

The Cleaner, the Better

BY CHERYL ADAMS
Managing Editor

FOCUS ON

**Digital
Printing**

EVEN THOUGH mailing and data-base management services have been around since the 1980s, a substan-

tial number of printers expanded into this highly technical (and profitable) market as competition heated up with the new millennium.

Today, more printers are continuing to invest in these capabilities in spite of—or, perhaps, *because of*—the bleak economy. After all, the weaker the financial outlook, the more important it is for service providers to ensure a bigger bang for their clients' shrinking print dollars.

And, in the world of mailing services, the more accurate and targeted the database, the higher the response rate.

The higher the response, the better the marketer's ROI. Ultimately, the key is list hygiene.

Baltimore-based Vertis Communications has been providing data management and list hygiene services for 25 years. Art Hall, vice president of integrated data solutions, reports that recent changes in USPS requirements have Vertis' clients asking for more consultation on how to comply with the new regulations

to increase their postal savings.

Certainly savings are important, but does that mean services like list hygiene become more important during tough economic times, when marketers are cutting back on printing spend? "The cleaner your addresses, the better chance for your message getting into the hands of your target audience. This also reduces the number of pieces to be printed, the number of undeliverable pieces and the postage required for those pieces," Hall says.

"And the new postal regulations require more hygiene processes to be performed in order to obtain the best postal discounts available. Without the postal discounts, the postage incurred could cost more than the printing of the actual mailing." In the past, Hall notes, a certain amount of non-deliverable pieces were not only tolerated, but often expected. However, companies are now coming to Vertis seeking solutions that can help them get to 100 percent deliverability.

Compliance = Discounts

Putting printed pieces into the mailstream at the lowest postage rates means that printers must be in compliance with U.S. Postal Service regulations. In 2009, the issues foremost in mailers' minds will be reducing Undeliverable as Addressed (UAA) mail and meeting Move Update requirements.

One of the most prominent changes is the November 2008 change in USPS requirements for claiming presort rates on Move Update of address

Save Money!

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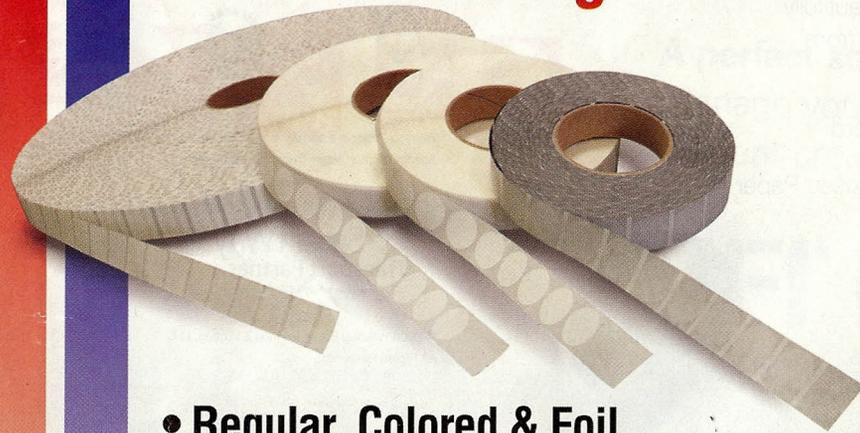
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lists for First Class Mail, which were expanded to include standard mail. The USPS has also tightened the requirement by reducing the minimum frequency of Move Update processing from 185 days to 95 days before the mailing date.

To keep up with these changing requirements—and avoid losing postage discounts, as well as possibly being fined thousands of dollars for non-compliance—printers are turning to professionals in the industry, like Mary Ann Bennett, president and CEO of The Bennett Group. The Rochester, NY-based training firm is home to the Mailing Training Institute.

Bennett cautions that mailing services providers need to be knowledgeable about the many mailing software packages on the market designed specifically to ensure compliance. She recommends investing in the latest mail presort software packages that also have multiple database maintenance features, as well as specific capabilities for Move Update procedures.

Mailing services software not only helps keep providers in compliance but, equally important, it generates the documentation required to prove it. Bennett explains that mailers must be able to substantiate that their address lists have met USPS requirements to claim discounts. Proving compliance means the provider must have the supporting documentation to show that they've met the entire Move Update standard, and that all of the addresses in their databases are current and accurate, she says. And, if they claim discounts without being in compliance (because they are not actually eligible for the discounts), costly penalties and fines could ensue.

The technology is readily available for service providers to perform this work for their clients. To ensure compliance for those problem customers who will not allow their data to be accessed by an outside provider, Bennett suggests that printer-mailers provide these clients with the 99 Percent Accuracy Test developed by the USPS to ensure that lists are updated and accurate. The transaction testing occurs directly between the USPS and the client. The computer-based test performs USPS DPV/ZIP+4 coding and change of address processing using the provider's file, and determines whether 1 percent (or less) of the addresses have a change of address on file, as well as identifies addresses that don't have a DPV/ZIP+4 code.

Mailing services providers must abide by postal regulations in order to claim the largest postage discounts and avoid potential penalties. And, with a wide range of tools available—from software and postal service programs to mailing consultants like Bennett—being in compliance needn't be so challenging.

Database Management

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a file is returned to them with the appended relevant information and data cleansing, he continues. "In-house databases can now be updated with this pertinent information and kept internally, so that future analysis can be done effectively and our clients know that their information is up-to-date."

As an example of how Cohber Press saves customers money with

their mailings, Webber describes a recent job. "Due to the tough economic times, instead of printing and mailing 25,000 pieces to the Rochester area, the customer only had the budget for 5,000 records, and we'd supply them with the prospect list.

"In the past, their typical response rate was just under 1 percent. Cohber modeled their current customer list, created a profile using statistical algorithms and came up with a targeted prospect list of 5,000 records. We then printed their

mail piece with a PURL to track online responses, as well as included a phone number with an access code for further information. The access code was provided to track this particular mailing more accurately."

Webber reports that four days after the mail was dropped, the customer experienced a 7 percent response rate to the mailing and anticipated a high conversion rate.

Like Vertis' Hall, Webber reveals that Cohber Press has developed several profit centers associ-

ated with its list hygiene services, including conversion, NCOA data profiling, list cleansing, and specialized databases.

"The more we know about our clients, the more we will be able to constantly improve their marketing results," he says. "This will require management attention to aspects including data hygiene, modeling accuracy, statistical analysis in results (and how to anticipate those anomalies), and analysis of

Implementing List Hygiene

ART HALL, Vertis Communications

The intricacies: Many organizations use only one method of address verification and standardization, regardless of the offer and target audience. Current NCOA processes meet the mechanical elements of correcting addresses, but they do not provide companies with a way to project deliverability based on the address and demographic make-up of the file.

The challenges: Customers do not understand the USPS rules regarding multiple address lines that do not contain accurate information, such as additional lines indicating campaigns or versioning information.

Another challenge: It is very possible that a company can rent a list that has an NCOA close to 30 days old. When you consider that there are more than 120,000 movers each day, this could have a significant impact on deliverability for national mailers, especially if they are renting the list on the 29th day of the NCOA.

ERIC WEBBER, Cohber Press

The intricacies: Importing multiple file formats into a single data format; splitting name fields to identify First, Middle and Last name separately; gender identification and assigning default values for ambiguous names; and identifying and purging hex or binary characters within data files.

The challenges: Sometimes clients have very basic data knowledge, which can contribute to incomplete or incorrect file transfer. For instance,

once a file is run through NCOA, customers (with our expert advice) must identify what they want to do with records that most likely will not be delivered.

GEORGE SHENK, The Whitmore Group

The intricacies: Lists come in a variety of formats—text, Excel, tab delimited, etc.—but are often not properly structured as a mailing database. Most of these are relatively small lists, and it is not unusual to have to put 10 or 12 smaller lists together into one common, formatted database.

The challenges: Cleaning up information that doesn't have ZIP+4 without data hygiene and/or lists where the information has too many characters per line. Another (even bigger) problem is that designers may not know the basics of mail piece design in relation to basic postal regulations.

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Hall believes that in coming years clients will continue to chal- lenge providers to shorten their cycle times, and client communica- tion will have a more one-to-one relationship to the recipient. He also predicts that there will be a growing concern about data security.

A Decade of Service

Rochester, NY-based Cohber Press has been providing mailing, database management, list hygiene and related services since 1999. And, like Vertis' Hall, Cohber President Eric Webber reports that those ser- vices are more in demand than ever.

"More companies are working smarter by using data mining tech- niques to identify potential mar- kets that they otherwise might have overlooked," explains Web- ber. "Using list hygiene techniques, including standardization and Na- tional Change of Address (NCOA) features, they are able to clean up their databases and get rid of incor- rect or outdated information.

"Data management techniques, such as data modeling and data pro- filing, enable our clients to under- stand who their best customers are and what they look like as an organi- zation (size of company, geographic location, SIC code affiliation, num- ber of employees, gross revenue, number of locations, etc.). By doing this, they are better able to target their next marketing program."

Cohber Press helps clients target prospects that match their best cus- tomers' business type, SIC group, geography, demographics and any other relevant statistical informa- tion. This can be done for both busi- ness-to-business and business-to- consumer marketing.

"It is more cost-efficient to mail fewer records with a higher re- sponse rate, rather than blanketing a geographic area with non-rele- vant information," Webber says. "We have found that mailing more targeted records with a smaller file quantity actually gets a higher re- sponse and conversion rate."

Increasing the likelihood of match- ing customers that have been prov- en to be relevant and reliable boosts the response rate and ROI of any given marketing program. Cohber uses other techniques to strengthen response rates, such as tracking re- sponse rates, online response mech- anisms, and personalized text and imagery on the marketing pieces.

Cohber's list hygiene services are also growing because of the new USPS regulations. "If a customer is combining several lists, there is a need to standardize this information into a common format and pass it cleanly to the NCOA database in or- der to reduce mailing costs, as well as run the file as one database pass rather than several smaller pass- es," Webber details. "This allows time-sensitive files to be run more quickly in one pass, and minimum charges are avoided when passing the data against NCOA."

Thorough processing also in- creases customer satisfaction when

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economic downturn, Vertis has seen a shift in client behavior to a more conservative marketing strategy. "Performance, he adds, is an importance in this market. It's resulted in these services being a separate profit center at Vertis for many of our clients." "Very important, these services will further cement Vertis' relationship with customers, "especially on the more difficult and complex processing," according to Hall. "Clients gain confidence in our capabilities as a marketing partner and begin turning to us to resolve postal processing issues, even during the program development stage."

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