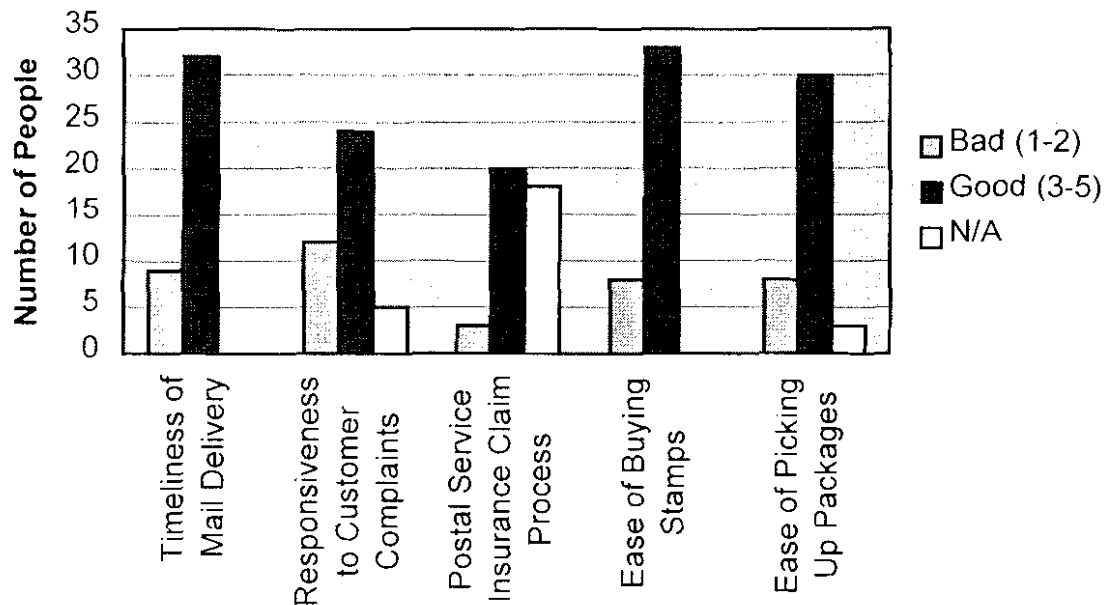
Opinion Towards Services of the Post Office



What can be deduced from this, then, is that most people are happy with the service they receive; they find what they are offered at the Post Office adequate. The Post Office therefore doesn't have to do much in way of improving its actual delivery services.

The actual opinion of the “service” (the way by which it performs its services) of the post office was not as overwhelmingly in favor as the various “services” that the post office offers. Although, for the most part, people did rate the various tasks as “good” (again, a 3 and above), there were many more “poor” complaints than previously.

Opinion Towards Service of the Post Office

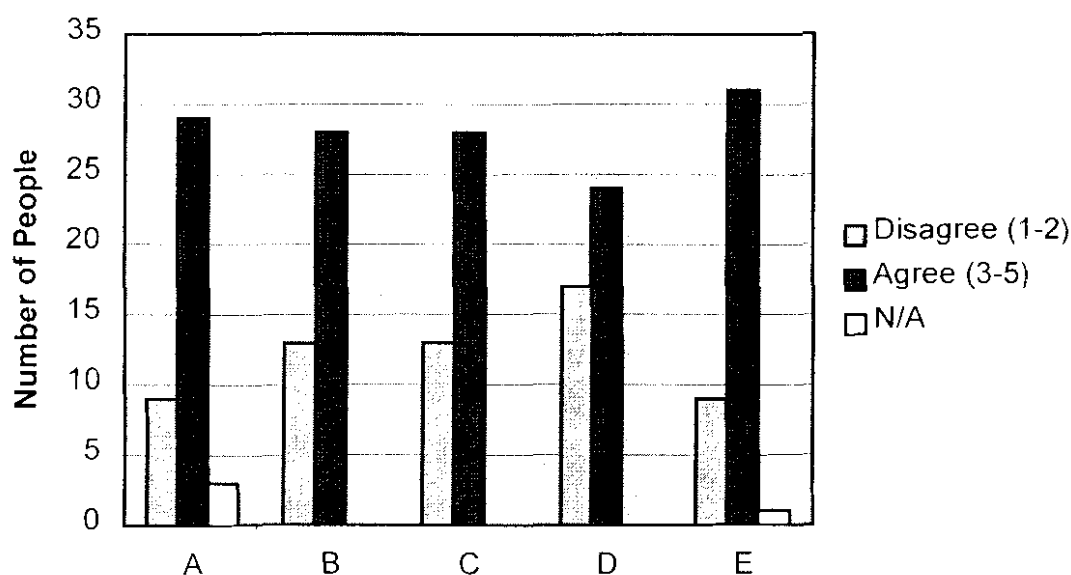


This would perhaps indicate that although people use and enjoy what the Post Office has to offer, they are not as pleased with how they offer it: “Responsiveness to Customer Complaints” received the lowest of all of the ratings. (Although the favorable “Postal Insurance Claims Process” was very low, this is due to the large amount of people who have not used the service.)

Given, then, this generally favorable opinion of the Post Office leading into question three, we would expect that the trend would continue. It does, for the most part, although the negative (in this case “Disagree”) ratings occur with greater frequency. Although most people agree that the Postal Service has improved over the past several years, there are some people (9, to be exact) who feel that it has not improved.

The most integral portion of the question is the one that asks how one agrees with the statement “I view a \$.37 increase in the price of stamps as reasonable.” The survey found that the majority of the people —24— agree or strongly agree with this statement; they are willing to pay a price increase. Yet 17 people (41%) disagree or strongly disagree with this statement. This reveals that the Post Office will have trouble winning over the hearts of the people should they choose to implement this price increase. The question becomes, then, who does it need to win over—in other words, is there any gender or age that would be more willing to pay?

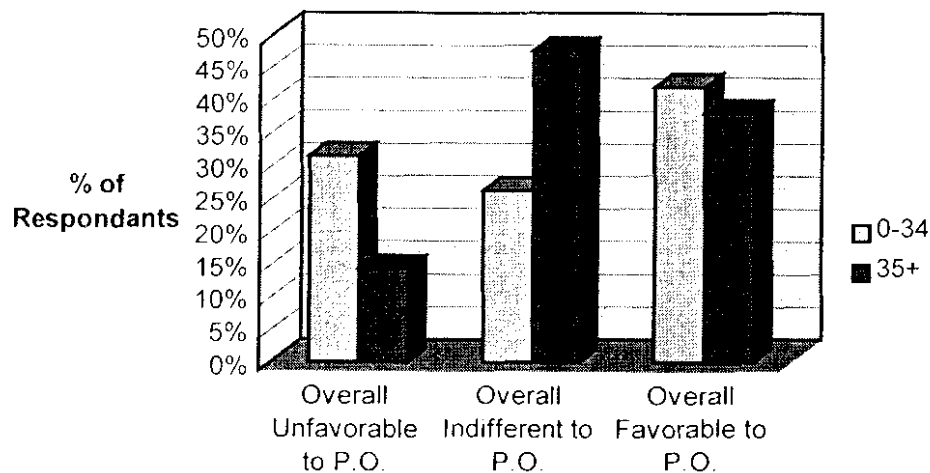
Opinion Towards Various Aspects of the Post Office



- A. *The level of the Postal Service has improved compared to 5 years ago.*
- B. *If available, I will be willing to purchase stamps over the internet*
- C. *I will be willing to use my credit card to purchase postal products in excess of \$5 from a vending machine.*
- D. *I view \$.37 for a one-ounce letter as reasonable.*
- E. *Overall, I would rate the Postal Service today as excellent.*

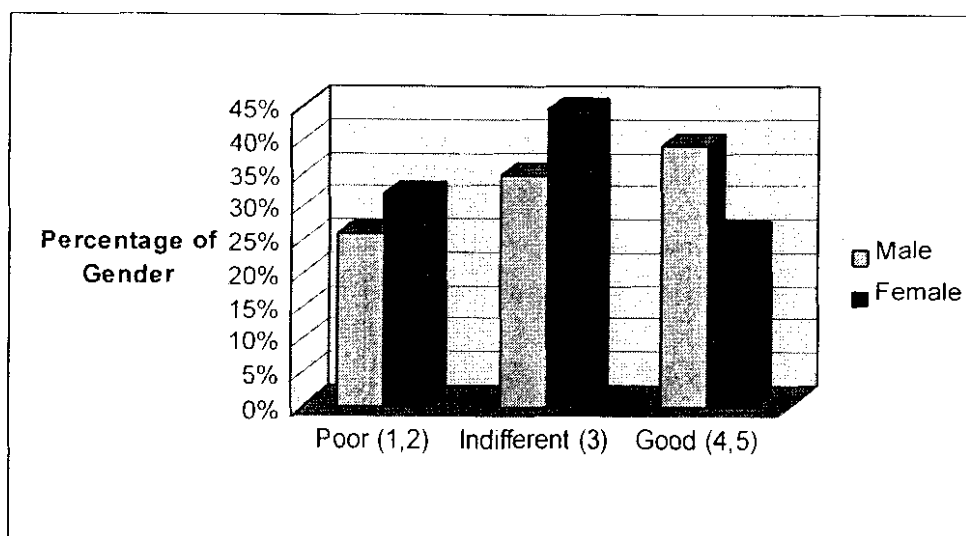
The following graph shows the effect of age on the opinion to the post office. As can be seen, both ages are supportive of the Post Office; however, individuals under the age of 34 are much less likely to support it than those thirty-five and older. Although the survey showed that more 0-34 year olds are “favorable to the post office,” they are less likely to be “indifferent” (a “3”) than their older counterparts.

Effect of Age on Opinion Towards Post Office



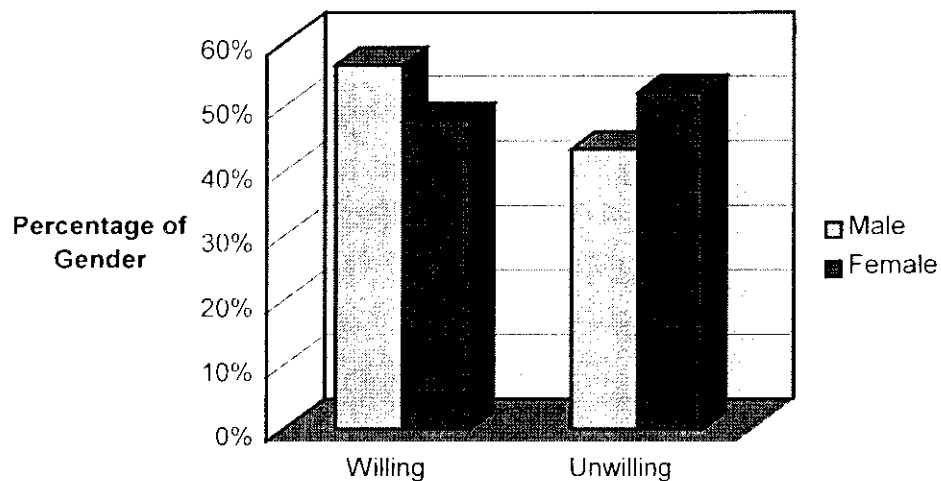
Surprisingly, the survey also showed that women are more likely to be unfavorable to the post office than men, although the results were very close to each other. Women were much more likely to be "indifferent" to the post office, but men were more likely to be favorable, as a whole.

Effect of Gender on Opinion Towards Post Office



When this is compared with the willingness to pay the increase, men were, expectantly, much more willing to pay the increase than were women (although not by very much). This is in keeping with the expected trends from the “Effect of Gender on Opinion Towards the Post Office”—since men have more favorable feelings towards the post office, they would be much more willing to do see it improve and become even better. Since women have more negative feelings towards the Post Office, they would be less willing to put any more money into it.

Effect of Gender on Reasonability of Increase

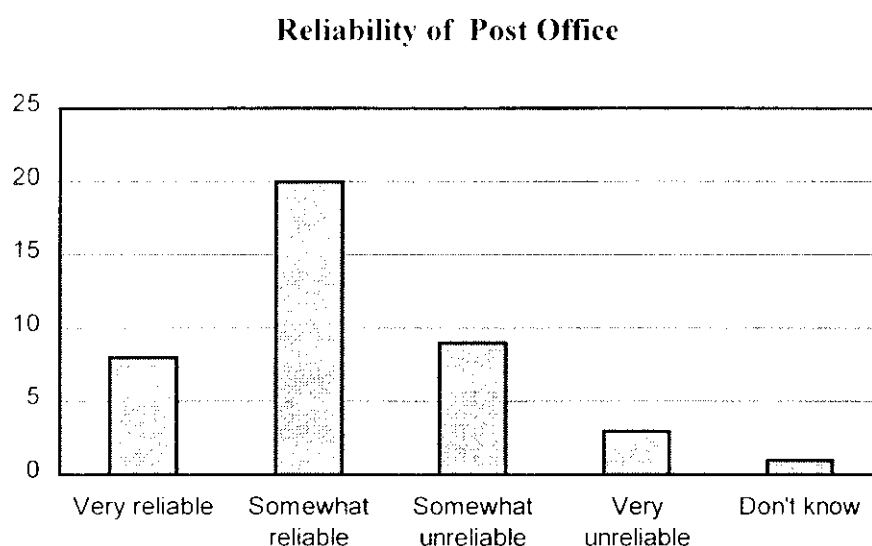


Therefore, if the post office is pushing to get this increase through, they will have the hardest time convincing women and the younger generation, and should cater any campaign in that respect to these people.

Yet why are people unwilling to pay the price increase? Most people agree that the Postal Office provides a decent service to them and are responsive to their needs; they, as noted

earlier, are pleased with what the Postal Service has to offer them. Would there be anything that would make people more willing to pay the increase?

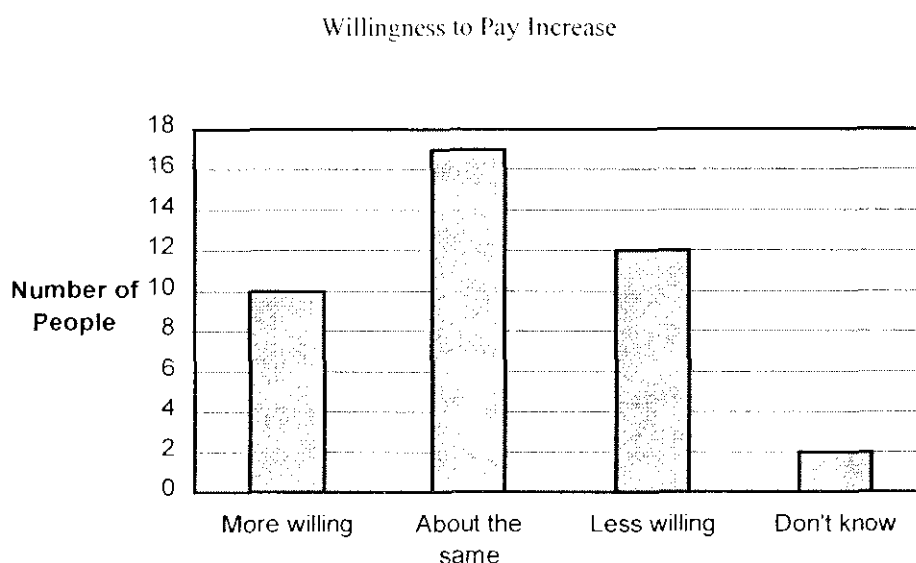
In order to find this out, we chose to investigate the reliability of the postal service, something that has been the punch line of numerous jokes over the years. The question was asked, "On average, how reliable would you say the U.S. Postal Service is?" The options of "Very Reliable," "Somewhat Reliable," "Somewhat Unreliable," "Very Unreliable," and "Don't Know" were given. The results came out as such:



The results weren't quite as expected. Given the overall favorable reviews of the Post Office earlier, we were surprised to find the large number of people who found the post office either "unreliable" or even those people who found it "very unreliable." Twelve people—out of 41—said that the Post Office did not meet their standards on reliability. This, then, can be considered a serious problem, something that definitely needs to be dealt with.

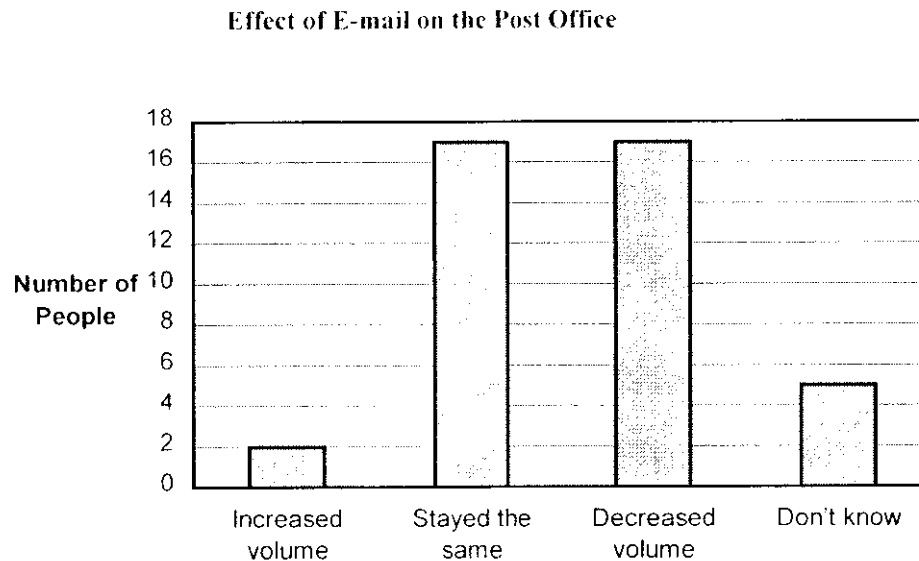
The natural progression then became, "if a three-cent raise in the price of a first-class stamp would increase reliability, how willing would you be to pay?" The results showed that most people would not be any more or any less willing to pay. There was, however, a significant

amount who would be *less willing* to pay if it increased reliability. This, at first, was puzzling. What we determined, however, is something that was mentioned earlier: people with negative feelings towards the post office would generally have negative feelings across the board. And, when taking this survey, they would mark anything that would portray the post office in a negative light, hence the perplexing rating: people who are opposed to the increase will be opposed to it no matter what.



Finally, we thought it necessary to view the effect that any new services the Post Office could employ that would have a positive effect on its overall usage. As shown earlier, people responded quite favorably to the idea that they would be able to buy postal products in excess of \$5 in a vending machine; this is something that the US Postal Service should look into implementing. They also responded quite favorably to the idea of E-Stamps, electronic stamps that are purchased over the internet. Since that seemed like a very intriguing idea, we decided to look at the whole “internet revolution,” and see its effect on the Post Office and see if the Post Office could benefit from becoming an integral part of it.

The question was asked of the respondents, "To what extent has electronic mail (e-mail) affected the volume of first-class postal stamps you purchase in a month?" The results are as follows:

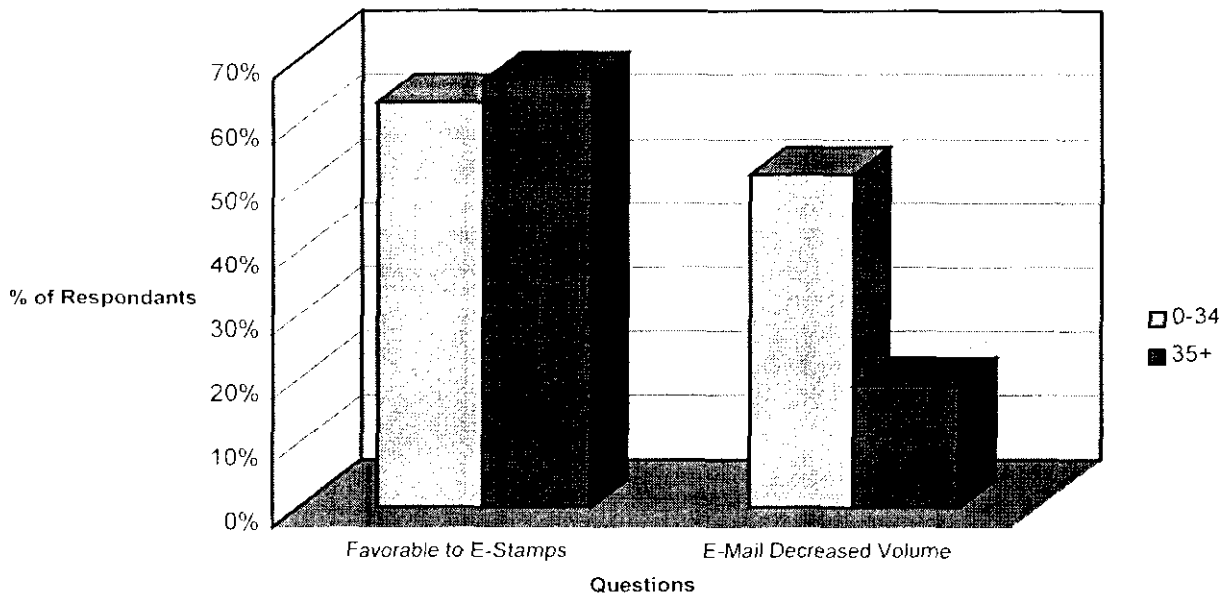


As can be seen, E-mail has had a direct effect on the entire United States Postal Service—a large number of people said that their purchase of stamps decreased in volume. This is something that the Post Office cannot ignore. As technology progresses, they stand to lose a lot of money as a result of e-mail decreasing the purchase of postal stamps.

The idea of E-Stamps, then, seems very intriguing. Yet will that do much to help bolster the sale of postage stamps? Will that reach those people who are less likely to buy stamps?

The next graph helps to answer that question. It shows the effect that age has on e-mail and the willingness to use e-stamps.

E-Stamps and Age



As can be expected, those 34 years and younger are much more likely to say that E-mail has decreased the volume of stamps that they have bought. But what is really interesting is the fact that they still aren't as willing to purchase stamps over the internet as those 35+. Although they are "favorable" to this idea, the older generation, who hasn't been as affected by e-mail (and, as shown are earlier, are more favorable to the Post Office in general) are *more* favorable to the idea of e-stamps. What can be interpreted from these results is that the younger generations sees e-mail as an alternative to the Post Office in general, and are not too willing to replace that. 35+ year olds, however, favorable to the Post Office and its reliability, don't, perhaps, see the Post Office being replaced by email, and would be more willing to do other, new and innovative ideas to bring it together. Perhaps, also, they would be willing to spend the time to order such stamps on the computer; 34 year olds and younger simply don't mind using e-mail for the majority of their postal needs.

- L. Group Twelve Project of Brian Tom, Greg Gilreath, Doug Weitzbuch, Anand Mahendra:
Written Report and Power Point Presentation

**WRITTEN REPORT AND POWER POINT PRESENTATION
OF GROUP TWELVE
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

**PREPARED BY:
BRIAN TOM
GREG GILREATH
DOUG WEITZBUCH
ANAND MAHENDRA**

Postal Service Findings

After conducting our survey (we got the requisite 40 people to fill it out) we found many things pertaining to the Postal Service's quality and future prospects. The survey was split into 6 different question areas so that we could focus on certain aspects. The final part of the survey dealt with demographics because we wanted to make sure that we interviewed a variety of people so that our data wouldn't be skewed. We managed to interview a good mix of ethnicities, age groups, income levels, and the two genders. We presented our findings in the following order:

Postal Service Products

Postal Service Services

Postal Service Changes

Frequency of Visits to the Post Office

E-Stamp Usage

Stamp Design Usage

One thing to note is that we did not try to find correlation between demographics and results that our questions yielded because our sample demographics were so small. For example, having a sample of only six Hispanics would not allow us to determine a reasonable correlation between Hispanics and their feelings toward E-stamp usage.

Postal Service's Products

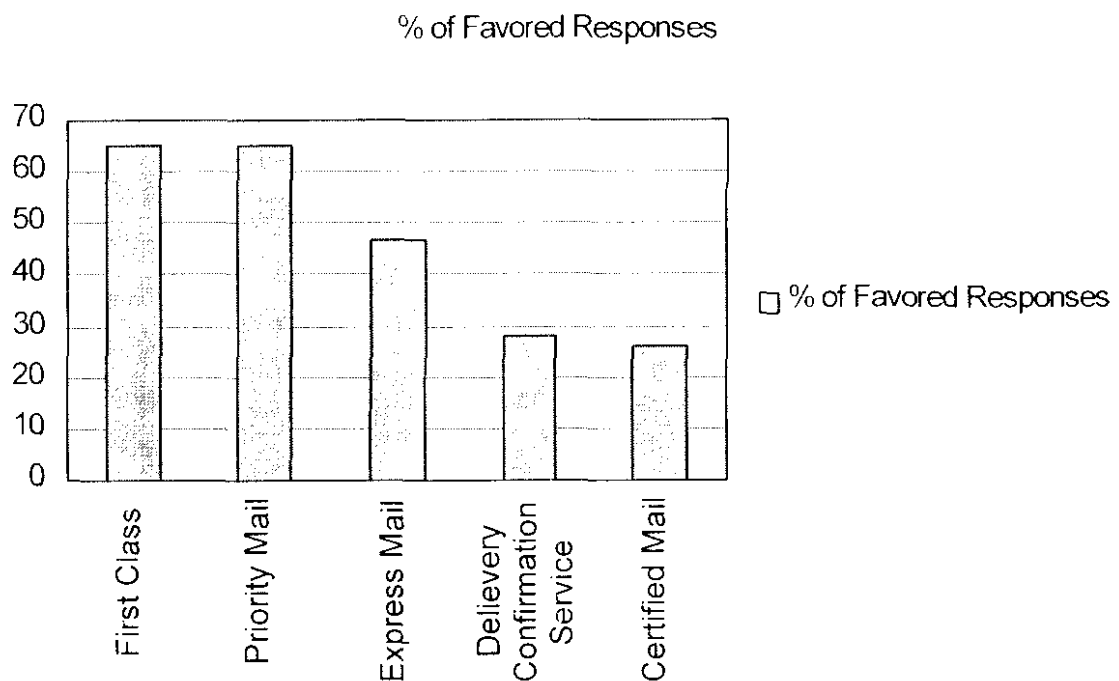
The first part of the survey, section 1, dealt with the quality of the postal service's

different types of mail. To figure out which services were the best we tabulated all of the

positive results from the surveys (ratings of 4 or 5). Then we divided that number by the total

number of respondents who had an opinion pertaining to the product. We did not divide by the

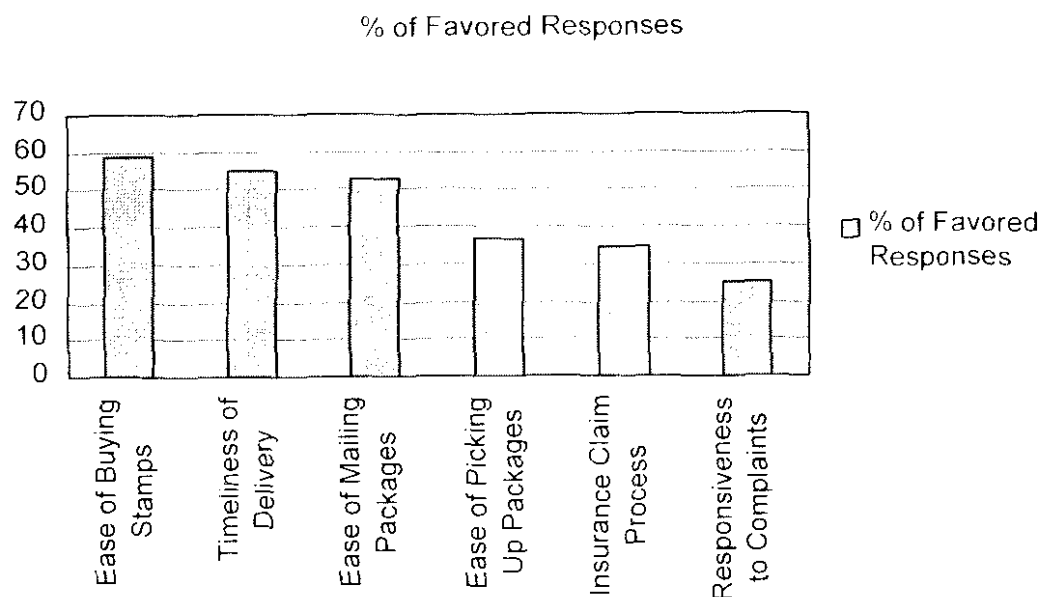
total surveyed because if someone did not have an opinion about the product (such as delivery confirmation mail) then they essentially didn't use it. This way, we found the proportion of people who enjoyed the product who actually used it. Our results are in the table below. As you can see, First Class and Priority Mail had the best results with about two-thirds of all users enjoying the service. Less than a third of all users of Delivery Confirmation Service and Certified Mail received less than a third of gave these products satisfactory ratings although it is important to note that almost all the other ratings for these two products were 3's—just average.



Postal Service's Service Ratings

The second area of questions pertained to the postal service's service quality. For this part we applied the same methods as the previous one, finding out which services were rated the most satisfactory by combining all 4's and 5's. For this section, the results were more varied in

ratings from 1-5. The highest rated services were ease of buying stamps, timeliness of delivery, and ease of mailing packages. Survey participants gave these services a little over 50 percent of a positive vote. The lowest rated services, each receiving about 1/3 positive votes, were ease of picking up packages, insurance claim processes, and responsiveness to complaints. The results are shown in the table below.



Postal Service Changes

The third section dealt with changes with the postal service. The most relevant question here was how people felt about the increase in postage to \$.37. Of the people surveyed, over half of the respondents (53%) felt that \$.37 was a reasonable price for standard postage while a little less than one-third of all respondents (32%) felt that the price hike would be too expensive.

Regarding the use of purchasing stamps over the Internet, 25% of respondents did not care about it. Of the 30 holding an opinion, a little over half (53%) felt that they would probably purchase stamps that way while a little over a quarter (26%) said that they would not use the service.

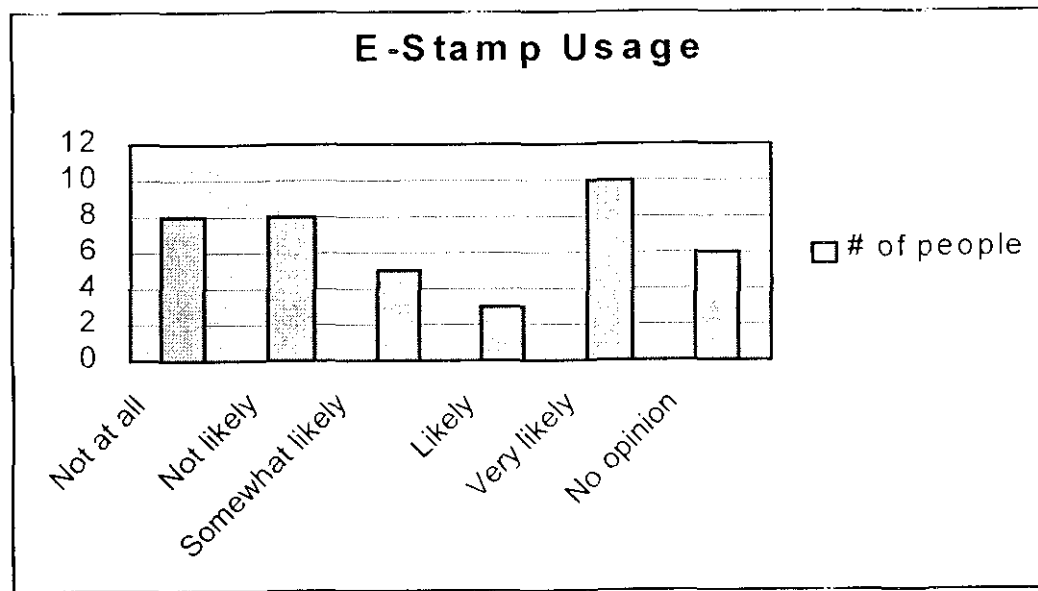
Using a credit card for stamp purchases was highly regarded as well with 60% of respondents saying that they would be willing to use credit cards for purchases of over \$5. In contrast, only 20% of people surveyed were opposed to the idea. Regarding changes in quality in the postal service most either held no opinion or were neutral in it. As for the rest, 28% did not feel that postal service quality improved in the past five years while only 21% felt that it did. On the bright side however, most people feel that the overall quality of the postal service is quite excellent, with only 7.5% of the respondents disagreeing with the statement. In contrast, 42.5% felt that the service was excellent.

Frequency of Visits to the Post Office

Of our respondents, we received a good variety of people regarding their number of visits to the post office. 33% of respondents visited the post office weekly, 27% visited it monthly, 37% visited it several times a year, and only 3% visited it several times a week.

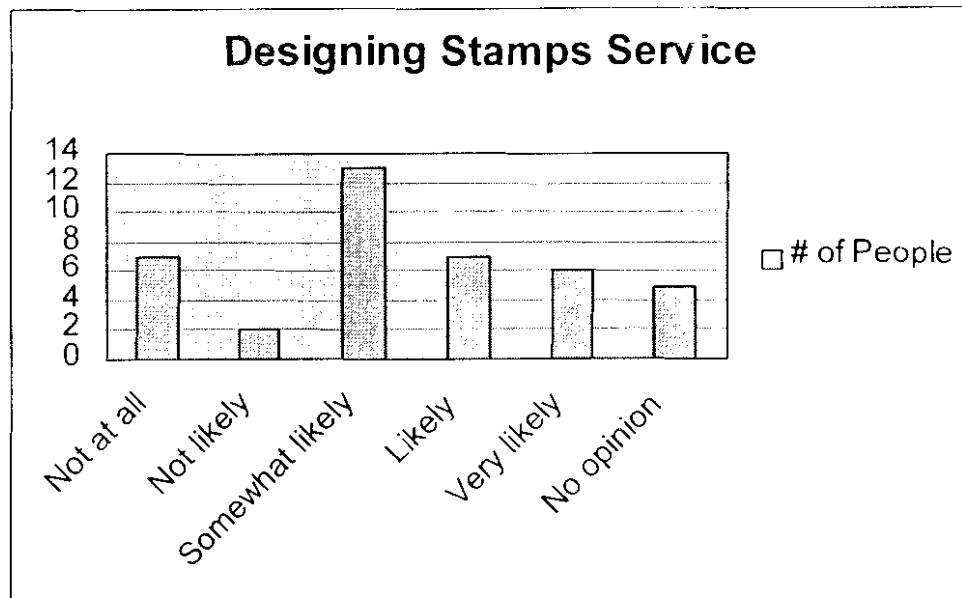
Electronic Stamp Usage

This question held a lot of importance in the questionnaire and was somewhat related to section 3's question of purchasing stamps over the Internet. Responses to this question were quite varied with 6 respondents having no preference for it, 29% being extremely likely to use the service, and 47% being unlikely to use it. The table below shows our findings.



Designing Your Own Stamps

The final question we had on our survey dealt with how likely people would use a service that allowed them to create their own stamps. Results for this question were slightly more positive than the ones with E-stamps, with 37% of the people telling us that they would likely use the service. Only 26% said that they would probably not use the service and 5 people had no opinion regarding the service. The following table shows our results.

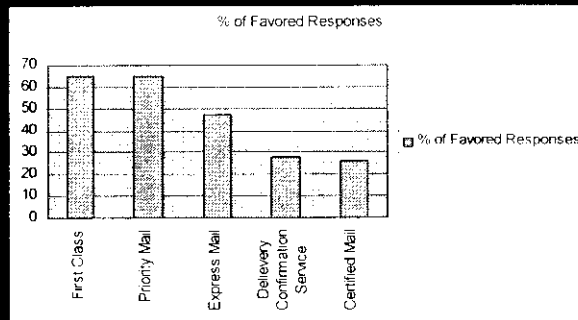


Conclusion

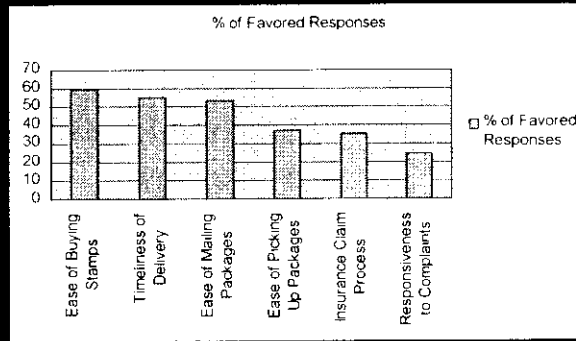
People seem to be generally satisfied with all aspects of the post office. E-stamp usage seems to be met with moderate appreciation while the ability to design your own stamps is met with an even greater feel. The price hike seems to be generally accepted, with over half of the respondents feeling that it is a fair price to charge. Lastly, survey participants feel that the ease of buying stamps, mailing packages, and receiving them on a timely

Power Point Presentation

Greg Gilreath, Anand Mahendra,
Brian Tom, & Doug Weitzbuch



% of Favored Responses taken from all Excellent and Good responses,
divided by the total number of people holding an opinion for the product.
("No response" results were taken out)



% of Favored Responses taken from all Excellent and Good responses, divided by the total number of people holding an opinion for the service. ("No response" results were taken out)

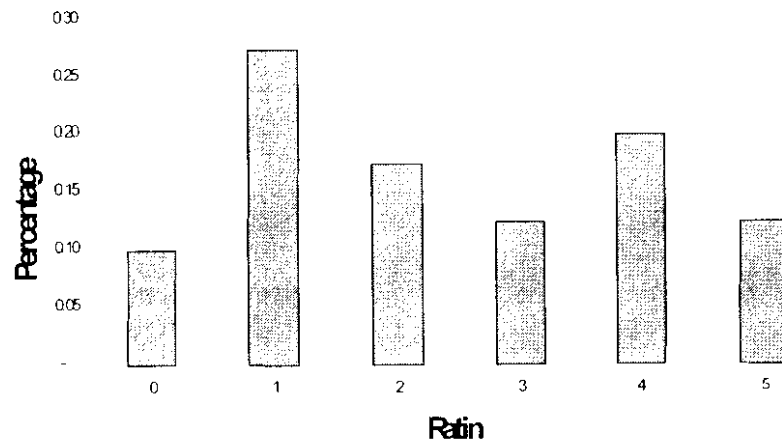
M. Group Thirteen Project of Danielson: Power Point Presentation

**POWER POINT PRESENTATION OF GROUP THIRTEEN
BUSINESS DECISIONS UNDER UNCERTAINTY
CLASS AT THE
UNIVERSITY OF SOUTHERN CALIFORNIA**

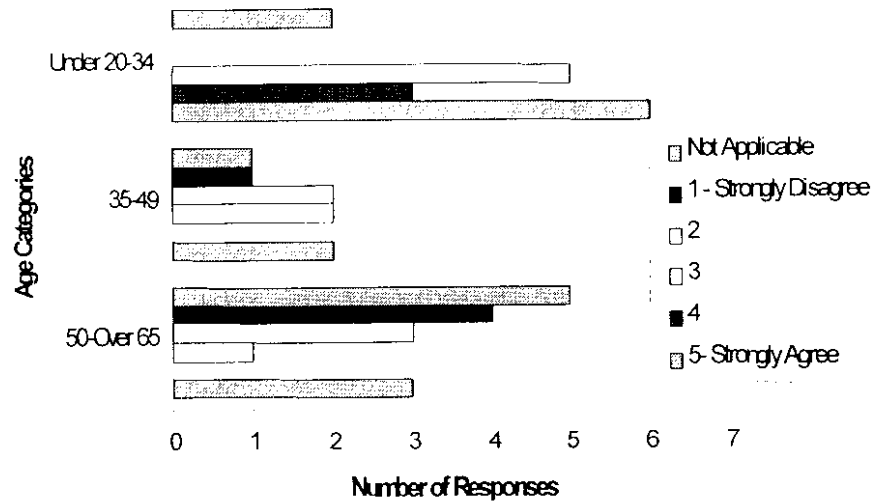
**PREPARED BY:
MR. DANIELSON**

Power Point Presentation

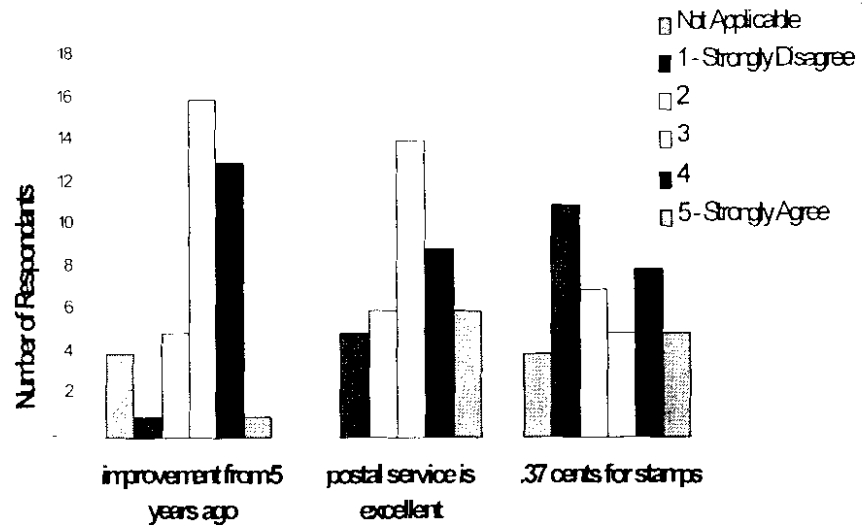
Respondant Views on \$0.37 Stamp



Age vs. Internet Stamp



Service Quality and Stamp Price



Service and Timeliness at the Post Office

