

DIRECT MAIL GUIDEBOOK

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MSV 2006 DIRECT MAIL GUIDEBOOK

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INTRODUCTION

Direct mail is an ever-changing medium of communication, and it poses many technological questions. There are many choices among paper vendors, many options for addressing, many companies who provide lettershop services, and many data processing companies. However, there is only one United States Postal Service. So, the ultimate vendor upon whom customers depend to get their message delivered is the only game in town.

However, that is changing. A true economic model of a monopoly would show a demand curve unaffected by price changes. But competition looms: email and electronic dissemination of messages are making many mail classes drop in volume. Yet, there is still a bright horizon...

For the customer who uses direct mail to communicate, advances in databases, faster computers, better addressing equipment, and other advances make direct mail a truly personal medium. In fact, it is the one medium where people continue to say "we enjoy receiving messages by mail."

Mailing Services of Virginia (MSV) is proud to be an important part of that medium. We hope that we can help make you better direct mail marketers and communicators through a true partnership.

This direct mail guidebook is intended to help you learn, and to be an easy reference for your team to answer questions about direct mail. We hope that MSV's role in your journey into direct mail will be helpful.

MSV will continue to stand with you as a friend and resource.

CHAPTER 1--DIRECT MAIL OVERVIEW

What is direct mail?

Direct mail is a medium of information dissemination that uses the mail as the channel of distribution. It can encompass many forms, many shipping methods and many types of messages. The primary advantages of direct mail over other methods of messaging are: a) it is personal and direct; b) it is easily trackable; and c) it is easily tested.

The main disadvantage of direct mail is that it is relatively expensive on a per piece basis. This is why some customers shy away from doing multiple mailings. However, like other forms of communication, direct mailings garner better results when recipients are exposed to the message more frequently.

What are the steps in the direct mail process?

Planning is critical when executing a direct mailing. While some mail is repetitive and does not need as much advance planning (e.g., magazines, invoices), other mailings are complex and must be planned "from scratch" each time they are done. Examples of these include special promotional mailings, any first-time mailings, and last-minute rush mailings.

It is usually the first mailing where difficulties arise due to poor planning. It is important to go through the project detail-by-detail with the client as early as possible in the project. Here are the main steps in a direct mailing:

1. Customer assesses need and conceives of project.
2. Audience (list) is determined.
3. Offer is determined.
4. Mail piece design/format conceived.
5. Graphic design/creative work is done.
6. Printer is chosen.
7. Mail shop is chosen.
8. List(s) are acquired.
9. Data sent to mail shop.
10. Printing done and delivered to mailer.
11. Data processing completed.
12. Mail shop work completed.
13. Results analyzed.

This is the utopian view of how the project should go. Obviously, as with any operational project, there are critical paths and overlapping tasks. The printer/mailer should be included in the process from Step 4 onward. If the client is using the mailing service company for list rental, then Step 2 is part of the mailer's role as well.

Who is Responsible for Each Step?

Although it is rare for customers to include all players in each step of the project, there are some "must" players who should be included in the tasks so the project runs smoothly, and with minimal errors (and expense). Here is a breakdown of the main participants in each step:

1. Customer and his end user client (assuming customer is not end user).
2. Customer, end user client and list source.
3. Customer and end user client.
4. Customer, end user client, printer and mail shop.
5. Customer, end user client, printer, mail shop and graphic designer.
6. Customer, printer.
7. Customer, mail shop.
8. Customer, list brokers.
9. Customer, end user client, list source, mail shop.
10. Customer, printer, mail shop.
11. Customer, mail shop.
12. Customer, mail shop.
13. Customer, end user client, list source.

Naturally, the customer takes the lead on each step, but it is incumbent on each player to use expertise to "spur" the customer where needed. The earlier in the process this good communication can occur, the better the flow of information throughout the whole mailing process.

What information is needed?

At each step, there must be a good exchange of information, and there needs to be two-way communication. Some customers are experts and give you most of the information you need, some are so-called experts and don't want to give you the information you need, and some are novices who need to be questioned quite a bit. It is the middle group that can cause the most problems.

There is so much information to be related at each step, but the following is a checklist of the info needed at each step:

1. Marketing information only needed at this step.
2. Marketing information only needed at this step.
3. Marketing information only needed at this step.
4. Piece specs needed (paper, inks); production information needed.
5. Printing specs and mailing specs needed for designer.
6. Printing specs needed for estimating.
7. Mailing and DP specs needed for estimating mail services.
8. List formats, DP specs needed for list company and mail shop.
9. List format, DP written specs, mail piece information.

10. Versions and quantities to be delivered to mail shop.
11. Data information returned to client; postal figures.
12. Mailing job specs and instructions, postal check, leftover piece disposition.
13. Marketing information only needed at this step.

What is the printer's role in the direct mail process?

More and more, the printer who wants to be a full-service advocate for the client needs to know a bit about direct mail. If the printer is mailing the piece as well as printing it, then a more comprehensive knowledge is required.

Therefore, there are some minimum items the printer should consider, and at least be able to alert the customer to ask his mail house. Here are some of those basic issues:

- Alert the client to make sure piece meets all USPS automation specs.
- Alert client to consult with the mail house for machinability of piece.
- Inform client to check mailing panel closely to make sure it meets all postal specifications.
- Remind client that USPS has strict rules for automation and that he should be sure piece is automation compatible.
- Have a "resource" list of contacts for client that includes local USPS Business Mail Entry Unit, Mailpiece Design Analyst, Local Mail Shops.

These are sort of "minimum" things a printer should provide the client UNLESS the printer is also providing mailing services. In this case, as the *de facto* mail house, the printer needs all the expertise of an experienced mailer to be the resource the client needs. It becomes the printer's responsibility to assist the client from start to finish.

When the printer is serving as the mailing vendor, his role in the mail process becomes broader, and he should be involved earlier in the project. Here are some of the things the printer needs to be aware of:

- Design flaws that affect postal automation compatibility.
- Design flaws that impact lettershop machine processing (including inkjetting).
- Mailing permit issues.
- Data processing issues related to the project (including managing files).
- Shipping issues.
- Timeline issues of printing vs. mailing.
- Coordination of all pieces and materials.
- Pricing issues: Have all mailing and DP tasks been included in estimate?
- Maximizing postal savings.

The role is now expanded, with the printer having responsibility for design issues earlier in the project, since the customer will depend on him for both print quality and mail quality.

These are essentially the same roles that the mail house plays in the project, but with more responsibility to link the printing success with mailing success.

What Does the Client Need to Do in the Process?

While it is important not to make it difficult for a client to use direct mail, there is a big role that a client needs to play in the mailing project. First, it is important for you to assess the level of expertise the client has so you can respond properly to his needs. Secondly, it is important to communicate with the client early and often.

Like printing specifications, mailing specifications are critical to producing a job correctly and within budget. The client must funnel the proper information to the mailing vendor if mistakes are to be kept to a minimum. While many mail shops have come up with an information form for customers to complete, many folks do not use them, or only partially complete the forms. So, it is critical for the vendor to be vigilant about picking the brain of the client to obtain these facts.

Here are important items to capture from the customer prior to and during a project:

- Number of versions of mailings
- Expected mail dates.
- How will artwork be supplied?
- How will data be supplied? What are DP specifications?
- What are production requirements?
- What are the proofing needs of the client?
- What are the postal specifications (class, post office, type of payment, etc.)?
- Type of mail piece (printing specs can usually answer this).
- What outside services are needed?
- How will postage be provided?
- Disposition of samples and leftovers.

Within each of these items is a whole sublist of questions to ask, and often one question dovetails onto another question. So, it is incumbent for the client to expect a lot of inquiries as part of good service. It is also helpful if the client can do the following:

- Provide detailed, written instructions prior to project.
- Be accessible for quick answers, especially during the data processing stage.
- Give pretty quick turnaround on sign offs.
- Be patient to answer a lot of questions that may not have been included on specs.
- Provide samples where appropriate.
- Provide you access to some of his vendors if needed (e.g., mailing list companies, graphic designers, envelope suppliers) to nail down details.

So, the client's role is critical as the catalyst for the entire mailing. However, the printer/mailer's role is to fill in the blanks!

CHAPTER 2--CLASSES OF MAIL

In this chapter, we will describe each class and subclass of mail. Basic content requirements, weight and size limitations, and special requirements will be listed. This will be done in bulleted format, so it will be easier to see at-a-glance.

Straight (non-presorted) First Class Mail

- Must be 13 ounces or less.
- Maximum size of 6 1/8" x 11 1/2" x 1/4" for Letter-size mail.
- Non-machinable surcharge applies for odd-sized pieces (see DMM C050.2.2).
- Non-letters (or Flats) are charged a Non-machinable surcharge if under 1 ounce.
- First ounce is 39 cents; each additional ounce is 24 cents each.
- Postcards (pieces from 3 1/2" x 5" up to 4 1/4" x 6"; single- or double-cards) pay a lower rate of 24 cents, but must be of uniform thickness and at least .007" thick.
- No quantity minimum for First Class Mail if metered or stamped.
- 200 piece minimum if indicia is on mail piece.
- Common problems with First Class Mail are:
 - Pieces are too heavy (over 1 ounce is subject to addl. charge).
 - Pieces are non-machinable.
 - Self-mailing cards are too lightweight paper (less than .009")
 - No Ancillary Service Endorsement.

Presorted First Class Mail

- Must be 13 ounces or less.
- Maximum size of 6 1/8" x 11 1/2" x 1/4" for Letter-size mail.
- Minimum of 500 pieces per mailing.
- Pieces over 1 ounce get charged 22.5 cents per each addl. ounce.
- Non-machinable surcharge applies for odd-sized pieces (see DMM C050.2.2).
- Flats are charged a higher rate than letters.
- Mail piece must have Ancillary Service Endorsement or must have list updated through NCOA to obtain lower automation rates.
- Addresses must be updated within 180 days of mail date via Endorsement or NCOA.
- Postcards (pieces 4 1/4" x 6" or less) must have one-half of the address side of the card reserved for postal information (indicia, return address, outgoing address, etc.).
- All letter-size reply vehicles within mailing must be automation compatible (i.e., must have barcode, proper FIM bars, be proper size for reply mail) for outgoing mail to receive automation discounts.
- Mail pieces returned or forwarded at no charge when non-deliverable as addressed. If you want both return service and forwarding, then a charge is assessed.
- Postage payable by indicia imprint, metering or live stamping.
- Receives fastest delivery service of major classes of mail.

Priority Mail

- Mail over 13 oz. may mail by Priority Mail.
- Can be shipped in USPS-supplied boxes or mailer's own boxes.
- Must have return address.
- Receives fast (2-day to 5-day) delivery.
- Payable by indicia or meter strip.
- Costly rates but often used in time-sensitive packages.

Periodicals Mail

- Class of mail designed for publications mailed at least 4x per year to an established list of subscribers or requesters.
- Must be mailed under one of five categories: general, requester, institution/society, foreign or state departments of agriculture.
- Established rates depend upon geographic distribution, type of category and percentage of advertising in publication.
- Somewhat complex application process for Periodical rates (see DMM E213).
- Strict record keeping and format guidelines apply to Periodicals pieces. Post office where permit is opened is where the office of publication is located (e.g., a publication for Virginia Tech would have its primary post office at Blacksburg, VA).
- Mail receives prompt delivery at somewhat lower rates than First Class Mail. It is the USPS way of providing special service to regular, ongoing mailers.
- Also can be mailed at special Non-profit rates for approved organizations (see DMM E213).
- There is a letter category and a non-letter category.
- Mail must be prepared differently than with First Class or Standard Mail, and involves more difficult sorting schemes and, therefore, more lettershop work.
- Can be mailed at multiple post offices if proper approval has been granted. This approval takes about two weeks.

Standard Automated Mail (Regular)

- Most commonly used for advertising and non-urgent matter.
- Can weigh up to 16 ounces.
- Minimum size is 3 1/2" x 5" x .007" thick.
- Maximum size for Letter mail is 6 1/8" x 11 1/2" x 1/4".
- Maximum size for Non-letter (Flat) mail is 12" x 15 3/4" x 3/4".
- Must be at least 200 pieces.
- May be paid by permit imprint, metering or live stamp. Client may use mail house's permit imprint.
- Lowest postage rates available.
- The postage paid depends on the distribution of the list. The more concentrated the mailing, the less the postage.
- Mailings up to 3.3 oz. pay a "per piece rate" based on sorting. Mailings over 3.3 oz. pay a combined "per piece/per pound rate" based on sorting.

- Additional discounts available for Drop Shipping to postal facilities (in effect, providing the transportation for the postal service). This is common on larger, more concentrated mailings.
- No return service unless endorsement appears on mail piece (see DMM F010.5.0).
- Letter mail pays lower rates than Non-letter mail, but it must be tabbed for automation discounts. Tabbing rules differ depending on layout of piece (see DMM C810 and C820).
- Non-letter mail does not require tabbing.
- Letter mail has guidelines about location of address and barcode on mail piece.
- Mail is sorted from Basic sort to 3-digit sort to 5-digit sort to Carrier Route sort, depending upon quantity of mail that qualifies for each level. For example, 150 pieces going to a single zip code may qualify for the lower "5-digit" rate. This is the essence of "presorting" the mail for the postal service: the mail shop does the work.
- If client wants to have their own permit, they must complete USPS Form 3615, pay a fee, and they will receive a permit number. This process is instant for commercial mailers.
- Indicia must contain all appropriate postal information (class of mail, location and number of permit, the words "U.S. Postage Paid" as well as other markings).
- A special "Company Permit" allows mailer to put company name in permit instead of city and permit number.
- No return address needed unless Ancillary Endorsement Line is used, or if Company Permit imprint.
- Non-machinable surcharge is applied to pieces that meet one or more of the Non-machinable criteria. This can result in postage increase up to 9 cents per piece over Automated Rates (see DMM C050.2.2).

Standard Automated Mail (Non-profit)

- Standard mail can mail at lower "Non-profit" rates for approved organizations.
- Approval process can take 4-8 weeks, and requires a lot of documentation to accompany application.
- Once an organization is approved as a Non-profit mailer, it can apply for non-profit status at additional post offices (see USPS Form 3623) at no charge.
- All preparation, sorting, automation piece design rules apply to Non-profit mail.
- Mail piece must have return address of organization on outside or prominently in mail piece (e.g., in envelope or inside front cover of booklet).
- The material inside the mailer must also be related to the mission of the non-profit organization.
- Non-profit approval from the USPS does not mean the organization has a mailing permit. If desired, a mailing permit account must be opened separately. The other option is for the organization to use the mail house's permit imprint.
- Mailer can also use permit imprints or live stamps.
- Non-machinable letter size mail (see DMM C050.2.2) is subject to a surcharge of up to 4.5 cents per piece.
- If mailer does not mail within two years of gaining non-profit status, they can lose that status.

Package Services

- Package Services is mail that weighs more than 16 ounces and is not time urgent. It used to be called Fourth Class.
- Several subclasses: Parcel Post, Parcel Direct, Bound Printed Matter, Media Mail, Library Mail.
- Postage rates most expensive for Parcel Post, and based on weight and zone.
- Parcel Direct is drop shipping of Parcel Post mail (BMC, SCF, DDU drops) to save money.
- Bound Printed Matter must be permanently bound printed material (books, manuals, etc.). Cannot be ring binders. Usually consists of directories, catalogs, books, and cannot weigh more than 15 lbs. per piece.
- Media Mail is composed of items like videos, CDs, tapes, manuscripts, test materials, binders of medical information, etc. (see DMM E713). Rates are priced by weight.
- Library Mail is very specific matter sent between educational institutions, libraries, educational organizations, etc. It has very specific rules about the matter in the package, and has lower rates. It is priced by weight.
- All subclasses can be mailed as Single Piece at a higher rate, or at lower presorted rates.
- All pieces must have a return address.
- Use caution when dealing with Package Services. Since many of the rules center around the type of material being sent, it is perilous to offer certain subclasses of mail without knowing exactly is in the mailing. Be careful when estimating postage.
- Include the postal service in planning any questionable mailings.
- Destination entry rates (BMC, SFC, DDU) are generous, so explore drop shipping whenever possible. Drop shipping also speeds up mail delivery.
- For more specific information on what matter is eligible to mail at which rate, consult the DMM, sections E711, E712, E713.

CHAPTER 3--TYPES OF MAIL PIECES

In this chapter, we will describe the various types of mail piece and their physical characteristics. This will serve as a primer for the next chapter, where production considerations are discussed.

The types of mail pieces often cross the boundaries of classes of mail, but sometimes they do not. For example, the characteristics of a non-letter-size self mailer are the same for First Class Mail and Standard Mail. But there is no such thing as a Standard Mail postcard; a 4 1/4" x 6" card that mails at Standard Mail rates is a Letter-size self mailer.

The breakdown of mail piece types are essentially based on the types of postal sorting equipment through which they'll be processed. So much of the mail rules are based on that: what works for the most current postal service technology. So, the following characteristics will be noted in bullet form, with a brief narrative preceding each list of characteristics.

Postcards

Postcards are mail pieces that are First Class Mail, a single- or double-card, and a maximum size of 4 1/4" high x 6" wide. There is no such "postcard" category for Standard Mail or any other class of mail. The idea behind postcards is that a smaller piece meeting certain design criteria can be processed very quickly through postal equipment. Therefore, the USPS offers special, lower rates for postcards. There is no advantage to mailing a postcard via Standard Regular rates because the First Class postcard rate is actually lower than the Standard Letter rate (and, since there is no such category as a Standard Mail Postcard, a mail piece meeting the postcard dimension requirements, but mailing as Standard Mail, will be charged the Standard Mail letter rate).

Here are some characteristics to look for in First Class postcards:

- Minimum size of 3 1/2" x 5" maximum size of 4 1/4" x 6".
- Must be at least .007" thick paper. Cannot be thicker than .016".
- Can be single card. Can also be a "double postcard" as long as one half of the card is a reply device (a card designed to be torn off and returned).
- Postcards pay a lower, special First Class rate that is actually cheaper than mailing at Standard Mail rates.
- There are design requirements that dictate the right half of the address side must be reserved for postal and address information.
- Designers must use caution to allow enough room for all inkjet info (including barcode). Ideal area is 3 1/2" wide x 1 1/4" high for inkjetting clear zone.
- Bottom line of address must be at least 5/8" from bottom of mail piece.
- Postage may be paid by indicia, precanceled stamp or meter.

Letter-sized Folded Self-mailers

Letter-size folded mailers will be discussed separately from Letter-size booklets due to production and postal issues that differentiate the two pieces. The USPS makes a distinction between Letter-size and Flat-size (or Non-letter size) mail and between Folded self-mailers versus Booklets. With Letter-size mail, layout, orientation of the folds, tabbing issues and weight all play a role in determining ease of production.

Here are some basics about Letter-sized Folded Self-mailers:

- The minimum size is 3 1/2" x 5 x .007".
- The maximum size is 6 1/8" x 11 1/2" x 1/4". Larger may fall into "Flat" (or Non-letter) category.
- Must be rectangular, and when you divide the width by the height, the number must be between 1.3 and 2.5. In other words, the mail piece cannot be too square or too skinny because it does not run through postal equipment. (This is called "aspect ratio.")
- If piece does not meet above requirements, substantial extra postage is charged.
- Maximum weight is 13 ounces for First Class and 16 ounces for Standard mail.
- If lower automation rates are claimed, the mail piece must be tabbed.
- Tabbing quantity and location depend on type of folds, dimensions of mail piece and paper basis weight (see DMM C810.7). Most postal rules deal with where the "final fold" is on the piece.
- If tabbed along bottom, perforated tabs may not be used.
- Multiple sheets may be loose and nested in each other to qualify as Folded Self-mailer.
- Be careful of roll folds and odd folds on mail pieces, for they may have special tabbing requirements.
- If piece is not tabbed, higher "non-automated" rates apply.
- Last line of address must be at least 5/8" from bottom of piece. Edge of barcode must be at least 1/2" from right edge of piece.

Letter-sized Booklet Self-mailers

A booklet self-mailer is a mail piece that is permanently bound on an edge using staples or some other type of binding. The major difference between a folded self-mailer and a booklet is the tabbing requirements. The USPS has tightened the requirements on booklets so that design is more important than ever. When analyzing the mailing panel of a booklet, keep the following guidelines in mind:

- Size requirements are the same as for folded self-mailers. Must be rectangular.
- Weight restrictions are the same.
- Rarely is a booklet mailed via First Class mail; usually Standard mail.
- The bound edge must be along the bottom of the address panel. Otherwise, substantial "non-machinable" surcharges will apply. This includes pieces with the bound edge along the leading or trailing side (right or left of address panel).

- Must be tabbed two times along top edge.
- Thicker pieces may run more slowly when tabbing.
- Last line of address must be at least 5/8" from bottom of piece. Edge of barcode must be at least 1/2" from right edge of piece.
- Letter-sized mail may not be polybagged, or a postal surcharge is applied.

Non-letter Self-mailer (Flats)

Flats present a whole different set of challenges than Letter-sized mail. Postal rules, preparation rules, rates and tabbing are all different. There is a logical reason for this: flats are processed through different machines at the post office, so the rules handed down by the USPS are different. As long as the post office maintains its monopoly on processing mail, most regulations will be based on its capabilities.

Flats run more slowly through postal sorting equipment, so the rates are higher. They also process more slowly than letters through mail shop equipment, so it is common for inkjetting and inserting charges to be higher.

Here are some basics for handling Flat mail pieces:

- Minimum size is more than 6 1/8" high x 11 1/2" wide x 1/4" thick.
- Maximum size is 12" high x 15" wide x 3/4" thick.
- Width and height based on orientation of spine to address (see DMM C050).
- Flats have a max. weight of 16 oz. for Standard Mail and 13 oz. for First Class mail.
- The restrictions on placement of the address panel are not as strict as letter-sized mail. Generally, you should try to keep the address block at least 1/2" from the edge of the piece, regardless of its orientation to the spine.
- Flats may be polybagged for automation rates, however the polybag material must be USPS approved, and the piece must be marked with the approval copy per the DMM C820.
- Flats can be sorted into mail sacks or palletized in bundles. The bundles must either be banded criss-cross or shrinkwrapped.
- For the USPS purposes, a flat-sized mail piece in an envelope is treated the same as a self-mailer.
- If the mail piece has a cover wrap, and that wrap is more than 3/4" short of the cover, then the wrap has to be tabbed two times to secure it to the mail piece.

Parcels

Parcels are any mail pieces that exceed the acceptable dimensions for Flat-sized mail. Although it is rare that you will do parcel jobs, they do occur from time to time. The USPS treats Parcels on special sorting machines, and they are often heavier, so they mail at the Package Services (formerly Fourth Class or Standard B) rates. The key considerations with Parcels are size of the piece, weight of the piece, and class of mail. Some smaller Parcels can be placed in mail sacks when sorted, but it is usually wise to palletize them.

For security reasons, a return address should always be on a Parcel. It is required for any mail in the Package Services classification. The appendix at the end of this chapter provides a good chart on the dimensions of various Parcel subclasses. The USPS categorizes them based on size because of the types of machinery on which they will sort the Parcels.

Here are some key issues to look for when doing a Parcel job:

- There are three categories of Parcels: Machinable Parcels, Irregular Parcels and Outside Parcels. These are based on size and weight.
- Machinable Parcels have lower rates because they can be processed on USPS sorting equipment. They can be a min. of 3" h x 6" l x 14" thick. The maximum size is 17" h x 34" l x 17" thick. The maximum weight is 35 lbs.
- Irregular Parcels are Parcels that exceed any of the above dimensions. They also include tubes that are 26 inches or less. An Irregular Parcel could be an odd-shaped envelope or an extra thick envelope.
- Outside Parcels are odd packages that do not meet any of the above criteria. For instance, a box that is strapped with metal strapping would be an Outside Parcel. A tube of 30" length is also such a Parcel. (See DMM C050.6).
- Depending on weight, a Parcel could mail at Standard Mail rates, Package Services rates, or Priority Mail rates. The sorting criteria for the specific class of mail would apply to the Parcels.
- Standard Mail parcels are subject to a Residual Shape Surcharge of 23 cents per piece (see DMM E610.5.5).
- A Parcel should have a valid return address. For many mail classes, this is required.
- The USPS reserves the right to refuse a Parcel if it determines the package or its contents could pose problems in processing. So, if there is any doubt as to the security of the package (e.g., liquid product samples, food items), it is wise to consult the post office where the mail will be verified.
- When sorting and prepping Parcels on pallets, it is important to adhere to height and weight limits so the pallets are not too tall or heavy. Often, it is preferable to use wraps (gaylords).
- Remember that "Parcel" is the USPS term for the category of mail piece. It is not the CLASS of mail. Parcels can be mailed at any class, based on type of package and its contents. Therefore, the mail must be prepared correctly for that class of mail.

CHAPTER 4--PRODUCTION CONSIDERATIONS FOR TYPES OF MAIL PIECES

Production is the step where poor mail piece design can illuminate problems. Often, graphic designers and printers are not familiar with what occurs in the mail shop, so they do not consider the design of the mail piece. It is incumbent on the graphic designer and printer who deal with mailing jobs to learn where to get information prior to the design of the mail piece.

Thousands of dollars in postage and lettershop costs have been unnecessarily spent because something went awry with design. Whether it's the mailing panel, the size of the envelope or an incorrect fold, they are all problems that can be eradicated with preplanning.

In Chapter 4, we will present checklists for each type of mail piece. (See the end of the chapter for a copy of a mailing specification sheet that is helpful for specifying job requirements.) This chapter will present a reference you can send to designers or clients so they can insure the mail piece receives the lowest processing and postage rates, and that it gets delivered in quickly and in good condition.

Postcards

- Is the card at least .007" thick?
- Is it no larger than 4 1/4" x 6"?
- Is the aspect ratio (width divided by height) between 1.3 and 2.5?
- Is it a single card or a double-card with one half being a return vehicle?
- It cannot be more than a double-postcard (or two panels).
- Is the color of the paper sufficient to allow readability in post office equipment? Bright or dark paper may not have enough contrast for the barcode readers, so the USPS will charge more postage.
- Is there are least 3 1/2" wide x 1 1/4" high clear area for inkjetting?
- Is the address area set up so the last line of the address is at least 5/8" from the bottom of the card?
- Is the right half of the card dedicated solely to address, postal and indicia info?
- Is the indicia correct (First Class Mail or First Class Presorted)?
- If there is an Ancillary Endorsement Line, is it correctly placed and worded? (See DMM F010.5.0). Ancillary Endorsements tell the USPS what to do with undeliverable as addressed pieces.
- If there is an Ancillary Endorsement, there must be a return address.
- Is the open edge along the top so that only one tab is needed? Glue spotting is acceptable in lieu of tabbing.
- Is the perforation on a double-postcard secure?

Letter-sized Folded Self-mailer

- Is the piece no larger than 6 1/8" h x 11 1/2" w x 1/4" thick?
- Is the folded edge along the bottom of the mailing panel? This will require only one tab.
- Is the piece rectangular with no uneven edges?
- If piece is a roll-fold with the leading edge the closed edge (the right side of the address panel), have all tabbing considerations been weighed? These types of folds often require more tabs and, therefore, more cost and time.
- If the piece is a stitched newsletter with the final fold perpendicular to the stitching (e.g., soft fold from 8 1/2" x 11" to 5 1/2" x 8 1/2"), consult the USPS mail piece design analyst--or your mail shop--to insure automation compatibility.
- Is the aspect ratio (width divided by height) between 1.3 and 2.5?
- Is there at least 3 1/2" w x 1 1/4" h clear for inkjetting? There must be more if teaser copy or other matter is to be inkjetted.
- Is the address set up so the last line of the address block is at least 5/8" from the bottom of the piece?
- Is the address set up so the barcode has at least 1/2" from the right edge of the piece and 1/8" from the left edge to any art or copy?
- Is the color of the paper sufficient to allow for post office readability? If paper is too dark or bright, the contrast of the black barcode ink may not be enough, so the USPS will charge higher postage.
- Is the indicia correct for the class of mail and the post office of verification?
- If the client is non-profit, do they have proper non-profit status with the USPS to mail at these lower rates (Standard, Periodicals and Library Rate mail only).
- If a Company Permit is being used, the piece must have a return address on it.
- If there are Ancillary Service Endorsements (ASE), are they correctly worded and placed?
- Have you confirmed with your mail shop the ramifications of the ASE?

Letter-sized Booklet Self-mailer

- All the rules listed above should be checked when mailing booklets. In addition...
- Is the bound edge along the bottom of the address panel? This is a must to avoid high surcharges.
- Remember that two tabs are required.
- If catalog is thicker, allow extra processing time.
- Has the weight of the piece been checked? For Standard Mail, if it goes over 3.3 ounces, additional postage is required.

Non-letter (or Flat) sized Self-mailer

- Is there a white area of at least 3 1/2" w x 1 1/4" h for inkjetting the address? Allow more room if teaser copy or other information is to be inkjetted.
- Is address panel set up so the inkjet address/barcode is at least 1/2" from the edge of the mail piece?

- Is the contrast of the paper color vs. the inkjetting sufficient to meet USPS standards? For example, a navy blue mail piece cannot be inkjetted with black ink and meet the USPS readability standards.
- Is the piece no more than 3/4" thick? Is it at least .009" thick?
- Does the mail piece have a cover wrap? If so, it may need to be tabbed if the wrap is more than 3/4" smaller than the mail piece.
- If the mail piece is going to be polywrapped, is the polywrapping USPS approved? Is there going to be correct wording on the mail piece indicating this approval? (See DMM C820).
- Is the indicia correct for the class of mail and the accepting post office?
- If a company indicia is being used, the piece must have a return address on it.
- If using an ASE (Endorsement), is it correctly placed and worded? (See DMM F010.5.0).
- Has extra production time been allotted for the larger-sized mail piece?

Envelopes

In addition to all of the address area and inkjetting requirements, there are several unique production implications when dealing with inserting into envelopes. Here are some things to look for:

- All the indicia, endorsement, return address and postal rules have been met per above checklists.
- Is there enough clearance between the size of the inserts and the width of the envelope. You normally need 5/8" to 3/4" total on letter-size mail and 1" at least on flat-size mail (jumbo inserting equipment).
- Allow more clearance (1") if thick inserts or multiple inserts (4 or more).
- Is the flap along the long side of the envelope? (E.g., booklet envelope)
- Is the flap a commercial-style flap? Announcement-style flaps that tend to be longer cannot run on machine inserters.
- Have you specified "machine insertable" envelopes when ordering from your printer or envelope converter?
- Are any of the inserts small (e.g., business cards), flimsy (buck slip on 20# stock), z-folded or odd-sized (e.g., a magnet shaped like a house)? This could cause inserting problems.
- Check with your mail shop to see the number of inserts their machines can handle.
- If using a window envelope, be sure the window is covered with cellophane. Open windows wreak havoc with machine inserters.
- If using a window envelope, is the window positioned so the last line of the address can be placed at least 5/8" from the bottom of the mail piece? This is a postal requirement for letter-sized mail.
- Is the window large enough to accommodate all the address elements, barcodes, and still have the required white space between the barcode and the edge of the window?
- Does the graphic content of the insert that will "drive" the envelope appear in the window when inserted correctly? This should not occur.

- Will the insert pass the USPS "tap test?" This is a test to make sure the insert that drives the envelope does not float around within the envelope so that barcode and address information is obscured when the envelope is shaken.
- Consult with your printer and mail shop to make sure the window is in the right place in reference to the inserts.
- If it's a large envelope that must be "jumbo inserted," (e.g., 9" x 12"), does the insert appear correctly in the window to allow all address information to show?

Some Words About the Address Panel

Although the above checklists have covered most of what you need to confirm in the address area on your mail pieces, the address panel is where some of the most common--and costly--errors occur. So, it is worthwhile to remind the client that the address panel needs double-checking; it also should be checked at the preflight and proofing stage if the printer is acting as the mailer.

The most common errors we see with address areas are:

- Not enough room for all the information. Clients forget that more than three lines of address need to be printed in the address block.
- Mail piece is too dark or too light with no "white out" box for address information. This can cause mail piece to fail USPS "reflectance" test, and cost more postage.
- The indicia is incorrect. The USPS offers little consolation if the indicia is wrong; often it must be "x'd" out and inkjetted over.
- Problems with window envelopes. Be careful of these as new USPS standards are being enforced. The address/barcode must show through the window with all elements visible.

CHAPTER 5--MAIL PREPARATION

Mail preparation is the process by which the mail is sorted, prepped for transport and presented to the post office for verification. While most readers of the guidebook may not have a hand in preparing mail in the lettershop, this chapter will provide some basics about how different classes of mail are prepared for presentation to the post office.

The process begins with data processing, the department where the mailing list is properly sorted, coded, prepared for addressing (inkjet or laser), and turned over to the lettershop. In the production area, the mail pieces are addressed, inserted (if an envelope), sorted, bundled, trayed, sacked or palletized, and presented to the post office.

The idea behind all of this work is that the mailing vendor is doing the sorting work for the post office. When you mail a letter for 37 cents, you pay the full rate because you are not sorting it for the USPS. However, on large mailings, the mail shop processes the list and sorts the mail into sequences predetermined by the USPS. This enables the mail to travel directly to sorting facilities closer to the destination addresses, which means it is cheaper for the USPS to process this "presorted" mail. They pass those savings onto the mailer; thus you have those cheaper rates.

In the last ten years, the move to automation has been implemented. So, barcoding and presorting are the ways to save money on postage. In addition, the USPS allows mailers to transport Standard Class Mail directly to postal plants around the country to garner even bigger savings through Drop Shipping.

While all of the prepwork to set up these discounts is done at the data processing stage, the actual sorting and implementation are done in the mail preparation stage. Below are some highlights of mail preparation for assorted categories of mail:

Some General Tenets about Preparation and Sorting of Mail

- Postal Presorting Software will accurately presort and set up the mailing file to make sorting of the mail easy for the lettershop workers. However, it is critical that the correct parameters be entered into the software for accurate presorting. This is where preplanning is important.
- As a rule, the USPS offers presort discounts for sorting the mail to the most precise level: Carrier Route for concentrated mailings, 5-digit for local mailings, 3-digit for more spread out and national mailings, Basic presort for mail that does not have enough quantity to qualify for above rates.
- There are minimum quantity requirements for these presort levels.
- The Post Office checks presort accuracy and numbers when the mail is delivered to the USPS Acceptance Unit for verification. This is also when MERLIN tests the mail for barcode accuracy, presort accuracy, permit validity and other tests.

Automated Letters

Automated letters are processed in First Class, Standard and Periodicals classes of mail. Periodicals will be dealt with separately. Here are some ways Automated Letters are prepared:

- Mail is placed in trays, and sorted to the most precise level (5-digit, 3-digit, etc.).
- There are minimum count requirements for each level (usually 150 for each level, so you need 150 pieces to a 3-digit zip, 150 to a 5-digit zip, etc.).
- There are limits as to how many pieces can go into a tray.
- Trays are normally two-feet long.
- These pieces must be tabbed to receive automation discounts.
- Letters must meet USPS design requirements for automation mail (as described in previous chapters).
- Trays must be placed on pallets or in rolling postal containers.
- Last line of the address block (city/state/zip or barcode) must be at least 5/8" from bottom of piece.
- Right edge of barcode must be at least 1/2" from right edge of mail piece.
- Barcode left edge must be at least 1/8" from nearest copy.
- Top and bottom of bars must have 1/25" clearance (this is from copy or edge of a window or die cut).

Automated Non-letters (Flats)

Automated Flats are processed in First Class, Standard or Periodicals classes of mail. They are larger and more time consuming than letters, but normally need no tabs. Here are some ways Automated Flats are prepared:

- Mail is sorted, bundled and placed into sacks or onto pallets. Trays not used.
- First Class Flats (rare) are placed into postal tubs.
- Pallets are quicker and easier to prepare than sacks, but certain minimums for weight and quantity must be met. There are also maximums for weight and height.
- Sacking is laborious and time-consuming, and sacks must be placed in Bulk Mail Containers (rolling) or on postal skids.
- Sorting is done by 5-digit zip, 3-digit, SCF and BMC.
- Flats do not require tabbing unless there is a cover wrap that is 3/4" or more short of the cover.
- The address block (including barcode) should be at least 1/2" from edge of piece.
- Bundles on pallets must be criss-cross banded, shrink-wrapped, or both.
- Pallets must be marked with pallet tags.
- As a rule, Carrier Route-sorted mail (where the mail is sorted down to the actual carrier level within zip codes) requires more bundles and sacks and, therefore, more sorting work than 5-digit sorted mail.

Postcards

As mentioned earlier, postcards are First Class mail by definition. They are smaller than most letters, very light and are processed very quickly through mail shop equipment. This is why postcards are treated the same as First Class mail (faster delivery, return service for undeliverables), but have lower postage than Standard Mail. For detailed information, refer to DMM M130 and M810. Here are some considerations when sorting postcards:

- Mail is placed in trays.
- Sorting is done from the most precise level possible (carrier route, 5-digit, 3-digit, etc.). There are minimum requirements for each sorting level.
- Both one- and two-foot trays used.
- Since postcards must be single- or double-sheets, more pieces can fit in trays.
- Mail is placed on pallets after traying.
- There must be at least 5/8" from the bottom of the last address line to the bottom of the card. There must also be at least 1/2" from right edge of barcode to edge of piece.
- Design is important to fit the address elements onto the card when inkjetting.
- Use care when stacking trays onto skids so lower trays are not crushed or collapsed.
- Remember to tab double postcards.

Periodicals

Periodicals Class Mail--formerly Second Class Mail--is informational mail that is sent at least four times per year to an established list of subscribers or requesters. It is treated in a more expedited manner than Standard Mail, but is charged a split postage rate based on amount of advertising in the publication and the weight of the mail. The more advertising in the publication, the higher the postage. Periodicals Mail is the postal service's way of granting special rates to frequent mailers who are mailing information matter.

To receive Periodicals mailing privileges, an application must be completed (USPS Form 3500), and much documentation has to be provided. There are special Periodicals rates for Non-profit organizations, although there are restrictions concerning the types of advertisements that are allowed in Periodicals Non-profit mailings (for example, no insurance or credit card ads). For more information on these Non-profit rules, refer to USPS Publication 417 (Rules for Non-profit Mailers).

Here are some basics about preparing Periodicals Rate mail:

- Letter-sized mail must be placed in one- or two-foot trays.
- Flat-sized pieces are placed in special brown sacks or onto pallets. Pallets are more efficient for production.
- Special pink tray or sack labels must be used.
- Since the sorting involves more packages than Standard Mail (because of the way the sorting schemes are set up), allow more production time to sort the mail.

- Automation rules for barcode placement and inkjetting apply to Periodicals mail as they do for other classes of mail.
- Mail must be verified at the post office where Periodicals permit is held. Unless client has Periodicals mailing privileges at the mail shop's post office, the mail cannot be dropped there. Privileges can be acquired at additional post office by completing USPS Form 3510.
- Mail piece does not require indicia. However, it must have a statement of identification in the publication that indicates the nature of the publication, who publishes it, how often it is published, and where the post offices of entry are. (See DMM E211.10).
- Remember...USPS is strict about adherence to the rules for meeting Periodicals mail.
- For more information on mail preparation for Periodicals, see DMM M210 (Presorted), M220 (Carrier Route), M810 (Automation Letters), M820 (Automation Flats).

Parcels and Package Services

Since Parcels and Package Services (formerly Fourth Class or Standard B Mail) comprise a small percentage of mail that is handled, this section will be a cursory treatment of prepping this class of mail. There are varying subclasses of Package Services mail:

- *Bound Printed Matter (BPM)*--materials that are permanently bound (typically catalogs, books or directories) that weigh up to 15 lbs. These books must be permanently bound and must include printing (blank pads do not qualify). See DMM E712 for detailed info).
- *Media Mail*--generally used for film, printed testing materials, videos, medical information, sheet music, and similar materials. See DMM E713.)
- *Library Mail*--consists of mail sent between libraries and educational institutions. Very specific materials; see DMM E714.
- *Parcel Post*--this is all materials over one pound that do not meet any of the above criteria. Parcel Post is the most expensive of the Package Services subclasses, and is often used for product shipments, binders, samples, etc.

Here are some basic considerations when prepping Package Services mail:

- Mail can be placed in sacks, but pallets are preferable because of the size of the mail piece.
- Minimum requirements exist for each subclass. For example, Media Mail is 300 pieces, BPM is 300 pieces for presorted; 50 pieces for single-piece rate. Parcel Post has a 50 piece minimum.
- Rates are structured by weight and destination (zone) for Parcel Post and BPM; Media Mail and Library Mail rates based on weight alone.
- When using pallets, gaylords (wraps) may be required. There are minimum and maximum height and weight rules for pallets and wraps.

- When creating shipping labels, be sure the correct class and subclass of mail is on the label, and that all required information (including return address) is on the label. (See DMM A010.)
- Be sure to obtain post office approval for the subclass if you are opting to mail at Media Mail or Library Mail. These two subclasses have very specific rules for what matter can be mailed at these special rates.
- Consider drop shipping to receive additional postal discounts. Since these pieces are often large and bulky, the post office offers deep discounts for BMC and SCF drop shipments.

6--TABBING REQUIREMENTS

Introduction

With the advent of automation, tabbing has become a hot topic in direct mail production. The whole concept behind postal automation--and the lower rates that accompany it--is that mail will process quickly through the machines at postal sorting facilities, thus saving cost and speeding delivery. Delivery point barcodes and presorting are the major contributors to this faster production in postal equipment.

However, some of these sorting machines process pieces so fast (up to 23,000 pieces per hour) that extra preparation has to be done to ready the mail to go through this equipment without jamming machines. In the sorting process, letter-size mail goes through a series of belts and wheels that bend the mail and move it quickly through some tight maneuvers. As the pieces go through the machines, draft is created similar to the wind running into a car as it travels at high speeds. If the mail piece is not secure, this draft can actually lift the mail piece or cause it to tumble, thus jamming equipment.

Enter tabbing! Through years of R&D, the USPS has determined that certain types of pieces must be tabbed (wafer sealed) so they hold up in the equipment. These requirements change occasionally as the equipment improves or the postal service discovers new efficiencies in equipment or new ways to process tabbed pieces.

This chapter is designed to provide some points on tabbing and some scenarios that occur often. Remember, tabbing can be as simple as one tab on a folded self mailer or three tabs on a roll-folded mail piece. In any case, production time and costs are affected.

Some Basics about Tabbing

- Tabbing is only required when the mailer is seeking the lower, automation-compatible postage rates. If the client is willing to pay higher, non-automated rates, then the mail piece does not need to be tabbed.
- You may tab more than is required by the USPS. An example of when this might occur is when an envelope or insert is placed in a self mailer, and tabbing is needed to secure it inside the piece.
- If a mail piece is designed to be non-machinable (unable to be processed through postal equipment because it has one or more of the characteristics listed in DMM C050.2.2), then it does not need to be tabbed. However, postage is much higher.
- Examples of savings realized by automating your mail (and tabbing) are:
 - First Class Presorted Letter Mail is 6 to 7 cents per piece less.
 - Standard Letter Size Mail is 4 to 5 cents per piece less.
 - Standard Non-profit Letter Size Mail 2.1 to 3.3 cents per piece less.
 - First Class Double Postcards are 3.5 to 3.9 cents less per piece.

- In cases where a lot of tabbing is required, it pays to analyze costs of tabbing vs. postage savings.
- Glue spotting is acceptable in lieu of tabbing.
- Only letter-size mail and double-postcards require tabbing for automation rates. Flats (non-letter mail) only needs to be tabbed if there is a cover wrap that is 3/4" or more shorter than the cover.
- Clients may select white tabs, translucent tabs, clear tabs or clear perforated tabs. These are listed in descending order of cost for materials.
- The thicker the mail piece, the more slowly it will run through the tabbing machine.
- Mail that is sent at Standard Enhanced Carrier Route Basic, High Density or Saturation rate is not automated, and does not require tabbing.

Tabbing Letter-Sized Booklets

- A booklet is defined by the USPS as a self mailer with multiple pages permanently bound along one edge or spine.
- A booklet must have the bound edge along the bottom of the address panel, and the open edge along the top, or else it is "non machinable."
- Two tabs are required to secure the top edge.
- Booklets with the spine along the right or left (leading or trailing) edge are non-machinable.
- Thicker booklets require more time to tab.
- Be sure tabs along the top edge do not obscure permit information or return address information.
- Booklets with a "soft fold," (e.g., an 8 1/2" x 11 saddle-stitched newsletter with a final fold perpendicular to the spine to make it 5 1/2" x 8 1/2") may be tabbed as long as leading edge (right side) of address panel is where the stitching is. This piece would need two tabs.

Tabbing Letter-Sized Folded Self Mailers

- Folded-self mailer is defined by USPS as "letter-sized mail piece designed to be mailed without an envelope and consisting of one or more sheets of paper that are folded at least once. Multiple sheets may be loose and nested inside each other."
- A single sheet with the final fold along the bottom requires one tab.
- A single sheet roll folded with the final fold along the right edge of the address panel requires one tab on the left edge if 7" or less wide. If over 7" wide, it requires at least two tabs (one on top and one on bottom). See DMM C810.7.2 for more info.
- A roll folded piece with the closed edge along the left (trailing) edge of the address panel is non-machinable and subject to additional postage.
- A self-mailer with the final fold along the top and open edge along the bottom of address panel requires two tabs along open bottom edge.
- When in doubt about tabbing, you may show a mock up or drawing of the piece to the USPS Mailpiece Design Analyst in your district.
- No perforated tabs are allowed along the bottom of an address panel.

Tabbing First Class Mail Double Postcards

- If fold is along the bottom edge of the card, one tab is needed on top.
- Two tabs are required on bottom if fold is along top edge of the card.

Tabbing Flat (Non-letter) Mail

- Flats never require tabbing unless the flat has a cover wrap or cover that is more than 3/4" shorter or narrower than the mail piece. Then it needs two tabs: one within an inch of one edge and one within an inch of the other edge.
- This rule enables the wrap to not get caught in high speed flat sorting machines.
- Flats may also be tabbed if there is an insert the mailer would like to secure inside the mail piece. However, it is not required.

CHAPTER 7--DATA PROCESSING

Introduction

It may sound trite, but sound data processing (DP) practices are the launching pad for a successful direct mail project. In the pre-automation days of direct mail (around ten years ago), many clients just provided labels to be slapped onto a mailer and sorted. With the increase in computer power, the need for marketers to be more savvy and discriminate about mailing efforts, the increase in postage and paper costs, and the boon in inkjet and personalization technology, DP is now the start of every production job. (See end of chapter for sample of data processing specification worksheet.)

Old mailers used to hook labels into a labeling machine and affix them to mailers (e.g., Cheshire labels). The lettershop was more a machine shop than anything else. Now, any mailing company who has not invested in great DP equipment and people is a dinosaur. Additionally, the mailing company who can also work with the client from a marketing perspective--to discuss segmentation, coding, overlays, etc.--becomes a true partner.

There is so much that occurs in the data processing process, yet many customers do not see the value of superb DP service. Since it seems intangible, costs are often questioned. This is compounded by the fact that many customers think their lists are pristine, and do not need any prep work. With clients' spread thin over many areas of responsibility, it is our job to insure they know what the conditions of their lists are, what we need to do in the DP arena to get their list ready to mail, and to be their ally.

This chapter will cover the basic steps of DP starting from the conversion process to the file prep for personalization.

Data File Conversion

Files for mailings come from a variety of sources and in many formats. Examples of formats include ASCII, Comma Delimited, Tab Delimited, Excel, Dbase, MS-Word, Access, etc. Clients have their own house lists (internal files), they rent lists from professional list vendors, they trade lists with other organizations, they have "suppression" files of people to whom they do not want to mail, and they may even have hard copies of lists to be keypunched. Conversely, a DP vendor must first convert the list from the format it is in to the format used for mail processing. If four files come in Excel format, ASCII format, Access Format and Paradigm Fund Raising Software Format, they must be converted to a common format. Different shops use different software to do merge/purge, postal presorting and mail/merge applications, so the lists need to be converted. Here is what happens in the process:

- Files are received by mail shop. They can be received via email, FTP site, CD-ROM, disk, tape, reel-to-reel tape, or some other medium.

- Files are logged into job by DP, opened and analyzed for consistency, readability, cleanliness, layout and quantity.
- Files are converted to the format used by the mail shop. Fields are removed and kept as needed.
- Fields are cleaned up, moved around, made more consistent. This is where the DP personnel can tell if there will be problems with working with the data (bad data entry, missing fields, etc.).
- Files are coded and set up for merge/purging.

CASS File Certification

The term "CASS Certify" is often seen on estimates and heard in direct marketing circles. However, many clients are not familiar with what it means and what is done at this stage of the data processing. CASS refers to the processing of a mailing file to append the records with the proper barcode information so the full automation and presorting discounts can be realized.

When mail is presented to the post office to be weighed and verified, the post office has no way of knowing that the barcodes you printed on the mail piece are accurate or updated. The barcode--known as a Delivery Point Barcode (DPBC)--is actually the zip code, the four-digit appendage to the zip code (which narrows the address down to a block or so) and the last two digits of the address unit. So, this barcode enables the postal service to sort that mail using barcode readers, and the mail is processed down to the actual mail carrier route as it travel through various sorting sequences at the post office.

The CASS process takes each address on the mailing file, compares to a postal database of address ranges, and if a match is made, appends the record with a DPBC. When the entire process is done, a CASS report is generated which tells the post office the percentage of records successfully appended with the barcode, and the mail house signs the report. The USPS requires that the file have been CASS certified within 180 days of the mail date. Once a file is CASS'd, then it can receive the automation discounts for barcoding, assuming all the other mail piece requirements are met.

Here are some other notes about CASS certification:

- An address may not match the postal database, so it cannot receive a DPBC. An example of this would be "Susan Jones, Mayor City of Lynchburg, Lynchburg, VA 24501." As this has no street address, it cannot be CASS certified with a DPBC.
- Records that cannot be barcoded may still be deliverable, as in the above case. Typically, around 10 to 15 percent of a list cannot be appended with the DPBC.
- Other tasks like Address Standardization--which is reconfiguring addresses to conform to USPS addressing standards--are done when CASS certifying a list.
- It may be wise for a client to speak with the DP folks to find out if records that could not receive a DPBC are deliverable or missing important address elements.
- The post office requires a signed CASS report for any presorted mailing.

- In addition to the CASS certifying, DP personnel will also PAVE the mailing list. PAVE stands for Presort Accuracy Verification, and it certifies that the list has been presorted accurately to receive appropriate postal discounts.

Merge/Purge and Deduping of Lists

It is common for customers to think their lists have no duplicates, yet when analyzed, the list does contain “dupes.” Also, clients who use multiple lists are likely to find duplicates both between (interlist) lists and within a list (intrafile). So, the merge/purge function has become critical in DP to save the client money and maintain good public relations. It is not good when a hospital asks for donations and a household receives three pieces!

Merge/purge is done during the DP tasks, and requires some advance planning with the customer. Most mail shops have standard merge/purge parameters, but these are worth mentioning:

- Dupes can be searched for between lists and within a list.
- A dupe can be checked for by full name and address, last name and address, or address only (resident). Each of the three has its own strengths and limits.
- Address only is not suited well for business addresses.
- When mailing to businesses, be aware that last name/address may work, but certain businesses (e.g., law firms) may have multiple addressees with same last names.
- Full address only may work except in cases where address info may be incomplete: e.g., lists with many educational institutions may have similar addresses for different departments.
- Last name and address is the most common for households and businesses.
- The matching strictness--i.e., how the software determines a match--can be set to loose, medium or tight. The tighter the strictness, the harder is it to make a match. If a loose level is chosen, then the software finds more "matches," but some may not be actual duplicates.
- Merge/purge is not an exact science, so there may be some dupes that get through. It is important to speak with the client to ascertain exactly what their goals are.
- Condition of the mailing list, consistency of fields, formatting and the prioritization of lists can all affect success of merge/purge.
- Clients should provide a priority of lists in merge/purge instructions. Normally, the house list is the top priority, so dupes will be dropped from subordinate (often rented) lists.
- A merge/purge report can be provided listing inter- and intra-file dupes.

Again, do not expect perfection from merge/purge. Although the technology is getting better, it is imperfect. Proper planning is the key!

Suppression

Suppression has similarities to merge/purge, but it is a different process. Often a client will have a list of people who should not receive a mailing. For example, a bank offering a low credit card rate will not want current credit card customers who have a high rate to receive the offer. The bank will provide a list of these current customers--referred to as the "suppress list"--and will want the DP department to suppress those names from the mail file.

Suppression differs from merge/purge in that the lists are not merged together. The software just compares records from the Suppress list against the Mailing File and "hides" (or suppresses) those records from the Mailing File.

Again, sound planning is important here. The strictness and parameters should be discussed with customers prior to the processing.

Keycoding and Source Coding

This is usually a pretty simple process. Clients often want to track which lists garnered the highest responses, or they may want to easily access responses in their databases. This may be done via inbound telemarketing or inbound (reply) mail. In either case, it is important to clearly document this information for easy and meaningful tracking.

Keycoding is applying a code to a record so that it can be easily tracked when the response is received. Sometimes clients will provide a list with each record already assigned a key code; other times they will ask you to assign a key code. In either case, be sure the instructions are clear and logical. It is often worse to have confusing codes that cannot be tracked than to have no codes at all.

Source coding is usually done to indicate the list source or the source of the name. For instance, all records in a mailing that came from a list of *Prevention* magazine subscribers may be coded as PR0306, meaning the record came from promotion 6 of the year 2003, and the list was *Prevention* magazine subscribers. Again, be sure the customer is clear about how to code each record, and if the records come in precoded, it makes sense to provide the client some sample records so they can be checked.

National Change of Address (NCOA^{Link}) and LACS

Since the USPS requires presorted First Class mailings (and soon Standard Mail, too) to have addresses updated every 180 days, and since addresses change at an average rate of 17 percent per year, an issue mailers must face is how to update the mailing list.

NCOA^{Link} provides a great way to update a list before a mailing is done. If mailers rely on pieces that come back Undeliverable As Addressed (UAA), then they must manually key the corrections into their database. With NCOA^{Link}, it is done electronically.

It works quite easily:

1. Client provides database to DP vendor. Each record is assigned a unique ID number either by the client or DP provider. A customer number works fine if it is unique to each record.
2. DP vendor sends file to USPS-approved NCOA^{Link} processor.
3. Records are matched against an NCOA database of households, individuals and businesses that have filed change-of-address notices within the last 48 months.
4. Records that match are corrected. The matching criteria are quite strict so people who have not moved are not changed (example: father and son with same name but the son is a Jr.).
5. Reports are provided that indicate how many records were corrected, how many were changed to "no new address on file," how many moved to foreign addresses, and a host of other dispositions.
6. File is returned to client with unique ID numbers in place so client can correct their in-house database.

NCOA^{Link} can save lots of money when used properly. It is suggested that files be processed at least once a year unless other updating techniques are used. Bearing in mind that Standard Mail is thrown out by the post office if it is UAA, there are real cost savings associated with NCOA^{Link}. Here is a case study on a smaller NCOA^{Link} job:

Client House File of 36,000 records processed.

4,190 records were corrected or deleted as undeliverable.

Client paid \$400 for NCOA^{Link} processing.

Cost per kit for the mailing (including Standard Postage) was 32 cents per kit.

Therefore, \$1,340 (32 cents x 4,190 records) worth of mail would have been discarded by the USPS, so the client saved net \$940 on this project, which is 8 percent of the total project cost.

The above scenario does not take into account the additional responses garnered by mailing to the correct addresses on those 4,190 records, so the actual realized benefit was greater. Obviously, this can be expanded over larger mailings.

One note: NCOA^{Link} does not work as well with business files as residential files, so expectations should be adjusted for B-to-B mailings.

LACS Processing is the act of taking a file and matching it against the nation's E911 address change files. In areas where E911 emergency dispatch service was initiated, all the addresses had to be converted to street addresses from rural routes. Processing lists through the LACS program--especially in areas where this transition occurred recently--will help deliverability as well as merge/purge results. This is particularly important when doing merge/purge, for two records for the same person at a street address and at a rural route address will not be caught as a duplicate.

Data Enhancement and Overlay

Clients who have mailing lists can have those lists "enhanced" by processing them against other files that append the records with additional information about the household or individual. So, if a customer has a list of names and addresses of homes in Ohio that are worth \$150,000 or more, that list can be overlaid with other lists to find out income, marital status, educational level, hobbies, interests, and other traits about a household. This enables more targeted mailings to be done.

The ability to do such enhancements and overlays is due to the power of computer technology as well as the growing amount of information available in the mailing list and database marketplace.

These services tend to be a bit pricey for smaller mailings, so be wary if the customer's list is relatively small (i.e., under 50,000 records).

Here are some other examples of mailing list enhancement:

- Genderization--software will assign genders to names so addressees can be called Mr. or Ms.
- Splitting names--using software to correct names such as O'Hara or McDonald.

List Hygiene

As mentioned earlier, many clients believe their lists are pristine, that they have not changed much, that their client/prospect base is stable, and that the list does not need to be updated. Often, that is found to be wrong.

Clients who do not do regular First Class Mailings (where UAA pieces are returned) may not have an accurate view of how "clean" their list is. There are two ways that list quality deteriorates: age and data entry quality. With 17 percent of addresses changing per year, many areas of the country are subject to high levels of address change (the Sun Belt, Florida, Las Vegas). In regards to data quality, the use of multiple data entry personnel, the lack of standards as to what data gets entered into what fields, and the lack of supervision in data entry all contribute to bad data quality.

Bad data will impact the success of postal presorting (thus increasing postage rates) and merge/purge. Here are some examples from our experience in handling data files:

- Data such as middle name and suffix (Jr., Esq.) typed into wrong fields (like "last name" field).
- Company names typed into address fields. There should be a separate company field.
- Honorifics like Mr. and Dr. entered into first name fields. Should have its own field.
- Zip codes have no leading 0s (common with Excel files).
- Inconsistent data entered into different fields.
- City, state and zip in one field. Should be separate fields.
- Incomplete address information (no address; only a city, state and zip).

- Multiple files have completely different layouts and quality issues. This may require manual clean up of files.

There are many more. If a client is getting a list from an outside source, and it is not a professional list company, then there may be quality issues. Usually, lists from professional list houses are maintained pretty well, NCOAd regularly, and have consistent data layouts.

When processing files, it is important that the client provide a record layout showing which fields are present AND which fields are to be used in the mailing.

CHAPTER 8--POSTAL ISSUES

When direct mail is distilled into its end product, it all comes down to the United States Postal Service (USPS) and how well they deliver the mail. The direct mail industry may be the only one in which the main vendor is a monopoly, and is directly responsible for the channeling of the product through to the end consumer. However, that is the hand we've been dealt in the direct mail business (although new channels of distribution are being reconfigured with email and other methods of communication).

This chapter will provide some brief descriptions of postal processes, including what happens to the mail when it is brought to the post office. Since the Domestic Mail Manual (DMM) contains detailed rules on mail preparation and postal standards, this treatise will not go into great detail. However, it will provide a good working description of the major postal issues of the day.

Mail Verification

What happens to the mail when it is brought to the post office? In short, it is checked (verified) to insure that all the presort and automation rates you are taking are justified; in other words, is the mail prepared correctly? There is no way the USPS can look at every mailing and determine for sure that every piece is up to standards, so they have developed a process called Verification that checks the mail.

Here is a listing of what happens when mail is verified:

- Mail and all accompanying paperwork (mailing statements, presort reports, CASS reports, etc.) are brought to the acceptance facility by the mail shop.
- USPS acceptance clerk receives the mail and paperwork.
- Permit and postage on account are verified.
- Samples of mail pieces are removed from mailing. (See MERLIN following this section.)
- Mailing is weighed in toto, and sample pieces are weighed. Tare weights of containers are removed, and quantity declared is compared against piece weight.
- Mailing paperwork is checked to match it against the mailing itself.
- If no MERLIN machine is at acceptance unit, mail piece samples are checked for barcode accuracy.
- Counts are adjusted for weight discrepancies.
- If MERLIN machine is installed in postal acceptance unit, then the acceptance clerk follows MERLIN procedure.
- If mailing passes verification, then mail is entered into postal mail stream for distribution.

For First Class Mail, this means mail receives fastest service and should be transported that evening. If Standard Mail, it could be transported that evening, or within 48 hours of receipt. Most distribution units (BMCs, SCFs) try to have Standard Mail moved to the

next facility within 48 hours of when it was received. Standard Mail may be transported by truck or train, whereas First Class Mail may move by train or air.

MERLIN

MERLIN is a machine that has been installed at larger postal acceptance units around the country to automatically verify mail that is presented to the acceptance clerks. Before MERLIN, acceptance clerks had to check barcodes with the naked eye for readability, they had to trust that the mail was presorted correctly, that the permit was correct, and verify other items. Now that MERLIN is in place, they can run sample pieces through the machine and check all of those items.

Here is what MERLIN automatically verifies:

- Weight and thickness of mail piece to insure it is automation-compatible.
- Accuracy and print quality of the barcodes to make sure they meet the specs as per the DMM.
- Accuracy of the presort.
- Accuracy of the tray or sack tags.
- Accuracy of count in mailing.
- Endorsements and rate markings.
- Meter validity.

Here is how the acceptance clerk checks mail using MERLIN:

- Every mailing of 10,000 or more pieces must be sampled.
- One of every six mailings by a mailer that is under 10,000 pieces must be checked.
- Clerk pulls 1,000 pieces from a 10,000+ mailing; 500 pieces from a <10,000 mailing.
- Clerk pulls sample trays, sets up machine for appropriate type of mailing piece, and processes pieces.
- Depending on how well pieces run, this could take from 15 minutes to 20 minutes (or more). Flats and larger pieces take longer.
- A "Pass" or "Fail" report is generated, and if extra postage is required, it must be paid.
- If mailing fails the test, then a report with sample pieces is provided mailer.
- Mailer can appeal ruling, but must pay extra postage while appeal is pending.

MERLIN's purpose is for the USPS to achieve more revenue by using a machine to catch mail that does not meet DMM specs. Just because a mail piece flunks the test does not mean it cannot be run through postal automation equipment. In fact, the USPS will assess non-automated postage rates if a barcode fails, but still process it through machinery at automated speeds.

MERLIN has been the subject of much controversy in the mailing industry because of its imperfection. While hailed as a panacea among mail acceptance personnel, it has been found to be quite dubious. Mailings can generate false readings because the clerk runs the pieces through too fast or because of faulty settings. Even dirt in the equipment can cause false MERLIN results. As of 2003, the MERLIN subject is still a hot topic, and it stands to be so for a while.

The key from a client's perspective is to design mail pieces so they can be automated. Make sure there is enough white space for the entire address area, that the paper is of sufficient thickness for the type of mail piece, and consult the mail shop prior to printing the final version of the piece.

Drop Shipping

As the cost of transporting mail for the USPS has increased, they have offered incentives for mailers to do their own transportation. This is what the USPS calls "Destination Entry Drop Shipping." The idea behind it is that a mailer who is sending mail to a certain area(s) of the country can arrange to have that mail hauled and dropped in that area, saving time and hauling costs. In return, the postal service offers discounts that increase the deeper into the mail system that the mail is dropped.

These Destination Entry discounts only apply to Standard Mail and, in some cases, to Package Services. They are not available for First Class or Periodicals.

Here are some reasons to do Drop Shipping for Standard Mail:

- Standard Mail travels more slowly than any other mail, so the deeper into the mail stream it can be dropped, the faster it gets delivered. Often, mail that could take two weeks gets delivered in 4 days.
- The savings are dramatic: \$22/thousand up to \$33/thousand.
- You can more easily predict in-home date ranges.

Here are the three discount levels for Drop Shipping:

- Bulk Mail Center (BMC) Entry--receives a \$22/thousand reduction in postage; a BMC is a major hub where all Standard Mail is funneled for that area; there are only 25 of them in the United States, and many service multiple states. (See appendix.)
- Sectional Center Facility (SCF)--\$27/thousand; SCFs are facilities that receive mail from BMCs; there are multiple SCFs within each BMC area. For example, North Carolina is served by one BMC, but has about 11 SCFs.
- Destination Delivery Unit (DDU)--receives a \$33/thousand reduction; this is an individual, local post office, and the mail is required to be Carrier Route Sorted. All mail from SCFs gets distributed to the DDUs serviced by the SCF. For example, the Baltimore SCF distributes mail to all the individual post offices in the Baltimore district area.

Here are some basic tenets about Drop Shipping:

- Always weigh cost of hauling and administering the Drop Shipments with the postal savings realized. On larger mailings it's obviously worth it, but on medium-sized jobs, it requires a bit more thought.
- If a customer requests Drop Shipping, find out if their goal is to save postage, save time or both. Sometimes clients do not care if it costs more to haul the mail than they save in postage; they want the mail in home more quickly.

- The mail still must be verified at the postal facility where the permit is based. Once verified, then the mailer has its trucking vendor haul the mail to the Destination facility.
- Locations where mail will be dropped will not accept the mail without an appointment. So, the USPS has an appointment system for Drop Shipments. Mailers just can't show up at a BMC or SCF with skids of drop ship mail.
- Postal presorting software can help in setting up the drop shipments that will maximize savings. Consult with the DP folks if you think a job merits drop shipping.
- Remember, the incremental savings by dropping at a SCF versus a BMC is only \$5/thousand. It may be more cost effective to drop the mail at one BMC versus five SCFs because of the low incremental savings. This must be analyzed when considering drop shipping.
- Special postal paperwork (Form 8125) must accompany mail being hauled to Destination Entry post offices. This form is the certification by the verifying post office that the mail is properly prepared. The accepting destination entry PO does not check the mail for accuracy; they just process it through the mail stream.

It is rare that mailings under 100,000 pieces are drop shipped, unless they are going to one area or the client wants to expedite the in-home date.

Mailing Permit Management

Mailing permits are the accounts the mailers set up at the post office to prepay postage. Since the USPS does not offer any credit terms for postage, mail can be paid for in one of three ways:

1. Stamps--these are precancelled stamps that can be applied to presorted mailings to give them a more personal look.
2. Meter marks--mail is run through a high-speed metering machine. Also gives mail a personal look, but can't be used on glossy stock or thick mail pieces.
3. Permit Imprint--a preprinted imprint (a.k.a. "indicia") that is on the mail piece, and indicates permit holder, class of mail and rate category (i.e., presorted).

The permit account must be opened at the post office where the mail is going to be verified. Many clients elect to use the mailing vendor's permit. If the client opens his own permit, then a one-time application fee must be paid, and there is an annual fee that must be paid. Even if a client wants to mail from multiple post offices, the permit account must be opened in each post office

The indicia must be located prominently on the mail piece, to the right and, preferably, above the address block. It must contain the class of mail, the permit number, the city and state where the permit is held, the words "U.S. Postage PAID," and the rate category if no endorsement line is used in the address block (example: Presorted or Auto Presorted). If a Company Permit is used--that is where the company name of the mailer can be placed in the indicia in lieu of permit number/city, state info--then the exact company name must be on file with the post office where the permit is held. For

example, AOL (America Online) has permits in many cities, and they have a company permit which reads "AOL."

When using a company permit, the permit fee and application must still be on file with the post office where the mail is being verified. The form to use when opening a permit is USPS Form 3615.

When applying for a permit, present the completed form and a check, and the post office will issue you a permit number on the spot.

Mailers should use caution not to leave excess funds in a permit account. The USPS will not notify you if there is a lot of money in the account unless you inquire. It is a waste of cash to leave funds in a permit account when the money is not needed, so make sure the permit account is maintained properly.

Another item to keep in mind: the existence of a permit account does not have anything to do with a mailer's status as a "non-profit" organization. Being "non-profit" to the post office means being eligible to mail at special, lower rates. The process of gaining non-profit status with the post office can take up to two months, and there is a lot of documentation required for the process. A mailer who is interested in gaining non-profit status for their mailings should acquire USPS Publication No. 417, which is a comprehensive guidebook on non-profit mail.

The process to obtain Periodicals mailing privileges is also involved, and the USPS can provide information on that as well. Periodicals mailing requires a lot of documentation regarding the type of publication being sent, the audience to whom it is sent, and the advertising content within the publication. Additionally, the location where the publisher keeps its records (e.g., *Playboy* magazine is based in Chicago) is where the Periodicals permit should be set up. Once this is done, it is simple to obtain Periodicals mailing privileges at additional post offices (e.g., where the mailing company is based).

Address Quality/Move Update

The USPS estimates that it spends about \$1.5 billion per year on undeliverable-as-addressed (UAA) mail. UAA is mail that is addressed to an entity that is no longer at that address. While the post office has not made any overtures into changing the rules on UAA mail for straight First Class Mail, they have a Move Update initiative in place for Presorted First Class Mail, and are ready to extend those rules to Standard and Periodicals rate mail.

The rationale is simple. The USPS does not want to grant mailers lower, automation rates for mail that they need to handle twice. Why should a mailer get a 6 cent break on a piece of mail that must be delivered from Virginia to Oregon, then rerouted to Texas because the person moved? There is justification in this idea!

There is also a benefit to mailers to maximize address quality: it means more of the mail is getting delivered. Address quality means that the person to whom the mail is addressed is actually at that address. While CASS certifying software will check the validity of the actual address against postal address schemes, it does not deal with the name within the actual record. Mailers know that if an address cannot be delivery-point-barcode, then it may or may not be deliverable. However, if the address matches the USPS database, but the person has moved, the mail is not deliverable as addressed.

Maintaining list accuracy is up to the list owner. For example, L.L. Bean spends a lot of time and money to keep its list of buyers and inquirers updated because it is expensive to mail catalogs to bad addresses. A lot of smaller or less sophisticated direct marketers do not spend as much time updating their lists. Since addresses change at a rate of 17 percent per year, this can cost a lot of money.

There are several ways mailers can keep their lists updated, and they fall into two categories: 1) Updating addresses *before* the mail is sent, and 2) Updating addresses after the mail is sent.

To update addresses prior to a mailing, mailers can do the following:

National Change of Address (NCOA^{Link})—this is a method whereby a client's list is run against a postal database of movers from the past 36 months. See the previous section in Chapter 7 on NCOA for more details.

Fast Forwarding—this is a more complex process whereby a mailer's piece is updated when processed through a presorting machine at the mail shop. This also corrects the address prior to the mail entering the mail stream.

However, if a mailer chooses to update the mailing list after the mail is entered into the mail stream, these two methods may be used:

Address Change Service—mail that enters the mail stream have a unique code inkjetted or otherwise imprinted on the pieces, so that address correction notices are electronically transmitted back to the mailer at predetermined intervals.

Ancillary Service Endorsements—these are the one-line endorsements mailers print on mail pieces that tell the USPS what to do with UAA mail. Generally, the mail piece can be forwarded to the new address, returned to the mailer with the reason for return and new address (where available), or both can be done. This is the most cumbersome because the new address must be manually entered into the client's database.

There are different situations in which a particular updating method may be used. NCOA has a processing cost with a minimum, so one must consider the cost of services vs. money saved in the processing. NCOA may be worthwhile for lists over 30,000 names, and for small lists where no updating has been done.

Ancillary service endorsements (ASEs) are good for small mailings of under 20,000 pieces. For example, if you receive back 5 percent of the list, that is 1,000 names to update. There are a few types of ASEs mailers can use, and each will be treated differently by the USPS (depending on the class of mail and recency of the move):

- *Address Service Requested*—mail piece will be forwarded, and a card sent back to mailer with new address. Address correction fee is charged.
- *Forwarding Service Requested*—mail piece is forwarded at no charge if the move is one year or less; if over one year, other charges apply.
- *Return Service Requested*—piece is returned with a new address or reason for non-delivery; no charge if First Class Mail; First Class rate for piece is charged if Standard Mail.
- *Change Service Requested*—notice of new address provided, piece discarded; address correction fee charged.

There are other details about these endorsements that are important, and they can be found in the DMM F010.5.0. The important points about using ASEs are:

1. They should be used with caution. If the wrong ASE is placed on the wrong class of mail, and a lot of pieces are returned, it can be very costly in returned postage.
2. Make sure the wording is correct for the class of mail. If the terminology is wrong, the USPS will treat the mail as if there is no ASE.
3. Clients should weigh the cost of manually updating lists vs. an electronic method like NCOA.
4. Make sure any ASE used is placed in the correct location on the mail piece per USPS regulations.

NCOA is a pre-mailing updating method that is explained in great detail in Chapter 7—Data Processing. NCOA is a great way to update a mailing list, but some cautionary notes must be made:

1. NCOA does not work as well with business files as with household or consumer files.
2. NCOA uses a strict matching criteria, so some moves may slip through. The USPS wants to make sure the person has actually moved.
3. A report is provided after the process that details the disposition of records. It is a good idea to discuss disposition with clients before the process. Example: what is to be done with addresses that changed to P.O. Boxes? What about foreign addresses?
4. Be sure each record has a unique identifying number so NCOA updates can be matched back to the client's database.
5. Ascertain in what format the client's file should be returned.

It is important to understand that bad addresses can be expensive. For example, Standard Mail that is UAA is thrown out by the USPS. Therefore, the mailer never even knows which pieces get delivered and which are trashed. Much First Class Mail is forwarded, so the mailer does not know if and when the piece was delivered. Additionally, forwarding a promotional mail piece for a mall in Baltimore to someone who moved to Dallas is a waste of money.

Here is an example of the savings possible through list updating:

A client mails 100,000 pieces of a catalog. The total cost to mail is 45 cents per piece (printing, postage, data and mail shop). 5,000 pieces are trashed by USPS because of UAA, so \$2,250.00 of services was wasted. Additionally, if 25 (.5%) of addressees responded and spent \$100 from the catalog, this would be an additional \$2,500 in revenue lost initially. So, the client could have spent \$500 to NCOA the list, and avoided losing almost \$5,000. Note, that the 5 percent NCOA hit rate is conservative, so savings could be higher.

So, you see, address quality is important!

Postal Pitfalls and Mail Deliverability

Since the USPS spends so much money handling UAA mail, and since the mailing industry has lobbied vigorously for lower postage rates for presorted and automated mail, there is an increased initiative from the USPS for better address quality. One of the results of this initiative is stricter delivery policies from the USPS, and that makes it more important than ever for addresses to be complete and updated.

Here are some address problems that can make pieces undeliverable. Most can be eradicated with proper updating techniques and sound data entry management:

- Missing company names. If mail is destined for a business address, be sure it contains a company name.
- Missing suite or apartment numbers. Just because a unit only contains two apartments, it does not mean the mail carrier will deliver it without a unit number.
- Incorrect zip codes.
- Incomplete addresses. Wherever possible, a street address should be used. Even if the mail is destined to "City Hall, Chicago, IL," there should be a street address. This will enable the mail house to properly apply the complete barcode for maximum deliverability.

For more information on address quality, check the USPS web site: www.usps.com/nesc.

There are other factors that can negatively impact to prompt delivery of mail. The keys to success are to involve the mail shop early in mail piece design, and to use care when setting up and maintaining databases.

CHAPTER 9--ADDITIONAL MAILING SERVICES

There are many other mail shop services available to clients besides inkjetting. As technology has grown, so have the options to direct marketers for mail piece design and preparation. Mailing Services of Virginia (MSV) has tried to keep in the forefront of those changes, and offers many services to marketers to produce a mailing package that cut through mailbox clutter.

This chapter will briefly review the other services available and cite situations in which these services would benefit marketers.

Inkjet Addressing

Inkjet addressing is using a high-speed printer to actually spray the address/copy onto the mail piece with droplets of fast-drying ink. MSV can inkjet in draft quality, high quality and near laser quality DPI images. In many cases, draft quality is sufficient for mailings like catalogs and postcards. A higher quality may be needed to print images or maps in addition to the address information. Finally, for high quality, near laser imaging, (e.g., when printing envelopes to match laser letters) a special inkjet technology is used.

MSV uses three types of technology to inkjet:

- *Domino*--a draft quality image that runs at very fast speeds. This ink will dry instantly on any substrate. The horizontal image area is limited to the width of the piece; the vertical area is 1" print area.
- *Domino BitJet*--a high quality DPI image that can do images and maps in addition to characters. Will dry on any substrate. Horizontal image area is limited to the width of the piece; vertical area is 2".
- *Scitex*--a near-laser quality that will run at high speeds on uncoated paper. Scitex will not dry on coated stocks. This inkjet can use Windows fonts, and can print images. Unlimited horizontal print area; 1" high vertical print area.
- *Videojet*--a high quality resolution that will dry on many substrates, and has a 2" vertical print area. Not suitable for high gloss/varnished pieces.

Note that there is also a thickness maximum of about 3/4" for the feeding mechanism for the inkjets. Also, very thin stocks (such as 20 lb. paper) do not feed well in the inkjets.

Inserting

Machine inserting saves a lot of money by using high speed, mechanical inserters to stuff envelopes. These enable high volume jobs to be inserted at speeds of up to 5,000 per hour, but there are limits to the number of inserts and the size of the envelopes. When an inserter stuffs the envelopes, it lifts the flaps and the back of the envelope to push the pieces inside. This, in effect, shrinks the width of the envelope, so inserts

must be designed to allow for clearance. MSV uses three basic types of inserting equipment:

- *Standard inserters*---up to 8 inserts per envelope; maximum envelope size is 6 1/4" high x 9 1/2" wide; must be booklet style flap, and cannot insert "announcement" style envelopes. Maintain 3/8" clearance on left and right sides of envelopes to allow machine to stuff pieces. These cannot nest or collate pieces.
- *Intelligent inserters*--these machines read a barcode on the insert (e.g., a phone bill or statement) that determines how many pages the bill is, collates, folds and inserts the proper number of pages. These jobs require planning to determine how and where "tick marks" need to be printed so the inserter can read them correctly. Up to five pages can be inserted, and the machine can only work with window envelopes.
- *Jumbo inserting*--these larger inserting machines will stuff up to six inserts into an envelope up to 9 1/2" x 12 5/8". The envelope must be a booklet-style envelope. The maximum insert size is 8 1/2" x 11", and these machines will run more slowly than standard-size inserters.

Whenever inserting is done, it is critical to leave enough room to allow the pieces to be inserted properly. For example, an 8 3/4" wide booklet will not fit well into a 9" wide envelope; and the thicker the piece, the more clearance is required.

Here are some checklists for mail piece design for automated inserting:

Standard Size Inserting Machines

- Envelopes from 6" across x 3 _" high up to 9 _" wide x 6 _" high can be inserted.
- Design envelopes with standard commercial flaps.
- Use side seam envelopes since they much more quickly than diagonal seam envelopes.
- If designing envelopes the size of "announcement" style envelopes, BE SURE to spec job with "machine insertable" flaps. This means the flaps are shorter to allow for inserting equipment.
- The way the inserters "stuff" the inserts into the envelopes means that at least 3/8" clearance must be allowed in width of inserts vs. width of envelope. If inserts are too close to the width of the envelope, the machine will not be able to "lift" the back of the envelope to allow for inserting pieces.
- If there are a few inserts, or if any insert is thick, then allow more width clearance.
- Machines cannot insert if flap is along short side.
- Reserve a clear area of about 4" wide x 2" high for printing address/barcode information.
- When using a window envelope, be sure the window contains cellophane. Open ("cellophane-less") windows get caught up in inserting equipment and tend to get damaged in mail processing machines.
- Be sure the addressed piece shows through the window, and that the barcode can be seen even when the piece is shaken (this is known as the postal "tap test").
- If the envelope is colored paper, make sure the contrast and reflectance allow postal barcode readers to read the barcode. If the envelope is too bright or dark (e.g.: bright orange paper), the barcodes cannot be read.

- Smaller inserts or inserts with a lot of bulk tend to run more slowly. Items like “z-folded” letters, business cards and magnets may need to be inserted using a special attachment which can slow the process down a bit. Make sure your lettershop has this special equipment.

Larger Size (Jumbo) Inserting Equipment

- These machines are designed to insert 9” x 12” and slightly larger envelopes. They will not do 10” x 13” OSEs.
- Jumbo inserters run more slowly than standard size inserters, so allow more time.
- The jumbo inserter will accommodate up to six (6) inserts.
- When procuring envelopes for jumbo inserting, be sure flap is on long edge (booklet envelopes), otherwise it cannot be machine inserted.
- Allow at least ” clearance on each edge of the width of the envelope for clearance to inserts pieces. If inserts are thicker, please allow more clearance. (E.g.: 8 ” x 11” booklet into 9” x 12” envelope).
- If using a window envelope, be sure insert that “rides” package does not float around too much. Again, it must be able to pass the U.S.P.S. “tap test.”
- Any envelope larger than 6 1/8” high x 11 ” wide will pay higher “flat-size” postage for Standard (Bulk) Mail.

Laser Printing

Laser printing is a form of personalization where hot- or cold-fusion laser printers fuse toner to paper while merging variable data into the document. It is the highest quality form of personalization (besides color printing-on-demand), and enables the mailer to incorporate any amount of variable data onto the document.

Common applications of laser printing are:

- Personalized letters (e.g.: fund raising appeals, thank you letters to top clients)
- Personalized reply cards (e.g.: donor cards for non-profits)
- Membership cards
- Statements for credit or payroll accounts
- Forms printing with multiple variables (e.g.: 401K statements)
- Self-mailers of high quality personalization standards or where the personalized area is larger than an inkjet can print.

There are two general technologies in lasering that have different applications:

1. *Sheet Fed Lasering*—using a hot-fusion printer, this prints onto sheets of paper individually fed from feeding trays. It is applicable for lower (under 200,000 pieces) quantities, and has limitations on paper-stock due to the heat of the laser printers. This is the technology employed by MSV.
2. *Continuous Form Lasering*—the cold-fusion machines are designed for doing larger runs and, like web presses, use large rolls of paper. There is some quality sacrifice in continuous-form laser printing, but the speed of printing makes the cost per kit less expensive, and the cold-fusion allows the printer to use more types of (coated) paper.

What kinds of laser printers does MSV use?

MSV uses sheet-fed laser printers that employ hot-fusion to adhere toner. Our printers are mid-sized, and can do about 5,000 single-sided 8 1/2" x 11" forms per hour. Our capacity for lasering is about 15,000 forms per hour, so we can comfortably do up to about 120,000 forms per day. We have several styles of printers, and here is a brief thumbnail of our capabilities....

- Single-sided up to 8 1/2" x 14" at a rate of about 5,000 per hour per machine.
- Duplex at about 3,000 per hour. Comfortable capacity: 6,000 per hour.
- Up to 11" x 17" for smaller quantities of 50,000 or less.
- Can print on stock up to 110# index. However, heavier stock slows down throughput.
- Can only print in black.
- Cannot print on any coated stock due to the heat of lasers. Matte finish may run, but will run much more slowly. Coatings like aqueous or other varnishes are not possible.
- Can print on paper with perforations as long as they are microperfs.
- Printing on textured stock (linens, laid, etc.) is risky because toner does not adhere to the "peaks and valleys" of the paper as well.
- Printing possible in virtually any fonts and any size fonts.
- Scanning is available for logos and signatures.

How is laser printing priced?

Laser printing has many more steps than a plain inkjet job, and you should consider these when budgeting the job. While mail houses format laser pricing in many ways, you should consider these steps when putting together your budget:

1. Document set up—Will client email document as MS Word file or some other form? Do you need to manually key document? Is it a complicated document to set up (e.g.: city tax bills can be complex)? How many different documents are there?
2. How many files are to be incorporated in the mail-merge?
3. Artwork—Are there signatures or logos to be scanned?
4. AAs—If the client makes changes to document, they will need a new proof.
5. Is the data simple or complicated? How much variable copy is there? If it is just name/address, can be simple; however, if there are a lot of data fields (some tax forms can have 30 variable fields), how much time will be spent setting up the merging of data into document?
6. Who will supply paper? Laser pricing assumes client supplies the blank forms.
7. How much approval is needed? Simplest: fax approval. However, if many overnight samples need to be sent, or multiple people must approve, this can take a lot of time.
8. What type of lasering is to be done? Simplex, duplex and size of form all factor heavily in pricing.

What type of turnaround time can I expect?

Laser printing—like offset printing—has a lot of up front preparation time. Also, there is a lot of back-end “finishing” work that adds to time lines. When allowing for turnaround time, please consider the following:

- We cannot actually laser print letters to go into envelopes until all materials have arrived. If it is a window envelope, then we must be sure information shows through the window. On any kit, we also need to know the exact dimensions, weight, thickness for postal presorting and preparation.
- What are sign-off needs? Is it only a fax or do they need actual hard copy?
- How complex is the data processing? More complex means more approvals needed.
- What else do we need to do to mailing piece? Inkjet envelope? Inserting? Live stamping? All of these add time to job.
- Are there any other matching forms to be printed (reply form, order form, etc.)?

Some helpful hints on laser printing...

- Be sure to provide samples of paper prior to lasering. Laser printers are notoriously fickle about paper weight; static, humidity, etc. can all affect processing.
- Get data files to MSV ahead of time. The earlier we can work with the data, the more smoothly the operation will go.
- If you are printing a form to show through the window, be sure to keep extraneous copy out of the window area, and insure that only the variable data shows through the window.
- If a business reply card or some other type of smaller response vehicle is being lasered, let MSV laser print them multi-up (for example, 3-up on 8 1/2" x 11" sheet). We will cut them, and it will cut your processing costs and time significantly.

Mailing List Rental

Many customers augment their house list with a mailing to a rented list of names. This is done by mailers large and small, and lists rented in the thousands to high hundreds of thousands in quantity. There are some basic tenets about mailing list rental that clients should follow:

1. The list industry is broken down into several layers of participants:
 - a) *List owners*--these are the actual owners of the information. E.g.: *Glamour* magazine owns their list of subscriber names. They generally entrust the list to a...
 - b) *List manager*--these are agencies responsible for managing, updating, marketing and promoting the list. They are the people who market the list for maximum rental income.
 - c) *List brokers*--these are the end agents who know the list business, recommend lists to clients, can wade through the mire of good and bad lists, and negotiate on behalf of clients for better prices and terms.
2. All lists are rented for one-time usage only. List owners put decoy names in the lists to detect unauthorized use because they want to protect their investment.

3. Lists are priced on a "per thousand" basis. There is a "base" charge for renting the names and addresses, and then "selection" charges for each selection (demographic or psychographic information) that is chosen. The more specific the list, the more expensive the cost per thousand.
4. All lists have minimum orders. Some are a dollar minimum, and some are a 5,000 or 10,000 name minimum. The list owner determines the minimums.
5. Prices can often be negotiated down for larger (over 100,000 names) quantities.
6. Most list owners require a prepayment for a list order.
7. Many lists will require a sample mail piece to verify that the list is not being rented to a competitive or unsuitable offer. List owners have the right to refuse to rent the list.

Here are the three basic types of mailing lists, and some characteristics of each:

1. *Compiled Consumers*--these are residential lists compiled from public records such as phone directories, courthouse documents, census data, and other sources. They are available by a lot of demographic selections like income, age, home value, children's ages, and more. They may also be overlaid (or enhanced) with other data from private sources like hobbies, occupation, etc. to add to the specificity. They are the more moderately-price lists.
2. *Response Lists*--these are lists that are owned by private sources and come from privately held information. They are very specific, do not have as many names as compiled lists, and are more suitable for mailings to larger geographic areas. Examples of these lists would be: subscribers to *Personnel Management* magazine, donors to the Red Cross, Republican donors to George Bush for President, purchasers of Richard Simmons' Deal-A-Meal, online buyers of Mexican Cruises, etc. Almost any item that is bought through direct marketing channels makes its mailing list available. These lists are more costly, and can cost \$150 to \$200 thousand per thousand names. The owners of these lists are very cautious, and will always ask for a sample mail piece. All else being equal, these lists will draw a better response than a compiled list, and are available with a lot of selections (recent buyers, unit of sale, etc.).
3. *Business-to-Business lists*--These are lists of businesses, and can be either compiled from public sources (yellow pages, articles of incorporation, etc.) or private lists (e.g.: business buyers of Dell Computers). They are more costly than residential lists, and the compiled lists can be selected by such traits as sales volume, SIC code, employee size, headquarters vs. branch, etc. Some titles are also available with these lists, but for compiled lists, you will probably only have access to top names at the business. For response lists, you may be able to get more specialized personnel like MIS managers, marketing or sales directors, heads of HR, etc. However, these counts may be lower, and you will pay a premium per thousand.

Here are some questions to ask when renting a mailing list:

1. How often is the list updated and by which methods?
2. How is the information gathered (telemarketing, surveys, self-reported, etc.)?

3. Be sure to ask about information gathering for both the base names/addresses as well as the selections. Many list companies "overlay" their base names with other sources to enhance the data.
4. Who have been successful users of this list and your selections?
5. How deliverable is the list? Is there any kind of guarantee for deliverability?
6. If renting many names (high five figures or more), can you negotiate a net name arrangement? This is where you only pay for the "net names" mailed to after all merge/purges have been done. So, if you rent 100,000 names and dedupe 5,000, you only pay for the 95,000 names you mailed.
7. If needed, can a "multiple use" rental agreement arrangement be negotiated.

It is often said that 40 percent of the mailing's performance hinges on the list, 40 percent on the offer, and the other 20 percent split between timing, package, design. So, it is critical the list be a good list with a history of successful usage.

The steps to a list rental transaction are:

1. The mailer researches and decides on an audience for the mailing.
2. The mailer contacts the list broker to discuss options.
3. Once lists options are specified, list counts are acquired.
4. Then mailer decides to expand, contract or leave list as is.
5. Mailer decides to rent list, places order, provides payment and sample mail piece.
6. List is received by list broker, and data processing begins.

Actual receipt of the list does not take long, but steps 1 through 4 are the longest. Be sure to plan time accordingly when making list selections!

Presorting of Mail

Many mailers such as hospitals, colleges, insurance companies and others have high volumes of First Class Mail that leaves their offices daily. Normally, these clients would send that mail at a rate of 37 to 39 cents per piece. However, if they have a sufficient volume of First Class letter-size mail, MSV can pick up the mail at the client's location, return it to our plant, run it through our presorting equipment, and mail much of it at lower automated rates.

This process is called "commingling" or "presorting" the mail. The advantage is that the customer enjoys lower, automated rates for their office mail, and the mail is processed more quickly through the postal stream. MSV can provide this service on letter-size mail only.

Here is how it works:

- Client processes First Class letter-size mail, meters all the 1-ounce mail at a predetermined postage rate, the 2-ounce mail at another rate.
- MSV picks up the office mail and processes it through our presort machines.
- Addresses are read, scanned through a postal database, and inkjetted with a delivery point barcode. Mail is then sorted into bins by proper presort sequencing.

- Mail is also mixed with other clients' mail to increase the density of the presort.
- Mail is then brought to post office as presorted automated First Class mail.
- Mail that could not be read by scanners is processed as presorted First Class (at a higher rate).

Typically, not all the mail can successfully be scanned and read by the presort equipment. Handwritten addresses, incomplete addresses, typed addresses that are too light, addresses located too close to window envelopes or the edge of the envelopes are examples of pieces that cannot be read. Typically, 80 to 90 percent can be read.

Even though one never achieves 100 percent readability, here is an example of how much can be saved by commingling First Class mail:

- Client mails 1,000 pieces per day at 39-cents full rate.
- MSV begins process of presorting mail. Client meters mail at .308 (the 3-digit automated rate).
- MSV achieves an 85 percent read rate. These 850 pieces mail at an average rate of 30 cents per piece.
- Client pays MSV 2 cents per piece to process the mail through presorter.
- Annually, client mails 260,000 pieces of mail. Old cost was \$96,200 in postage.
- New cost for postage is \$80,340 per year. MSV charges \$5,200 for presorting.
- Net savings for customer is \$10,660 per year.

Bear in mind that the client did not have to do any extra work to achieve these savings, and they get the added benefit of faster, surer mail delivery. So, in many cases, it pays to offer customers First Class Presort Services!

10—RESOURCES

There is plenty of information on all aspects of direct mail. Many publications exist, the USPS has plenty of personnel to assist in many aspects of direct mail. Additionally, there are many resources on the Internet that keep up with the changes in direct marketing.

Here is a listing of resources you can tap when requesting information on direct mail:

Postal Personnel

Mailpiece Design Analyst--this is the person who can consult with you and analyze the design of the mail piece to see if it will qualify for automation rates. The MPDA can also test paper to see if it contrasts with postal barcodes sufficiently to be readable in postal equipment. The two MPDAs in the Central Virginia Region are:

Roanoke District--1-800-677-8777, press 2

Richmond District--1-804-775-6338

Mailing Requirements Specialist--this is the contact who interprets and can rule on the DMM specifications. They are also a valuable source of information for specific questions on regulations. The two contacts in Central Virginia are:

Roanoke District--1-540-985-8731 (Rick Smoot)

Charlottesville--1-434-978-7617 (Stephen Bickers)

Business Mail Entry Unit--this is where the mail is verified. If you present mail to the USPS on a regular basis, you should get to know the acceptance supervisor. He is the person who can ultimately make your mailings go smoothly, and can also help you with permits and regulations.

USPS National Customer Support Center--1-800-238-3150. This is the office where information can be garnered concerning Move Update Requirements, Non-profit Permit information, and more. If you need information on specific non-profit permit status, you may call 1-901-576-2060.

Postal Resources Online

USPS.GOV--This is the main postal web site. It has several features you can use:

- Postal Explorer--contains the DMM, Quick Service Guides and more.
- Postage Calculator--you can use this to estimate postage on any class of mail. Just go to the "Business Calculator" menu item.
- Postal Forms--you can print any postal form from this menu item. Forms are required to open permits, receive non-profit status, apply for refunds and present mailings to the Business Mail Entry Units.

RIBBS.GOV--the USPS Rapid Information Bulletin Board System. A great web site that contains postal updates, drop shipping information, mailing facility information, mailing alerts and more. Primarily useful for actual mail shops.

Postal Publications

There are many postal publications that are free of charge, and a description of each is in the appendix of this chapter.

Direct Marketing Publications

There are dozens of publication in the marketplace that deal with direct marketing. Some emphasize the marketing aspects of mail, and other combine marketing with postal issues. Here is a good sampling of publications:

DM NEWS--a bi-weekly newspaper containing information on direct mail success stories, email marketing, postal issues and more. It is a controlled circulation (free) publication. Web site is: dmnews.com.

Target Marketing Magazine--a monthly magazine for marketers who use mail and email. Great tips and articles, lots of information in every aspect of direct marketing. Web site: targetmarketingonline.com

Catalog Success Magazine--a monthly publication geared towards catalogers, but has lots of good info on list selection, fulfillment, mailing and more. Web site is: catalogsuccess.com.

Mailing Systems and Technology--a monthly magazine geared towards mailing operations. Not much marketing information, but lots of good postal info and equipment reviews. Web site: mailingsystemsmag.com.

DIRECT magazine--a monthly magazine with information on direct marketing, advertising and more. Not much postal or operational information; more creative and marketing strategy. Web site: directmag.com.

These are just a few, but are the best in the business. Happy reading and learning!

