

It's been a fantastic first year for USPS Ground Advantage.

From the moment it was introduced, business customers new and old have embraced this compelling product for its reach, reliability and value.

Using a more efficient postal network, Ground Advantage has truly delivered on its promise to give American businesses a dependable, consistent shipping option that saves them money, all while generating strong revenue growth for USPS. After years of its competitors leading in the package business, the Postal Service is finally gaining ground by ramping up its efficiency and service performance, all while keeping the simplicity and affordability of Ground Advantage intact.

The package shipping market is maturing. The buying frenzy of the pandemic is gone, replaced by a cost consciousness among consumers and sellers that has corrected the shipping demands

of the lockdown boom. In this new environment, businesses have started looking for more cost control and new shipping options that still offer reliable and consistent service standards but entice buyers influenced more by price.

Ground Advantage meets and exceeds those needs. Guided by the Delivering for America plan, the

Postal Service has improved the efficiency and reliability of its revamped ground transportation network and it has expanded its package processing capacity. This has enabled the creation of this user-friendly and affordably priced shipping product that

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makes USPS a much more attractive shipping partner for American businesses.

With Ground Advantage, the Postal Service has removed the ambiguity and complexities of a legacy product line that was difficult to explain and often hard to sell. In its place is a single, clearly defined ground product that gives



“The value of USPS Ground Advantage has really hit home with shippers of all sizes. They were looking for a ground product that was simple, affordable and reliable, and that is what Ground Advantage delivers.”

— **Jacqueline Krage Strako**, Chief Commerce and Business Solutions Officer

shippers a reliable, affordable way to send packages up to 70 pounds to every address in the contiguous United States, with a day-specific service standard of 2-5 days, depending on the distance the package must travel.

The right product at the right time

Ground Advantage has been an instant success. Package volume has grown substantially in every fiscal quarter since the product was launched in July 2023, and in the key market of packages over 1 pound, Ground Advantage has accounted for a 375 percent increase in volume — a near quadrupling in the number of packages in that weight class.



Alone, this is a remarkable achievement, but the impact of Ground Advantage goes even deeper. The value customers derive from Ground Advantage has created a halo effect that influences how they look at the Postal Service’s entire product portfolio. Because of this, interest in all of the Postal Service’s shipping products has risen, and volumes across the board have been up more than 4 percent since Ground Advantage was introduced.

This is creating real gains for USPS. After years of ceding the package market to its rivals, the Postal Service is now growing volume and increasing market share — and it is doing so even when demand for packages is down year over year. That means businesses are seeing the value a transformed USPS can deliver.

Ground Advantage is boosting revenue growth, too. In the 2023 peak season, for instance, the product was the primary driver of an additional \$240 million in sales. Package revenue has been up in every quarter since Ground Advantage was launched, and the product is expected to contribute significantly to the \$2.1 billion in new shipping revenue forecast by the Postal Service for fiscal year 2024.

A winning formula

Ground Advantage is a product of the Delivering for America plan. For years, the Postal Service's competitiveness in the package shipping business was stymied by the requirements of a stand-alone parcel business. Now that the transformation plan has combined all USPS processing — both mail and packages — into a single mailstream and significantly reduced the organization's reliance on airfreight, the organization has been able to create a robust, lower-cost and more efficient ground transportation network that can fully meet the service standard of 2-5 days needed to distinguish Ground Advantage as a competitive alternative to rival products.

Delivering for America has also removed the duplication of the legacy postal network and nearly tripled USPS package sorting capacity, all while improving the efficiency of the processing network. This streamlining allowed the Postal Service to retire its complex First-Class Package Services subcategory — a mix of air and ground products — and replace it with a single ground product that is simple, reliable,

affordable and easily compared with competing ground products.

Ground Advantage is designed to provide American businesses — from small shippers to large commercial retailers — the best value for every dollar they spend. Beyond the benefits of a postal network that reaches all 167 million addresses in the country six and seven days a week, Ground Advantage provides much more than other ground shipping

products. There are no residential surcharges, invoicing fees or add-ons like compounding fuel charges, and every Ground Advantage order includes free insurance of up to \$100 and free forwarding. It's a winning formula that attracts new customers and gains more business from existing ones despite the continued and sustained pressures of the highly competitive small package business.



"We are building USPS Ground Advantage together with our customers, not just for them. That idea of partnership drives every decision we've made in marketing this product, and that has played a big part in our customers' enthusiasm for USPS Ground Advantage."

— Shelia Holman, Marketing Vice President

Market awareness

The success of Ground Advantage was bolstered by a powerful and effective multichannel marketing strategy across TV, radio and social media that ensured existing and potential customers were fully informed of the product's core strengths and the premium value it provided over existing ground shipping options.

A smart and targeted campaign blitz that started prior to the launch has since reached millions

of shippers throughout the United States, telling them in clear and certain language that the Postal Service has heard their calls for affordability, reliability and transparency, and has created a valuable shipping option with a reach that cannot be matched.

Building on the remarkable success of that initial campaign, the Postal Service's marketing team launched its second salvo in April, dubbed "Turn Shipping to Your Advantage." This campaign, featuring postal employees, focuses on the simplicity, affordability and reliability of Ground Advantage.

Supported by USPS marketing know-how, Ground Advantage now enters its second year with growing market penetration and a clear message that it is the strongest ground shipping option for all packages under 70 pounds.

Built for growth

The future is bright for Ground Advantage. From mom-and-pop shops to large business-to-business shippers, companies are embracing it as their preferred shipping product and continuing to add volume every quarter. Hundreds of large commercial clients have committed to contracts. Ground Advantage also makes the Postal Service more competitive for packages weighing 5-20 pounds, a category more focused on business-to-business shipping that could open new revenue opportunities for the Postal Service.

In a span of 12 months, USPS has demonstrated to

businesses that they can acquire a superior ground product at a more economical cost. This helps American companies save money and the Postal Service achieve the revenue targets outlined in the Delivering for America plan. Additionally, USPS holds the exclusive position of being the only shipper that serves every address in the nation. This exceptional distinction will only be further strengthened as competitors continue to withdraw in the future.

Ground Advantage won market share and volume at a time when demand for package shipping shrank. That is a powerful message to customers and rivals alike that the Postal Service is ready and willing to gain ground where the competition is hottest. And with Ground Advantage now established as the right product at the right price for American businesses, it is poised for even greater success as demand for package shipping shows signs of a healthy rebound.



Scan this QR code for a short video on how the USPS marketing team brought the "Turn Shipping to Your Advantage" campaign to life.