

Bulletin

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Study Details Latest Mail Trends

Transactional mail, direct mail advertising, and periodicals are three important service areas for printers and mailers. As reported in this month's *Postal Highlights* newsletter, the U.S. Postal Service's *Fiscal Year 2016 Household Diary Study* provides a number of insights into trends related to these areas, including the following:

Transactional Mail

Less than one third (31%) of household mail contained correspondence or transactions in 2016, compared to 34% in 2006. Transactions sent and received constitute 21% of all household mail volumes and 57% of household First-Class Mail. Total transaction volume sent and received by households in 2016 fell 8.7% compared to 2014. All major categories contributed to the decline, as volumes were eroded by the continuing growth in the use of the internet for various transaction types.

Fewer bills were paid by mail than were received by mail as payment methods completely reversed over the last decade: In 2016, 27% of bill payments were made by mail and 70% electronically, compared to 62% by mail and 32% electronically in 2006.

The study pointed out that while many businesses use electronic funds transfer (EFT) or other electronic technologies to settle transactions, households still receive a majority of their recurring bills through the Postal Service—but as households become more comfortable with receiving personal information online, “the transition to electronic bill presentments will likely gain more momentum.”

Direct Mail

American businesses spent about \$204 billion in 2016 advertising their products and services, a 6.6% increase over 2015, but direct mail spending rose only 0.1% between 2015 and 2016, while internet advertising increased 19.2%.

Although direct mail's share of total advertising spending declined in 2014 and 2015, it still remained relatively constant, fluctuating

between 10% and 12% over the last 25 years.

The USPS says that direct mail remained a leading media choice for advertisers in 2016, third after internet and television. In 2016, advertising mail represented 62% of all household mail. Households received 79.1 billion pieces of advertising mail last year, down 1.9% from 2014, driven by an 8.6% decline in First-Class advertising and a 1.0% decline in Standard Mail—about 89% of all advertising mail received by households in 2016 was sent via Standard Mail.

First-Class advertising mail accounted for 8.2 billion pieces (10.4%) of all advertising mail received by households. Of this volume, 3.8 billion pieces were advertising-only, while the other 4.4 billion pieces were secondary advertising pieces, or what is termed “advertising enclosed mail.” “Ultimately, advertisers send direct mail because it works—household members read and respond to it,” says the study, noting that “households report they intend to respond to about 13% of First-Class advertising mail and 11% of Standard Mail.”

Periodicals

Periodicals represent 4.0% of all household mail volumes. Although there was a slight rise in periodicals received by mail last year—5.1 billion compared to 4.9 billion in 2015, the volume of periodicals still was lower last year than in 2014 (5.3 billion). Overall, from 2014 to 2016, household periodicals declined 3.8%.

In 2016, 78% of all periodicals received by households were magazines. In 1987, the share of magazines was 59%. The most common type of magazine was monthly, accounting for 67% of total magazines. Newspapers made up 13% of total periodicals volume, down from 35% percent in 1987. The USPS offers statistics showing that as income, education, and age increase, periodicals volume tends to grow.

[Click here](#) to view a pdf of the complete study.

