HOUSEHOLD DIARY STUDY

HIGHLIGHTS

Demand Forecasting and Financial Analysis Dept.
Methodology

Two-Stage Survey:
Stage 1: Recruitment Questionnaire:
> 8,491 Respondents
> Over 100 questions about:
  - Demographics
  - Lifestyle
  - Use of the Internet
  - Bill payment behavior
  - Attitudes towards advertising
HOUSEHOLD DIARY STUDY

Methodology

Two-Stage Survey:

Stage 2: Weekly Mail Diary:

- 5,359 Respondents
- Specific questions about the quantity and type of mail sent and received daily during one week.
HOUSEHOLD DIARY STUDY

Types of Mail Analyzed (Sent & Received)

1. Correspondence

2. Advertising
   - by mail product and sender type

3. Transactions
   - by mail product and sender type
<table>
<thead>
<tr>
<th>Bill Payment Method</th>
<th>Average Number of Bills Paid per Month</th>
<th>2005 Share of Bills Paid</th>
<th>Percent of Households Using Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail</td>
<td>8.0</td>
<td>67%</td>
<td>93%</td>
</tr>
<tr>
<td>Automatic Deduction</td>
<td>1.3</td>
<td>11%</td>
<td>54%</td>
</tr>
<tr>
<td>Internet</td>
<td>1.5</td>
<td>12%</td>
<td>28%</td>
</tr>
<tr>
<td>In-person</td>
<td>.7</td>
<td>6%</td>
<td>31%</td>
</tr>
<tr>
<td>Credit Card</td>
<td>.3</td>
<td>3%</td>
<td>22%</td>
</tr>
<tr>
<td>Telephone</td>
<td>.3</td>
<td>2%</td>
<td>14%</td>
</tr>
<tr>
<td>ATM</td>
<td>.0</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12.0</strong></td>
<td><strong>100%</strong></td>
<td>—</td>
</tr>
</tbody>
</table>
HOUSEHOLD DIARY STUDY

Monthly Household Bill Payment by Method

- Other Electronic
- Automatic Deduction
- Internet
- In-Person
- Mail

Postal Fiscal Year:
- 1998
- 1999
- 2000
- 2001
- 2002
- 2003
- 2004
- 2005

Number of Monthly Bill Payments:
- 6
- 7
- 8
- 9
- 10
- 11
- 12
**HOUSEHOLD DIARY STUDY**

Average Monthly Bills Received By Method

<table>
<thead>
<tr>
<th>Method</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail</td>
<td>13.87</td>
<td>13.76</td>
<td>13.76</td>
</tr>
<tr>
<td>Internet</td>
<td>.18</td>
<td>.79</td>
<td>1.02</td>
</tr>
<tr>
<td>Total</td>
<td>14.05</td>
<td>14.55</td>
<td>14.78</td>
</tr>
</tbody>
</table>
Contact Information

Diary Website
www.usps.com/householddiary

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