

Making the most of your customer communications while reducing costs.

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Speaker Introductions

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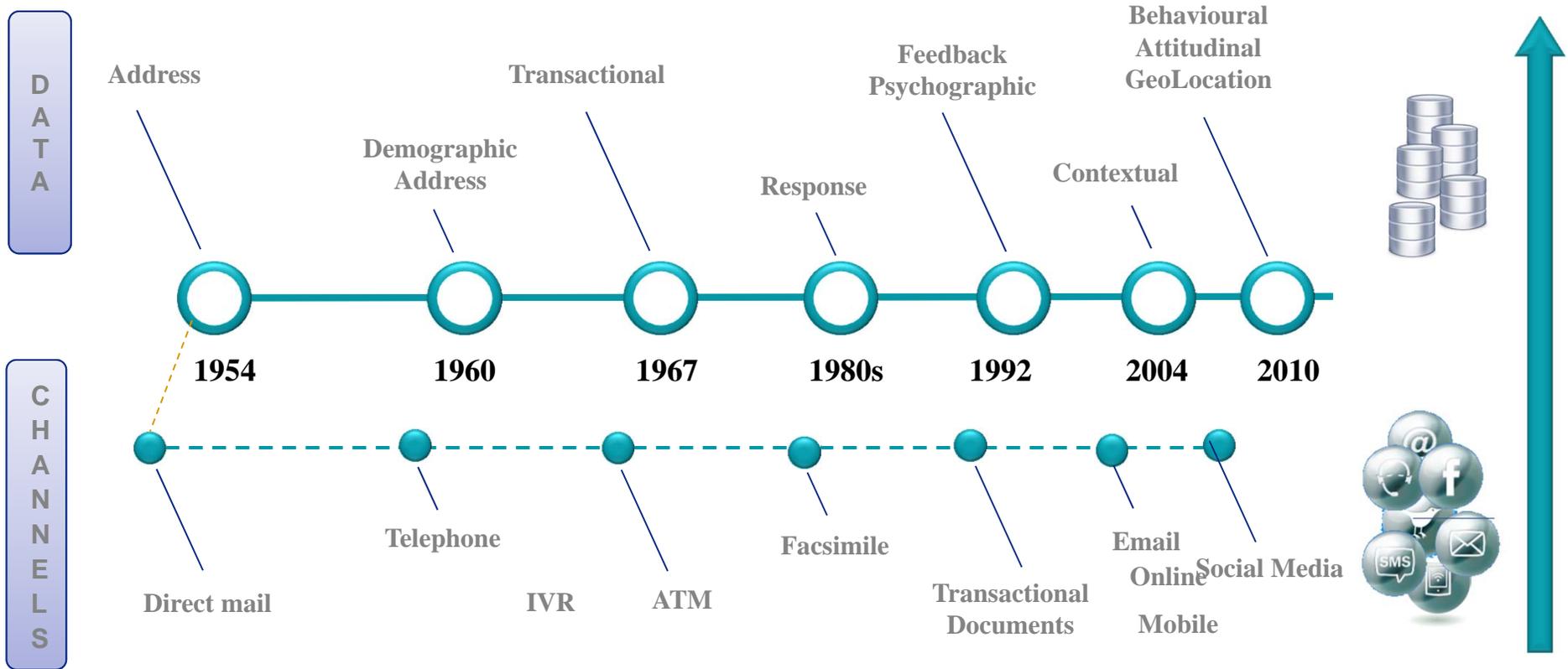
The Evolution of Target Marketing

The Current Environment

- Budget/funding cutbacks
- Donation cutbacks
- Expense reductions
- Less staff
- Need to do more with less
- Operational expense pressure

Need for
creative,
cost-saving
solutions

The world of marketing relationships is changing



▶ Mail Marketing
▶ Telemarketing
▶ Fax Marketing
▶ Email/SMS Marketing
▶ Social Marketing

Direct Mail

Using Direct Mail for Donations and Fundraising

46% of respondents say they stopped giving to charity for reasons related to a lack of meaningful information

**Cygnus Applied Research – national study, 2003*

■ TIPS:

- ✓ Fundraising campaigns need to evoke an emotional response, with the message that each donor can make a difference to a cause.
- ✓ Offer free gifts - address labels and premium offers.
- ✓ *Make it easy to RESPOND - enclose a Business or Courtesy Reply Envelope (often called a BRE or CRE).*

Direct Mail

Postcards



Often the least expensive way to send marketing materials, invitations, reminders, “save the date,” and business reply mail. Advantage: it has to be read in order to be tossed!

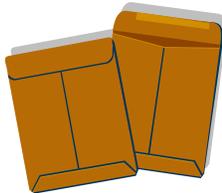
Keep headline and copy simple. Less is more!

Letters



Letters are the most common Direct Mailpieces. A letter folded into a #10 envelope, announcements, flyers and newsletters are examples of letter sized mailpieces.

Flats

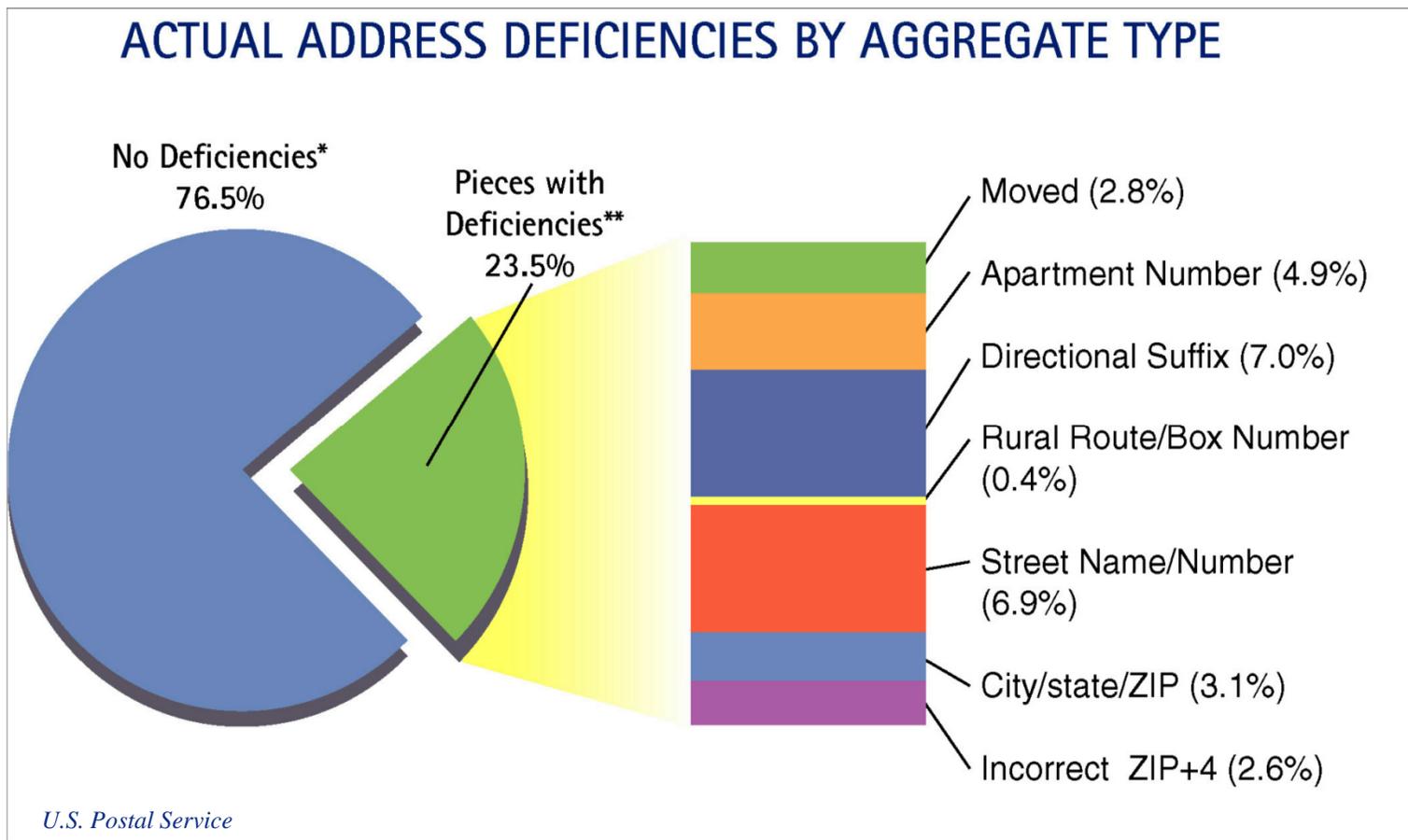


Ideal when brochures or other materials should not be folded. Usually consist of many page sets. Best used when there is a significant amount of material for the envelope.

Select the right one for your organization’s objective!

Effective List Management

Benefits to your organization
Address Accuracy



Effective List Management *Automation Discounts*

- Leveraging the USPS® Workshare Programs
 - Address Verification (through CASS – Coding Accuracy Support System)
 - Delivery Point Validation (DPV™) – proves address exists
 - Updating Addresses for Moves
 - Presort Documentation
- Discounted Postage Rates
 - Mail Preparation
 - Address cleansing, barcoding and sorting
 - Destination entry discounts



Address Verification

Ensuring correct, deliverable addresses



Save the Tiger
155 Main Street
Bridgeport CT 06604



Presorted
Nonprofit



Save the Tiger
Today!

B. Conservationist
Conservation Society
123 MAIN ST
Bridgeport CT 06604-3422



- ✓ Right Address
- ✓ Right Person
- ✓ Right Time
- ✓ Right Message
- ✓ Right Rate

Types of Mail

Available Classes of Mail

■ First-Class Mail®

Delivery Objective: 1-3 days

- Weight limit: 13 ounces
 - Postage calculated by the ounce
 - Postcard Rate
- To Qualify for Postage Discounts: 500 piece min. (per mailing)
 - Address Cleansing - correct and deliverable addresses
 - Delivery Point Barcode
 - “Move Update” Requirements
 - Presorting Requirements

■ Standard Mail®

Delivery Objective: 3-10 days

- Regular (Commercial) and Nonprofit Rates
 - Weight limit: 15.999 ounces or less
 - Postage is the same for letters up to & including 3.3 oz.
 - Postage is the same for flats up to & including 3.3 oz.
- 200 pieces or 50 lb. minimum required for Standard Mail® regular and Nonprofit mailings
 - Automation rates available for pieces having a Delivery Point Barcode and meeting dimensional and preparation requirements

Leveraging USPS® for Nonprofit Rates

- **Nonprofit Overview**
 - Mailing Standards
 - USPS Req'd Documentation
- **Resources – publications**
 - Where to find information
 - For DMM Advisory, subscribe:
dmmadvisory@usps.com

Nonprofit Standard Mail Eligibility — Contents

Publication 417, March 2006

TRANSMITTAL LETTER

CONTENTS

1. INTRODUCTION

2. ELIGIBLE AND INELIGIBLE ORGANIZATIONS

3. APPLICATION FOR AUTHORIZATION

4. QUALIFIED MAILINGS

5. COOPERATIVE MAILINGS

6. CONTENT-BASED RESTRICTIONS

APPENDIX A - CASE STUDIES – CONTENT-BASED RESTRICTIONS

APPENDIX B - QUESTIONS AND ANSWERS – CONTENT-BASED RESTRICTIONS

APPENDIX C - CUSTOMER SUPPORT RULINGS (CSRs): NONPROFIT STANDARD MAIL

APPENDIX D - APPLICATION FOR NONPROFIT STANDARD MAIL RATES: PS FORMS 3624 AND 3623

Basic Mailing Standards

- Domestic Mail Manual® <http://pe.usps.gov>
- Nonprofit Standard Mailings must meet general standards for Standard Mail® (letters, flats, parcels) & standards specific to discount or rate
- First-Class Mail® are not mailable at nonprofit rates
- Required documentation for Nonprofit status includes:
 - Proof of the organization's nonprofit status
 - Evidence that the organization meets one of the qualifying categories.
 - Qualified political committees and voting registration officials are exempt from the requirement to document nonprofit status.

Pitney Bowes Mail Services can help you understand and manage domestic and international requirements

The screenshot shows the USPS Postal Explorer website. The top navigation bar includes the USPS logo and links for "USPS Home" and "Postal Explorer Home". The main content area is titled "Postal Explorer" and features a search bar with the text "Select publication(s) to search" and a "Search" button. Below the search bar, there are two columns of links: "Domestic Mail" and "International Mail". The "Domestic Mail" column includes links for "Domestic Mail Manual (DMM)", "DMM Subject Index", "DMM Summary of Changes", "Quick Service Guides", "Customer Support Rulings", "Ratefold (Notice 123)", "Postal Addressing Standards", "Nonprofit Standard Mail Eligibility", and "Hazardous, Restricted, and Prohibited Mail". The "International Mail" column includes links for "International Mail Manual (IMM)", "IMM Subject Index", "International Country Listings", and "International Rates and Fees". There is also a "DMM Advisory (09/01/2006)" link. At the bottom of the page, there is a section titled "Customer Support Rulings" with a "June 2006" heading. The text explains that Customer Support Rulings (CSRs) help Postal Service employees and customers use information in the Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM). It also provides a search bar and a "Sort By" dropdown menu set to "Date: Newest". A table of rulings is visible, with the following content:

DATE	SUBJECT	RULING	CSR #	DMM
June 2006	Periodicals	Requester Records - Periodicals This CSR discusses valid requests and the types of records publishers should maintain to support compliance with circulation standards for requester publications.	PS-054	707.6.4

Non-machinable Characteristics = Higher Postage!

- Aspect ratio (L÷H) < 1.3 or > 2.5
- Enclosed in plastic or has non-paper exterior surface
- Clasps, strings, buttons
- Uneven thickness
- Too rigid
- Thickness < 0.009" if > 4 ¼ x 6
- Delivery address parallel to shorter dimension
- Booklet or self-mailer improperly sealed



Pricing and regulations subject to change.

Effective Envelope Design

Return Address

Utilize Ad Space

Presorted

The diagram shows an envelope layout with several key elements:

- Return Address:** Located in the top left corner, it reads: "Nonprofit Organization", "123 Mail Street", "Anywhere USA 12345-0009".
- Utilize Ad Space:** A blue QR code is placed in the upper middle section of the envelope.
- Presorted:** A red QR code is placed in the upper right section, next to a postage meter stamp. The stamp includes the text: "UNITED STATES POSTAGE", "PITNEY BOWES", "PB 00", "\$ 000.148", "0000000000", "FEB 01 2006", and "MAILED FROM ZIP CODE 00000".
- Teaser Messages:** A red headline in the lower left reads: "Your Pledge Will Feed One Child for a Year".
- Barcodes:** A standard postal barcode is located at the bottom right, below the recipient's address.
- Recipient Address:** Located in the lower right, it reads: "Mr. Anybody", "123 Mail Street", "Anywhere USA 16428-1422".

Presort Service Providers – Reducing Postage Costs

The biggest mailing savings opportunity

You can...

- Reduce paper costs
- Reduce printing costs
- Reduce labor costs



But POSTAGE typically offers the largest opportunity to save



Postage Savings Options

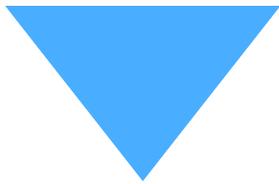
- Utilizing a presort service provider
- Sorting in-house
- Manifesting mail
- Logistics

Limitations of single-source solutions

Sorting in-house
Manifesting mail



5-digit Maximum Savings



Opportunity Lost

- Lower postage discounts
- Additional operations costs
- Slower delivery



3-digit



ADC

What percent of your mail fails to achieve 5-digit savings due to lack of ZIP density?



Pitney Bowes Presort Services

Standard Class Benefits

- Provide “First Class” service to the Standard Mail industry
- Commingling letters from multiple clients / mailers
- Create significant volume at eight major processing locations that create a high percentage of SCF Drop Shipment
- Partner with significant players
- Increase the predictability of in-home delivery
 - PLANET Code / Confirm
 - SCF Drop Shipment and Self Delivery
- Develop unit cost pricing methodology which creates a “win – win – win” relationship for mail owner, mail creator, the USPS and Presort Services
- Give Greater visibility and ability to track jobs from first process by Pitney Bowes Presort Services, right up to the last processing scan with the USPS.
 - Powerful analytics – view or download powerful geographic delivery and tracking data and run your own analytics

International Distribution

What to look for in an International Distribution Provider

- Express, courier & freight services
- Bulk delivery and logistics
- **Mail preparation and fulfillment solutions**
- **Address & data management**
- **Labeling & indicia application**
- Web-based tracking solutions
- Financial services
- **TSA Certified Cargo Screening**
- Customs clearance expertise

**A valued provider
should help mailers
navigate the
complex
international
market.**

Spotlight: In-Country Look & Feel

Make Your Global Company A Local One



Providers should:

- Help you prepare marketing communications with a cultural look and feel of the destination country
- Have local relationships to offer multiple options in reaching customers quickly and within budget
- Provide an in-country local address, plus a response handler to route transactions on replies
- Dramatically increase your response rates

Spotlight: Publications Management

Publications Requires Specialized & Unique Services



Providers should:

- Include journals, publications, catalogues, books, newsletters in their portfolio of offerings
- Include specialized services like:
 - Dedicated equipment for full-fillment & processing
 - Tracking & monitoring services

Spotlight: Package Management

Dutiable & Non-Dutiable Expert

Providers should:

- Offer a variety of delivery options
- Be backed by extensive postal resources and relationships
- Help you meet your budget & delivery requirements for dutiable & non-dutiable small packages
- Minimize the customs clearance hassle by designing a cost-strategy solution so you can communicate accurate information to your customers



International Services Overview

- Three US-based processing centers
- New, strategically located UK-based processing center; close proximity to Heathrow airport
- Largest US & UK international mail outbound provider
- TSA Certified
- Expedite more than **80 million pounds** each year
- Customized routing
- Exclusive **Partnership with Royal Mail**
- In-depth knowledge of country specific postal regulations, presort and workshare
- Worldwide distribution economy/priority services



How to get started

Define Your Unique Value Propositions

- What are your mission and goals?
 - What differentiates you from other organizations in your field or in your geographic area?
- Who is your audience?
 - Existing lists
 - Prospective lists
 - Visualize your ideal customer/donor

Mailing Lists

- List Services and Capabilities
 - Understand who your donors and members are first: analyze your list
 - Discover the characteristics of your house file
 - Find new donors and members by getting lists of people similar to your house file characteristics
 - Do specifically targeted list testing
 - Grow your members, donors, and revenue base!

Gather Your Facts

Content

What is the message of the communication? Prospecting?
Existing customers? A fundraising campaign?

Type of communication

Is it a postcard or letter? Email or web? Combination?

Volume

How many people are you targeting?

Destination

Is there a specific region you are targeting or a broader scope?

Time Requirement

How soon does the communication need to reach its destination?

Pre-Production Checklist

Vendors:

- Vendor cost estimates
- Select vendors for creative development
- Find sources to rent or purchase a mailing list
- Merge/purge with your own mailing list

Your list:

- Identify your target market
- Cleanse your list of undeliverable addresses
- Format your addresses for the most efficient processing

Creative:

- Develop a reliable testing strategy
- Decide on the size, color, format, and paper for your mailpiece

- Allocate funds for alterations, retouching, and proofs
- Budget for proofreading and quality control checks
- Select a method of delivery (Standard vs. First-Class)
- Ensure your mailing meets USPS® standards

Production

- Select a vendor for printing
- Check to see if you're eligible for postage discounts
- Choose a postage payment method

Response management:

- Develop an staffing plan for response to the mailing
- Create a tracking strategy for your results
- Map out a strategy for ongoing communications

Pre and Post Measurement

Production Worksheet

- Quantity of Mailing _____
- Development Costs
 - Total Costs: _____
 - (if all inclusive) _____
 - OR - Itemized Costs:
 - Administration _____
 - Creative _____
 - Photography _____
 - Legal _____
 - Other _____
- Media Cost:
 - List Acquisition _____

- Production Costs
 - Total Production Costs (if all inclusive): _____
 - OR - Itemized Costs:
 - Printing _____
 - Seps/Proofs _____
 - Data Process _____
 - Other _____
- Postage Cost:
(Piece Rate x Quantity) _____
- Shipping Cost:
(Freight to/from vendors) _____

Total Campaign Cost: \$ _____

Return-on-Investment Summary

■ Quantity	_____	(a)
■ Total Campaign Cost	\$ _____	(b)
■ Cost per piece	\$ _____	(b/a)
■ Response Rate (%)	_____	% (# resp./a) (c)
■ Revenue per Donation	\$ _____	(histor. est.)(d)
■ Total Revenues	\$ _____	(e)
■ Break-Even Responses	_____	(b/d)
■ Return-On-Investment	_____	% (e-b)/b

Ask the Experts

We are here to help.

Call: 877-962-4578

Email: mail.services@pb.com

Web: www.pb.com/mailservices

Every connection is a new opportunity™