

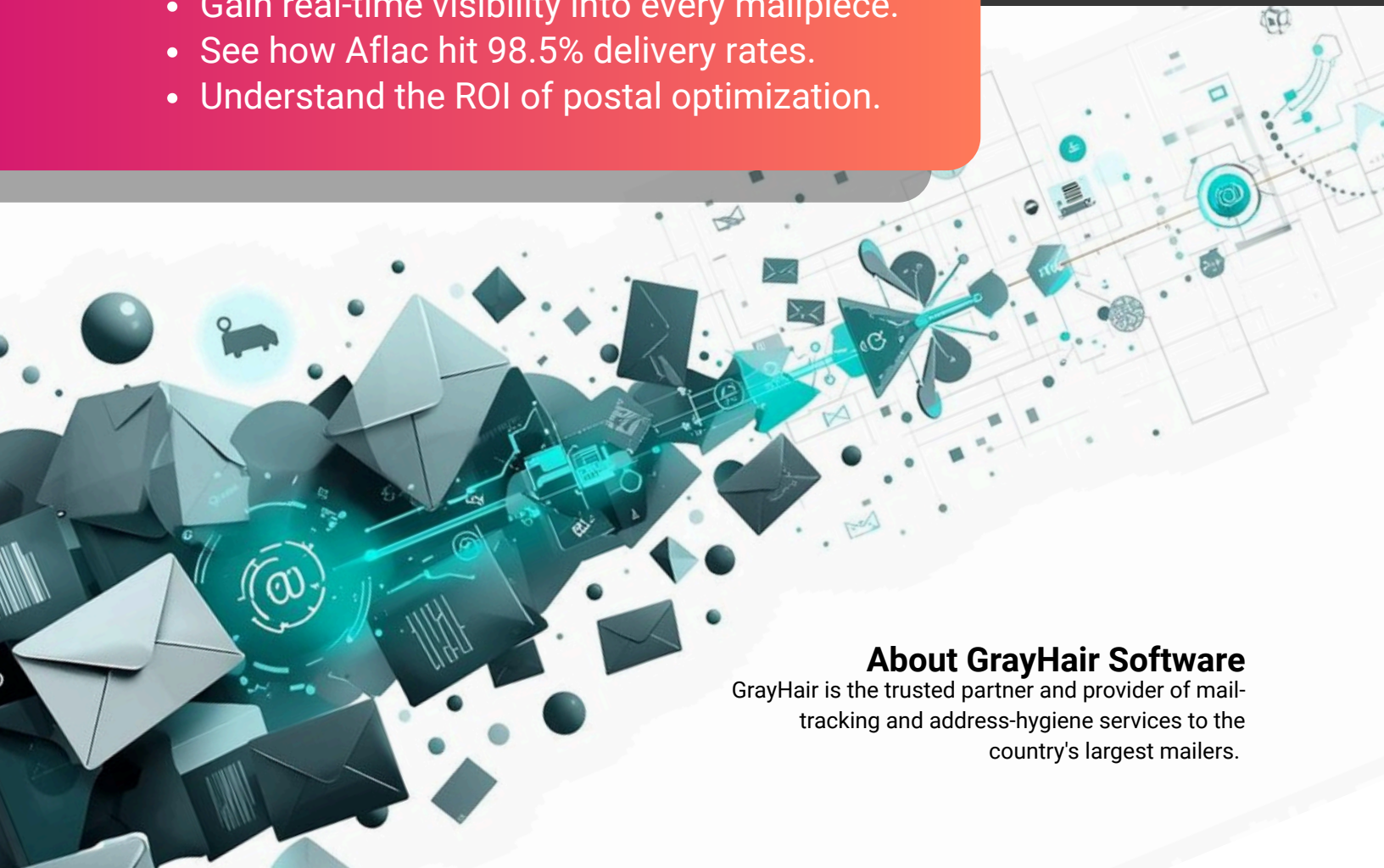


RETHINKING POSTAL DATA

as an *ENTERPRISE ASSET*

KEY TAKEAWAYS

- Cut undeliverable mail and slash waste.
- Gain real-time visibility into every mailpiece.
- See how Aflac hit 98.5% delivery rates.
- Understand the ROI of postal optimization.



About GrayHair Software

GrayHair is the trusted partner and provider of mail-tracking and address-hygiene services to the country's largest mailers.



The Challenge: Rethinking Postal Data as a Strategic Enterprise Asset

Most companies treat USPS data as a necessary evil, investing time, budget, and entire teams to wrangle raw postal data into something remotely useful. The problem? The U.S. Postal Service's tools and services are packed with valuable insight that helps you make faster decisions, reduce costs, and elevate your customer experience.

However, this data comes with nuances that require specialized expertise to interpret correctly. Without that expertise, you're left with data that sits in silos, answers that take too long to surface, and decisions based on incomplete information.

Here's what that really costs you: missed operational opportunities, delayed responses to customer inquiries, expensive waste from undeliverable mail, and compliance risks you didn't even know existed. You're not just managing mail. You're managing the gap between what your data could tell you and what you can actually act on.

The Solution: Enterprise Postal Data

GrayHair transforms complex postal data into immediate, actionable intelligence. We don't just hand you another dashboard. **We deliver the insights that let you make faster decisions, reduce costs, and elevate your customer experience.** Our approach combines deep USPS expertise with proprietary datasets and business-process rules engineered specifically for your operations.

Eliminate Silos and Take Control

- Achieve the highest levels of address data quality so your mail actually reaches its destination.
- Leverage comprehensive delivery event data from every step of your mailpiece's journey.
- Seamlessly integrate postal intelligence with the systems you already use.
- Enforce compliance with customized business rules that deliver measurable results.
- Turn raw USPS data into meaningful information that empowers your team to support customers better

In this white paper, we'll walk you through **proven postal optimization techniques** and show you real-world results from clients who've transformed their mail operations from cost centers into strategic advantages.



THE ENDURING VALUE OF MAIL

Mail might not be the flashy newcomer in your marketing mix, but it's proven and consistent. Its physical presence makes it more memorable than digital communications in many cases, and it's often what mailers fall back on when other channels fail to deliver.

The data backs this up. In an online survey conducted by **Consumer Action**, the vast majority of respondents said they prefer to receive all types of bills by mail, even when they pay bills online. Depending on the account type, 45-74 percent of respondents chose paper over electronic notifications for insurance, utilities, medical bills, mortgages, credit cards, and property taxes.

While mail costs more than digital channels, it often delivers a much higher return on investment because it generates higher response rates. According to the **Association of National Advertisers 2021 Response Rate Report**, direct mail takes the top spot across all direct marketing channels for highest ROI at 112% for letter-size envelopes.

The question isn't whether mail still matters. It's whether you're getting everything you can out of every piece you send.



WHAT IS POSTAL OPTIMIZATION?

Successful organizations cut costs wherever they can. Some expenses are easy to trim. Others feel fixed. Many companies assume postal expenses fall into that second category.

They're wrong.

Reducing postage-related costs is absolutely possible with the **right technologies and optimized processes**. Postal optimization is about balancing technology, tactical processes, and physical formats to deliver the right message to the right person, at the right time, to the correct address, at the best possible cost.

These strategies apply to both direct mail marketing campaigns and transactional mailings. Transactional mail (credit cards, insurance policies, replacement checks) plays a critical role in maintaining strong, secure customer relationships. Ensuring timely and accurate delivery of all mail isn't optional.

Effective postal optimization reduces top-line execution costs and enhances the return on investment of your direct mail programs. Getting it right typically requires integrating multiple tactical tools and knowing how to use them together.



THE COST OF UNDELIVERABLE MAIL

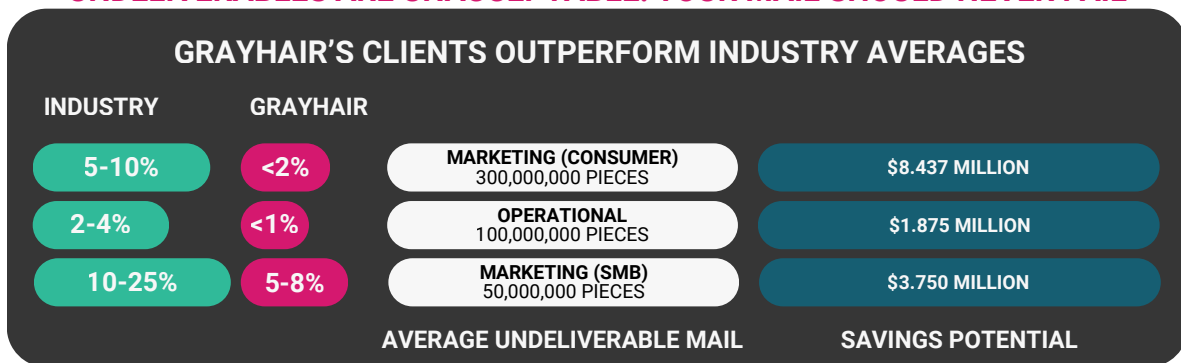
Undeliverable as addressed (UAA) mail is an awkward name for a serious business problem. It's mail that never reaches its intended recipient because the address is incorrect, incomplete, or illegible. UAA mail costs the Postal Service and its customers real money: about \$1.5 billion a year for USPS and \$20 billion for the mailing industry.

But the costs go way beyond just returning, destroying, or forwarding undeliverable mail.

For mailers, there are direct costs such as printing and postage, and indirect costs such as lost revenue. A direct mailer has zero chance of making a sale if the piece never reaches the prospect. Undeliverable invoices slow down cash flow or result in no payment at all. Customer service costs spike when irate customers call after receiving late fees for bills delayed by incorrect addresses.

The damage doesn't stop there. Incorrect addresses increase the potential for fraud. Theft of high-value mail is rising. This problem hits especially hard for financial institutions and insurance companies that regularly send millions of letters containing new credit cards, replacement cards, reimbursement checks, and policies.

UNDELIVERABLES ARE UNACCEPTABLE! YOUR MAIL SHOULD NEVER FAIL



Benefits of Clean and Accurate Data

Database management is one of the first places to start with postal optimization. Clean data saves money on postage and reduces waste from bad addresses and duplicates. More importantly, clean data gives you the greatest opportunity for a successful mailing campaign.

Customers fuel your organization's success on multiple levels. They're a precious asset. Capturing and maintaining accurate customer and prospect contact data is vital to companies of all sizes, yet poor data quality remains a pervasive problem.

According to Gartner research, "the average financial impact of poor data quality on organizations is \$9.7 million per year." The issue is so widespread that Forrester reports nearly a third of analysts spend more than 40 percent of their time vetting and validating their analytics data before it can be used for strategic decision-making.



ADDRESS DATA QUALITY

Achieving the highest levels of address data quality requires more than just using the current standard tools like CASS and NCOALink to reduce undeliverable mail. At GrayHair, we dig deeper. We believe superior address data quality is a critical component to identifying actionable insights that deliver benefits not only to mailing operations but across your entire enterprise.

Understanding Address Hygiene

One essential method of achieving quality address data is through **address hygiene**. By eliminating incorrect addresses and duplicate information, you decrease postage costs, reduce waste, and improve sustainability.

Millions of Americans move every year, and many don't file a **Change of Address (COA)** with the USPS. In 2021, the Postal Service processed 36 million COA requests. Outdated addresses significantly increase paper and postage costs. They can also prevent your organization from staying Move Update compliant and receiving USPS discounts.

What is NCOALink?

The **NCOALink service** (NCOA) is a secure dataset of approximately 160 million permanent change-of-address records. It consists of names and addresses of individuals, families, and businesses who have filed a change-of-address with the Postal Service. Developed with secure data storage technology to protect postal customer data and privacy, NCOA enables mailers to update mailing lists with new addresses before mailing. Cross-referencing against this database represents a significant cost-savings opportunity.

What is CASS?

CASS (Coding Accuracy Support System) was built to improve the accuracy of postal codes: Five-Digit ZIP Code, ZIP + 4, delivery point codes (DPCs), and carrier route codes that appear on mail. It's certified address matching software overseen by the USPS and provides a way to test the quality of software used to correct and standardize addresses. This step helps ensure addresses are correct and adds missing information like zip codes, cities, and states to make each address complete.

GrayHair's Standard USPS Address Hygiene service uses CASS and NCOALink across business units to ensure the latest information updates your address data, improves address quality, and reduces Undeliverable-as-Addressed (UAA) mail.



What is ACS?

The **USPS ACS** (Address Change Service) is an address correction service that helps identify if the addressee has moved. It works in conjunction with the Intelligent Mail barcode (IMb) and ancillary service endorsements so mail can reach the proper destination. ACS mailers configure mailing address labels, envelopes, and address blocks to comply with ACS participation requirements.

ACS is integrated with GrayHair's mail tracking software. GrayHair collects and stores address-change and undeliverable-mail data and forwards it to clients, providing accurate and timely address updates.

This data can be used to identify records to be redirected or suppressed. GrayHair's proprietary business rules, which can be defined on a job-by-job basis, let you generate detailed reports that enable best practices for address quality.

Secure Destruction

Secure Destruction was created in response to mailers asking to reduce handling costs for "Return to Sender" mail with Privacy Protected Information (PPI). This option matters to mailers who face liability risks if they don't adequately and securely destroy PPI.

Used to keep confidential mail safe, **USPS' Secure Destruction service integrates with GrayHair's mail tracking solution.** Instead of having First Class UAA mail returned and incurring the costs of destroying it yourself, the UAA mail can be securely destroyed by the USPS. Postal employees at secured facilities use industrial cross-cut shredders to make the mail unreadable. The shredded material is then recycled.

GrayHair's Repeatable Process that Increases Deliverability and Savings

We exceed industry standards by customizing our best practices for each client to decrease undeliverable mail, increase customer response rates, and reduce waste. Our business rules-driven process delivers results by leveraging standard tools such as CASS, NCOA, ACS, and Secure Destruction, along with our proprietary address-change dataset, the Universal Address Database.

Our experts review addresses in relation to **your company's specific needs**. Our clients have substantially reduced their undeliverable mail by combining GrayHair's expertise in using standard address hygiene tools with our proprietary business process and data.



MAIL SAVINGS USING IMB ASSIGNMENT SOFTWARE

Another avenue for significant savings comes when the post office doesn't have to do the work to sort your mailpieces. You can achieve this through presorting or grouping mail by zip code. All mailpieces must include an **Intelligent Mail barcode** (IMb), the 65-bar USPS code used to sort and track mail. Using the IMb enables mailers to get the lowest automation rates (if all other automation requirements are met) and qualify for participation in other USPS programs.

The barcode is used on letters, flats, trays, sacks, and pallets 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 using the IMb as a **prerequisite for receiving Full-Service discounts and participating in specific programs.**

Because the IMb allows you to monitor the movement of your mail throughout the postal system, it's become much easier to anticipate when items will arrive. This lets you adjust activities triggered by mail delivery, such as staffing call centers or budgeting for in-store traffic. With the introduction of Logical Delivery Events, there's now even more data, providing a higher probability that the mailpiece was delivered.

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

Fast, flexible, and secure, our IMb Assignment and Management service ensures our team of postal industry experts handles your IMBs. Over 250 mail service providers use our Intelligent Mail barcode software daily as it seamlessly integrates with vendors and works for any type of mail. Most importantly, the Intelligent Mail barcode provides greater visibility into your mailings.



MAIL DELIVERY PERFORMANCE

To thrive in the current economic climate, organizations must analyze their business processes in every department to find ways to work as efficiently as possible. Regularly reviewing shipping and mailing processes can reveal new opportunities for increased operational efficiency and cost savings.

Following the progress of mail through the USPS system (outbound and inbound) allows for accurate prediction of in-home delivery dates and analysis of delivery data. This response data is essential for a strong mail program in today's environment of competing messages and information overload.

Gain Visibility into Mail Processing and Delivery

With robust reporting tools, you can watch your mail move through the postal system from the comfort of your desk. Helpful data insights can be quickly retrieved through easy-to-read dashboards and customizable data feeds, giving you the ability to proactively monitor trends, set priorities, solve problems, and improve efficiency.

GrayHair's solutions streamline and automate workflows, helping increase your organization's productivity while reducing expenses. Savings generated through improved efficiency can grow exponentially over time.

Benefits of Mail Analytics

Measuring the success of your direct mail programs and marketing campaigns is key to making the next one even more effective. Here's what you get with GrayHair's Analytics:

- Real-time status of a single mailpiece's location.
- Projected in-home delivery dates.
- Percentage of a campaign successfully delivered.
- Overall job status (Early, In Window, or Late).
- Percentage correctly addressed.
- Your delivery performance compared to industry benchmarks.
- Address quality insights.
- Vendor-agnostic visibility into supplier performance (unbiased data you can trust).





MAIL DELIVERY PERFORMANCE

Our data visualizations allow for fast decision-making based on visual cues and graphic presentation of your data. You can quickly spot patterns and trends with just a glance.

The campaign visibility option provides fast and powerful insights into the data, allowing for informed choices without needing to know the specific details.

We make it easy to explore interactive postal data without running multiple reports. Questions about your data are answered with just a few clicks.

You get access to delivery analyses not easily spotted in traditional reports. Dive deeper to solve problems, identify opportunities, and make data-driven decisions.

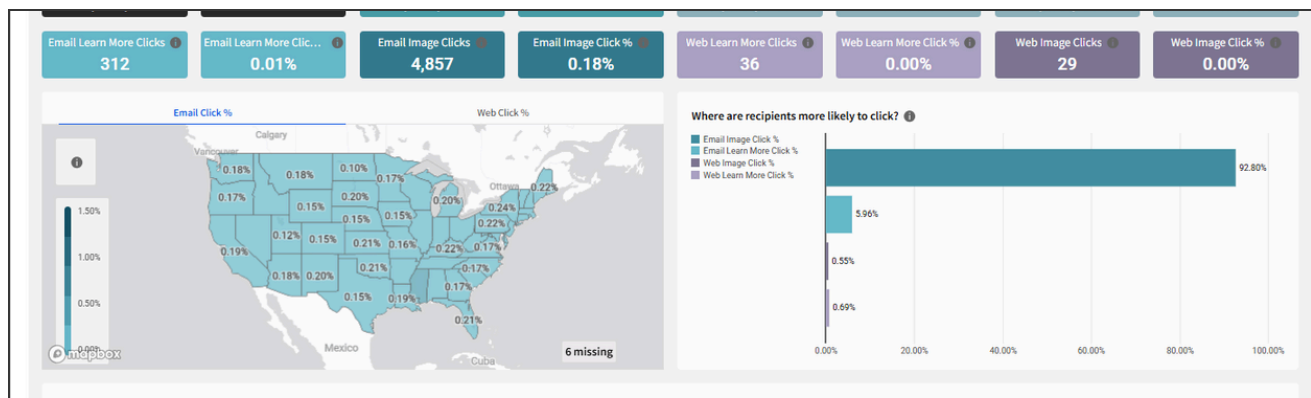
Use Analytics to Boost Marketing Strategies

Understanding how your mail performs doesn't just help operations. It transforms your marketing effectiveness. When you know exactly when mailpieces arrive and how recipients engage with them, you can coordinate multi-channel campaigns with precision, time follow-up communications perfectly, and optimize your marketing spend based on actual delivery and engagement data.

Advantages of Informed Delivery

Informed Delivery lets eligible residential consumers digitally preview mailpieces before they arrive and manage scheduled packages. The U.S. Postal Service created the Informed Delivery program to stay relevant in the digital age and improve the value of mail. Mailers can place targeted offers and ads inside Informed Delivery emails, creating new opportunities to engage with potential customers and generating multiple touchpoints.

We've developed software that imports Informed Delivery data so it can be viewed through our user-friendly dashboards. This helps you understand the scope and reach of your mailing campaigns and discover behavior patterns such as email opens, click-throughs, and the timing of those behaviors.

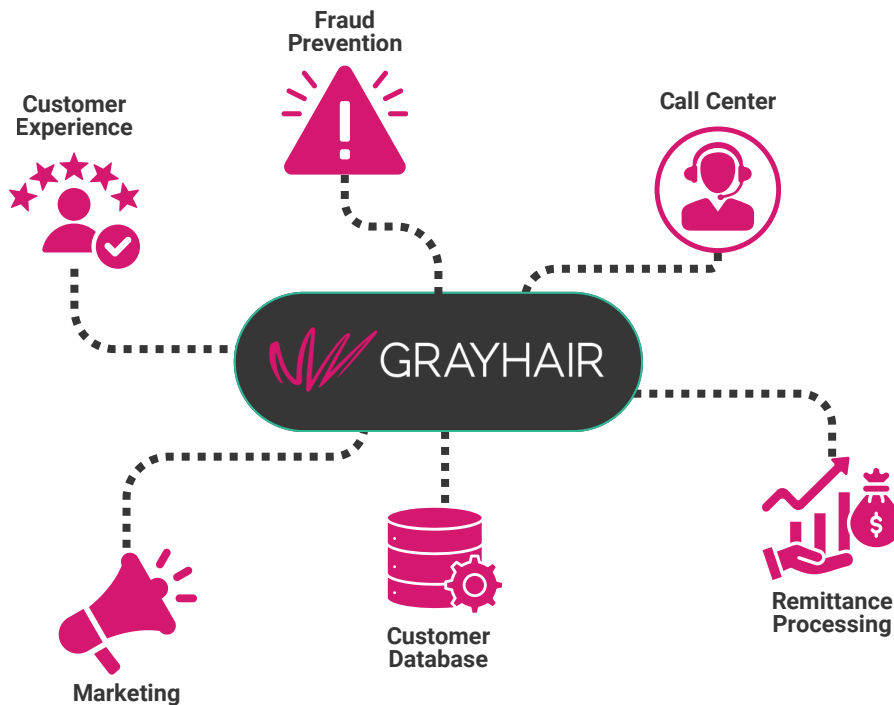




ENTERPRISE-WIDE BENEFITS

Gaining access to mailpiece data provides increased visibility and valuable insights that can be leveraged across different parts of your organization:

DEPARTMENT	BENEFIT
Fraud Prevention	Monitor delivery anomalies and delays
Call Center	Integrate data to reduce, eliminate, or enhance client calls
Customer Experience	Provide delivery information to clients
Marketing	Utilize delivery data for coordinated campaigns
Customer Database	Identify the most up-to-date addresses for clients
Remittance Processing	Gain insight into inbound payments





ACTUAL CLIENT BENEFITS

We're proud of our many long-standing business relationships with customers. Our clients benefit from our extensive industry knowledge and an unwavering commitment to data security and compliance. We take a personalized customer engagement approach, centered on your objectives and achieving measurable results.

Case Study:

Aflac Improves Address Quality, Lowers Costs, and Gains Visibility into its Mailstream

The leading provider of supplemental insurance in the U.S. continues its commitment to getting customers information when they need it most. When Aflac wanted to improve address quality, lower mail costs, and identify more postage discounts, they turned to GrayHair.

Aflac's mission was clear: maintain USPS compliance, retain current postage discounts, and mitigate potential fines due to poor address quality. Here's the thing though: Aflac didn't really have an address quality problem. Their Undeliverable-as-Addressed rate was just 2%. They were among the industry leaders, but two percent wasn't good enough for Aflac.

The Results

GrayHair delivered a consultative approach with customized solutions tailored to Aflac's mailing operations. We implemented our address verification service (VerifyAQ), which provides detailed descriptions of potential address issues so reps can fix problems before mail goes to print. For mail tracking, Aflac used our IMb assignment tool (MT Select) to monitor campaigns and qualify for USPS Full-Service automation pricing.

The impact was immediate. Before GrayHair, Aflac had a 97.5% delivery rate. After partnership, their delivery rate jumped to 98.5%. The first time Aflac sent addresses to GrayHair, they received over 700,000 address standardization updates. Through our proprietary rules engine, Aflac now catches bad addresses in real-time and fixes them the same day. What used to take 10 business days to identify and correct now happens instantly, creating significant savings in both time and money.

Aflac mails 2.6 million pieces per month throughout the United States, Puerto Rico, and other locations, including group communications, claims checks, policy information, and agent communications.





TRANSFORMING POSTAL DATA INTO ACTIONABLE INSIGHTS

About GrayHair Software

GrayHair Software helps the largest financial services, banking, insurance, telco, and healthcare organizations integrate more than 125 billion complex enterprise postal data points (including real-time mail tracking, address quality, and location intelligence) directly into core customer and prospect data platforms. As a result, GrayHair clients achieve dramatic outcomes, including improved marketing campaign performance, enhanced customer communications, reduced undeliverable mail and postal spend, strengthened compliance and fraud measures, and enhanced contact center performance.

READY TO TRANSFORM YOUR POSTAL DATA INTO AN ENTERPRISE ASSET?

Contact us by phone at 866-507-9999 or send an email to engage@grayhairsoftware.com

Visit our website at grayhairsoftware.com

