Large Financial Institution Reduces Mailing Costs and Enhances the Customer Experience

Business Challenge

A large financial institution (the "Bank") was largely utilizing First-Class Mail® in its direct marketing acquisition programs. It was interested in moving to Marketing Mail™. The challenge was the unpredictable delivery of the mail. First-Class Mail has very short delivery standards, typically 3-5 days on average. Marketing Mail on average has a much longer delivery standard, since by definition, that mail is deferrable. The Bank needed a way to track delivery performance on outbound Marketing Mail.

The Bank knew it had delivery issues from customer complaints it received but had no data to measure or even suggest where there was a problem. Were the issues local or regional; what regions; was this a new issue? How long had it gone on? How would the Bank know if or when it gets better? The Bank was looking for a partner who could quickly identify the problems, areas affected, and the degree of impact. Marketing Mail can be managed to have the majority of mail delivered within a targeted 3-5 day time window; if unmanaged, it could be as wide as 20 days. The Bank knew this but did not have a solution to measure how well the USPS® was managing delivery.

Business Solution - Measuring Mail Delivery Effectiveness

GrayHair's solution allowed the Bank to predict the in-home date of its mailings. It provided the Bank data to know when its mailing was received so it could trigger follow-up activity and make those who need to be "in the know" aware of whether vendors and the USPS were meeting their commitments.

GrayHair's solution allowed the Bank to have meaningful dialogues with the USPS to resolve issues. GrayHair's help and data also revealed congestion in the postal system that added two full days to cycle times for some of the Bank's credit card customers.

The Bank's mortgage division uses GrayHair software for over 4 million statements per month. This allows the Bank to measure response activity and suppress call center auto dialers, which can cost between $8 and $15 per phone call. Companies can spend as much as $383,000 for postage alone to send 1,000,000 pieces of First-Class Mail but the fact is that they never know if it arrived until someone responded. This cost does not even include the materials, printing, or the mail preparation and transportation costs - just postage.

At first, delivery was not consistent since there was no visibility into the mailstream and, therefore, the Bank could not manage it. After using the GrayHair solution reports, the Bank has been able to refine its strategy. Now it uses First-Class™ and variations of delivery methods for Marketing Mail to reach its prospects within the same time period.

The Bank's Home Equity Line Of Credit (HELOC) division uses GrayHair's solution reporting for drop-ship mail to improve and manage call center volume. What it was trying to achieve is to drop ship and verify larger quantities of mail on one day -- providing greater discounts and maximizing call center volume and efficiency. It also tracks every piece to augment response curves and gauge how long it takes a customer to respond. This helps the Bank calculate what days are best to get the mail in-home.

This helps Marketing measure creative and offer testing versus the controls and ensures the response results are comparable to controls by knowing that delivery is consistent. If delivery is not consistent between test cell and control then it is difficult to measure response rates and the effectiveness of the test cells.

> "You will know whether and to what extent your vendors are meeting their commitments. You'll also know exactly when to begin follow-up telemarketing activities, second efforts or coordinate an Omni-Channel campaign."

GrayHair's sophisticated suite of reporting tools collect, organize, and distill thousands of data points that provide valuable insights to the Bank. The Bank receives unprecedented mailstream visibility and vendor accountability from GrayHair's real-time status updates. It also knows exactly when mail is delivered by the mail preparer to the USPS and then it's tracked - down to the individual piece - to its final destination.

The GrayHair Advantage

GrayHair's solution provides the Bank with the ability for its marketing solicitation (acquisition) to utilize Marketing Mail® to mimic First-Class Mail.

By taking advantage of Marketing Mail for marketing acquisition, the Bank is able to reduce postage from $.383 per piece for First-Class™ 5-digit to $.256 per piece - a savings of $.127 per piece. This presents a savings of approximately $127 per 1,000 mailpieces. In order to maximize the effects of this transition from First-Class Mail to Marketing Mail while trying to mimic First-Class™, the Bank uses historical mail performance data to create an in-home window.

The Bank's HELOC is using GrayHair's expansive mail history and analytics to drop ship mail to improve and level load call center volume. In the end, it is all about the bottom line, and GrayHair's MailTrak solution allows the Bank to cut costs on its mailings and enhance the customer experience.

Now the Bank can accurately predict increases in call center volumes and know every facet of its mail delivery performance.

About GrayHair Software

Since 2000, we have become the leading consumer and provider of postal data, processing over 55 billion data points annually. Today, our mission focuses on turning data into Business-Ready Intelligence, enabling decision-makers to reduce fraud, enhance client experience, improve marketing effectiveness, and optimize mail operations. Our clients benefit from our extensive industry knowledge and an unwavering commitment to data security and compliance. In addition, we have a personalized customer engagement approach centered on our clients' objectives. **For more information, visit GrayHairSoftware.com.**

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