ELIMINATING THE 'BLACK HOLE'

How to Elevate Your Mail Program
with Precision, Transparency,
and Data Intelligence

Q READY TO TEST YOUR MAIL DELIVERY IQ?
TAKE THIS SHORT QUIZ:

1 A major retailer has developed a multi-channel promotion for its big, national blowout sale, which includes emails to draw consumers' attention to coupons coming in the mail. Best practices suggest the retailer should:

A Use the official service standards of the Postal Service™ as a guide for timing the emails and mail drops, hoping the mail arrives when desired.

B Knowing that the USPS® current performance on Marketing Mail™ varies from facility to facility and by day of the week, monitor the progress of each mailpiece in the mailstream and adjust email messages to correspond with actual variations in mail delivery.

2 When a major weather event hits after a utility has mailed its monthly invoices, the company's best option is to:

A Closely monitor the storm and try to use local forecasts as a guide for staffing to manage remittance mailings as they are returned.

B Manage remittance returns with precision because the utility is able to monitor weather-related delays and recovery efforts, down to the local level, for inbound and outbound mail throughout the country.

3 A national charity has mailed its major fall fundraising campaign but hasn't received any Business Reply Envelopes with donations in its lockbox. The organization:

A Calls its vendors and local USPS business representative looking for answers but gets no results.

B Develops a report showing that not only had the campaign been printed, dropped with the USPS, and delivered to recipients within the targeted timeframes, but about 15,000 pieces of inbound response mail should have already been received in the lockbox. Armed with the appropriate documentation, the charity approaches the Postal Service, which ultimately tracks down the misdirected mail.

IF YOUR ANSWER to any of the questions above was "A," you probably see the mail as a big black hole – you develop creative, expensive mail campaigns based on extensive research and strategy, and just hope that your valuable communications get to the intended recipients on time. If that's you, you are not alone.

That's been the reality for many mail-reliant organizations since the onset of large-scale business mailings that utilize multiple internal departments, multiple external vendors, and, of course, the USPS. But successful mail programs are so critical to many businesses' overall success that they simply cannot thrive with a send-to-your-vendor-and-cross-your-fingers approach. That strategy causes wasted resources, unnecessary costs, and lost opportunities.

Fortunately, the USPS and industry service providers come a long way in developing tools and technologies to enable you or your business-mail customers to monitor mail as it travels through the postal system, and for you to know when your mail arrives at the customer's doorstep. It's all about delivery intelligence, and it greatly enhances the value of any mail program.

This brief primer outlines the state of mail visibility today, provides concrete guidance on what to look for in a mail tracking solution, and gives suggestions on how you can arm yourself with delivery intelligence to produce a better return on your mail investment.

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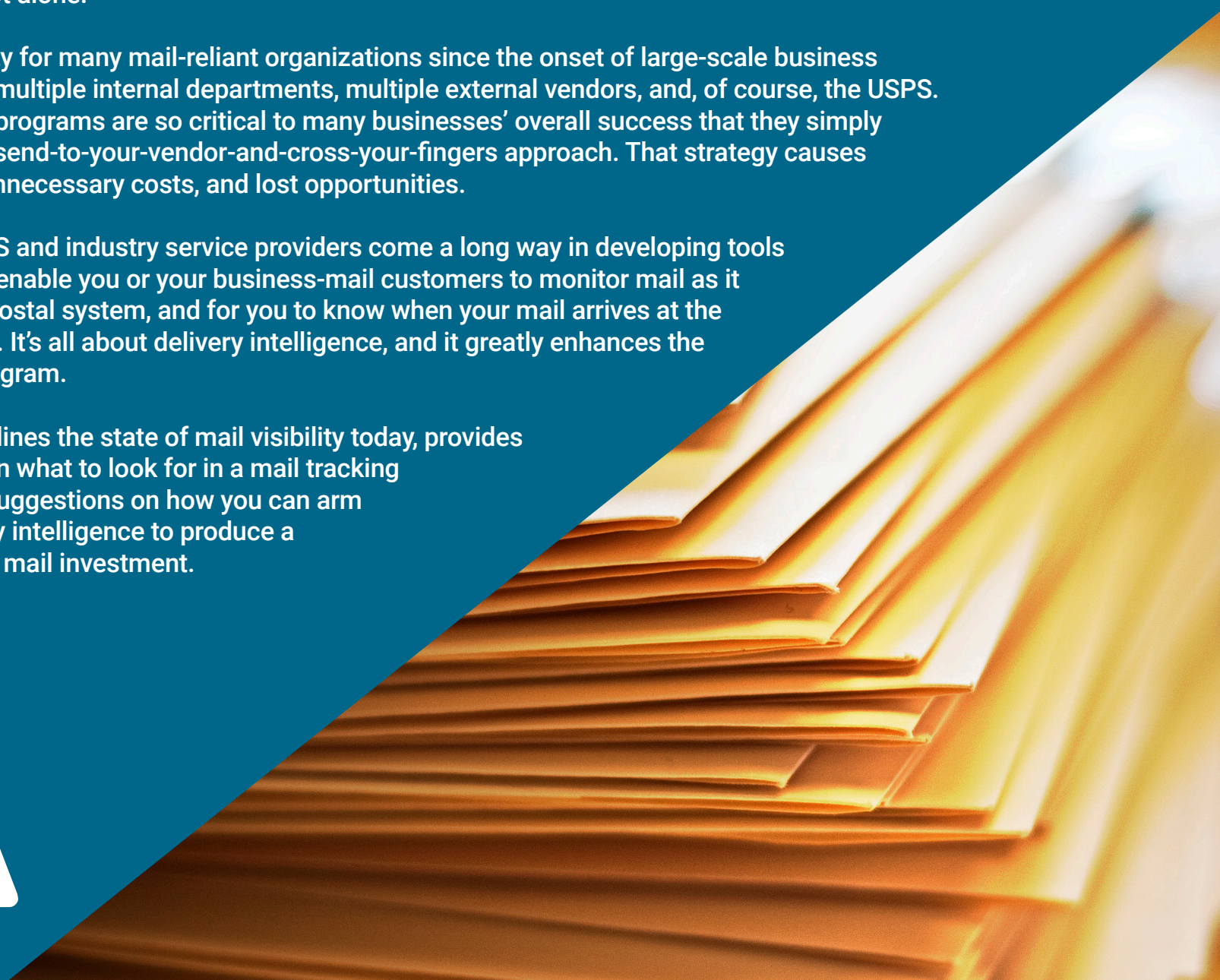
THE ENDURING VALUE OF MAIL

Mail might not be the sexy newcomer, but it is a proven and consistent way to communicate. Its physical attributes make it more memorable than digital communications in many respects, and it's what mailers often fall back on when other methods fail. For example, Postal Service research shows that 80% of credit card holders prefer hard-copy statements over emails because they like to keep paper copies for their records; 74% say having the paper statement reminds them the bill has to be paid. Similarly, a recent study of neurological responses to hard-copy and digital communications showed that participants spent more time with physical material and were likely to remember it longer. Most importantly, physical material triggered stronger value and desirability responses than did digital material, suggesting a greater likelihood to invoke a desired action.

While mail is more expensive than digital channels, it often achieves a much higher return on investment (ROI) because it has a higher response rate – according to one study, targeted direct mail response rates stand at 5.1% for house lists and 2.9% for prospect lists, compared with 2% for all other channels combined.

But, in our omni-channel world, there's no need to pick a single way to communicate. Instead, it's important to be everywhere your customers look for information – in mail, in email, in text messages, on the web, in social media – and to carefully coordinate communication among these outlets. In fact, many mailers find that campaigns using coordinated, multi-channel communications obtain higher ROIs than those using just one communication channel.

Physical mail has unique characteristics that make it a desirable component of your communications strategy. Addresses are among the most valuable assets for many organizations, from financial institutions to retailers. And the more you know about each addressee, the more value you can get out of that data point.

Analytics associated with today's tracking capabilities let you know when and how individual customers respond to your communications. Armed with this information, you can make decisions that increase sales, reduce costs, improve customer relationships, and inform virtually every aspect of your organization.
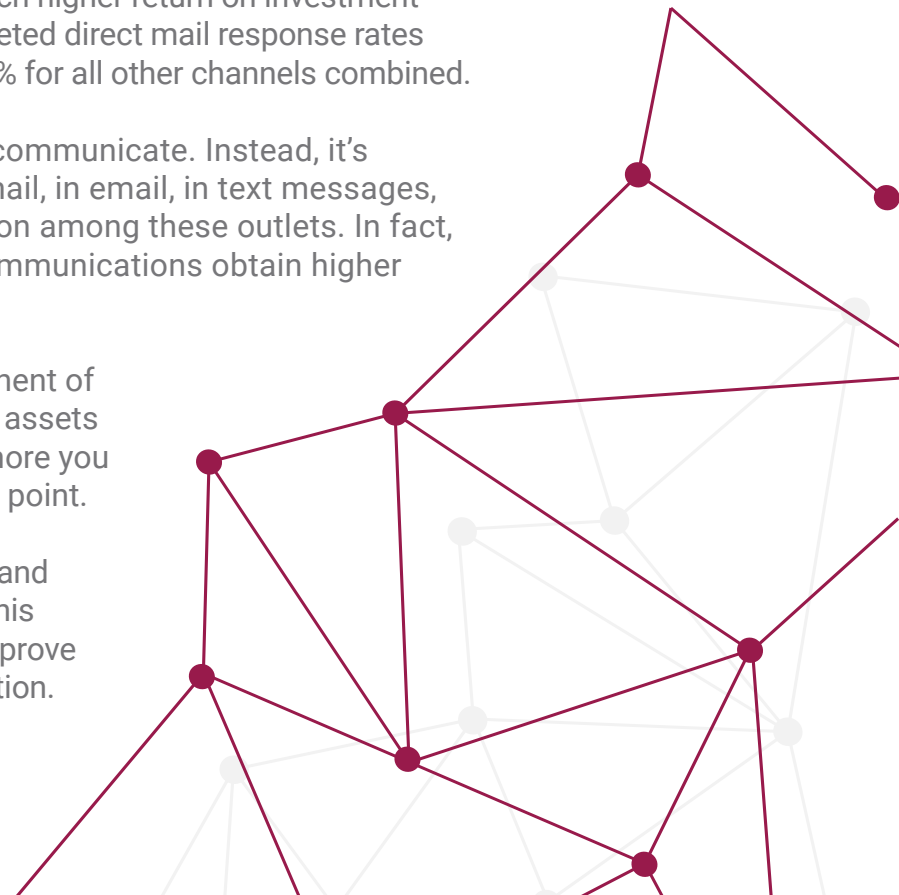
BUMPS IN THE ROAD

With more than 156 million delivery points, and an additional one million being added each year, the U.S. postal system is an enormous, complex, ever changing operation. The Postal Service is required to provide universal mail service to every address in the United States, making it a highly valued platform for communication that is deeply embedded in our national fabric. But, let's face it, postal operations are changing and optimizing, which can make them unpredictable – that big black hole mentioned earlier. There are a few challenges to successfully delivering mail:

1 Especially in marketing operations, the production and implementation of a mailing campaign may utilize many different resources, both internal and external. Confirming induction into the USPS is critical to a successful campaign.

2 People move…a lot. With 14 - 17% of the U.S. population moving each year, it's tough to keep addresses current. That's a big reason that five out of every 100 marketing mailpieces don't reach their intended recipients.

3 There are a growing number of regulations involving issues such as when a piece must be sent relative to an event, when a mailer must take action upon receipt of a communication, or the ability of a company to produce proof of compliance. The ability to connect tracking information for a specific communication to or from an individual can, in many cases, provide that necessary evidence. Tracking also allows a company to continuously monitor performance to know whether a campaign is performing as expected or an issue is developing so corrective actions can be taken before the issue grows to the level of putting the company out of compliance with regulations.

4 The Postal Service delivers more than 506 million letters, cards, and packages each day, and there are countless opportunities for variations, delays, or even mistakes along the way – caused by everything from weather issues, to equipment or transportation breakdowns, to human error, to seasonal increases in volume. The USPS is constantly adjusting its transportation network based on many factors. The network includes moving mail by rail, air, and roadway. As a result, mail traveling a further distance may get delivered sooner than mail aimed for a closer destination, depending on the transportation mode. In one analysis, we found that, for certain areas in Texas, delivery was actually faster if the pieces were created and dropped by print operations in California instead of Texas. The difference was due to the USPS network at the time and the use of trucks vs. planes for portions of the different routes.

A BRIEF HISTORY OF MAIL TRACKING

For as long as there has been a postal system, individuals and businesses have wanted assurances about when and whether their mail got to the intended recipients. What's changed are the tools for obtaining this information; they have become increasingly sophisticated, creating more value and powering new ways to use mail.

SEEDING

The earliest mail tracking technique was the decidedly low-tech approach called "seeding." With seeding, an organization sending a mass mailing would incorporate certain test addresses into their mailing list. When the mail arrived at these test addresses, the company could assume that the mail also arrived at most of the other addresses on the list. Seeding had a number of limitations; most significantly, it made no allowances for variations in mail delivery in different parts of the country, or the lack of availability of a large number of reporters to offer statistical validity in reporting results. So, it provided mailers with an *inkling* about when their mail would arrive, but no certainty. Using seeds today can be quite dangerous for marketing programs; the results of the seed could contradict the actual delivery results, giving the organization false information on which to base campaign performance.

CONFIRM

The Postal Service's first effort to provide tracking opportunities was the Confirm® program, which gave mailers information on both outgoing mail and incoming responses. Started around 2000, the Confirm® program used PLANET Code® technology to identify mailers and store information about mailpieces using unique barcodes. Mailers would have feedback about when the mail had been sorted and was going out for delivery, so they could make certain assumptions about when their mail would be delivered.

INTELLIGENT MAIL BARCODE

The Intelligent Mail® barcode (IMb™) was a significant step forward in tracking. The barcode is used, today, on letters, flats, trays, sacks, and pallets in an effort to enable the Postal Service and mailers to monitor the movement of mail from induction to when it goes out for delivery. As of 2013, the USPS requires use of the IMb as a prerequisite for receiving Full Service discounts and participation in certain programs. Because the IMb allows mailers to monitor the movement of their mail throughout the postal system, it has made it much easier to anticipate when the item will arrive, allowing organizations to adjust activities triggered by mail delivery, such as staffing call centers or budgeting for in-store traffic. With the introduction of Logical Delivery Events, we now also know when the mailpiece is delivered.

The IMb provides a wealth of information about the mailing and the recipient. Applying data analytics to this information, one can identify trends in the timing, frequency, and other aspects of customer responses, and fine tune campaigns to achieve greater returns.

But the IMb tracking information had limitations in the beginning. Data from the barcode was usually 24 hours to three days old, so it was of little value for real-time use, like responding quickly to bottlenecks in mail processing or transportation.

THE IMB VS CERTIFIED MAIL

We see significant advantages to the IMb as compared to Certified Mail®, where a receipt is included with the letter or package. With Certified Mail, there is an option for the carrier to scan the receipt at delivery, and the receipt is returned to the sender as proof of delivery. IMb-imprinted letters are delivered whether or not the recipient is home; with Certified Mail, the carrier will leave a note or, potentially, attempt several deliveries before leaving the item at the local Post Office™. Often, the intended recipient never comes in to get the item, and it eventually becomes undeliverable-as-addressed mail. We track First-Class and Marketing mail consistently being delivered and generating responses while Certified Mail to the same name and address goes unclaimed and is eventually treated as undeliverable mail.

INFORMED VISIBILITY

In 2017, the Postal Service introduced Informed Visibility (IV®), providing near real-time information and full visibility into the mailstream, with unprecedented insight from entry into the mailstream to the mailbox. Through this technological leap ahead, whereby the IMb is scanned along its travel route and more granular information about mail movement is conveyed almost immediately, mailers can have near-real-time visibility of where mail is in the system and when it will reach its destination. This helps everyone from retailers to financial institutions establish and meet all-important InHome™ dates with confidence.

The IV system also provides much-valued visibility into the delivery operations of the letter carrier. It utilizes geospatial technology to identify the letter carrier's location, so mailers know when their letters, postcards, or flats hit the mailbox. This innovation, which is known as a Logical Delivery Event, provides a myriad of opportunities for enhanced communication, integrated messaging, and omni-channel marketing. Through IV, mailers have far more options in terms of the information they receive, when they receive it (from ad-hoc to near-real-time), and how they receive it (from one-time query, to select file formats, to online viewing with download options).

This innovation - important for mailers of flats, such as magazines and catalogs - provides bundle-level scanning at the delivery unit. This enables mailers to receive piece-level scan information for flat mail items that are not processed on automated equipment. The carrier scans the top piece of the bundle, then, through eDoc association, the Postal Service can provide assumed events for all the pieces in the bundle. This is important because the Postal Service provides incentives for mailers to put more Flats Carrier Route bundles on Direct 5-digit pallets that are inducted directly into the delivery unit.

THE POSTAL SERVICE PROVISIONS ENORMOUS AMOUNTS OF DATA, BUT THAT DATA ISN'T USEFUL UNLESS YOU HAVE THE TOOLS TO DECIPHER, ANALYZE, AND APPLY IT.

DO YOU SPEAK IMB?

The IMb enables a rich source of information about mailings, addresses, and addressees. But, it's of little value to your business if you can't interpret and apply it. Businesses need special tools to make sense of the mounds of data presented by the IMb, and to combine it with their own data points for holistic, actionable information to manage their campaigns.

LEVERAGING DELIVERY INTELLIGENCE

Business mailers can dramatically improve their ROI by leveraging data intelligence from IMb-based software tools to:

IDENTIFY THE MOST COST-EFFECTIVE CLASS OF MAIL

Many mailers use more expensive First-Class Mail® as a way to guarantee better delivery outcomes. But we find that, in many instances, their top priority is predictable InHome dates, not speed of delivery. Often, when fast delivery is not the main concern, mailers find they can switch to less costly Marketing Mail (formerly Standard Mail®) and utilize the IMb to track the mailing, know when it hits the mailbox, and take actions based on that delivery.

This change can save as much as 30% on the postage for a mailing; postage is commonly the highest cost associated with a mailing.

IMPROVE CUSTOMER RELATIONS

When customers call to ask what happened to their credit card statements, they want concrete information, not guesstimates of when the statements will arrive. With reliable visibility into the mailstream down to the piece level, you can provide accurate information about delivered, returned, or forwarded mail.

PROVIDE PROOF OF MAILING

Mailers in the financial, insurance, healthcare, government, and other industries are drowning in regulations and corporate due-diligence requirements that call for proof of mailing. Traditional methods for proving that a required notice has been mailed are labor intensive, and prohibitively expensive (in 2017 a USPS Certified Mail letter cost $3.35, with additional charges for electronic or paper returned receipts), making them an unrealistic option for large-scale campaigns.

While the IMb is not recognized as proof of mail delivery, it does prove that the Postal Service took possession of the mail, which is often what is required to meet regulatory requirements or to demonstrate due diligence. And it costs a fraction of a cent per piece. Reports of IMb scans can also be critical in helping to locate mail lost in the postal system.

FINE TUNE MAIL-TRIGGERED OPERATIONS

Armed with real-time data about inbound and outbound mail, organizations can more effectively plan mailings and the events they generate – such as disconnecting power for nonpayment, canceling a subscription, or sending a second notice. Delivery scans can also be the catalyst for integrated marketing such as text messages or emails.

Call centers can staff up or down based on delivery, either to receive calls or to conduct calls to reinforce mailings. Labor is the biggest single cost for most companies, so the ability to be nimble and adjust staffing when mail is delivered earlier or later than expected can lead to significant cost savings.

The operational benefits of delivery intelligence are significant – from improved customer relationships, to savings on extra postage and other mailing related costs, to reduced labor and production costs, higher response rates, and better business decisions.

MAXIMIZE ROI BY INTEGRATING VISIBILITY AND ADDRESS HYGIENE

The more certainty you have about when and where your mail is delivered, the more you can customize messaging and invest with assurance in operations that rely on your mail program.

A comprehensive, coordinated approach to your mailings – one that tracks the mail while collecting new data on bad addresses, forwarded mail, or returned mail and applying that intelligence to your mailing lists – will dramatically improve outcomes. You'll reduce mailing costs and target your intended audience with greater precision, leading to increased benefits with less waste of time or resources.

USE ANALYTICS TO BOOST MARKETING STRATEGIES

Mail tracking tools can do more than help implement your marketing plans – they can improve them. Select a mail software specialist who can run analytics on the unique IMb on each mailpiece and help identify customer responses. Visualization tools can help you spot trends and patterns that can improve marketing and sales strategies.

You could, for example, use analytics to determine the day of the week on which consumers are most responsive to credit card offers. Armed with this knowledge you can gear future campaigns to deliver on the more productive days, improving the return on your mailings.

MANAGE MAILINGS WITH EASE

Postal Service requirements and business rules are constantly changing. It takes significant staff time to keep up with all of these requirements and to manage the complex process of encoding mailpieces with individual barcodes. Managing and storing huge volumes of data is also challenging. We find any organization with a significant mailing operation will save money and improve results by utilizing an industry partner that:

- Has long-standing relationships with the USPS and can navigate postal-related challenges and roadblocks while helping to analyze patterns and changes, and to understand how they affect mailing programs.

- Is vendor-agnostic and can benchmark various service providers in the mail supply chain – printers, mail service providers, logistics providers, etc. – to help identify the best options for your operation.

- Can chart delivery and InHome performance down to the piece level for maximum transparency on actionable information.

- Can operate essentially as the accountant for a mail program, maintaining mail data for multiple years in an easily retrievable form. It's important to be confident in the immediate accessibility of address and delivery information in order to tackle legal, regulatory, or other compliance issues and to avoid draconian fines and penalties.
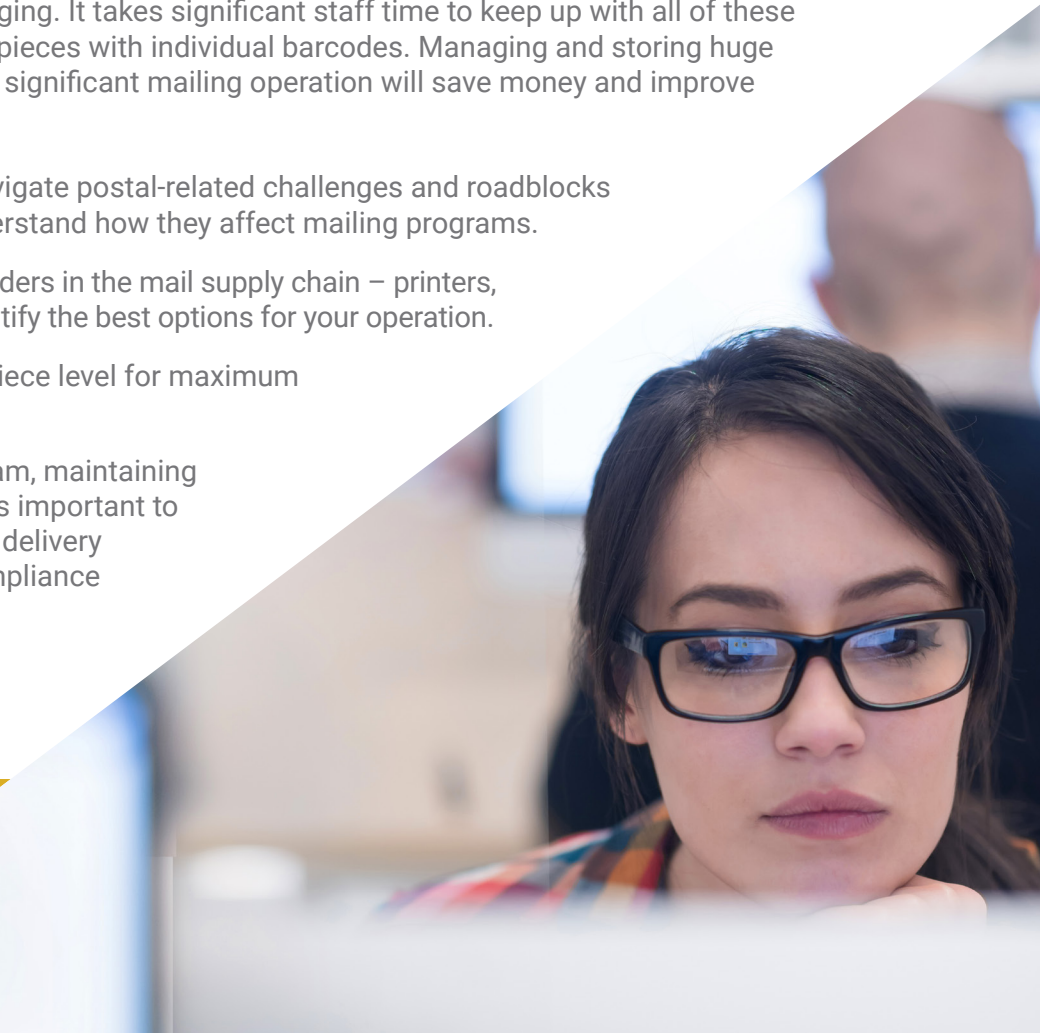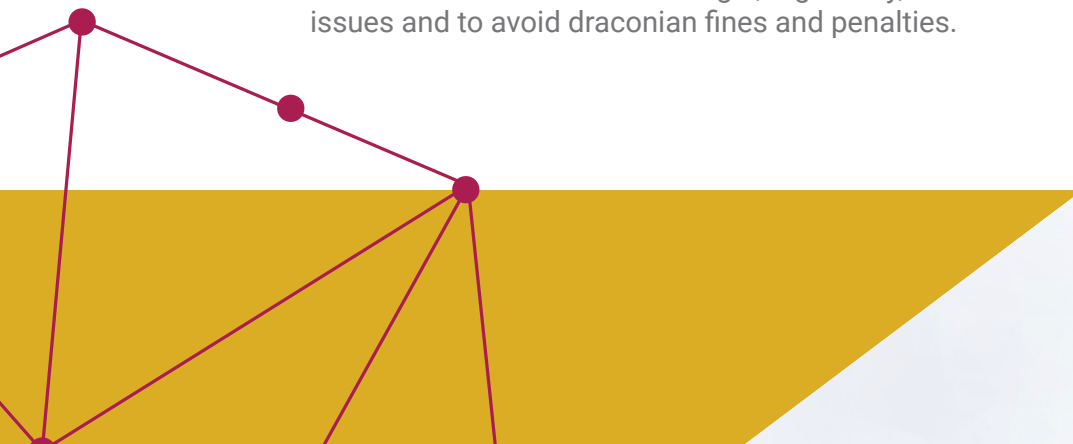
COMPREHENSIVE TRACKING
AND MAIL DATA BENEFITS
BY INDUSTRY

Following the progress of mail through the USPS system (outbound and inbound) allows for the accurate prediction of InHome dates and the analysis of delivery data. This response data is essential for a strong mail program in today's environment of competing messages and information overload. Some considerations specific to key industry segments follow.

FINANCIAL SERVICES

Reliable communications with customers are particularly important when dealing with financial matters. Documentation and data are extremely critical to complying with financial requirements and reducing exposure to fraud, fines, or legal action. It is important to know when remittances, credit cards, and other sensitive documents are delivered. Predictive analytics can also help determine the best time to send out a new credit card offer based on analysis of spending habits and credit card use.

GOVERNMENT

Government-related mailings can face unique challenges. Local, state, and federal agencies deal with heavily regulated mail, benefits payments, absentee ballots, and other communications that require highly refined tracking reports. Tracking software that leverages the IMb can offer visibility into the complex USPS delivery network and also help with fraud prevention and mitigation.

RETAIL SERVICES

It's important for retailers to know with near certainty when a coupon, flyer, catalog, or other marketing material is delivered to the mailbox, because that can trigger any number of events from staffing call centers to stocking up on perishable products in store. Predictability also enables retailers to maximize the benefits of integrated marketing campaigns – if it is known when the piece is in the mailbox, it can be followed up with other marketing events such as an email.

UTILITIES/TELECOM

A smooth billing program is the core of any utility operation. Utilities also have a myriad of regulated communications such as rate increases or information about home energy programs. Given the mobility of the U.S. population (1.4 million people move each month in the U.S.), it's increasingly challenging for utility companies to communicate effectively and avoid penalties and fines. With reports at the piece level – coupled with address cleansing tools to minimize undeliverable-as-addressed mail – these operations can see multi-million-dollar returns by investing in mail tracking that documents InHome delivery.

INSURANCE

Cash-flow predictions are critical for the insurance industry. Insurance operations benefit from visibility into both outbound delivery and inbound remittance mailings. Cash-flow management and customer relations are improved when insurance agencies have visibility into the mailstream and can confirm that, in fact, "the check is in the mail" to prevent things like cancellation notices.

NONPROFITS

Mail is a tried and true way to retain supporters and raise funds for nonprofit organizations. Ensuring that messages are received, and that Business Reply Envelopes with contributions are returned, is the bread and butter for many nonprofits. Software that can track reply mail can be critical, particularly in determining whether the Postal Service delayed or misrouted mail. Be sure to select a software solution that can produce documentation of IMb scans, in a digestible report format, to prompt corrective action when issues arise.

A *REAL* OMNI-CHANNEL APPROACH

A lot of organizations talk the omni-channel talk, but are they walking the omni-channel walk? Often not; and that's a shame because an integrated omni-channel strategy is a proven method for effective communication.

We define an omni-channel strategy as one that uses synchronized messaging pushed through multiple channels of print, mail, digital, mobile, and broadcast. Hard copy mail is a critical component of this strategy. Digital communications can be a cost-effective way to reach customers, but in conjunction with direct mail, it provides a much higher ROI. Coordination between the two produces strong results.

When considering an omni-channel strategy, it's important to keep in mind that:

- Direct-mail tracking is a time-tested way to target valuable customers and measure campaign effectiveness.
- High-value customer communications must include evidence of delivery and compliance with regulations.
- Consumers have email fatigue from rooting through their inboxes each day. Pieces in the mailbox get more attention.
- Postal addresses are the heart of every outbound marketing campaign, whether digital or physical. So, address hygiene is an important piece of a successful program.

There are endless possibilities for using an omni-channel strategy to improve outcomes. For example, savvy marketers can trigger personalized coupon mailings to consumers after they browse, shop, or abandon a shopping cart; or they can use a direct mail campaign to prompt consumers to visit a website where they can learn more about a product and use a coupon code included in the mailpiece.

Commercial software, working with the geospatial technology provisioned through USPS Informed Visibility, can show in near-real time when a mailpiece will arrive at the customer's mailbox, enabling highly sophisticated and coordinated campaigns. One could, for example, send an email to your customer saying, "We just delivered a coupon to your mailbox. Go check it out!" – that's truly an omni-channel approach that will make your message stand out.

Data management is critical to an omni-channel strategy. The multitude of platforms for communication and interaction make more information available today than ever before. But, data is often siloed by marketing medium. Organizations need to effectively manage, store, and coordinate data to ensure it is up to date, consistent, and coordinated across all platforms. Data tracking tools can better identify the path a consumer takes to reach the desired outcome (e.g. buying the product) in order to improve response attribution.

With powerful reporting tools, you can watch your mail move through the postal system from the system from the comfort of your desk. Instead of columns of numbers and data spreadsheets, find a vendor who provides a rich graphic experience, with analysis and intuitive reporting, dashboards that help you set priorities and make decisions, and interactivity that quickly provides actionable information.

CLOSING THOUGHTS

You put an enormous amount of time, effort, and money into your communication strategy, and a successful mail program is central to that strategy. Inducting your valuable mailings into a black hole and hoping for the best won't produce desired results. In today's challenging communication environment, you need certainty and accountability to achieve your organizational goals.

By taking advantage of the opportunities discussed here to add real-time visibility into your mailings, you can use that delivery intelligence to make sound business decisions – leading to lower labor and production costs, a richer omni-channel experience, higher response rates, improved customer relationships, and a stronger ROI.

GRAYHAIR

GrayHairSoftware.com
engage@grayhairsoftware.com
866-507-9999

GrayHair Software, Inc. is an innovator and industry leader in the development of services that improve and automate the management of business mail. Through its own cloud-based services and applications, the company delivers mission-critical mailing services including Intelligent Mail® barcode assignment, mail tracking, multi-channel marketing support, enterprise address management, mail monitoring and a variety of other mail-processing applications.