

DIRECT

Broker Roundtable: What Effect Do You Think Cutting Saturday Mail Delivery Might Have on the Industry?

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This week's question to the broker roundtable: What effect do you think cutting Saturday mail delivery might have on the industry?

Our current panel features Geoff Batrouney of Estee Marketing Services Inc., Joe Borelli of Borelli Direct Marketing Inc., Mary Ann Buoncristiano of American List Counsel, and Kevin Rusciolelli of Infocus Marketing. (Would you like to be considered to be a member of our roundtable? Contact Larry Riggs at larry.riggs@penton.com.)

Geoff Batrouney, executive vice president, Estee Marketing Services Inc.:

I don't think you need to be a postal affairs analyst to say "this can't be good." I have a larger point to make – I believe we need to acknowledge that a national postal system is never, ever going to be a business that operates by classic business rules. We are going to lose money guaranteeing delivery – for one price – to all points of our huge nation. Cutting delivery on Saturday is not going to help the USPS become profitable and is not going to encourage use of the mails. As standard mailers experience higher costs, poor delivery and cutbacks in service (for which we pre-pay, in full), the situation will likely worsen.

Joe Borelli, president/CEO, Borelli Direct Marketing Inc.:

I don't think it will have any effect. If the USPS goes through with it, our industry will adapt as we have many times before. Postal increases affect the industry much more than dropping Saturday delivery ever will. Unfortunately for us, the one thing we can always count on is that the USPS will continue to make poor choices that in most cases hurt them the most.

Mary Ann Buoncristiano, executive vice president, American List Counsel:

My concern is less about the contraction of postal delivery from a six-day to a five-day schedule. This will be easily measurable and therefore allow marketers to understand the impact. My greater concern is the long term viability of the USPS – they are forecasting a \$238 billion loss over the next decade. The solution is not cutting services and raising rates – historically, this has been unsuccessful. This will force marketers to step up efforts for exploring alternate delivery methods once again. The postal service's solution must be in synch with marketers' business strategies of targeting and segmenting and delivering relevant advertising through the mail.

Kevin Rusciolelli, senior consultant, Infocus Marketing:

A delivery cutback will have very little impact on business-to-business. Delivery to a business location is not critical on a Saturday. B-to-B mailers are also spending more wisely and utilizing standard postage, when time sensitivity is not too critical. Business-to-consumer mail will be affected the most because of the weekend promotional nature of most products/services to the consumer.

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