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USPS's Hurricane Irma Response

Following the second major hurricane reaching the U.S., the USPS has announced its response to Hurricane Irma and updated information about services restored or still disrupted following Hurricane Harvey.

By Sept. 16, Floridians' mailboxes were starting to see mail deliveries. Most remaining disruptions were in parts of Northwest Miami-Dade, north Broward, and the Lower Keys. "Most of our Post Offices are open for business and we are delivering to homes and businesses, wherever it is safe and accessible to do so," according to a Sept. 15 state-

ment from the Postal Service. Available on the Postal Service's website are spreadsheets showing mail service disruptions in the Caribbean Islands, Florida, Texas, and Louisiana.

For a list of residential mail disruptions, see <http://about.usps.com/news/service-alerts/resident-open.htm>. For a list of units not accepting drop shipments and a list of retail units not yet operating, see <http://about.usps.com/news/service-alerts/>.

As the Caribbean recovers from Hurricane Maria, expect more updates to be posted.

Soggy Seasonal Plans

Hurricanes Harvey, Irma, and Maria could dampen ecommerce and retail businesses' holiday plans. The first signs of the hurricanes' impact were closed airports, highways, and retail centers. Flooding and fallen trees remain problems in some areas and some retailers have already notified customers of delays in online orders due to flooding, power outages, and transportation problems.

Hurricane Irma was particularly destructive. "Officials described the storm as a threat to life and property with little modern precedent," according to *GovExec*.

"This is a storm of absolutely historic destructive potential. I ask everyone in the storm's path to be vigilant and to heed all recommendations from government officials and law enforcement," said President Donald Trump before the hurricane hit.

The Postal Service has not yet resumed full service in affected areas. (See *BMR 09/25/2017*, p. 1.) Both UPS Inc. and FedEx Corp. also have suspended service to portions of Houston, southwest Louisiana, and Florida.

Vendors have been doing their best to get packages to customers, despite the difficult conditions. *Digital Commerce 360* reported after Hurricane Harvey that Danny Gavin, vice president and director of marketing at Houston-based online jeweler Brian Gavin Diamonds said he and his team were working to serve their customers. "There are some orders that must ship on Wednesday," he says. "We have spoken about driving to a nearby city to

ship packages. The issue is a lot of the roads are still flooded, so it's really not safe right now."

Even Amazon.com Inc. closed its Houston-area facilities in response to the Texas storm. "Customers in the flood-impacted areas should expect delays in receiving their Amazon orders until the floods subside," an Amazon spokeswoman told *Digital Commerce 360*.

Delays were expected to be brief. "We are continuing to check in with employees to confirm their well-being and safety, and our facilities have been minimally impacted by the floods or storm." <https://www.digitalcommerce360.com/2017/08/29/houston-online-retailers-scramble-orders-hurricane-harvey/>.

As noted above, the USPS had to halt operations in some affected areas. It made decisions about delivery "on a location-by-location basis, depending on the severity of conditions." The Postal Service activated its "continuity of operations plan to offload mail at designated sites for impacted processing centers and, as necessary, for post offices," USPS said in a statement. "Additionally, using service alerts, we notify commercial mailers that we are unable to accept drop shipments but redirect in accordance with those plans."

Some analysts see hope for economic recovery from the destruction caused by the wild weather of the last month. *POLITICO's Morning Money* reported in its Sept. 11 newsletter that Pantheon's Ian Shepherdson said: "Nothing like this has ever happened before, and the impact on the economy, which will not become clear for

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Short Takes

The Sept. 11, 2001, terrorist strikes led to reforms in border security that called upon supply chains to provide more and more detailed data about shipments than they had in the past. A recent article in *Supply Chain Dive* discusses how “[i]n identifying shippers—collecting and sharing data in the process—and better understanding the cargo hand-off points, government agencies and industry stakeholders worked together to improve safety without compromising the speedy movement of product.” Read more at <http://www.supplychaindive.com/news/911-supply-chain-customs-data-gains/504651/>.

Lyft will test semi-autonomous cars for its ride-hailing services in the San Francisco area, *Recode* reports. The cars will use autonomous car software developed by Drive.ai. Lyft users will have the option to try the test program for free rides in the semi-autonomous vehicle. A Lyft driver will be in the driver’s seat during the tests, as the cars can drive autonomously in some areas but not others under California’s self-driving car regulations. Those rules also require a driver behind the steering wheel at all times.

Uber has similarly tested self-driving taxis in pre-mapped areas of Pittsburgh and Phoenix. Over time, expanded and more detailed mapping will allow Lyft, Uber, and others to expand their self-driving tests to more routes in more places.

As *Business Insider* reports: “Lyft and Uber are both racing to put self-driving cars on the road to improve their margins. By replacing their drivers, self-driving cars would allow Uber and Lyft to collect riders’ full fares for themselves, instead of splitting the fare with their drivers. Self-driving cars would also be able to operate continuously, providing more rides for more passengers. Providing more rides at higher margins would allow the ride-hailing companies to drastically reduce their prices, possibly to the point that consumers abandon car ownership in favor of cheaper on-demand rides.” Read more at <http://www.businessinsider.com/transportation-and-logistics-briefing-lyft-to-test-self-driving-cars-in-california-update-on-faa-commercial-drone-regulations-postmates-expands-prime-style-subscription-service-2017-9>.

Audi revealed its new A8 car at the Frankfurt car show. The car can drive itself under some conditions, help a driver change lanes, and relieve the driver of the need to monitor the road at times. This puts it ahead of autonomous driving features of models from Tesla and General Motors, says *Reuters*. www.reuters.com/article/us-autoshow-frankfurt-autonomous/audi-takes-lead-in-automated-driving-but-others-wary-to-follow.

Bloomberg recently covered the subject of how a robot-operated supply chain will function from the assembly line, to the ports, across the oceans, and to consumers’ homes in the next twenty or so years. Some of that automation is in place today: “Ships are moving rapidly to a digital future, where many vessels will become operated remotely and others will become fully autonomous, says Oskar Levander, vice president of innovation at Rolls-Royce Marine Power Operations Ltd., which is researching various technologies to further this transition. Rolls-Royce and others that advocate this type of shipping argue that unmanned vessels will offer lower costs, will become far more optimized and provide greater safety in navigation.

“Ships that are ‘local,’ such as ferries and tugs, will be among the first to become autonomous, Rolls-Royce predicts, followed by coastal vessels and then by those that ply the high seas. Captains will relocate from ship to shore, using an array of sophisticated tools: radars, cameras and sensors to drive vessels, much as U.S. military pilots, based in America, fly large aerial drones around the world. In other cases, a human navigator will control the ship only at specific periods. ‘We’re going to have captains in the shore centers driving this ship when they’re approaching port, or when something special is going on,’ Levander says, predicting that much of the shipping world will turn to a mix of remote navigation and autonomous operations.”

Autonomous trucks, cars, and drones are just one aspect of an evolving transportation system. Read more at <https://www.bloomberg.com/features/2017-future-of-automation/>.

Soggy Seasonal Plans... (cont. from page 1)

many months, is very hard to predict. . . . The key point is that hurricanes damage the national balance sheet by destroying assets belonging to businesses, households,

and government, but they boost growth and inflation. Construction activity will rocket in the affected areas once the huge task of debris removal is complete....”

USPS Outperforms Most Federal Agency Brands

According to Forrester Research’s Customer Experience Index, Americans’ least favorite government agencies among 314 total government and consumer brands studied were the federal jobs marketplace *USAJOBS.gov*, which finished dead last in providing customer service. *Healthcare.gov* finished second to last. The Education Department, Transportation Security Administration, and the IRS all finished in the bottom ten in survey data collected from 11,600 U.S. online consumers.

“The worst of the worst customer experiences in the U.S. come from federal agencies,” Rick Parrish, a principal analyst at Forrester and lead author of the index, told *Nextgov*. “A few agencies are taking baby steps in the right direction, and that’s a good sign. However, the federal government still dominates the bottom of the index.” http://www.nextgov.com/cio-briefing/2017/09/federal-government-provides-worst-worst-customer-experiences/140941/?oref=govexec_today_nl.

The National Park Service scored highest among federal agencies, earning a 75 out of a possible 100, and placing 35th among rated brands in Forrester’s index.

The Postal Service came in second among government agencies and 173rd among all brands.

“Four government agencies or programs made small improvements in the past year: the Small Business Administration, Medicaid, TSA and *Healthcare.gov*. However, last year’s most improved agency, the State Department’s Bureau of Consular Affairs, accounted for the largest statistical drop in the 2017 index. Last year’s 10-point jump was more than offset by this year’s 13-point drop,” reports *Nextgov*.

The report shows that most government agencies need to improve their digital service offerings. Their online services tend to score lower than traditional services. “[F]ederal websites and applications provide worse customer service than call centers or offices, despite the fact that customers may still have to wait in line—or on the telephone line—for a customer service representative,” the report explains. It appears that customers view federal government websites as poor substitutes for responsive in-person service at government offices while commercial brands’ websites generally provide service superior to that provided in person.

Amazon/Whole Foods Traffic Grows

Data collected by analytics company Foursquare shows that, within days of its acquisition, Whole Foods’ store traffic rose 25% compared to the year-ago week, *Bloomberg* reported. <https://www.bloomberg.com/news/articles/2017-09-11/amazon-s-whole-foods-price-cuts-brought-25-jump-in-customers>.

Advertising firm InMarket found similar results as Whole Foods’ percentage of total U.S. grocery traffic rose 17% week-over-week on Aug. 28, the first day of discounts instituted by Amazon. In the next two days, traffic rose as well, making the first three days of Amazon’s new food pricing the busiest of the month, according to InMarket Insights.

Amazon felt the growth in online sales as well. It offered 2000 new Whole Foods items through its Prime Pantry and Prime Now services (none was sold through *Amazon.com*). Ecommerce analytics firm One Click Retail reported that more than \$150,000 worth of goods were sold in the first week post-merger, and, of the top 100 sellers, just 7% of items remained in stock. This

shortfall suggests that even Amazon may have underestimated how well the acquisition would bump up sales.

Amazon also intends to begin selling Whole Foods’ 365 private label online to its Prime members. This means that the synergies will continue to grow rather than plateau.

Market analysts are quick to point out that Whole Foods needed the price cuts to advance its market share. Aldi, Lidl, and Trader Joe’s have been competing effectively by offering low-key atmospheres, small selections, and all-private label offerings that were priced as much as 30% lower than their competition on some items. Now Whole Foods is seeing some improvement in its ability to compete with price-conscious customers

Amazon may be a formidable competitor in a number of product lines, but it also has a way to go to dominate in the grocery business. U.S. grocery sales total about \$800 billion a year, according to Moody’s. Walmart sells about one-quarter of that amount; Kroger sells about \$130 billion, Albertson’s sells \$60

billion, and Costco \$50 billion. Amazon and Whole Foods together sell less than \$20 billion annually. [http://www.retaildive.com/news/amazons-whole-foods-](http://www.retaildive.com/news/amazons-whole-foods-price-cuts-boosted-store-traffic-25/504722/)

[price-cuts-boosted-store-traffic-25/504722/](http://www.retaildive.com/news/amazons-whole-foods-price-cuts-boosted-store-traffic-25/504722/). Nevertheless, the Whole Foods acquisition has potential to make news for some time in the future.

Holiday Wishes? Too Soon?

It may be too soon to predict how the holidays will affect business mailers, but it is not too soon for them to be gearing up for the season.

The bar for 2017 is a little higher than it was for 2016 because sales did grow in late 2016. Online sales grew while in-store foot traffic continued a year-over-year decline. *Retail Dive* reports that the 2016 ecommerce and retail trends are expected to continue. “According to Fung Global Retail & Technology, a retail think tank, that trend is expected to continue this year. Based on consumer feedback, Fung said 82% of its surveyed consumers expect to buy holiday gifts online this year, compared with 77% who anticipated buying gifts in physical stores.” <http://www.retaildive.com/news/boom-or-bust-holiday-predictions-are-a-mixed-bag/504121/>.

The National Retail Federation has not released its holiday forecast yet. However, Kantar Retail, a retail consulting firm, has forecasted a sales increase of 3.7% for the last three months of the year, a slight slowdown from the 3.8% increase it forecasted last year. <http://abcnews.go.com/Business/wireStory/target-bumps-holiday-hiring-40-percent-year-49815860>.

The Fung research showed Amazon was a first choice destination for millennials with Target and Walmart following. This favoring of Amazon is explained in part by Amazon’s Prime membership program. The Fung research confirms that, once a shopper becomes an Amazon Prime member, the big box stores lose out to Amazon.

Amazon has had a run of solid fourth quarter growth of at least 20% in the period each year of the past decade, according to research from marketplace commerce platform Feedvisor emailed to *Retail Dive*. Amazon’s Marketplace sellers benefit from that trending. Feedvisor said those vendors who join the ecommerce giant’s “Fulfillment by Amazon” program can see three times the sales of those fulfilled by Marketplace sellers themselves. “The numbers are even higher in December, Feedvisor said.” [http://www.retail](http://www.retaildive.com/news/amazon-offers-sellers-lucrative-holidays-if-they-prepare/504735/)

[dive.com/news/amazon-offers-sellers-lucrative-holidays-if-they-prepare/504735/](http://www.retaildive.com/news/amazon-offers-sellers-lucrative-holidays-if-they-prepare/504735/).

CPCStrategy agrees with these other analyses. In its *2017 U.S. Holiday Shopping Report*, it reports: “72.1% of shoppers plan to look for gifts on *Amazon.com*. The fact that 72.1% of shoppers plan to seek out gifts on *Amazon.com* shouldn’t come as a surprise to anyone. However, we also saw that 60.4% of shoppers plan to shop in-store at Walmart, Target, or other big box retailers, and 38.6% of shoppers plan to shop at those same stores online.” <http://learn.cpcstrategy.com/rs/006-GWW-889/images/Q4-2017-Consumer-Survey-rev2.pdf>.

The distribution of a customer’s sales across ecommerce and retail businesses reveals only a portion of the impetus for sales growth in the fourth quarter of 2017. Holiday sales are also a function of how much consumers are willing to spend for the coming holidays. CPC Strategy expects many consumers to spend more than they did in 2016. “While the majority of shoppers plan to spend about the same as they did in 2016 (73.5% of respondents), 14.6% of shoppers actually plan to spend more.”

The same survey showed respondents would spend big to make the holidays happy. Thirty percent of respondents plan to spend \$250-\$499 and 26.7% plan to spend \$500-\$1000.

Delivery fees are part of shoppers’ selection decisions. The survey showed that “46.1% of shoppers report overall price (including shipping) as being the most important reason to buy holiday gifts from a particular retailer.” “Shipping speed” was another survey option, but it received only 8% of shopper votes.

CPC Strategy reported that a survey of U.S. Consumers by *Internet Retailer* confirmed its results. That survey showed “47.4% of shoppers reported both fast and free shipping are ‘equally important’—and Amazon’s built their empire on that foundation.”

Holiday Staffing Plans

Positive holiday sales projections appear to have affected ecommerce, retailer, and shipping companies’ holiday hiring plans. Several top retailers plan to increase hiring while a few will cut back as compared with hiring for the 2016 holiday season. Even retailers who plan cutbacks seem poised to hire more workers for their warehouses and for getting packages out to customers.

This prediction mirrors behaviors in 2016 and in the several years preceding it. As stated in *Michigan Live*: “In 2016, seasonal retail employment increased by 641,000 during the final three months of the year, a drop of 9.6 percent from the previous year, according to employment data from the Bureau of Labor Statistics. During that same year, transportation and warehousing

employment increased by a nonseasonally adjusted 246,700 workers in the final quarter of the year, 8 percent higher than the final three months of 2015 and 10 times higher than in 2007.” http://www.mlive.com/business/index.ssf/2017/09/thinking_about_a_seasonal_job.html.

Amazon

Amazon has yet to announce its plans for 2017, but hired more than 120,000 seasonal workers in 2016. In light of its growth in 2017, employment analysts expect seasonal hiring to increase for 2017.

Target

Target plans to hire 100,000 people to work at its more than 1800 stores during its busiest time, up 40% from 2016. Target said the 2016 seasonal hires totaled 70,000. Target also plans to hire 4500 people to help pack and ship online orders at its warehouses. Target Corp. said it will hold nationwide hiring events Oct. 13-15 for the holiday jobs.

Macy's

Macy's plans to add an additional 80,000 seasonal workers. This is lower than its hiring was last year, when the retailer hired 83,000 employees for the holidays. Macy's has fewer stores than it did last year. Seventy have closed, reducing the number of workers needed to maintain operational levels from last year at remaining stores. Some analysts wonder whether the drop is some acknowledgment that the retailer will not do as well as in 2016.

In response, Macy's reports it is hiring more temporary workers at its warehouses. It plans to hire an additional 18,000 warehouse workers for the season. This represents an increase over its warehouse holiday hiring in 2016, when it hired 15,000 workers, reports *Reuters*.

<https://investorplace.com/2017/09/holiday-hiring-macys-macys-hiring-m/#.WcAA8rKGPIU>.

Shippers

The large shipping companies have yet to announce their plans for the holidays. The USPS has not revealed its hiring plans, but: “According to Monster, they hire around 40,000 seasonal workers each year so you have a great chance to be hired when they are looking to hire so many new employees.” <https://www.uloop.com/news/view.php/247651/4-Places-to-Look-for-Retail-Jobs-This-Holiday-Season>.

Plans at United Parcel Service Inc. (UPS) may need some further refining. As reported by *WDRB.com*, UPS announced plans to hire some seasonal workers able to use their own vehicles to make deliveries. “The union representing thousands of UPS drivers across the country is pushing back on the company's plan to hire people to deliver packages using their personal vehicles during this year's busy holiday season. . . . In a Sept. 1 letter to UPS, the Teamsters National UPS Negotiating Committee said it rejects ‘in the strongest possible terms’” a June 30 proposal by the company to create a new class of job for seasonal delivery drivers using their personal vehicles.” <http://www.wdrb.com/story/36301287/ups-plan-to-hire-delivery-drivers-using-personal-vehicles-riles-union>.

Federal Express Corp. has yet to announce its holiday plans. Most retailers and shippers make announcements in late September.

Senate's Self-Driving Car Legislation

The Senate Commerce Committee has been working on legislation to address use of self-driving cars on U.S. roads. Under the latest provisions floated for consideration, makers of self-driving cars would have a year and a half to develop plans to mitigate the cybersecurity risks facing those cars. Plans should include:

- A means to isolate and segment the cars' critical digital systems and methods to detect and address cyber vulnerabilities when they occur;
- Tools for sharing cybersecurity lessons and best practices throughout the industry;
- Plans for a voluntary cyber vulnerability disclosure program;
- Requirements that manufacturers produce annual reports on safety components of their self-driving cars, including how they address cyber vulnerabilities and other malfunctions;

- Transportation Department review of all current safety regulations to suggest alternate language, where necessary, so the regulations adequately cover self-driving cars;
- Creation of a Highly Automated Vehicles Technical Safety Committee with members from industry, state and local governments, and the safety community, to make safety recommendations for self-driving cars; and
- Creation of a working group to tackle accessibility issues for self-driving car passengers with disabilities.

The House bill was similar but omitted plans for a vulnerability disclosure program. http://www.nextgov.com/cybersecurity/2017/09/senates-self-driving-car-bill-encourages-bug-disclosure-program/140901/oref=nextgov_cybersecurity_nl.

The threat of cyber-hijacking of autonomously driven cars has yet to be fully explored.

Self-Driving Truck Rules

Senators working on self-driving vehicle rules are considering whether to include trucks, too. A hot topic is how self-driving trucks might threaten millions of U.S. trucking jobs. Trucking is a top job in at least twenty states and the demand for truckers—while a spur to the self-driving truck industry—also spurs on growth in wages and job security.

Bill sponsors are collecting more information about the trucking industry before they decide whether to address self-driving trucks as part of a single bill or in its own. To date, the committee has held hearings on self-

driving vehicles, but has not on automated trucks.

The House has passed a bill establishing a federal framework to govern self-driving cars, but not trucks, because that committee lacked jurisdiction over trucks. The chief argument in favor of approving self-driving trucks is safety. Labor groups favor further research on cybersecurity and effects on jobs and wages. <http://thehill.com/policy/transportation/350514-senators-wrestle-with-including-trucks-in-driverless-car-bill>.

Drone Rules Hit Roadblock

Law enforcement and security agencies may be throwing up roadblocks to halt broader use of drones for commercial purposes, according to a *Wall Street Journal* report. Federal Aviation Administration (FAA) sources and others say the FBI has blocked commercial drones from flying over crowds.

The drone industry is anticipating the release of new regulations in 2018. The chief concern is limited ability to track drones. Terrorist groups have deployed

drones for attacks in Syria, Iraq, and other places, according to the *Wall Street Journal*.

The new regulations are expected to relax the FAA's line-of-sight rule, which prohibits commercial drones from flying beyond the sight of pilots. Relaxing the rule would allow more drones to be operated remotely. This single change might open the door for Amazon to conduct drone delivery tests like those it now is conducting in the U.K.

Postmates Expands

Continued expansion of short-distance delivery services offer new methodologies for on-demand delivery of everything from ecommerce orders to a hot meal. Postmates has announced that Unlimited, its loyalty program that provides free deliveries for subscribers for a flat fee of \$9.99 per month, will now cover all 250,000-plus restaurants and other merchants listed on Postmates' app, and will offer free delivery on orders above \$20. Postmates first launched Unlimited about a year and a half ago as an Amazon Prime-style delivery service with a group of 10,000 merchant partners and a \$35 minimum order threshold. Postmates reports that about 10% of its customers already subscribe to Unlimited, with that

number growing at a pace of about 50,000 per month.

Tech Crunch reports that Postmates operates a network of more than 100,000 couriers in more than 200 U.S. cities.

The delivery start-up will add new markets soon, and lower its delivery fees for non-Unlimited subscribers. Orders from Postmates' 12,000 "Partner" merchants will now cost \$3.99 and will no longer be subject to a delivery service fee, which was formerly charged to help cover the costs of smaller orders or longer deliveries. Orders from all other merchants will cost \$5.99 plus a service fee based on the size of the basket—distance was formerly factored into the fees as well.

A Teaching Moment for Mobile

Back-to-school shopping season is the second-biggest retail event after the holiday season. In 2017, mobile was a hit at J.C. Penney, Walmart, and others that catered to it. The National Retail Federation reports 43% of shoppers planned to use their smartphones to do research, including price comparisons, for back-to-school shopping. A report from A.T. Kearney, titled *Back-to-School Consumer Shopping Perspectives*, points to a 4% increase in online-only shopping since last year, which explains why retailers should target digital consumers and continue to offer service from fact-gathering until delivery.

The growing demand for mobile means that retailers are offering new tools such as real-time inventory, a progress bar during checkout, fast-loading sites, and something called autonomous sensory meridian response (ASMR). It is like white noise for people who have trouble falling asleep. Digital stores now offer "repetitive sounds, such as whispering or the sound of pages being turned," which some customers find soothing. <http://www.marketingdive.com/news/3-trends-shaping-back-to-school-marketing-in-2017/503968/>.

According to *Marketing Dive*, ASMR is a

YouTube hit and has been featured in several ad spots from Ikea, KFC, and Toyota. It puts the customer in the moment, enjoying the shopping experience he or she had no time for or making the shopper feel like the desired item is already delivered when the "Place the Order" button has yet to be pressed.

The pressure to provide customers an authentic, memorable shopping experience is made easier when the soundtrack of their daily lives can be played. Is there an ASMR that recreates the sounds of cash being collected at the register for stores that are capitalizing on such trends?

Retail Dive recently addressed the reactions of consumers to marketing pitches that stress the urgency of acting now. "The typical retail play is that urgency really drives traffic when in fact it's the opposite,"

eBay Guaranteed Delivery

eBay's new Guaranteed Delivery feature ensures fast, reliable fulfillment for millions of orders, many of which ship for free. Its latest development is that eBay shoppers can filter out search results based on guaranteed delivery days. Instead of weeding through sellers for one able to deliver when desired, the site will let shoppers sort to show only items that are guaranteed by eBay to arrive at their homes by the desired date.

The new service is designed to compete against Amazon, which lets shoppers pay for the privilege of free two-day delivery through Prime, because eBay's new program imposes no subscription requirement for buyers to take advantage of Guaranteed Delivery.

As *Forbes* described it: "While nearly all items sold on eBay are backed by a money-back guarantee, offering a guaranteed delivery date has the potential to attract former customers that had been lost to Amazon Prime's and Jet's speedy service."

If an eBay shipment is delayed, eBay will handle

FedEx Prices Rise 4.9%

Last week Federal Express Corp. (FedEx) announced its 2018 pricing. By a news release, FedEx said its average rate increase is 4.9% for Express, Ground, and Home Delivery and will take effect Jan. 1, 2018. The 2018 FedEx Service Guide will be online starting Dec. 15, 2017.

Of course, the average rate increase may not be the same as an individual business mailer's price increase. Each accessorial or service type has its own price adjustment and some rose more than others. Here are some of the adjustments that could affect your business by a margin greater than the average price increase:

Ryan Deutsch, senior vice president of global customer success at content platform Persado said. "Urgency is an emotion: It's an emotional response that people have to marketers, but it's an emotion that has the least response from consumers." Based on its analysis of back-to-school marketing efforts, "Deutsch recommends ditching the calls for urgency this holiday season." <http://www.retaildive.com/news/3-holiday-marketing-hacks/504675/>.

Tying in marketing messages to comforting reassurance and feelings of achievement can make more sense than elevating stress or incorporating a sense of challenges that lay ahead. As Persado indicates, what is working in back-to-school marketing should work during the winter holiday season, too.

responses and refunds for sellers to ensure their satisfaction.

Sellers can participate in one of two ways. As *Channel Advisor* explains:

"Door-to-Door: Larger sellers and retailers with multiple fulfillment centers can use their own regional rate tables to guarantee delivery dates. With this option, the seller will be responsible for refunds and return labels if an item arrives after the guaranteed date

"Handling Time Option: Smaller sellers can opt to have eBay calculate guaranteed delivery dates and handle refunds and returns as long as they handle within one day and use eBay labels to ensure automatic tracking. If an item arrives after the guaranteed date, eBay covers the buyer with a shipping refund or free return label." <https://www.channeladvisor.com/blog/marketplaces/guaranteed-delivery/>.

Learn more by signing up to receive updates on Guaranteed Delivery at: ebay.com/guaranteeddelivery.

- Additional Handling Surcharge increases by one dollar (9.1%) to \$12.
- Address Corrections increase by one dollar (7.1%) to \$15.
- Delivery Area Surcharges increase by \$0.10 and \$0.20 in most cases, depending on service type.
- Residential Delivery Charge is up to \$4.15, an increase of \$0.30 (7.8%).
- Oversized Charge increases by \$7.50 (10.3%) to \$80.
- 1lb. Ground Zone 2 increases by \$0.33 to \$7.58.

United Parcel Service Inc. (UPS) has yet to announce its new rates, but is expected to do so soon. By announcing rates first, FedEx has given UPS the option of matching or undercutting its chief competitor.

Briefs

CNN Money reports that the performance of retail brands on the stock market shows online sellers will continue to thrive while retailers see profits dive: “Investors are placing huge wagers that the one-two punch of Amazon . . . and fast fashion will knock out more and more stores in the months and years to come. Not surprisingly, retail is the most hated industry in the entire stock market. That’s based on Bespoke Investment Group stats on the average percentage of shares that investors are betting against, or shorting.”

It is some of the largest brands that are suffering the most: “Consider that two-thirds of Macy’s (M) market value has vanished over the past two years, and JCPenney (JCP) is down 90% since early 2012. Sears (SHLD), which also owns Kmart, has warned there’s ‘substantial doubt’ it will survive.” <http://money.cnn.com/2017/09/15/investing/retail-stocks-amazon-macys-jcpenney/>.

The Smithsonian recently analyzed *The Transformation of the American Shopping Mall* including its reinvention as a headquarters for church, school, hospital services, and even farms. Read the article at <http://www.smithsonianmag.com/innovation/transformation-american-shopping-mall-180964837/>.

PostalVision announced last week that it will partner with the Schar School of Policy and Government at George Mason University (GMU) on future initiatives relating to the future of global postal services during a challenging transformational period of

declining mail and growing parcel delivery. GMU will support PostalVision with issues identification, academic research, and facility resources. <http://www.postalvision2020.com>.

Nextgov expects ecommerce sales to grow by 85% in the next three years and recently asked how consumers will receive all those deliveries. It regards the last-mile of delivery as the toughest to map and transform and blames cities in part for resistance to innovation that might improve the logistics of home delivery service. As it explains: “Cities present a perfect barrier of fixed infrastructure, sunk costs, and misaligned incentives where private sector actors refuse to cooperate, and public officials shy away from investing money in novel solutions.”

The article reports on new research from McKinsey on the top approaches that might reduce emissions and cut parcel delivery costs:

- Use of urban warehouses to consolidate packages from multiple sources
- Electric vehicles
- Load sharing that better matches cargo to available truck capacity
- Drop boxes or parcel lockers for parcels in buildings (residential and commercial)
- Autonomous vehicles to make deliveries

Read more at <http://www.nextgov.com/emerging-tech/2017/09/sorry-drones-and-self-driving-cars-wont-be-delivering-your-amazon-packages-anytime-soon>.

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Cheryl Kettler, Editor 773-580-4165
Kathy Thorne, Publisher 301-528-7777

Website: www.businessmailersreview.com

Editorial email: support@pnmsi.com

Editorial address: PO Box 335
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