

## SUMMARY

*This summarizes findings from the Business survey. Question numbers refer to those used in the detailed tabulations.*

Two respondent groups were studied: one concerned with accounting and finance, the other with sales and marketing. Within the two groups, approximately equal numbers of interviews were conducted with representatives of the following three employee-size strata: less than 20, 20-99, and 100 or more. In calculating the totals for each population, the size categories were weighted up to their true proportions in the two respondent groups. This means that the smaller business locations dominate the weighted total for each group.

While theory does not permit us to combine the two respondent groups, they turn out to provide very similar responses to questions. Therefore, they are discussed separately only when differences appear. The combined total will be referred to as “business people” and the percentage quoted will be calculated from their combined total.

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### **KEY FINDINGS:**

Monday is named by nearly six out of ten business people as the heaviest day for receiving mail. The full impact of this result is revealed when we see that two out of ten say that all days are about equal and almost one in ten does not know which day is heaviest. That leaves relatively few responses to be distributed among the other five delivery days. (Q.A3)

Friday (25%) edges out Monday (19%) as the heaviest day for sending mail. *All about equal* and *don't know* account for 32%, leaving very little to be distributed among the other four mailing days. (Q.A4)

Four out of ten business people report spending \$750 or less with the Postal Service in the past year. About one in four say \$751-\$2,500; one in ten, \$2,501-\$10,000 and one in twenty, over \$10,000. However, the mean dollar figures for the sales/marketing group is more than twelve times that for accounting/finance. Since the medians are similar, this implies that there are a small number of big spenders among the sales/marketing group. (Q.A5)

Postal Service performance over the past 30 days is rated excellent (27%), very good (33%), or good (28%) by 89% of the business people. Note: this question was randomly asked either near the start of the survey or near its conclusion, with the intent being to gauge “top-of-mind” reactions versus those expressed after considering actual behavior and posited changes in postal service or rates; however, its placement had very little impact on aggregated responses. (Q.1)

Four in ten businesses represented are open on Saturdays. The smallest businesses are more likely to be open. (Q.2)

About half the businesses process or receive mail on Saturday. Again, these are more likely to be smaller firms. (Q.2A)

About three-fourths of the business people report that their post office is open on Saturdays. (Q.3)

Four out of ten say they rent a post office box or have caller service. Among this group, about two-thirds say someone collects the mail every day. In this context, “every day” does not necessarily include Saturday. (Q.4 & Q.5)

The most common reason given for sending someone to the post office is to buy stamps or other items from a clerk at the counter (36%). Other reasons include depositing/mailing letters (29%) or packages (18%) and collecting mail/packages from a clerk (25%) or from a post office box (21%). (Q.6)

The “degree of importance” questions shown below, and at various points later in this summary, use a five-point scale ranging from five for *very important* to one for *not very important*. For each such question, the mean *Importance Score* and the percent responding *not very important* have been reported. (Q.7 thru Q.13)

Importance to your business to be able to...	Importance Score	Not Very Important
Q.7A Pick up or mail packages or letters from the clerk at the counter on Saturday	2.07	60%
Q.7B Collect mail from a post office box on Saturday	2.08	60%
Q.7C Conduct other business at a post office on Saturday	2.06	58%

**Note:**  
Importance was clearly greater for firms with less than 20 employees.

Saturday delivery to businesses is considered less important than Saturday delivery to households.

Tuesday delivery to businesses is considered more important than Tuesday delivery to households.

Tuesday delivery to households and business is far more important than Saturday delivery to households and business.

Importance to your business that mail is delivered...		<b>Importance Score</b>	<b>Not Very Important</b>
<i>Q.8</i>	To households on Saturday	2.90	39%
<i>Q.9</i>	To households on Tuesday	3.77	19%
<i>Q.10</i>	To other businesses on Saturday	2.71	41%
<i>Q.11</i>	To other businesses on Tuesday	4.20	7%
<i>Q.12</i>	To your business on Saturday	2.40	55%
<i>Q.13</i>	To your business on Tuesday	4.33	7%

Firms with fewer than 20 workers placed more importance on Saturday delivery to households and to their own business.

When presented with a list of cost-cutting actions the Postal Service might implement on Saturdays, business people choose business-related services to be eliminated before household-related services. (Q.14)

If the Postal Service had to do the following on Saturdays to cut costs, which step would you prefer that they do...

	<b>First</b>	<b>Second</b>	<b>Total</b>
Close bulk mail deposit service	29%	22%	51%
Stop mail delivery to all businesses	21%	14%	35%
Close retail counter service at the post office	21%	17%	38%
Stop mail delivery to households	10%	13%	23%
Stop mail pick up at collection boxes or post offices	10%	16%	26%
Close off access to post office boxes at post offices	8%	18%	26%

Moreover, when asked which of these same options they would want the Postal Service to implement last, business people again support the continuance of household-oriented services. The actions that business would prefer to be taken last are: stopping mail delivery to households (24%) and closing retail counter service at the post office (18%). (Q.14)

If the Postal Service *had* to stop delivery on either Saturday or Tuesday, the overwhelmingly choice is Saturday; yet, there is a niche within the sales/marketing departments of small firms that would prefer stopping Tuesday delivery.

On which day would your business prefer stopping...		Tuesday	Saturday	No Choice
Q.15	Delivery to households	18%	75%	7%
Q.16	Delivery to businesses	8%	89%	3%
Q.17	Delivery to households and businesses	15%	82%	3%

Faced with the choice of halting all Saturday services (the options are addressed in Q.14) or dealing with a rate increase of 10% to 15%, business people choose cutting Saturday service. Sales and marketing people are more likely to choose raising prices than are financial and accounting people, but they still prefer to cut service by a two to one margin. (Q.18)

Prefer Saturday services be cut (and current rates maintained) or rates be increased 10% to 15% (and current services maintained)?	Accounting / Finance	Sales / Marketing
Cut Saturday Services	73%	64%
Raise Prices	22%	28%
Don't know	6%	8%

An interesting dichotomy exists among firms, relating to their size, and therefore to their being open or not on Saturday. Among those who prefer to cut Saturday services in order to keep current prices, their top choice for which Saturday service to cut first is a tie between delivery to business and delivery to households. And among those who prefer to have prices rise in order to retain Saturday services, their last choice for which Saturday service to cut is delivery to business. (Q.14 & Q.18)

If the Postal Service delivered on five days a week instead of six (with no mention of which day would be eliminated), three out of four business people see their firms changing one or more aspects of their mailing behavior. In listening to interviews, it became apparent that the changes generally involve doing more of things that they are already doing, rather than undertaking new activities. The principal changes mentioned are: (Q.19)

- Make important mailings on different days (51%)
- Increase or start using competitors to send packages (43%)
- Increase or start using electronic communications services (31%)

Forty-five percent of those who would change behavior say Saturday delivery to households is important (top-2 box), this is significantly higher than the 21% of those who would not change behavior. Conversely, 66% of those who would not change behavior also do not think Saturday delivery to households is important (bottom-2 box), this is significantly higher than the 39% of those who would change behavior. (Q.8 & Q.19)

Thirty-eight percent of those who would change behavior also say Saturday delivery to business is important (top-2 box), this is significantly higher than the 16% of those who would not change behavior. Conversely, 68% of those who would not change behavior also do not think Saturday delivery to business is important (bottom-2 box), this is significantly higher than the 43% of those who would change behavior. (Q.10 & Q.19)

Sixty-two percent of those who would change behavior prefer eliminating Saturday services, 29% prefer the rate hike; however, 91% of those who would not change behavior prefer service elimination, with only 8% preferring the rate hike. Clearly, firms that are unable or unwilling to adapt wish to hold costs down, whereas the flexible firms are more willing to accept rate hikes --- although they still choose the service reduction by a two-to-one margin. (Q.18 & Q.19)

Among those saying they would change behavior, 23% say they would reduce their total use of the Postal Service. And of those who would reduce usage, the vast majority (75%) say they would reduce it by less than 25%; a small, but significant number (18%) say they would reduce usage by at least 25%; and 5% did not know. In most cases, the reductions would be spread across all classes of mail (First Class, Standard, Priority, Parcel Post), with slightly more emphasis on reducing First Class and slightly less emphasis on reducing Parcel Post. (Q.20 thru Q.23)