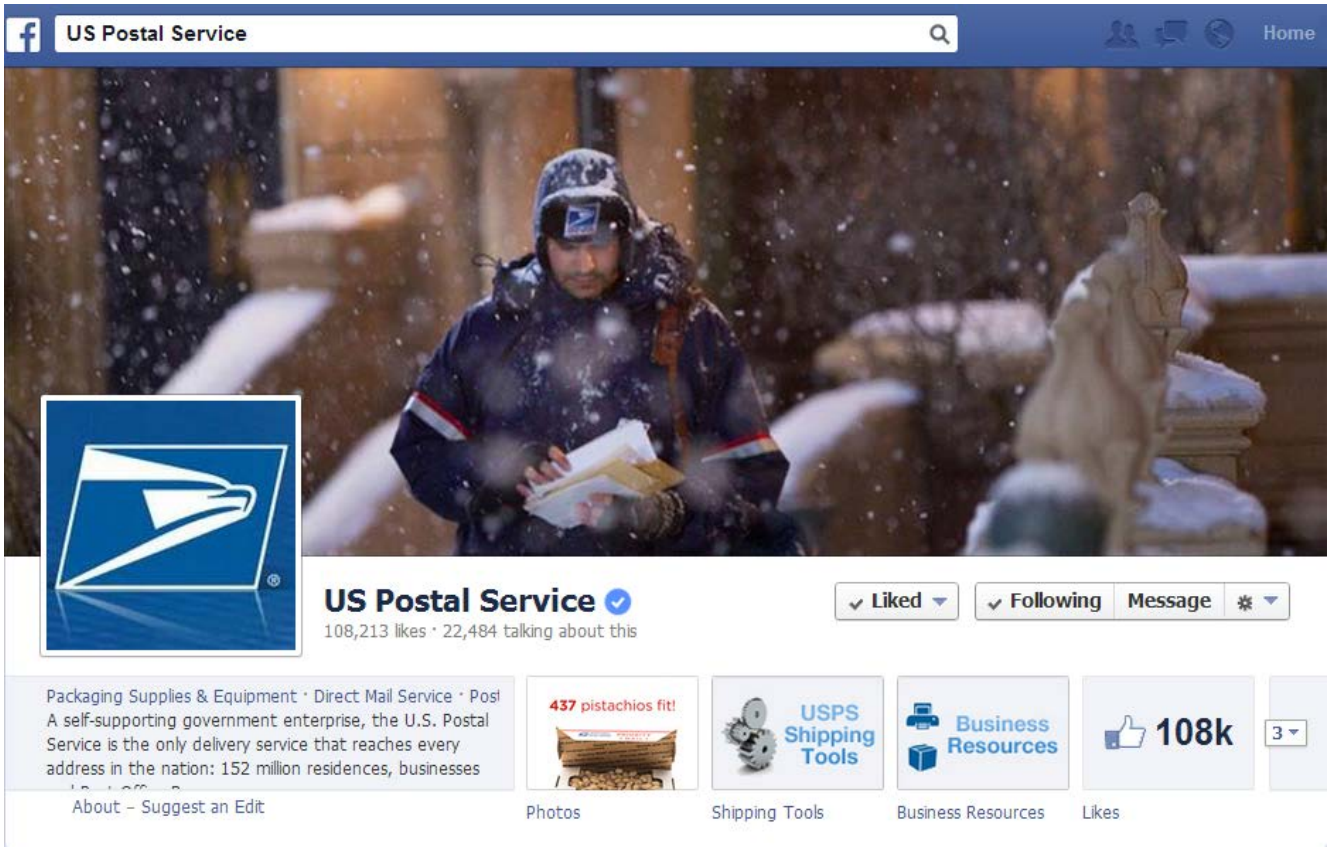
OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

WHITE PAPER

Like, Share, Tweet: Social Media and the Postal Service

April 21, 2014



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EXECUTIVE SUMMARY

Like, Share, Tweet: Social Media and the Postal Service

Social media has revolutionized the world of communication and commerce, radically changing the way people make purchase decisions. It is increasingly used by millions of people around the world to interact with each other, access information, and recommend products and services.

Most businesses and organizations now view social media as an opportunity to reach and engage with large customer audiences in ways impossible before: directly, in-real time, and at a lower cost. Likewise, the U.S. Postal Service (Postal Service) could better use social media to obtain these benefits. Effectively integrating social media into an omnichannel marketing and communication strategy can offer businesses numerous benefits.

First, a fully developed social media strategy can help companies respond more effectively to the changing communication needs of their customers. As users, especially younger generations, increasingly rely on online and social channels to shop, access information, and seek entertainment, businesses will have to increase their efforts to reach them on the channel they prefer. Second, social media allows businesses to take

Highlights

Social media is now an important channel of business communication: 70 percent of businesses and organizations worldwide have a social media presence.

Social media represents as much as $1.3 trillion in annual economic value.

A strong social media strategy could help the Postal Service remain competitive in the digital age by better responding to changing communication needs, improving the customer experience, creating value through social commerce, and cutting costs.

The Postal Service can enhance its currently limited social media strategy by undertaking actions that would:

- **ensure a strong foundation by allocating necessary resources,**
- **expand its social media reach, visibility, and level of engagement,**
- **leverage the network to improve brand image, build new products, and create new marketing and sales opportunities, and**
- **turn social media into a valuable data source.**

advantage of network effects — reaching an exponentially growing audience that is also a valuable source of customer information.

For many businesses, social media has provided new ways to generate revenue. Social sites can be effective at driving customers to companies' websites, promoting positive word-of-mouth about products and services, enhancing the corporate brand, and increasing customer loyalty. These activities translate into increased revenue. Finally, because social media is a less expensive tool to manage internal and external corporate marketing and communication activities, it also cuts costs.

Although the direct return on investment of social media is difficult to measure, the benefits are likely to be substantial. Researchers at McKinsey estimate that there is somewhere between $900 billion and $1.3 trillion in annual value to the economy that could be unlocked by social technologies.[1]

The Postal Service has already begun to build a social media strategy and has established a presence on some of the major social media sites. A small team manages the Postal Service's presence and also uses some helpful analytics tools. Nevertheless, to fully harness the power of social media and reap the potential benefits, the Postal Service could consider undertaking some additional actions:

- Allocating additional resources. The resources the Postal Service currently allocates to social media do not seem to be sufficient to ensure an engaging online presence with appropriate cross-company coordination.

- Increasing social media visibility. To increase its number of followers and therefore maximize potential benefits, the Postal Service could market its social presence more actively by, for example, making social media site logos more visible on USPS.com, in TV commercials, on its vehicles, and in post office lobbies.

- Improving customer care. Solving more customer complaints over social media can help the Postal Service project a better public image, reduce complaints by sharing solutions with all customers, and reduce customer care costs.

- Delivering more customer-centric content. For an organization with such a broad and diverse customer base like the Postal Service, creating more regional, local, or interest-based user communities could attract followers by providing them with content more pertinent to their needs and interests.

- Marketing current products and services. The Postal Service could use social media to advertise its current offerings, sell selected products and services, and conduct crowdsourced market research.

[1] McKinsey & Company, *The Social Economy: Unlocking Value and Productivity through Social Technologies,* July 2012, http://www.mckinsey.com/insights/high_tech_telecoms_internet/the_social_economy, p. 3.

- Creating new products. Social media creates an opportunity for the Postal Service to offer crowdshipping services, social e-commerce services, identification services, and products that help bridge the physical and digital communication worlds. Social e-commerce services, for example, could facilitate the use of social platforms as storefronts, similar to online shops on Etsy or Amazon. The Postal Service could manage necessary back-end services such as microwarehousing, fulfillment, and delivery.

- Turning social media into a valuable data source. A greater investment in advanced social media analytics tools could help the Postal Service gain a better understanding of what resonates with users and what factors are likely to lead to a more positive view of the brand or even drive sales.

- Continually evaluating new platforms. The social media landscape is constantly evolving. New tools and capabilities might be appropriate to help the Postal Service meet its goals. For example, Pinterest is quickly becoming a popular platform and has recently demonstrated an ability to drive sales. The Postal Service should frequently scan for new platforms, such as Pinterest, that might fit its strategy.

Although not a “cure all,” social media offers significant benefits, and many opportunities exist for the Postal Service to expand in this area. To do so will require a more solid foundation of resources and a distinct, agency-wide commitment. A solid and comprehensive social media strategy built on such a foundation could help the Postal Service extend its reach, cut costs, create value, and remain current as society changes.

Table of Contents

Introduction 1

Social Media: Definition and Characteristics 2

Benefits of Social Media for Businesses 3

Expanding the Postal Service's Use of Social Media: A Possible Step-by-Step Implementation Strategy 4

Step 1: Commit to Social Media 5

Step 2: Build a Broad User Network 8

Step 3: Leverage the Network 15

Step 4: Measure the Network's Success 22

Conclusion 24

Appendices

Appendix A Common Social Media Platforms 25

Appendix B Detailed Explanation of the Benefits of Social Media 26

Snapshots

Snapshot 1 UPS — Building a Dedicated Core Social Media Staff 7

Snapshot 2 Popular Recent Postal Service Post on Facebook 9

Snapshot 3 Nilla Wafers — Investing Entire Advertising Budget in Social Media 10

Snapshot 4 USPS and Customer Service on Social Media 11

Snapshot 5 National Geographic — Creating Local Networks through Local Content 13

Snapshot 6 Mock-Up of a Possible Carrier Twitter Page 14

Snapshot 7 Canada Post — Market and Sell through Social Media 18

Snapshot 8 Nike — Creating Social Products 22

Snapshot 9 Customer Sentiment Analysis 24

Table

Table 1 Social Media Platforms 25

Figures

Figure 1 Opportunities for the Postal Service at Each Step of Implementation 5

Figure 2 Potential Social Postal Products and Services 19

Figure 3 Top Ten Users of @USPS and #USPS (during one week in late July 2013) 23

Videos

Video 1 Blippar Product for the U.S. Postal Service 16

Video 2 U.S. Postal Service Virtual Box Simulator 17

Video 3 Friendshippr, a Crowdshipping Startup 20

Like, Share, Tweet: Social Media and the Postal Service

Introduction

Social media is the latest revolution in the world of communication, having radically changed the way people communicate and interact as well as how they access and share information. Thanks to its immediacy, broad reach, and openness, millions of users around the world have adopted social media as an important channel to talk to each other, share personal content, and — most importantly for businesses — recommend products and services.

The proliferation of social media platforms and users has provided businesses the unprecedented opportunity to reach and engage with large customer audiences in ways impossible before: directly, in real time, and at a lower cost. To harness the potential power of the new social channels, businesses and organizations are rethinking their marketing, communication, and commercial strategies. It is now common to establish a social media presence and use it to promote brand awareness, build trust and relationships with customers, obtain customer feedback, and market products and services.

Many customers prefer engaging with businesses through social media and have come to expect it.

Given all the buzz around social media, it can be difficult to separate hype from reality and determine its actual value for business. Social media cannot do everything, but it does have unique features and capabilities that are beneficial and can be very important to a business's overall communication strategy. Many customers do not just prefer engaging with businesses through social media; they have come to expect it. Any business failing to understand these new customer expectations will likely be left behind.

Social media offers the Postal Service a new way to connect with customers, build new products, and demonstrate that it can be vital in this new communication environment.

The U.S. Postal Service (Postal Service) has already begun to develop and utilize social media, as detailed in the U.S Postal Service's Office of Inspector General's (OIG) previous report, *The Postal Service's Use of Social Media*.[1] This paper will expand the analysis of the social media environment in which the Postal Service operates and provide additional suggestions on how it could increase the effectiveness of its social media strategy.

[1] U.S. Postal Service Office of Inspector General (OIG), *The Postal Service's Use of Social Media: Management Advisory,* Report No. MS-MA-13-003, August 1, 2013, http://www.uspsoig.gov/sites/default/files/document-library-files/2013/ms-ma-13-003.pdf.

Now is an opportune time for the Postal Service to be proactive in engaging more fully with social media. The Postal Service has the benefit of learning from the failures and successes of early social media adopters, and using those lessons to craft a more effective strategy. In a time when the traditional role of the Postal Service is shrinking due to digital alternatives, social media offers the Postal Service a new way to connect with customers, build new products that link the physical and digital worlds, and demonstrate that the Postal Service can be not only relevant but vital in this new communication environment.

Social Media: Definition and Characteristics

Because it can mean different things to different people and the landscape is constantly changing, there is not one single recognized definition of social media.[2] Nevertheless, looking at its most common features and uses, social media can be described by how it differs from other forms of media. In particular, social media

- Provides a channel to openly communicate and share information with multiple people at the same time;
- Allows users to generate authentic content, share it in real time, and stimulate active engagement through comments and discussions;
- Ensures a high level of personalization — each user is the center of his or her own network, and users' wants, needs, and interests are main topics of discussion; [3] and
- Facilitates the building of social networks and relationships among people who, for example, share interests, activities, backgrounds, or real-life connections.[4]

Social media will continue to evolve, and it will be important for businesses to embrace and adapt to future changes.

From its genesis, the main purpose of social media has been to create interconnected networks of people, but the evolution of platform technologies has allowed social media providers to consistently add new features and capabilities as well as tailor social platforms to the needs of different customer segments. People, businesses, and organizations now have the option to choose among different types of social platforms, each of them enabling different uses and activities. For example, sites such as Facebook allow users to share thoughts, pictures, and videos with friends and connections. Microblogs such as Twitter allow for rapid communication of news, commentary and complaints; blogs

[2] *Social Media and Its Origins*, http://www.defence.gov.au/pathwaytochange/docs/socialmedia/1.%20Social%20media%20and%20its%20origins%20SM.pdf, p. 5.
[3] Angela Hausman, "16 Differences Between Social Media and Traditional Media," *Business 2 Community*, July 5, 2012, http://www.business2community.com/social-media/16-differences-between-social-media-and-traditional-media-0211995#!w3w8A.
[4] "Social Networking," *Mashable,* http://mashable.com/category/social-networking/.

such as Wordpress allow almost anyone to become a publisher; and review sites such as Yelp put an abundance of information at consumers' fingertips.[5]

Currently, the most effective and useful applications of social media remain rooted in the original purpose of creating new ways to keep in touch and foster a new kind of engagement and communication. However, social media and its applications will continue to evolve, and it will be important for businesses to embrace and adapt to future changes in order to realize the benefits.

Benefits of Social Media for Businesses

Although social media started out as a social phenomenon, businesses soon realized that it had commercial potential.[6] At a basic level, social media helps businesses

- Respond to changing customer communication needs. The Internet has changed the way people communicate. More and more people, particularly Millennials, rely on social media channels for shopping, information, and entertainment. Communicating via social media will be essential to cater to the evolving needs and preferences of increasingly digital customers.

- Leverage the "network effect." Because so many people use social media, it allows businesses to reach a wide audience that expands exponentially — direct connections share information with their connections, who then share it with their connections, and so on. All this information sharing on social media is also an important source of big data — "unstructured" information about what people say, do, and prefer. The ability to obtain, manage, analyze, and use this data can provide excellent returns.

- Create value through social commerce. Businesses can directly sell products on social sites, although so far only in a limited capacity. More important is the reputation capital that comes from strong word-of-mouth advertising through social media, and the ability to promote a positive brand image.

- Cut costs and increase efficiency. Social media helps increase efficiency, for example, by reducing time spent searching for company information. Social media also allows businesses to carry out important activities, such as customer service and marketing, at a lower cost. For example, handling a customer call typically costs more than $6 whereas an interaction using social media costs less than $1.[7]

[5] For more information on the types of social media sites available, please refer to Appendix A.
[6] See Appendix B for a detailed discussion.
[7] McKinsey, *Why the COO should lead social-media customer service,* January 2014, http://www.mckinsey.com/insights/marketing_sales/why_the_coo_should_lead_social_media_customer_service, p. 2.

Even though social media is not a fix-it-all solution, these benefits have led 70 percent of businesses and organizations worldwide to establish a social media presence.[8] Even government agencies are getting involved — almost all of the agencies the U.S. Government Accountability Office (GAO) examined in 2011 participated on social media.[9] The Postal Service could also benefit if it more effectively combined conventional marketing and communication tools with social media to create a successful omnichannel communication strategy.

Expanding the Postal Service's Use of Social Media: A Possible Step-by-Step Implementation Strategy

To get the most out of social media, businesses must develop and hone an effective social media strategy. Various successful strategies and campaigns are possible, but they generally tend to result from the following step-by-step approach:

1. Commit to social media;
2. Build a network of followers;
3. Leverage the network; and
4. Measure the network's success.[10]

It is important to note that, while the steps should be taken in order, each step is continuous. For example, the building phase is never complete — businesses must always try to reach more people and create new content that keeps people engaged.

The first step is committing to social media, across all levels of the business, to ensure a strong foundation for a successful social media strategy. Committing to social media requires more than just establishing a social media presence. It includes defining the goals for using social media, creating a comprehensive strategy to meet those goals, clarifying which department(s) handles each aspect of social media communication, and providing the resources necessary to ensure the strategy's success.

The second step is to develop a network of loyal followers who are interested in engaging with the business. Businesses must give their customers reasons to become a part of their network, sparking conversations by creating interesting content, and participating in resulting conversations in a genuine, transparent, and informal way.

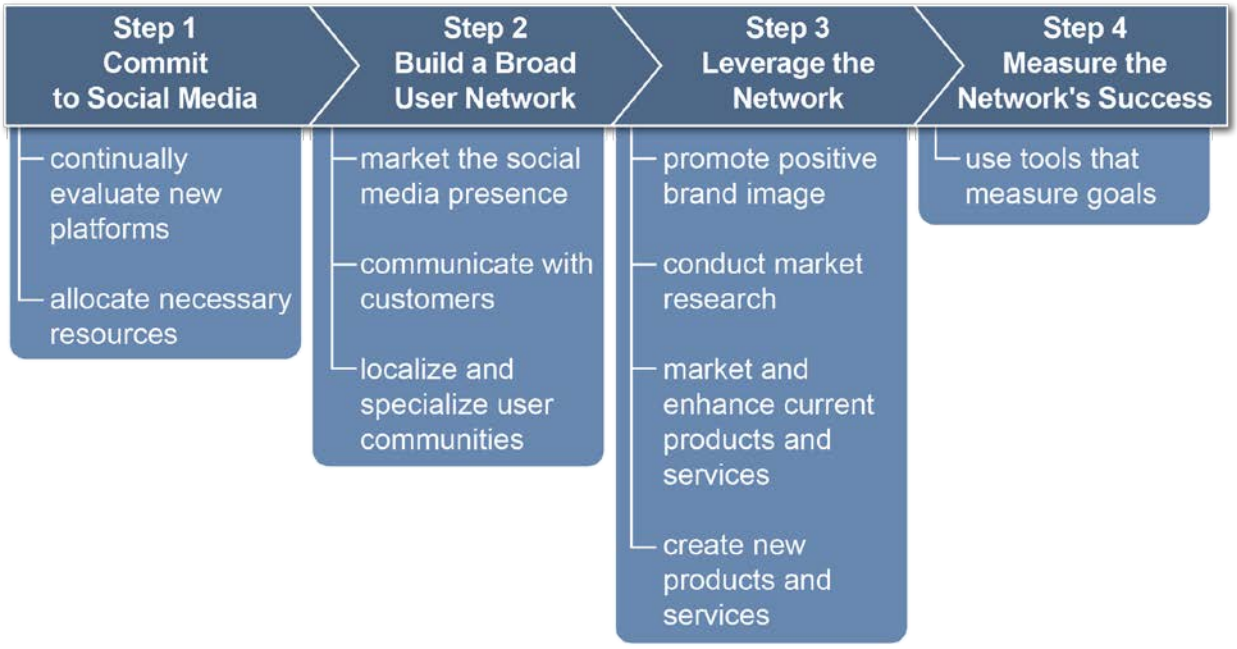
[8] Of the 70 percent that were using social technology, 90 percent saw "some degree of business benefits." See: McKinsey & Company*, The Social Economy,* pp. 5-6.
[9] U.S. Government Accountability Office, *Social Media: Federal Agencies Need Policies and Procedures for Managing and Protecting Information They Access and Disseminate*, Report No. GAO-11-605, June 2011, http://www.gao.gov/products/GAO-11-605.
[10] For a more direct discussion of best practices, see: Andreas Kaplan and Michael Haenlein*, "*Users of the World Unite!: The Challenges and Opportunities of Social Media," 53, No. 1 (2010), http://www.sciencedirect.com/science/article/pii/S0007681309001232.

Once a network is in place, a business can start thinking about how to leverage it. Through engaging with customers, businesses can (1) promote the brand, (2) find out directly from customers what they need and want through a new form of market research, and (3) market and sell to customers directly.

Finally, the business must collect, analyze, and utilize the abundance of information available from these networks not only to glean valuable information about customer preferences and reactions, but also to measure the success of its strategy.

This section will discuss how far the Postal Service has advanced in implementing each step, identify new opportunities, and provide some ideas of what actions the Postal Service could take to maximize the benefits offered by social media. Figure 1, below, displays the actions the Postal Service could take at each of the implementation steps.

Figure 1: Opportunities for the Postal Service at Each Step of Implementation



Source: OIG Analysis.

Step 1: Commit to Social Media

As the OIG detailed in its previous report, the Postal Service has already established a presence on a variety of social media. The Postal Service started to use social media in 2009 and has different pages on some of the major social media sites such as Facebook, Twitter, and YouTube.[11] The Postal Service's goals in using these platforms are to enhance communication, solicit feedback from customers, and recruit prospective employees.[12] In addition, the Postal Service has dedicated some resources to social

[11] OIG *The Postal Service's Use of Social Media,* p. 1.
[12] Ibid.

media, including some analytics tools and a handful of dedicated staff managing the social media presence and working on developing new strategies. Employees working on social media at the Postal Service recognize that it is an important tool for communicating with customers and stakeholders.[13] There are, however, actions the Postal Service could take to strengthen its performance in this first step.

Continually Evaluate New Platforms

As discussed above, the social media landscape is continually changing. New sites and tools are constantly being developed, and their capabilities expanding. This requires regular reevaluation of strategy and tactics. For example, Pinterest is quickly becoming a widely-used platform and is demonstrating itself to be the most successful social media site for driving sales.[14] The Postal Service does have a stamp-specific Pinterest page, where pictures direct customers to blog posts about stamps, as well as to USPS.com to purchase Click-N-Ship products or to schedule a pick up. The Postal Service could implement these and other ideas on a business-wide page as opposed to only a stamp-specific page. Other ideas could include offering ideas for "crafty" ways to pack and wrap gifts or useful information for small businesses, as United Parcel Service (UPS) offers on its "The UPS Store" Pinterest page.

Allocate Necessary Resources

A successful social media campaign requires buy-in at every level, including leadership, along with substantive allocation of resources in the form of technology as well as personnel who are knowledgeable and passionate about social media.[15] UPS, as shown in the Snapshot below, has a senior manager with a small, but growing, staff who primarily work on social media. These personnel resources allow UPS both to manage customer interactions and launch new social marketing campaigns. In addition, a successful social media strategy requires cross-functional management, not only to ensure that each department (marketing, communications, customer service, etc.) can take advantage of the variety of opportunities social media offers, but also to ensure that information is consistent across departments and social media platforms.

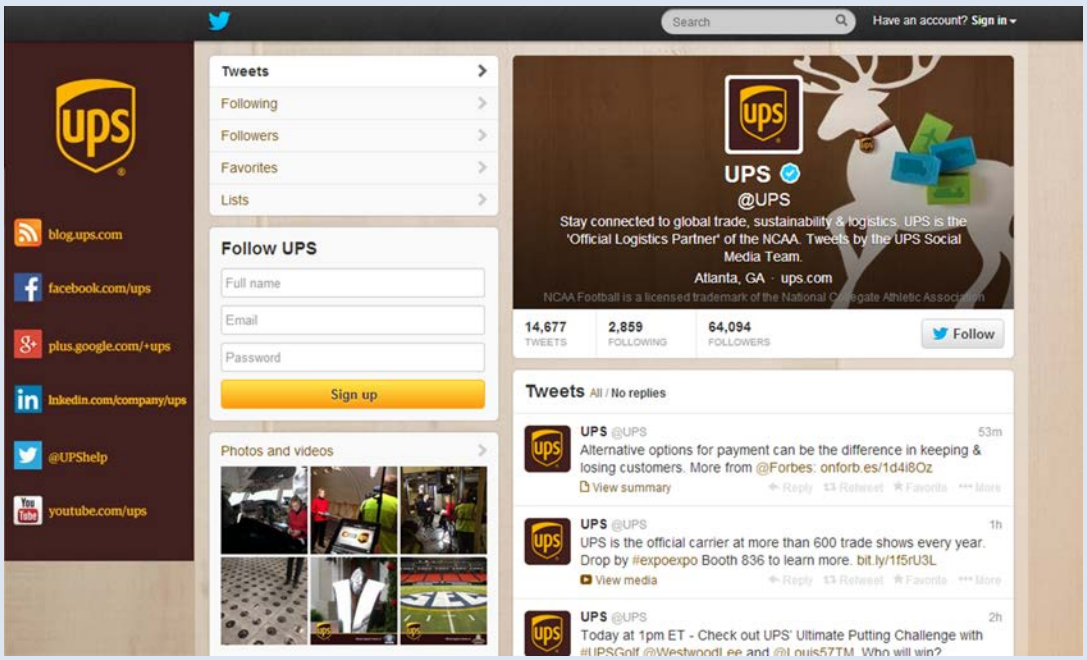
Currently, the Postal Service has a small team of dedicated social media staff: one full-time employee in the Corporate Communications department, and two other employees, one each in Human Resources and Stamp Services, that each work part-time on social media for their respective departments.[16] These resources do not seem

[13] U.S. Postal Service, in discussion with the author, September 27, 2013.
[14] Pinterest accounts for more social network driven sales than other social networks, likely due to its highly visual browsing-friendly nature and direct links to the product on the seller's website. Zak Stambor, "How Pinterest Leads to Sales," *Internet retailer*, February 4, 2014, http://www.internetretailer.com/2014/02/04/how-pinterest-leads-sales?cid=IRN2014&bro_mid=45871590&bro_rid=0bc103e800000000000000000000562458a.
[15] McKinsey & Company, *McKinsey Global Survey Results: Organizing for Change through Social Technologies*, November 2013, http://www.mckinsey.com/insights/high_tech_telecoms_internet/organizing_for_change_through_social_technologies_mckinsey_global_survey_results, p. 3.
[16] Staff work in Stamp Services is supplemented by a contractor. U.S. Postal Service, in discussion with the author, April 1, 2014.

to be sufficient to meet demand.[17] Given the size of the Postal Service, its audience, and the number of departments that could benefit from communicating with customers through social media, it would be advisable to dedicate additional resources to social media.[18] This would help ensure the Postal Service successfully integrates social media within its overall marketing and corporate communication strategies.[19]

Snapshot 1: UPS — Building a Dedicated Core Social Media Staff

For UPS, incorporating social media into business practices developed slowly as executives watched how others were using it. About 5 years ago, UPS began a gradual roll-out of a strategy that is very customer-oriented, allowing UPS to respond to complaints and resolve issues quickly. UPS also uses social media as a marketing tool, informing people about specific products or services and showing where to get them. The company now has a senior manager with a staff of five to 10 employees whose primary responsibilities involve social media activity. Dedicated resources for the department are growing incrementally. It's hard to directly attribute specific sales figures to social media, but when UPS has posted about particular products, sales for those products have increased. Moreover, UPS evaluates everything the company does in terms of return-on-investment. Were social media not demonstrating worthwhile return, the social media staff and resources would most likely be decreasing.



Source: UPS in discussion with USPS OIG, picture is a screenshot from UPS Twitter page available at https://twitter.com/UPS.

[17] U.S. Postal Service, in discussion with the author, September 27, 2013.

[18] Given the tough financial situation the Postal Service is currently in, it might be difficult to find the capital to allocate these necessary resources. However, the cost-cutting capabilities of social media could help justify a greater expense in this area. See Appendix B for more information on how social media can help cut costs.

[19] It is important for businesses to ensure that a strategy is as successful as possible. A poorly executed strategy is highly visible and might be more damaging to the brand than not having a social media presence at all. For one example, see the media backlash to the discovery that the U.S. State Department wasted taxpayer dollars buying Facebook likes. Moran Zhang, "US State Department Facebook 'Likes': DOS Spent $630,000 on Buying Fans," *International Business Times*, July 4, 2013, http://www.ibtimes.com/us-state-department-facebook-likes-dos-spent-630000-buying-fans-1334457.

Step 2: Build a Broad User Network

Building the network involves three main actions: promoting the business' social media presence, utilizing the platform to communicate and engage with customers according to their interests and needs, and fostering the creation of tighter, more localized communities of users. The Postal Service has had some successes in these areas, but more can be done to build the Postal Service's network.

Market the Social Media Presence

Many people are probably unaware that the Postal Service has social media pages. Its page on Facebook currently has about 130,000 "likes," and the Postal Service's Twitter account has about 26,000 followers — not large considering the Postal Service employs about half a million people and has a customer base equivalent to the entire U.S. population. Walmart, a company with a similar size and scope, has almost 32 million likes from Facebook users in the United States and over 462,000 total Twitter followers.[20]

Many people are probably unaware that the Postal Service has social media pages.

The OIG's previous work in the area of social media noted visibility as an issue.[21] Maximizing visibility could include cross-linking between social media sites (linking to Postal Service Facebook and YouTube sites directly from its Twitter page, for example), and also making social media site logos more visible on the Postal Service website (USPS.com), and in TV commercials.[22] Currently, links to Postal Service social media pages are at the bottom of the homepage and are in gray, which makes them hard to see. The Postal Service also does not put social media logos or remind viewers to "like us on Facebook" in their TV ads, as many businesses now do.

Maximizing visibility could also extend to other Postal Service points of access. It has highly visible trucks and packaging that traverse the country daily, and post offices and mailboxes in almost every corner of the country. Logos for social media sites could be placed on all these items, acting as a subtle reminder that the Postal Service uses these outlets. The Postal Service has already tried to appeal to its youngest customers by turning some of its blue mailboxes into SpongeBob Squarepants.[23] It could also try appealing to other young customers (in this case, Millennials) by informing them of its presence and activity on the platforms on which they prefer.

[20] Out of 34 million total Facebook likes, 32 million of Walmart's likes are from Facebook users in the United States. See Socialbakers, *United States Facebook Statistics,* http://www.socialbakers.com/facebook-statistics/united-states. This data is not available for Twitter, but if the ratio is similar to the Facebook data the vast majority of Walmart's Twitter followers are likely also in the United States.
[21] OIG, *The Postal Service's Use of Social Media*, p. 1.
[22] Ibid.
[23] Jenny Xie, "The USPS Tries to Get Kids Writing Letters With a Spongebob SquarePants Mailbox*," The Atlantic Cities*, December 9, 2013, http://www.theatlanticcities.com/arts-and-lifestyle/2013/12/usps-tries-get-kids-writing-letters-spongebob-squarepants-mailbox/7823/.

Communicate and Engage with New and Existing Customers

The Postal Service can use social media to cultivate and build long-term relationships with both new and existing customers to get them excited about postal products and services. For example, social media could be a great tool for the Postal Service to engage particularly with Millennials, who rely more on social media and email for communicating rather than traditional mail. Millennials are quickly becoming a powerful consumer force, and the Postal Service is going to have to become more relevant to this population if it wants to be viable in the future. Just establishing a presence on social media gives the Postal Service the ability to reach these customers on their preferred channel, but building a relationship requires more effort to create (1) content relevant to their interests and (2) an informal tone that echoes the communication style of younger generations.

Develop customer-centric content — Social media users follow companies in order to stay informed. They want to see information that is pertinent to them. With online shopping becoming ever more popular, everyone is interested in packages. The more information the Postal Service can share about package services, the better. Postal Service postings currently seem to be more about stamps than packages (not just on their stamps-specific pages, but across all pages). Customers also follow brands in order to find out about contests, coupons, and other special deals. The Postal Service could not only ensure that existing specials or contests are advertised on social media, but also create content specifically designed for the social media audience.

Snapshot 2: Popular Recent Postal Service Post on Facebook

Also, social media is an informal channel and users enjoy seeing smart, entertaining, and engaging content. The Postal Service has experienced some success with this. For example, a recent "how many will fit?" picture (left), asking how many pistachios will fit in a priority mail shipping box, received more comments and shares than many other recent postings.[24] This type of content does not necessarily even have to be related to a product or service at all, but rather something that resonates with the audience.

Nilla, as discussed in the Snapshot below, pursued an extreme option and invested their entire advertising budget into this strategy of creating sharable content that

[24] Other popular posts include: a video of a cat in a box, a picture of a mail truck in snow saying "snow won't stop us," and a picture of a postal employee with his son.

resonates with customers. While the Postal Service would likely be better served by an omnichannel strategy instead of investing all its advertising capital into social media, Nilla makes for an interesting case because it allows us to isolate social media as a variable and see its effects. What we see is that it can pay off.[25]

Snapshot 3: Nilla Wafers — Investing Entire Advertising Budget in Social Media

The executives for Nilla vanilla wafers decided to do something different: spend every single advertising dollar on social media. They did not just put banner ads on Facebook, though. Instead, they shared recipe ideas and created a campaign called "Momisms" (see below), which are funny quips targeted at their main customer audience — Moms. By posting these on the Nilla Facebook page, they were able to "share" and "like" their way to success. Sales increased by 9 percent compared with the same time last year and costs were a small portion of a conventional advertising strategy. This type of advertising is more efficient for them: they can devote a smaller sum of money to use social media to cultivate a deeper relationship with a group of people who have already demonstrated an interest in the brand.

Source: Screenshot of Nilla Facebook page, available at https://www.facebook.com/nillawafers.

Respond to customer complaints — Social media has developed as a portal for customer service. Effectively addressing customer complaints on social media is important for several reasons. It goes back to the need to be customer-centric. For example, a customer may contact the Postal Service on Facebook because that is the

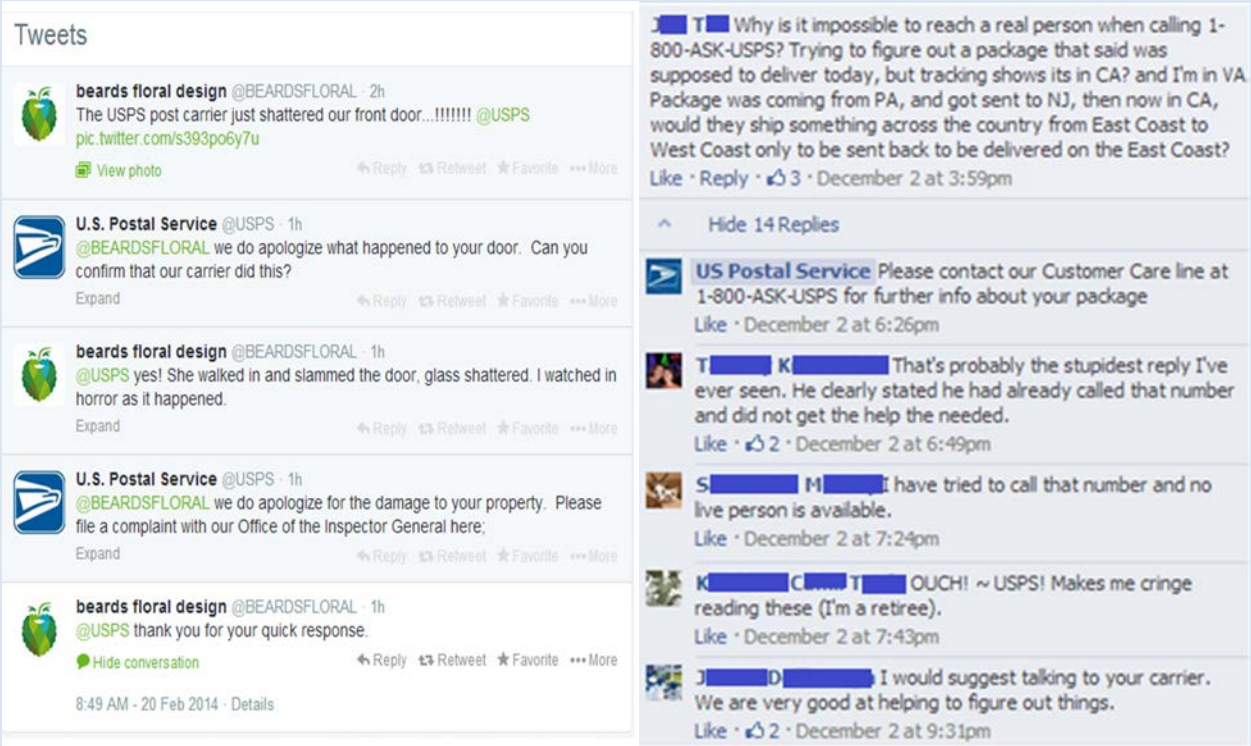
[25] See David Segal, "Riding the Hashtag in Social Media Marketing," *New York Times,* November 2, 2013, http://www.nytimes.com/2013/11/03/technology/riding-the-hashtag-in-social-media-marketing.html?_r=0.

channel the customer prefers; in turn, the customer will expect a prompt response through that exact channel. Given how competitive the shipping market is, efficient customer service can be a significant competitive advantage. And it would be more cost-effective for the Postal Service to resolve customer complaints via social media than traditional methods, such as telephone.[26] These cost savings could justify a greater investment of resources in social media. The Postal Service is encouraged to investigate social media as a customer service channel further.

To date, the Postal Service has put forth some effort into resolving customer complaints on social media and has had some success as can be seen in the interaction on the left in the Snapshot below. However, many complaints are either not properly handled, such as the interaction on the right in the Snapshot below, or do not receive any answer.

Snapshot 4: USPS and Customer Service on Social Media

Below are two examples of customer service interactions between the Postal Service and customers on social media. The interaction on the left is an example of an effective response to a customer complaint, while the interaction on the right shows a case of poor customer service that, if repeated, can be detrimental to the brand.



Source: Screenshot of USPS Twitter page, available at https://twitter.com/USPS, and screenshot of USPS Facebook page, available at https://www.facebook.com/USPS.

[26] For more information on social media's ability to cut costs, see Appendix B.

It is also important to have the right people answering customer complaints. The OIG has previously recommended that the Postal Service "designate a social media liaison in each of the various product and service groups who could contribute, and help Corporate Communications respond to postings related to its functional area of expertise."[27] Others have even suggested that the Chief Operating Officer be responsible for managing social media customer service because successfully resolving complaints is extremely important and operations personnel are often in the best position to do so.[28]

Create Localized and Specialized User Communities

When it comes to communicating with customers, one size does not fit all. This is particularly true for a business with such a broad and diverse customer base as the Postal Service.

The Postal Service could use social media to cater to different groups and build tighter-knit, interest-specific communities.

Create interest-based user communities — The Postal Service has many specialized interest groups, including, but not limited to, consolidators, direct mailers, small businesses, stamp collectors, postal workers, and potential hires. The Postal Service could use social media to cater to these different groups and build tighter-knit, interest-specific communities. The Postal Service does this to some extent. For example, it has different Facebook and LinkedIn pages targeted specifically to stamp collectors and job seekers. The OIG has suggested that the Postal Service could expand upon this practice by creating additional stakeholder-specific sites and identifying subject matter experts to post the most pertinent information to particular groups.[29]

Go local — The Postal Service customer base includes every American citizen, but the United States is a vast geography — citizens in different regions have different needs and information requirements. When most people think about the Postal Service, they think about their carrier or their local Post Office. Creating regional or local sites would help the Postal Service deliver more targeted content — customers could "like" their local Post Office the way they can "like" their local Walmart store.

Some information might be pertinent only to a specific locality. For example, test runs of products such as MetroPost or GoPost are first introduced in certain areas. Local social media pages could announce these products and provide information to affected customers. In addition, the Postal Service could communicate information regarding service delays due to bad weather and other emergency notifications to the people directly affected. As the Snapshot of National Geographic below illustrates, a business can successfully create active communitites through targeted local content.

[27] OIG, *The Postal Service's Use of Social Media,* p. 3.
[28] McKinsey, *Why the COO should lead social-media customer service.*
[29] OIG, *The Postal Service's Use of Social Media*, p. 1.

Snapshot 5: National Geographic — Creating Local Networks through Local Content

The National Geographic Society is a heavy user of social media and engages in crowdsourcing and localization to cultivate a distinct community. For example, the #yourshot project collects photography from users, such as the picture below, and posts it online for ratings and comments. People who post can also get advice from experienced photographers and the community at large. The top-rated pictures are posted on the website or even in the magazine. A typical photo from this project can receive over 56,000 Facebook "likes." This project is low-cost and allows National Geographic to promote an active community. National Geographic further enhances this community by localizing content. It has unique social media sites for every country in which it is located and posts information pertinent to that locality. Social media helps National Geographic promote its brand while constructing a vibrant, engaged community.

Source: Screenshot of National Geographic Facebook page, available at https://www.facebook.com/natgeo.

Utilize carriers — The Postal Service also has a strong local asset in its carriers, who are generally very well-liked and could be a great benefit in expanding the Postal Service's social media activity. For example, the Postal Service could feature interviews with carriers or "a day in the life of a carrier" videos. Carriers could perhaps even have their own social media presences and use them to post information of local interest,

connect with customers who live along their route, and even address complaints.[30] Carriers could answer a complaint directly, or loop in someone who might know the answer. A simple disclaimer on a carrier's account might make clear the carrier does not speak for the Postal Service, but the information provided about the Postal Service could still be very helpful to customers.[31] The Snapshot below shows how a local carrier Twitter page might look.

Snapshot 6: Mock-Up of a Possible Carrier Twitter Page

[30] Having a direct line of contact to carriers through social media is not dissimilar from recent Postal Service plans to provide carriers with new mobile devices that, in addition to allowing for better real-time scanning, will have the ability to text. Carriers could text customers when they are on their way to make a delivery, and communicate with customers about delivery options. While there is not a specific plan in place yet, the Postal Service appears to be open to opportunities for greater contact between customers and carriers through mobile communication channels. Megan Brennan, "USPS Evolving Infrastructure to Meet Future Marketplace Demands," (presentation at Advanced Workshop in Regulation and Competition, Center for Research in Regulated Industries, Washington, DC, April 4, 2014).

[31] The legal specifics of having a carrier write about the Postal Service on social media are beyond the scope of this paper. However, many USPS employees are already actively engaging with customers on social media and attempting to resolve complaints. The Postal Service could examine tapping into their employees' natural inclination to help and determine whether encouraging such behavior would be beneficial, or whether it would be too distracting and time-consuming for employees. The Postal Service would also need to determine liability issues regarding safety. Of course a carrier should never "tweet" while driving, there should be policies in place to discourage behavior and mechanisms in place to handle such a situation.

Step 3: Leverage the Network

This means using social media channels to promote a positive brand image, market current products and services, and create new products and services. The value and benefits that social media can bring to a business increase as the size of the network increases. The Postal Service has launched several network-leveraging initiatives, but the return is limited because of the relatively small size of the agency's social media audience. Only when the Postal Service develops a strong and wide network of followers will it be better able to fully harness the power of social media. Here are some ideas for leveraging its network that the Postal Service could consider when the time becomes appropriate.

The Postal Service will only be able to effectively harness the power of social media once it has built a strong network of followers.

Promote Positive Brand Image

Providing customers with relevant content and addressing their complaints already goes a long way to promoting a positive brand image. In addition, the Postal Service can create positive messaging that reflects a constructive image of the postal brand, and relies on the natural inclination of social media users to share information that they think is useful or funny, to spread that message across the network.

Create positive messaging — The Postal Service could promote its service projects, such as its Dog Bite Awareness campaign and its national food drive. It could share stories of carrier heroics and highlight interesting information such as fun postal trivia, or the journey a letter makes traveling across the country.

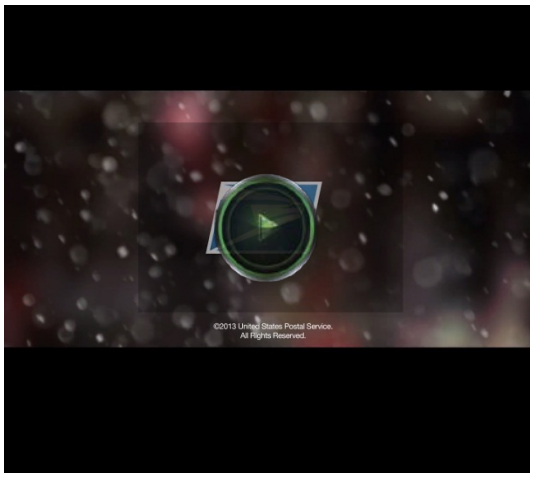
Social media could also be used to address common misconceptions about the Postal Service. Many people think it is a dinosaur — obsolete in the digital age. Positive messaging could focus on how important the Postal Service is as a package service provider and highlight some of the high-tech equipment it has pioneered and is using (such as the optical character reader).

In addition, a recent OIG survey found that most Americans incorrectly believe the Postal Service is taxpayer funded.[32] People also probably do not realize how many packages the Postal Service delivers for FedEx and UPS. It could use social media to better inform the public. The Postal Service already produces some of this content, but these positive stories are frequently overshadowed by negative news stories and unaddressed customer complaints.

[32] Knowing about how the Postal Service is funded also impacted how customers viewed the Postal Service in general, and changed their expectations of the level of service the Postal Service should provide. See OIG, *What America Wants and Needs from the Postal Service: Summary of Focus Group Research,* Report No. RARC-WP-14-009, February 18, 2014, http://uspsoig.gov/sites/default/files/document-library-files/2014/rarc-wp-14-009_1.pdf.

Promote sharing — The Postal Service could encourage users to share their "mail moment," making it possible for people to scan their mail and post about what products, coupons, or packages they received in the mail that day. A recently released OIG report shows that people enjoy sharing this experience, especially when they receive special mail pieces.[33] Businesses that send "surprises" and samples by mail, and mail pieces of unusual shapes or with augmented reality features, already encourage sharing, and this is becoming quite popular.[34] One start-up, Blippar, that works to make printed media more sharable, has already worked on a campaign for the Postal Service.[35] More of this type of content would be well-suited for a social media campaign.

Video 1: Blippar Product for the U.S. Postal Service



http://www.youtube.com/watch?v=5Uov3wSJfbM

Conduct Crowdsourced Market Research

The Postal Service could use social media channels to determine customers' needs and collect their ideas to improve its current offerings, or even to develop new products and services. Like many businesses, the Postal Service could crowdsource innovative ideas through contests, voting, or other interactive methods directly on social media platforms.[36] Many government organizations have also used crowdsourcing to come up with ideas on how to better serve citizens.[37] There are already many software programs, methodologies, and analytics tools available to help businesses and organizations do this.[38] Crowdsourced market research could be a good complement to conventional market research tools that would help the Postal Service gain meaningful insight at a much quicker pace and a much cheaper price.[39] Crowdsourced market

[33] A recent OIG report found that digital natives enjoy samples in the mail. Samples encourage sharing and increase word of mouth advertising. Digital natives also enjoy augmented reality features. OIG, *Enhancing Mail for Digital Natives,* Report No. RARC-WP-14-001, November 18, 2013, http://uspsoig.gov/sites/default/files/document-library-files/2013/rarc-wp-14-001_enhancing_mail_for_digital_natives.pdf, pp. 8-10.

[34] One popular business that sends samples through the mail is Birchbox, and many people are socially sharing what they get. See, Pammy, "I Just Got My Very First Birchbox (January 2011 Birchbox Preview/'Haul)," *Pammy Blogs Beauty,* January 19, 2011, http://www.pammyblogsbeauty.com/2011/01/i-just-got-my-very-first-birchbox.html. Augmented reality is a digital version, with enhanced computer-generated features, of a physical item. Enhanced features often include video, sound, graphics, or GPS data. See "Augmented Reality," *Mashable,* http://mashable.com/category/augmented-reality/.

[35] Blippar is a company that specializes in advertising with augmented reality. Downloading the Blippar app allows users to scan a piece of printed advertising and see enhanced features, such as videos, recipes, etc. For more information, see their website at https://blippar.com/en/.

[36] Nicole Fallon, "Crowdsourcing Business Ideas: How to Do It*," Business News Daily*, November 20, 2013, http://www.businessnewsdaily.com/5483-crowdsourcing-innovation-tips.html.

[37] For example, the White House created the SAVE award, a program allowing federal employees to contribute ideas for how to make the government more effective and efficient http://www.whitehouse.gov/save-award.

[38] Christopher Pitre, "Why Marketers Should Invest in Crowdsourced Research," *Mashable*, January 18. 2011, http://mashable.com/2011/01/18/marketers-crowdsourced-research/.

[39] Ibid.

research also helps create a more engaged community of loyal brand followers — a huge asset.[40]

Market and Sell Current Products and Services

Social media can be an effective channel to promote and sell products and services. Posting information on its social media pages, creating easily sharable and targeted content to stimulate social word-of-mouth, and purchasing advertising space on social media sites are only some of the actions that the Postal Service could undertake to market its brand and specific offerings.

Video 2: U.S. Postal Service Virtual Box Simulator

http://www.youtube.com/watch?v=-P__99rKj4U

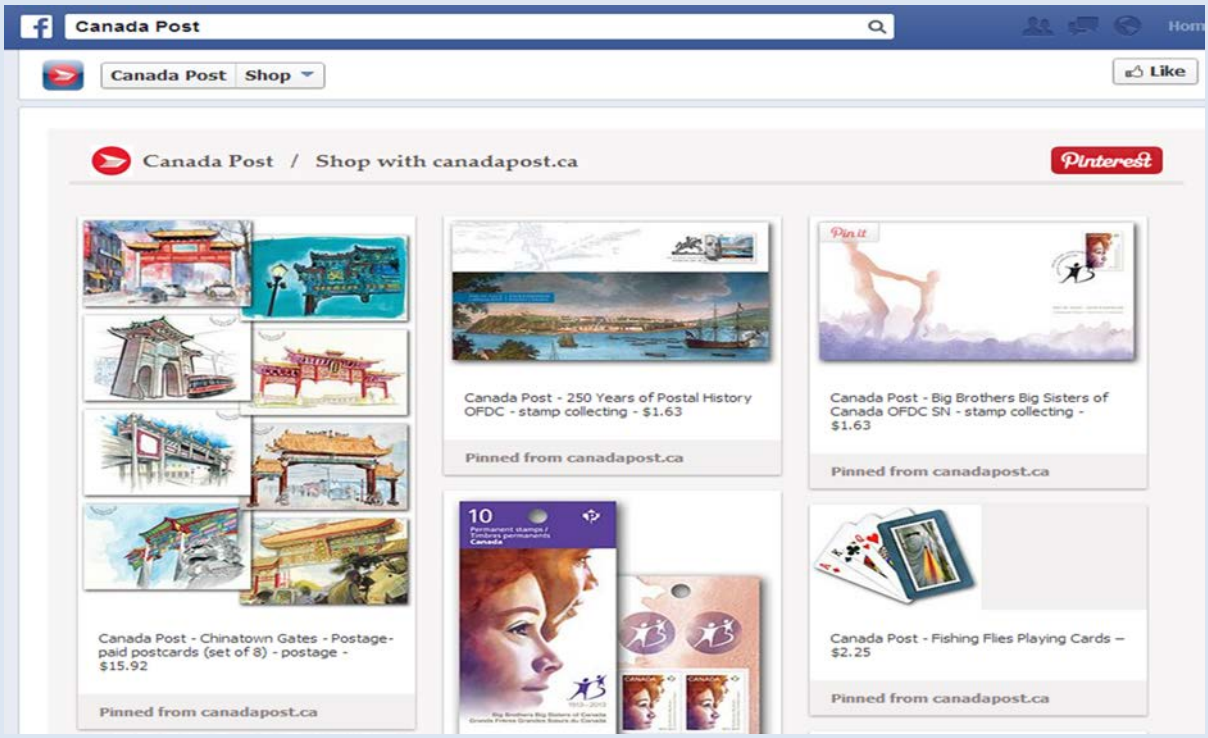
Social media sites can also be turned into online shops, where customers can purchase certain products and services directly and conveniently. Some postal operators already allow customers to purchase stamps and other items this way, such as Canada Post as described in the Snapshot below. Canada Post also offers a variety of tools ranging from price calculators to tracking services and customer service on social media sites. These tools make using its products easier and improve the overall customer experience. In the past, the Postal Service launched a similar tool on its website, to promote and facilitate the use of its Priority Mail Flat Rate Boxes. The innovative tool was the "Virtual Box Simulator" that allowed users to project a virtual image of a priority mail box on their desk through a webcam and compare the size of the box with the item to be shipped. This is a perfect example of relevant and engaging content that the Postal Service could have on its social media sites.[41]

[40] Priti Ambani, "KPMG:Businesses are Turning Crowdsourcing Communities Into "Assets" to Build Value," *Crowdsourcing Week*, October 1, 2013, http://crowdsourcingweek.com/businesses-are-turning-crowdsourcing-communities-into-assets/?utm_content=buffer67b7a&utm_source=buffer&utm_medium=twitter&utm_campaign=Buffer.

[41] The Postal Service created a video about the simulator, and it received a lot of interest in the news, but it is no longer available on the Postal Service's YouTube Page or on their website. The video is still accessible on a third-party YouTube page at http://www.youtube.com/watch?v=-P__99rKj4U.

Snapshot 7: Canada Post — Market and Sell through Social Media

Canada Post uses its Facebook page primarily for disseminating information rather than engaging in two-way conversations with customers. It posts about mail-holding services, stamp releases, and other important or seasonal information. However, Canada Post is notable because its page offers enhanced functionality. This functionality includes support pages where users can see frequently asked questions and be directed to other important pages, including Canada Post's package tracking service or the customer service Twitter page where they directly respond to customer complaints via social media (@canadapostcares). There is also a Canada Post Shop, as seen below, where users can purchase stamps, artwork, and other items sold by Canada Post.



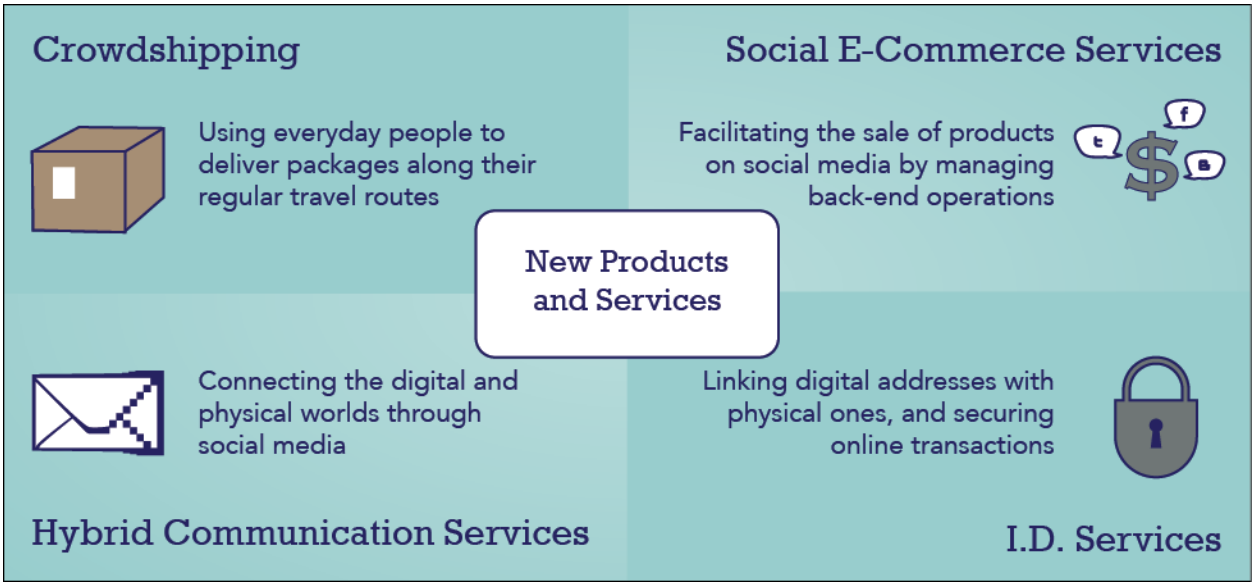
Source: Screenshot of Canada Post Facebook page, available at https://www.facebook.com/canadapost.

Create New Products and Services that Link the Physical and Digital Worlds

The Postal Service could also use social media to create entirely new product lines. Some of the ideas presented below are more immediate, but others are more speculative or might require legislative action.[42] As mentioned previously, social media changes rapidly and no one knows what the future will hold. It is important for the Postal Service to keep an open mind and constantly look for new opportunities, as presented in Figure 2 below: services to provide, gaps to fill, and new revenue possibilities.

[42] A full legal analysis of these ideas is beyond the scope of this paper. Before launching these products and services, the Postal Service would need to determine whether these ideas comply with current law and collective bargaining agreements, and submit proposed products and services before the Postal Regulatory Commission as appropriate.

Figure 2: Potential Social Postal Products and Services



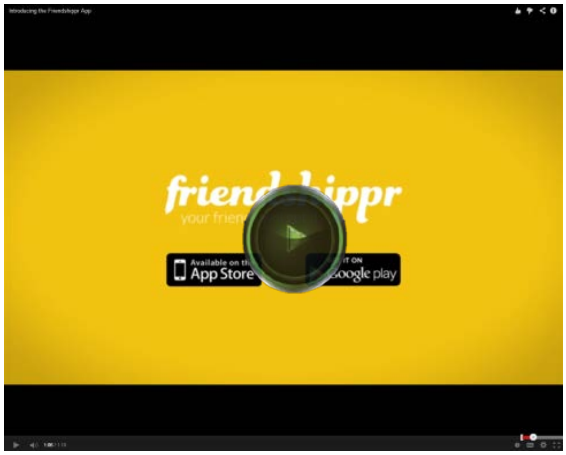
Source: OIG Analysis.

Hybrid digital-to-physical communication services: "Mail It!" — The Postal Service could use social media as a platform to bridge the gap between the digital and the physical communication worlds. A common use of social media is to share photos, messages, invites, and important updates with friends and family — but not everyone is on social media. People also often send birthday greetings or event invitations via social media. The Postal Service could provide an option for users to send these pictures and messages through the mail. For example, what if it were possible to post your pictures to Facebook and then with one easy click "Mail It!" (via the Postal Service) to your grandmother, who does not have Facebook? This type of service would provide an opportunity for the Postal Service to partner directly with social media platform providers to leverage the growing market for digital to physical services, making the use of hybrid products easier for the customer and combining the immediacy of electronic communications with the effectiveness of traditional mail.[43]

The Postal Service could use social media as a platform to bridge the gap between the digital and physical communication worlds.

[43] The increased interest in digital to physical services can be seen in the popularity of Paperless Post and Evite and their recent addition of digital to physical products. Customers have expressed interest in these online/offline hybrid products, and businesses are already responding. See, for example, "Think Inside the Envelope with Evite ® Ink," *The Wall Street Journal*, October 2, 2013, http://online.wsj.com/article/PR-CO-20131002-906069.html.

Video 3: Friendshippr, a Crowdshipping Startup



http://www.youtube.com/watch?v=9NwE9X5Kv48

Crowdshipping — Crowdshipping is when a delivery firm uses the general public, instead of its employees, to deliver packages. It is a relatively new trend in the shipping industry — too new, in fact to determine whether it can be done profitably and at scale. In addition, there are other significant potential problems. For example, when non-employees make the actual delivery, maintaining accountability becomes a concern. Yet despite such challenges, some retail, package, and logistics companies, such as Walmart and DHL, are currently experimenting with the idea.[44] The Postal Service could monitor this trend and determine if it could work for all or some of its package delivery operations.[45] For example, crowdshipping might allow the Postal Service to reduce costs for a same-day delivery service — a market the Postal Service is already trying to capture. If the Postal Service decides to pursue crowdshipping, social media could play an important role in its efforts. The Postal Service could leverage its social followers to help fill gaps in delivery and cut costs.[46] Already some startups, such as Friendshippr, use social media to find a crowdsourced courier from among a user's social network. Using social media and partnering with a firm like Friendshippr might be the easiest way for the Postal Service to experiment with this emerging service.

Social e-commerce services — Social media may not be a big driver of direct sales at present, but it may organically develop that capacity in the future. Social sites for image and picture sharing, such as Instagram and Pinterest, already act as social e-commerce windows. New sites, such as Keep, are even more highly focused on shopping, allowing users to immediately see the price of a product and easily click to the website where they can purchase it.[47] If these trends continue, social media sites may become a force for e-commerce.

Beyond selling its own products directly on sites such as Facebook or Keep, the Postal Service could also create an interesting role as the preferred shipper on social e-commerce sites. It could develop partnerships with social media sites in the way Canada Post has teamed up with Etsy in order to streamline order fulfillment and facilitate shipping on the site.[48] The Postal Service could offer microwarehousing, parcel

[44] OIG, *Using the 'Crowd' to Deliver Packages,* February 12, 2014, http://www.uspsoig.gov/sites/default/files/document-library-files/2014/using_the_crowd_to_deliver_packages.pdf, p. 2.
[45] OIG, *Using the 'Crowd' to Deliver Packages,* p. 3.
[46] John Russell, *Friendshippr Helps You 'Crowdship' Products and Goods Via Friends on Facebook*, December 12, 2013, http://thenextweb.com/apps/2013/12/12/friendshippr-helps-you-crowdship-products-and-goods-via-friends-on-facebook/#!xxnvM.
[47] Potential users can check out the site at keep.com.
[48] Canada Post, *Canada Post and Etsy Team Up to Offer New Online Shipping Solution,* February 18, 2014, http://www.canadapost.ca/cpo/mc/aboutus/news/pr/2014/2014_online_shipping_solution.jsf.

fulfillment services, and other services that facilitate social media users turning their pages into online stores, creating a new powerful platform for e-commerce. Startups such as ShopInterest are already working to facilitate this type of activity, and the Postal Service could get in at the ground floor and be a powerful partner.[49] It could create a situation similar to small e-tailers selling their products on Amazon, but in this case, the interface would be completely controlled by the seller while the back end would be managed by the Postal Service.[50]

Identification services — These could take advantage of the Postal Service's high level of trust, especially given that social media sites are not known for identity protection and privacy. Imagine if the Postal Service's Address Management System was integrated with social media sites such as Facebook, meaning that the Postal Service (and for privacy reasons, the Postal Service alone) would be able to link users' physical addresses to their Facebook profiles. This could provide users the option to send mail and packages from social sites to friends without knowing their address.

The Postal Service could link users' physical addresses to their Facebook profiles, to allow them to send mail and packages from social sites to friends without knowing their address.

This could be particularly helpful in a world of social e-commerce. Potential customers may not want to give their personal information, such as their addresses or credit card numbers, directly to the seller. The Postal Service could act as a trusted third party, ensuring that the seller gets paid, the buyer gets the product, and no personal information is compromised in the process. The OIG has already suggested this role for the Postal Service in the realm of peer-to-peer commerce, and this role could easily be extended to peer-to-peer commerce occurring over social media.[51]

This type of service could also be extremely helpful in personal communication. For example, say that you find out via Facebook that an old friend's grandmother recently passed away. You want to send a condolence card or flowers through the mail since that seems more appropriate than posting "sorry" on their page, but you do not have your friend's new address. The Postal Service could use its connection between digital and physical identities to facilitate this communication.

The Postal Service would benefit by incorporating social media elements into its products and continuously scanning the environment for new opportunities. No business knows the importance and benefits of using social media to create new products better

[49] Sarah Perez, "ShopInterest, The Startup that Lets You Sell from Your Pinterest Boards Gets 500 Startups Backing*," TechCrunch*, September 25, 2012, http://techcrunch.com/2012/09/25/shopinterest-the-startup-that-lets-you-sell-from-your-pinterest-boards-gets-500-startups-backing/.

[50] This could take advantage of the decreasing popularity of Amazon among sellers. Sellers cite that the high level of competition on Amazon makes it difficult to sell, plus the high cost of selling on Amazon makes it difficult to earn a profit. See Ina and David Steiner, "Sellers Choice 2014 Marketplace Ratings: Amazon," *eCommerce Bytes,* February 2, 2014, http://www.ecommercebytes.com/cab/abu/y214/m02/abu0352/s06.

[51] OIG, *Peer-to-Peer Commerce and the Role of the Postal Service,* Report No. RARC-WP-13-005, January 14, 2013, http://uspsoig.gov/sites/default/files/document-library/2013/rarc-wp-13-005.pdf.

than Nike. Nike, as described in the Snapshot, has been a pioneer in the realm of creating new products that utilize social media.

Snapshot 8: Nike — Creating Social Products

Nike has been highly successful at reaching its target audience through social media. Nike both responds directly to complaints and also localizes and specializes content to create smaller, more targeted communities. They are perhaps best known for building "social products" — products that integrate social media directly with the product. Their popular Nike+ network and products, including the Nike Fuel band, not only keep track of users' progress and personal goals, but also allow users to share their successes automatically on social media, keep track of their workout history, and compete with friends who also use the Fuel product.

Source: Screenshot of Nike+ FuelBand app, available at http://www.engadget.com/2013/04/22/nike-fuelband-app-for-ios-adds-friends-and-sharing/.

Step 4: Measure the Network's Success

Social media analytics are the backbone of successful social media strategies. There is so much information on social media that hearing important messages among the noise is a daunting task. In order to do this, the Postal Service must have a clear understanding of what its strategic goals are as well as the variables to be measured.

Social media analytics are the backbone behind successful social media strategies.

Once the objectives and performance metrics are defined, there are many monitoring and analytics tools available to help measure the success of a social media strategy and return on investment.

Use Tools to Measure Performance

Analytics tools allow businesses to track a variety of information. At the most basic level, businesses can keep track of the number of followers the business has and the

Figure 3: Top Ten Users of @USPS and #USPS (during one week in late July 2013).

1. Usps
2. darrellissa
3. postofficetruth
4. nalc_national
5. inequityspeaks
6. implowshun
7. postalnews
8. occupyoakland
9. carol85719
10. ruralinfo

Source: OIG Analysis.

number of "likes," "shares," and comments each posting receives. These data help businesses know the size of their networks as well as what postings are most popular. Businesses can then create more of the popular types of posts and fewer of the less popular types. Businesses can also keep track of who "clicked through" from the social media page to the company website, and how many of those "clickthroughs" were converted to sales. The number of clickthroughs is usually used in the discussion of social media's return on investment. The percentage of clickthroughs converted to sales is relatively low, but still worth measuring — especially as businesses can begin to analyze the factors and features that result in a purchase.[52]

Another important aspect of analytics is being able to determine who is in a business's network. The Postal Service could use this aspect to see who talks about it the most. For example, the box at left shows who the common users of the hashtag #USPS were during a set time frame.[53] This kind of exercise might help identify new stakeholders and spark outreach — since carol85719 apparently talks about the Postal Service a lot, it might be worthwhile to reach out to her and hear what she has to say.

Analytics tools also allow businesses to create maps of social media relationships to see who is connected to whom and how. By examining these relationships, the Postal Service can find out who it is able to reach, and what current connections it can utilize to build new connections. It can also identify top influencers in the social media network — the users in the postal network that are able to not only reach but also influence the greatest number of users. The Postal Service could target content or build specific relationships with these influencers in order to engage them in building social buzz about postal products and services.[54]

[52] Clickthrough rate on Twitter, for example, is less than 2 percent — and that is just pure clicks, not clicks that translate to sales. See Richard Darell, Twitter Marketing: What Results to Expect, *BitRebels*, 2013, http://www.bitrebels.com/social/twitter-marketing-click-ctr-infographic/.

[53] Using a hashtag with a tweet essentially catalogs that tweet in a file, along with all other tweets that have used the same hashtag. For example, if someone tweets "Got an exciting package in the mail today! #usps," other people could click on "#usps and see what other messages have been "tweeted" using that hashtag. The @usps would direct the tweet directly to USPS's twitter account. So if someone tweets "missing package @usps," USPS will automatically see that tweet. A simple analytics tool could look through all the tweets with @usps and #usps, see who wrote the tweet, and determine the top users.

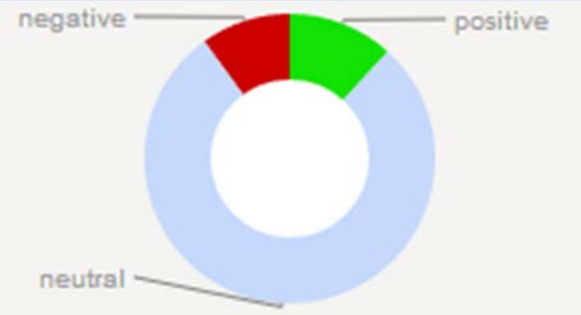
[54] Businesses are quickly realizing the benefits of what is now called "influencer marketing." Influencers are being recognized for their ability to mobilize opinions and engage with a wide audience of participants, and like to be provided with information that allows them to do so. Businesses are taking initiative with influencers, providing them with information about product launchings, special events, and other information. Businesses are also utilizing these influencers in crisis management. See eMarketer, *Marketers Use Influencer Marketing to Launch Products, Share Content,* March 10, 2014, http://www.emarketer.com/Article/Marketers-Use-Influencer-Marketing-Launch-Products-Share-Content/1010662/1.

Analytics also allow businesses to find out not only who is talking about them but also what they are saying — in detail. A branch of analytics called customer sentiment analysis allows users to analyze whether the discussion of their brands is positive, neutral, or negative.[55] For example, the Postal Service could analyze tweets to determine public sentiment toward an announced service change, such as moving from 6-day delivery to 5-day delivery. The Postal Service can also track questions, comments, and problems. If the same issue frequently recurs, it can engage in further conversation about it, or immediately address the issue.

Businesses can also use tools to examine patterns in behavior and begin to ask questions. For example, "Do people who like X also like Y?" The Postal Service can attempt to find correlations between customers' social media activity and their buying behavior, thus gaining better understanding of what types of messaging resonate with users and what factors are more likely to produce a more positive view of the brand or even a purchase. These types of tools can go a long way to helping the Postal Service manage customer complaints on social media platforms.

Snapshot 9: Customer Sentiment Analysis

The chart below is an example of a basic analytic activity: examining the sentiment (positive, negative, or neutral) of tweets that mentioned "usps" during a defined time frame.



Source: Peoplebrowsr.

Conclusion

Social media is an important business tool that should be used to its fullest potential, in conjunction with other communication channels. It can allow businesses to extend their reach, cut costs, create value, and remain current as society changes. Social media could be an important force for the Postal Service, and there are many actions it can take to advance its social media use. The Postal Service needs to identify and analyze new opportunities. It will also be important, before implementing any part of a social media strategy, that key personnel across the Postal Service, including those at senior levels, are committed to social media and aware of the agency's goals in using social media. This commitment is necessary to ensure dedication of the resources required to make the strategy successful. If the Postal Service keeps an open mind and is deliberate and dedicated in its implementation process, the possibilities social media offers are quite significant.

[55] For more on sentiment analysis, see Rachael King, "Sentiment Analysis Gives Companies Insight Into Consumer Opinion," *Bloomberg Businessweek,* March 1, 2011, http://www.businessweek.com/stories/2011-03-01/sentiment-analysis-gives-companies-insight-into-consumer-opinionbusinessweek-business-news-stock-market-and-financial-advice.

Appendix A Common Social Media Platforms

There are many different social media platforms through which users can share and generate information. These range from bookmarking sites, to media sharing sites, to social review and rating sites. The table below outlines the variety of social sites available to users.[56]

Table 1: Social Media Platforms

Type	Description	Example
Blogs	Journal-like sites that allow for the creating of content that can be seen chronologically and can be a forum for user communication through posts	WordPress, Movable Type
Microblogs	Sites that allow for the exchange of limited length of text, links, or images	Twitter
Social Networks	An online service, platform, or site that focuses on facilitating the building of social networks or social relations among people who, for example, share interests, activities, backgrounds, or real-life connections	Facebook, Myspace, LinkedIn, Yammer
Forums and Discussion Groups	Discussion sites that allow people to communicate by posting messages	Google Groups, What's App
Social Review and Rating	Sites that allow users to post reviews and ratings about businesses, products, and services	Yelp, Angie's List, TripAdvisor
Social News	Sites that allow users to post links relating to various news topics and then allow users to vote on the most interesting, useful, or helpful link	Digg, Reddit
Media Sharing	Online platform that allows users to share pictures, videos, documents, etc.	YouTube, Flickr, Instagram, Vine
Bookmarking Sites	Sites that allow users to store, organize, use, and share website links	Stumble Upon, Pinterest, Flipboard

[56] Marc Strohlein, "Demystifying Social Media. Report," 2011, http://www.agilebusinesslogic.com/blog/wp-content/uploads/downloads/2011/05/DemystifyingsocialABL552011.pdf, "The 6 Types of Social Media," *Outthink Aut hor Marketing,* http://outthinkgroup.com/tips/the-6-types-of-social-media, and "Social Networking," Mashable, http://m ashable.com/category/social-networking/.

Appendix B Detailed Explanation of the Benefits of Social Media

As mentioned in the body of the paper, the majority of businesses now use social media. There are four main reasons that we identify for why business use social media, and each of these reasons are discussed in turn below. Social media helps businesses

- Respond to changing customer communication needs,
- Leverage the "network effect,"
- Create value through social commerce, and
- Cut costs and increase efficiency.

Respond to Changing Customer Communication Needs

The communication norms, shopping habits, and leisure activities of society have changed over the past few decades. Many of these changes are due to the increased importance of the Internet to daily life. People send emails and contact each other through social media instead of sending a letter or calling. Rather than running to the store, many individuals choose to buy their groceries, music, and everything else online. Leisure activities, such as viewing TV, have also changed drastically. The availability of digital video recorders and streaming TV online means people are viewing fewer commercials, which has clear impacts on traditional advertising. These activities become more common as more people use the Internet regularly, and currently about 85 percent of the U.S. population now uses the Internet.[58]

Heavy use of the Internet means that new ways of marketing to and communicating with customers are not just possible but necessary. Since people are spending greater amounts of time online, businesses must focus their effort on reaching customers on the channel they prefer. Social media is one important avenue for online marketing, but not necessarily in the traditional sense of purchasing ads. The traditional purchased advertising, including banner ads on websites, is increasingly less well received by audiences, but social media can be seen as a platform to facilitate a different kind of one-to-one marketing.[59]

Thirty years ago, a customer's word-of-mouth had the power to influence only about ten people. Now a vocal customer can instantly reach over one thousand people.

The Internet and social media also mean the consumer is more powerful and a more important resource for businesses. Consumers now have the ability to (publicly) provide feedback about products

[58] Pew Research Center, *Who's Not Online and Why*, September 25, 2013, http://www.pewinternet.org/files/old-media//Files/Reports/2013/PIP_Offline%20adults_092513_PDF.pdf.
[59] Angela Hausman, "16 Differences Between Social Media and Traditional Media."

and services, and often expect a response. In addition, social networking allows an individual to reach and influence more people. Thirty years ago, a customer's word-of-mouth had the power to influence only about 10 people. Now a vocal customer can reach over 1,000 people.[60] One person spreading a negative message about a business is more harmful now due to the number of people that message can reach.

Many of these traits and trends are particularly evident with Millenials, the group of people born roughly between the late 1980s and early 2000s who grew up with the Internet. Millennials are now the largest generational group, outnumbering the Baby Boomers, and they are poised to drive most of the world's economic activity in the near future.[61] It is therefore important to understand and cater to their preferences. They are heavy users of social media, and often prefer to communicate through that channel.[62] Ignoring these preferences could drive this customer segment away.

These societal shifts have provided many new business opportunities, but have also necessitated significant changes in business models if companies want to remain current and relevant. The Postal Service is not immune from the effects of these changes. The serious decline in First-Class Mail is largely a result of the change in communication habits brought about by the Internet; although the rising trend in e-commerce means a potential expansion in the Postal Service's package business. The Postal Service has also previously had success with TV commercials, but as fewer people view commercials, the Postal Service will need to update its marketing strategy. Now is the time for the Postal Service to respond to these cultural shifts before it is too late.

Leverage the "Network Effect"

In addition to being able to "keep up with the times," businesses find that, since so many people use social media, it allows them to significantly extend their reach.[63] Facebook and YouTube each have more than 1 billion unique users and other popular sites are not far behind.[64] According to one recent study, more than 90 percent of online adults use social media regularly, making it one of the top activities on the Internet.[65] Although still most popular with Millennials, social media is now a communication tool for all age

[60] Alex Bard, "Here's Why the Future of Customer Service is Social," *Business Insider*, December 10, 2010, http://www.businessinsider.com/the-future-of-customer-service-is-social-2010-12.
[61] OIG, *Enhancing Mail for Digital Natives,* p. 1.
[62] The Boston Consulting Group. *The Millennial Consumer: Debunking Stereotypes*, April 2012, http://www.brandchannel.com/images/papers/536_BCG_The_Millennial_Consumer_Apr_2012%20(3)_tcm80-103894.pdf, p. 6.
[63] A business's "reach" refers to their ability to get their message seen by a greater audience of people by building a fan base and using current connections to reach new connections (for example, through likes, shares, reviews, and recommendations).
[64] Craig Smith, "How Many People Use 415 of the Top Social Media, Apps, & Tools," *Digital Marketing Ramblings*, http://expandedramblings.com/index.php/resource-how-many-people-use-the-top-social-media/#.UwuVHRyG2So.
[65] Experian, *The 2012 Digital Marketer: Benchmark and Trend Report,* 2012, http://www.experian.com/assets/marketing-services/reports/2012-digital-marketer-download.pdf?SP_MID=344&SP_RID=670918&expid=0000, p. 79.

groups — the largest recent growth across social media sites has been among older populations, particularly those 55 and older.[66]

The power of social media lies partly in the fact that it is able to reach so many people — a phenomenon called the "network effect." This is the concept that a network's value increases as it is able to reach more and more people. A business posting a message online derives greater value from the fact that 1 billion people can see that message as opposed to 1 million. And social media uses an active audience, which amplifies the network effect even more — over three-quarters of adults on social networking sites have shown support for a product, service, or company by liking, following, or sharing.[67]

People are sharing so much information that social media is now one of the top five sources of big data — "unstructured" information about what people, say, do, and like.

The growing amount of time spent on social media sites and the abundance of valuable information people are sharing also increase the value of the network. These features are what make social media different and potentially more useful for businesses than other forms of mass communication, such as TV. Most users already spend over 20 percent of their time online sharing and engaging on social media, and this is likely to increase as levels of engagement continue to increase.[68] Also, people are sharing so much information that IBM has determined that social media is now one of the top five sources of big data — "unstructured" information that flows from social sites about what people, say, do, and like.[69] The ability to manage, analyze, and use this data can provide excellent returns to the business.

With a customer base the size of the U.S. population, the Postal Service needs to be able to have a wide reach in order to communicate with customers and promote the business. The importance of analytics cannot be ignored either. The Postal Service is in possession of a business model that many say is outdated, and a core product that people are using less and less. Having such a source of valuable information could help the Postal Service learn more about Americans' communication needs and how it can continue to fulfill its mission of binding the nation together.

[66] Ofcom, *Adults' media use and attitudes report,* April 2013, http://stakeholders.ofcom.org.uk/market-data-research/media-literacy/archive/medlitpub/medlitpubrss/adults-media-use-attitudes/, p. 4-5.
[67] Experian, *The 2013 Digital Marketer*, p. 116.
[68] eMarketer, *Frequency with which UK social network users visit social networks, by demographic,* Nov 2012, and Nielsen, *State of the Media: The Social Media Report,* 2012, http://www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2012-Reports/The-Social-Media-Report-2012.pdf. eMarketer is also the source for "engagement increases."
[69] IBM Institute for Business Value, *Analytics: The Real-world Use of Big Data in Retail – How Innovative Retailers Extract Value from Uncertain Data,* 2013, http://www-935.ibm.com/services/us/gbs/thoughtleadership/big-data-retail/, p. 5.

Create Value through Social Commerce

Businesses naturally want to use the reach that social media offers to generate revenue through social commerce. Businesses have established shops to sell directly on social media and developed campaigns to drive traffic back to their websites in the hopes of converting the visit into a sale.[70] Some businesses have seen success, but most social storefronts have closed down due to few sales, and many businesses report little revenue per visitor and few clickthroughs to the website from social media.[71] For most, "the ability of the social network to drive revenue for e-commerce businesses continues to remain elusive."[72]

The reason sales revenue is elusive goes back to the purpose of social media — at its core, social media is not about buying things. It is about sharing information, creating new relationships, and engaging with other users. As one researcher describes, selling on social media is like "trying to sell stuff to people while they're hanging out with their friend at the bar."[73] Direct sales may not work well at present, but businesses can still use social media to their financial advantage.

According to one researcher, selling on social media is like "trying to sell stuff to people while they're hanging out with their friend at the bar."

Social media may not currently be an important part of the buying phase, but it is an incredibly important part of the discovery and research phases. More than half of Millennials have used social media to inform themselves about a product or company ahead of a purchase.[74] As such, social commerce has come to mean the value of social media for getting the word out, promoting a positive brand image, and turning reputation

[70] Canada Post, detailed in a case study later in the paper, is one example of a business with a shop feature on its social media page at https://www.facebook.com/canadapost. KLM airlines is another example of a business using social media to sell to customers, although in a slightly different way. See Zak Stambor, "An Airline Lets Travelers Pay for Flights Via Social Media*," Internet Retailer*, February 13, 2014, http://www.internetretailer.com/2014/02/13/airline-lets-travelers-pay-flights-social-media?cid=IRN2014.

[71] Many businesses had little to no success with social media shops and closed them down. See Ashley Lutz, "Gamestop to J.C.Penney Shut Facebook Stores," *Bloomberg News*, February 22, 2012, http://www.bloomberg.com/news/2012-02-17/f-commerce-trips-as-gap-to-penney-shut-facebook-stores-retail.html. Examples of successes include JackThreads using a new Facebook tool for paid advertising to achieve a 700% return on its advertising spend, as discussed in Zak Stambor, *Facebook Adds a Shop Now Button*. The case study of Nilla in the paper is another example of how a social media presence has translated into sales dollars. See David Segal, "Riding the Hashtag in Social Media Marketing," *New York Times,* November 2, 2013, http://www.nytimes.com/2013/11/03/technology/riding-the-hashtag-in-social-media-marketing.html?_r=0. Businesses report that the average revenue per visitor for social media networks is around one dollar. See Adobe Digital Index, *Social Intelligence Report Q4 2013,* January 27, 2014, http://www.cmo.com/content/dam/CMO_Other/ADI/ADI_SocialIntelReport_Q413.pdf, p. 8. Overall, few sales can be traced back to social media. For example, in IBM's series of reports on black Friday shopping habit, social media consistently generates less than 1 percent of overall sales. See IBM, *Black Friday Report 2012,* November 2012, http://www-01.ibm.com/software/marketing-solutions/benchmark-reports/benchmark-2012-black-friday.pdf.

[72] Suchartia Mulpuru, "Will Facebook Ever Drive eCommerce?," *Forrester Research*, April 7, 2011, http://www.forrester.com/Will+Facebook+Ever+Drive+eCommerce/fulltext/-/E-RES58603.

[73] Sucahrita Mulpuru, quoted in Ashley Lutz, *Gamestop to J.C.Penney Shut Facebook Stores*.

[74] Shea Bennett, *4 Ways That Brands Can Appeal to Millennials on Social Media,* December 28, 2013, http://www.mediabistro.com/alltwitter/4-social-millennials-tips_b53456.

into capital. Businesses do this by creating sharable content, encouraging positive messaging, engaging with customers, and building trust.

More than half of Millennials have used social media to inform themselves about a product or company ahead of a purchase.

Businesses now focus on getting customers and fans to share positive messaging. By creating simple campaigns that give customers useful information or humorous content, a message can be shared across networks and get the business's name out there. When messages are shared, it acts as a form of "social proof" — the idea that people are heavily influenced by the actions of others.[75] In social media, if some are following a certain brand and sharing that brand's messaging, then it is likely that others will also want to follow the brand.

Another important form of positive messaging is encouraging a customer to write a good review. Reviews have become the new celebrity endorsement — they are extremely important to the selection process, particularly if the reviewer is known to the potential customer.[76] More than 70 percent of Americans say they look at product reviews before making a purchase.[77] In the near future one-third of consumer spending could be influenced by this kind of social shopping.[78]

Over 70 percent of Americans say they look at product reviews before making a purchase.

Equally important as positive messaging is engagement. Social media allows businesses to proactively build stronger, longer-term relationships through generating original, exclusive, and personalized content that targets specific user communities. Crowdsourcing material also helps to build an even more active community.[79] These campaigns provide reasons for customers to follow businesses and new ways for businesses to engage customers. Another important form of engagement is addressing customer complaints "socially." Currently, around 70 percent of businesses use social media for customer service.[80] This builds goodwill and increases the perception of the brand.[81]

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[75] Pamela Vaughan, *10 Ways to Instantly Amplify the Social Proof of Your Marketing*, April 17, 2012, http://blog.hubspot.com/blog/tabid/6307/bid/32418/10-Ways-to-Instantly-Amplify-the-Social-Proof-of-Your-Marketing.aspx.

[76] The Boston Consulting Group, *The Millennial Consumer*, p. 6.

[77] Spencer Ante, "Amazon: Turning Consumer Opinions into Gold," *Bloomberg Business Week*, October 15, 2009. http://www.businessweek.com/magazine/content/09_43/b4152047039565.htm.

[78] McKinsey & Company, *The Social Economy*, p. vii. This would be good for businesses in general, since customers that read reviews have a higher average order value. See Bazaarvoice, *The Conversation Index Vol. 1*, September, 2011.

[79] Crowdsourcing refers to using a company's network to develop user-generated ideas for advertising, products, brand recognition, and community. Crowdsourcing gets customers involved more directly, and gives them a sense of ownership and responsibility for a business's activities. For a famous example, see "5 Finalists in Doritos 'Crash The Super Bowl' Ad Contest – 2013 Announced by Ali Landry," *Superbowl-ads.com,* January 4, 2013, http://superbowl-ads.com/article_archive/5-finalists-in-doritos-crash-the-super-bowl-ad-contest-2013/.

[80] McKinsey Quarterly, *Why the COO Should Lead Social-Media Customer Service*, p. 1.

[81] The Boston Consulting Group, *Marketing Capabilities for the Digital Age,* January 2012, http://www.bcg.com/documents/file96799.pdf, p. 4.

Another important aspect of social media is that it helps build trust through these relationships. Simply being present and engaging with users helps reach this end — a growing number of people are more likely to favor and trust brands that have social media presences than those without.[82] Social media is also a more trusted medium of advertising. In fact, more than 90 percent of global consumers say they trust earned media, such as direct recommendations or tacit endorsements on social media (via a "like" or a "share"), above other forms of advertising.[83]

There is an estimated $900 billion to $1.3 trillion in annual value to the economy that could be unlocked by social technologies.

Although the direct return on investment of social media may be difficult to quantify, the overall value of social commerce, reputation capital, and brand enhancement could be substantial. Researchers at McKinsey estimate that there is somewhere between $900 billion and $1.3 trillion in annual value to the economy that could be unlocked by social technologies.[84] Being able to obtain a small portion of that pie would be beneficial to the Postal Service.

Cut Costs and Increase Efficiency

Social media also allows businesses to cut costs and increase efficiency within the company through cheaper, faster, and better communication processes. Even though strategic use of social media requires investment of resources, it can be a much less expensive alternative to other marketing and customer relations management tools.

The most relevant areas of cost savings are customer service, advertising, and market research. Using social media as a customer service channel can generate significant savings — handling a customer call typically costs more than $6 whereas an interaction using social media costs less than $1.[85] Social media can also increase the efficiency of customer service by making it easier to direct customers to helpful websites or videos.[86] By publicly resolving customer complaints, customer service also becomes a form of advertising — 71 percent of customers who have had a good social media service experience with a brand are likely to recommend it to others.[87] In addition, instead of paying for expensive billboards or commercials, companies can increase sales and cut marketing budgets by developing simple social media campaigns that are able to reach a wide audience through "likes" and "shares." Social media can also be used as an inexpensive tool for product development. Customers already vocalize their thoughts via social media; businesses can utilize this rich data source instead of independently collecting customer opinions through expensive surveys.

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[82] Mass Relevance, *The Social Hunger: Why Your Audience Feasts on Social Integration,* 2012, http://learn.massrelevance.com/, p. 7.
[83] *Nielsen: Global Consumers' Trust in 'Earned' Advertising Grows in Importance,* April 10, 2012, http://www.nielsen.com/us/en/press-room/2012/nielsen-global-consumers-trust-in-earned-advertising-grows.html.
[84] McKinsey & Company, *The Social Economy*, p. 3.
[85] McKinsey, *Why the COO Should Lead Social-Media Customer Service*, p. 2.
[86] Ibid., p. 1.
[87] Ibid.

Further value can be unlocked by using social media with prospective and current employees. Human resources departments have used social media, such as the popular site LinkedIn, not only to reach potential recruits more cheaply but also to better match skills to needs.[88] Internally, employees can use social media to find important company information, reducing the time employees spend searching for this information by as much as 35 percent.[89] Employees can also collaborate on projects and share relevant resources and information with each other, potentially increasing their productivity by 20 to 25 percent.[90] In a time when the Postal Service is not on strong financial footing, any opportunity to cut costs should be taken into consideration.

Social media provides a new channel to reach out to prospective customers and engage with existing customers in a different way. It reduces costs, helps improve the brand, and can lead to new sources of revenue — even if in a limited capacity. The benefits of social media are difficult to measure but potentially substantial. The possibility of realizing these benefits, as well as a need to remain relevant in a changing society, should provide incentive for the Postal Service to commit to a successful social media strategy.

[88] McKinsey & Company, *The Social Economy*, p. 40.
[89] Ibid., p. 11.
[90] Ibid., p. 3. There are some concerns about low usage rates of intra-office social media. However, given the low cost of these internal tools, even a low usage rate of 5 percent across the organization will see a return on investment. Deloitte, *Set the Right Expectations for Enterprise Social Networks,* http://deloitte.wsj.com/cio/2013/02/21/enterprise-social-networks-another-tool-not-a-panacea/.

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