



Your cause.  
Our effect.<sup>SM</sup>

# DIRECT MARKETING SURVIVAL KIT

Packed with best practices, tips, reference guides, charts, checklists and more to help you survive your direct marketing campaigns!

## ESSENTIAL RESOURCES FOR:

- ★ Direct Mail Production ★
- ★ Postal Logistics & Savings ★
- ★ Data Hygiene & Processing ★
- ★ Online Integration ★

Hello Direct Marketer,

As you know there are many elements to successfully manage the marketing efforts of your organization.

Our team of companies has been specializing, in each of their respective disciplines, for years and in some cases decades, and in that time we've learned, innovated and collaborated all with the end goal of helping our clients succeed.

We've compiled a few of our best tips, checklists, guides and information for you to use as a resource as you embark on print, data, postal and/or online fundraising or communication efforts. We hope you'll use this compilation of tools and information to jump over some common obstacles and in general put our years of experience behind your efforts.

Of course, if you'd like to investigate adding one or more of our team of specialists to your team, please don't hesitate to ask. We love what we do and we're more than happy to explore how we may help. We tell our clients to 'Think of us as an extension of your team.' We'd be honored to be considered as such.

Best regards,

The Production Management Group Family, Ltd.



PMGDIRECT.NET



DIRECT MAIL PRODUCTION



POSTAL LOGISTICS & SAVINGS



DATA HYGIENE & PROCESSING

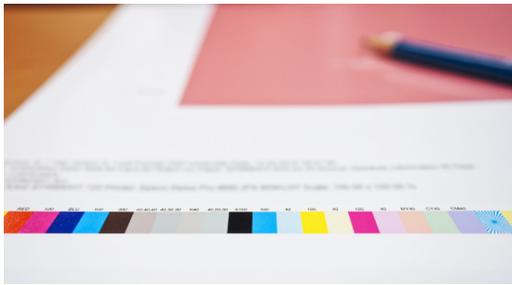


ONLINE STRATEGY & FUNDRAISING

# PMG DIRECT MARKETING SURVIVAL KIT

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# 6 Essential Qualities to Look for When Choosing Your Direct Mail Production Partner



## PMG—Big Picture Thinkers, Meticulous Managers

### 1 INDUSTRY LEADERS

We are managers of complex mail programs with sophisticated segmentation, testing and personalization.

- Superior quality, thorough bidding and purchasing processes, competitive pricing, and on-time delivery
- Expert solutions and innovative ideas

### 2 A TO Z PROJECT MANAGEMENT

We handle everything from initial planning, campaign execution, printing, data processing, mailing services, postal logistics and reporting.

- Advanced, in-house data processing, segmentation & analytics tools and services

### 3 EXCEPTIONAL CLIENT SERVICE

Direct mail experts who serve as an extension of your team.

- Flexible staffing, systems and schedules to adapt to your unique processes and business rules

### 4 FUNDRAISING & MARKETING

A strategic partner with extensive experience in production management and strategy, and creative development to ensure better, more cost-effective packages.

### 5 EXTENSIVE FORMAT CAPABILITIES

Able to assist with highly personalized, complex packages, providing new and innovative designs.

### 6 TRUSTED SUPPLIER NETWORK

We have an extensive network of carefully selected, high quality suppliers ready to meet each client's unique needs.

- Tremendous capacity to manage large, complex jobs, and emergency mailings

- Strong supplier-partner relationships offering the very best pricing

## Fundraising & Marketing Services

- Annual Program Management
- Donor Acquisition Campaigns
- Testing, Rapid Response, Donor Renewal, Premium-Based, Hi Touch Mid-Level/Major Donor & Acknowledgement Programs
- New Donor Welcome Kits
- Multi-Part Membership Renewal Series
- Fulfillment Programs

## Package Format Capabilities

- Catalogs, Calendars and Posters
- Membership Cards
- Brochures & Collateral
- Address Label and Sticker Packages
- Inline Formats
- Handwritten Appeals
- Oversized, Dimensional and Other Specialty Mailings
- Postcards & Self-Mailers

*"With the millions of pieces we put in the mail each year, there's so much that can go wrong with production. But with PMG it's always a top-notch job."*

—Lee Freedman, Director of Production for World Wildlife Fund



## Get your FREE Guide: Cutting Your Direct Mail Production Costs to the Bone

This 22-page guide is chock full of expert tips and cost-saving ideas. [pmgdirect.net/cut-costs](http://pmgdirect.net/cut-costs)



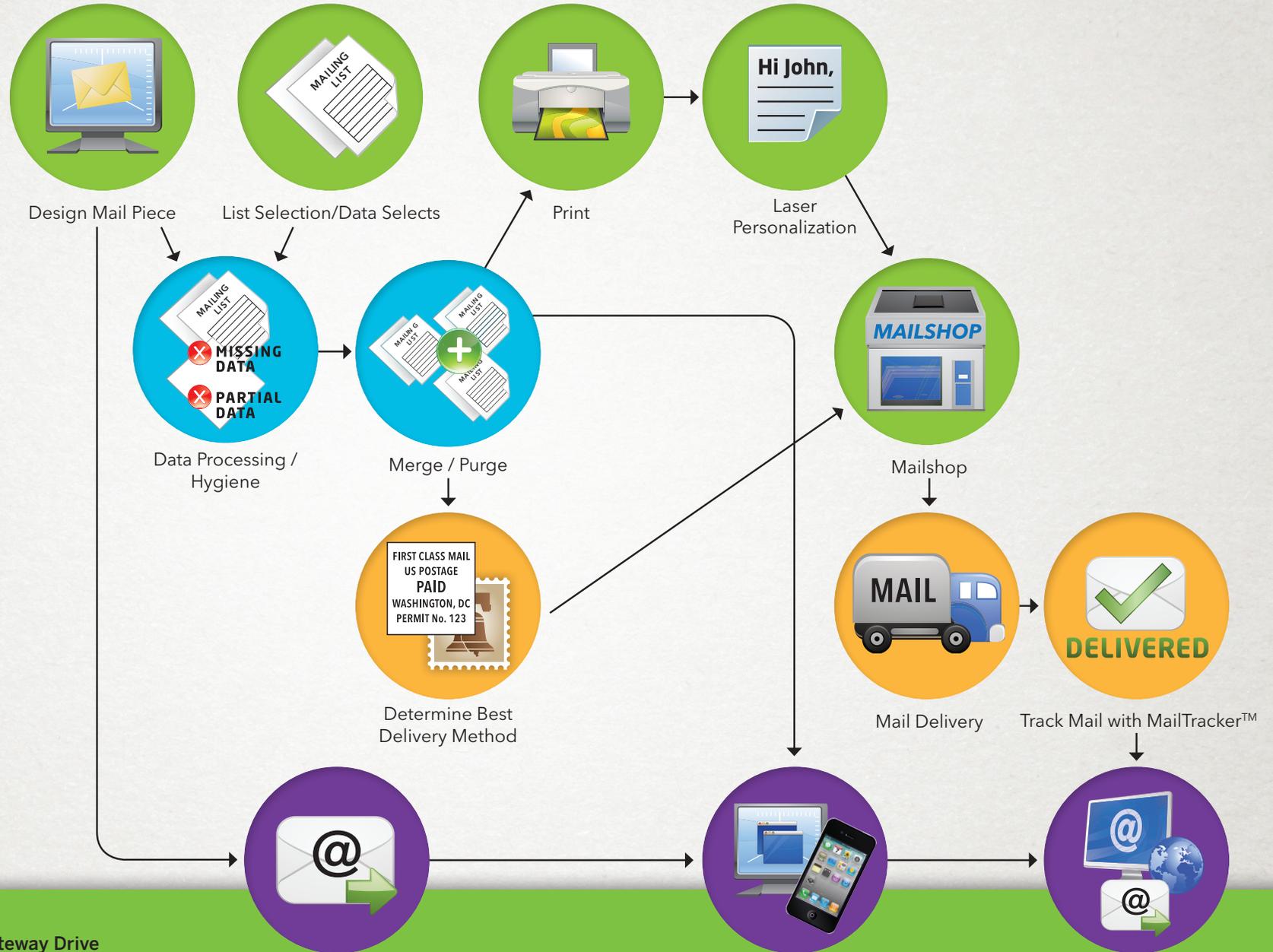
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# Guide to Managing Multichannel Communications

Managing a fully integrated communications plan takes coordination of direct mail production, data processing, postal logistics and online communications teams. While each project is unique with its own timeline and steps, this **Guide to Managing Multichannel Communications** helps illustrate top level tasks and their dependencies.



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Design Online Communications

Prepare E-mails, Text Messages, Websites, Landing Pages, etc.

Launch Online Channels Based on Delivery Dates



# 10 Tips for a Confident Press Check

The letter, artwork and layout are approved and the files are now in the printer's hands.

*Whew, you breathe a sigh of relief.*

But, soon you will be looking at all those images and copy again at the Press Check. So just what should you be looking for when you go on a press check?

## 10 THINGS TO EVALUATE AT A PRESS CHECK

1. Is the paper stock the correct weight and color?
2. Have all corrections requested been completed and now included in your final proof?
3. Are there any missing elements or copy changes from the Press Sheet?
4. Are there any broken letters or imperfections in the type?
5. Is the type sharp, especially when the type is a color-build
6. Is the Press Sheet in proper registration, including 4-Color Images and Color Builds?
7. Do the four-color images match the Color Proof as close as possible?
8. Look for any hickeys, blemishes or anything unusual?
9. If you have cross-overs, as is common in Magazines and Catalogs... does the color match from page to page?
10. Do the bleeds extend beyond the crop marks?

Press checks are a critical step in ensuring your mail piece looks good and yields the best response. At PMG we take this step of our production management services very seriously. It's not uncommon for a production manager to hop on a plane to go to a press check to make sure each and every element of a project is just perfect.

Want to take that "to-do" off your list? PMG can help with your direct mail fundraising and your press checks! Call us at **410.290.0667**. Learn more at [www.pmgdirect.net](http://www.pmgdirect.net).

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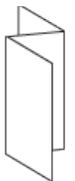
# Picking the Best Fold for Your Self-Mailer or Brochure

When it comes to producing an engaging brochure to accompany your appeal letter you want something that gets people interested in holding, opening and reading it and how it's folded can make a difference.

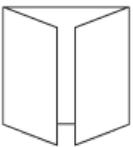
Different folds serve different purposes and there are many in the printing world. The three most common are C Fold, Z Fold, and the Single Gate Fold. So, what exactly is the difference between these three folds? For what purposes are they best suited?



**Let's start with the C Fold**, the most common tri-fold method. This fold creates the letter 'C' when viewed from the top. This folding method consists of two parallel folds, which create six panels that are all roughly the same size (three panels on each side of the paper.) It's important to keep in mind that the fold-in (left and right) panels need to be 1/32" to 1/8" narrower than the other panels to allow for the creases in your brochure. You'll want to be cognizant of images and text as they relate to the folds.



**Next on the list is the Z Fold.** Just like the C Fold, the Z Fold gets its name from the 'Z' shape created when viewed from the top. The styling of the fold allows for the panels, once opened, to appear in sequence. The Z Fold is great for dividing up information into different sections which is ideal if your mailing is covering multiple topics. This type of fold is also great for listing information in a step-by-step process.



**Finally, we come to the Single Gate Fold.** With this type of fold, the sides of the sheet fold into the center and open just as a gate would. Starting to see a pattern with the names of each of these three folds? The Single Gate Fold creates six panels with the center panel being double the size of each left and right panel. This type of fold is ideal to unveil a program, highlight a case study or reveal interesting statistics because the two folds meet at the center, enticing them to be opened.

Want help determining which fold is best for your campaign's supporting brochure or self-mailer? Give us call at **410.290.0667**. Learn more at [www.pmgdirect.net](http://www.pmgdirect.net).



# Is Your Production Management Partner “The One”?

The world of direct mail fundraising programs consist of many steps and parts such as:

- Design and preflight of artwork
- Data processing and proper personalization
- Coordination of schedule and all companies involved in the mailing
- Meeting critical drop dates

No matter how organized the campaign—issues arise. It may be a last-minute request to change the art, a request to or remove some names from the data file or even the mailstream! A good production manager can perform small miracles.

## Here are some key questions you should be asking:

1. Does your graphic artist preflight each component to ensure its meeting direct response printing protocols?
2. Does your production team maintain an art archive for you, allowing easy access to past mailings, photos, logos, etc?
3. Does your production team have in-house data processing capabilities (eliminating the delays of sending files back to a service bureau)?
4. Does your production team have prior printing industry experience?
5. Does your production team have prior mailshop industry experience?
6. Does your production team have extensive experience with both direct marketing and fund raising?
7. Does your production team have an in-house postal logistics team to coordinate pick-up and delivery of your mail at the best possible postage rate?
8. Does your production team use a job management system with daily 'hot sheet' updates as to the status of your mailing?
9. Does your production team guarantee best pricing by using a web-based bid and procurement system?
10. Does your production team provide web-based mail tracking so that you can track package delivery and your return mail in real-time?

If you've answered NO to any of the above questions, you should give us a call at **410.290.0667**. Learn more at [www.pmgdirect.net](http://www.pmgdirect.net).

## Save an Average of 10% with Our Annual Program Approach



### What's the Best Method to Bid Your Direct Mail?

We like to save our clients money. To do so, often we take the **Annual Program Approach** instead of the one-project-at-a-time approach. Since price is often all that a project's award comes down to (although we'll disagree with that philosophy) we've conducted our own study to verify what we knew in our gut.

#### The Results

Taking the **Annual Program Approach** saves an average of 10%. Not to mention your staff's time is freed up to work on other important initiatives. We found that negotiating annual quantities allows production managers to find more cost-savings for suppliers too. It's a win-win situation for all.

#### Your Production Manager, Your Friend

A production manager wears many hats and understands the mission of your organization. When they know your full annual plan, the production manager will use their expertise to identify money, time and production efficiencies. That's what friends are for.

The PMG family constantly strives to be on the cutting edge of direct mail production strategies. Our **Annual Program Approach** delivers:

1. A highly experienced member on your team
2. Greater efficiency
3. More cost savings
4. Higher quality
5. More time for you staff

To begin using an **Annual Program Approach** you just need to know your general package type, timing and volumes. Have a chat with one of our experienced production managers and let us make your mission possible.

[pmgdirect.net](http://pmgdirect.net)  
[mailsmartlogistics.com](http://mailsmartlogistics.com)  
[mmidirect.com](http://mmidirect.com)  
[engageyourcause.com](http://engageyourcause.com)



The Production Management Group, Ltd. family is dedicated to helping nonprofits succeed by offering integrated fundraising solutions. We are a team of direct mail production, database management, data hygiene, postal logistics and online fundraising pros ready to help you with specific elements for all of your fundraising efforts.

**Direct Mail Production** **Online Fundraising** **Data Processing** **Postal Logistics**

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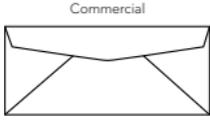
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# Envelope Size Chart



## Business & Correspondence

Widely used for business and personal correspondence. Commercial and Side Seam flap styles are ideal for machine insertion. Square flaps are not recommended for machine insertion.



Commercial



Square Flap



Wallet Flap



Side Seamed

TYPE	SIZE	ENCLOSURE
6 1/4	3.5" x 6"	3.25" x 5.5"
6 3/4	3.625" x 6.5"	3.5" x 6"
7	3.75" x 6.75"	3.5" x 6.25"
Monarch (7 3/4)	3.875" x 7.5"	3.75" x 7"
8 5/8	3.625" x 8.625"	3.5" x 8.125"
9	3.875" x 8.875"	3.75" x 8.375"
10	4.125" x 9.5"	4" x 9"
11	4.5" x 10.375"	4.25" x 9.875"
12	4.75" x 11"	4.5" x 10.50"
14	5" x 11.5"	4.75" x 11"
16	6" x 12"	5.75" x 11"

## Booklet

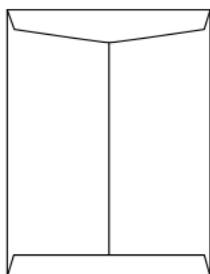
This style is ideal for annual reports, brochures, sales materials, and more. The open side makes it acceptable for automatic insertion.



TYPE	SIZE	ENCLOSURE
3	4.75" x 6.5"	4.5" x 6"
4 1/2	5.5" x 7.5"	5.25" x 7"
5	5.5" x 8.125"	5.25" x 7.625"
6	5.75" x 8.875"	5.5" x 8.375"
6 1/2	6" x 9"	5.75" x 8.5"
6 5/8	6" x 9.5"	5.75" x 9"
6 3/4	6.5" x 9.5"	6.25" x 9"
7 1/4	7" x 10"	6.75" x 9.5"
7 1/2	7.5" x 10.5"	7.25" x 10"
9	8.75" x 11.5"	8.5" x 11"
9 1/2	9" x 12"	8.75" x 11"
10	9.5" x 12.625"	9.25" x 11.625"
13	10" x 13"	9.75" x 12"

## Catalog

Center seam makes this style more durable for mailing heavy-weight materials. These envelopes can not be processed through inserting equipment or run through a laser printer.

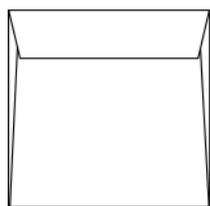


TYPE	SIZE	ENCLOSURE
1	6" x 9"	5.75" x 8.5"
1 3/4	6.5" x 9.5"	6.25" x 9"
3	7" x 10"	6.75" x 9.5"
6	7.5" x 10.5"	7.25" x 10"
8	8.25" x 11.25"	8" x 10.75"
9 3/4	8.75" x 11.25"	8.5" x 10.75"
10 1/2	9" x 12"	8.75" x 11"
12 1/2	9.5" x 12.5"	9.25" x 11.5"
13 1/2	10" x 13"	9.75" x 12"
14 1/2	11.5" x 14.5"	11.25" x 13.5"
15	10" x 15"	9.75" x 14"
15 1/2	12" x 15.5"	11.75" x 14.5"

# Envelope Size Chart

## Square

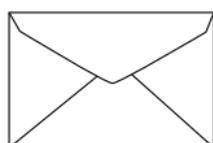
This unusual shape attracts attention to contents. Square envelopes do not meet the USPS requirements for aspect ratio and are subject to additional postage.



TYPE	SIZE	ENCLOSURE
5"	5" x 5"	4.75" x 4.5"
5 ½"	5.5" x 5.5"	5.25" x 5"
6"	6" x 6"	5.75" x 5.5"
6 ½"	6.5" x 6.5"	6.25" x 6"
7"	7" x 7"	6.75" x 6.5"
7 ½"	7.5" x 7.5"	7.25" x 7"
8"	8" x 8"	7.75" x 7.5"
8 ½"	8.5" x 8.5"	8.25" x 8"
9"	9" x 9"	8.75" x 8"
9 ½"	9.5" x 9.5"	9.25" x 8.5"
10"	10" x 10"	9.75" x 9"
13 ½"	13.5" x 13.5"	13.25" x 12.5"

## Baronial

Deep pointed flap traditionally used for formal announcements and invitations. Not recommended for machine insertion.

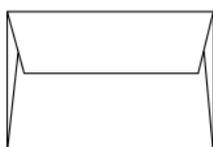


TYPE	SIZE	ENCLOSURE
Professional*	2.125" x 3.625"	2" x 3.125"
#16 *	2.375" x 3.375"	2.25" x 3"
#17*	2.6875" x 3.6875"	2.5625" x 3.5625"
Gladstone*	3.563" x 5.562"	3.375" x 5.375"
4-Bar	3.625" x 5.125"	3.475" x 4.875"
5½-Bar	4.375" x 5.75"	4.25" x 5.25"
6-Bar	4.75" x 6.5"	4.625" x 6"
Lee	5.25" x 7.25"	5.125" x 6.75"
Linwood	5.25" x 7.5"	5" x 7"
Monona Outside	5.5" x 7.75"	5.25" x 7.25"

\*This size is too small to mail

## Announcement

Also called A-style, this contemporary design is ideal for photographs, greeting cards, small booklets, and promotional pieces.



TYPE	SIZE	ENCLOSURE
A-2	4.375" x 5.75"	4.25" x 5.25"
A-6	4.75" x 6.5"	4.625" x 6"
A-7	5.25" x 7.25"	5" x 6.75"
A-8	5.5" x 8.125"	5.25" x 7.625"
A-9	5.75" x 8.875"	5.5" x 8.375"
A-10	6" x 9.5"	5.75" x 9"

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Serving nonprofits and their agencies since 1997.  
The Production Management Group, Ltd.

# NonProfit Mail

## the benefits of drop shipping & commingling

Mail is a critical component of fulfilling an organization's mission. PMG has collected delivery data on more than 325 million pieces of mail over a three year period and the data speaks for itself. Using Postal Logistics (commingling, drop shipping and a combination of each) puts organizations in control of predictable delivery times, tracking delivery progress once in the mailstream, maximizing savings and being able to decide on the best delivery option to meet each campaign's goal. Here are the findings.



### More Money for Your Mission

Postal Logistics is a nonprofit's first line of defense to control and preserve postage budgets.



Entry Point



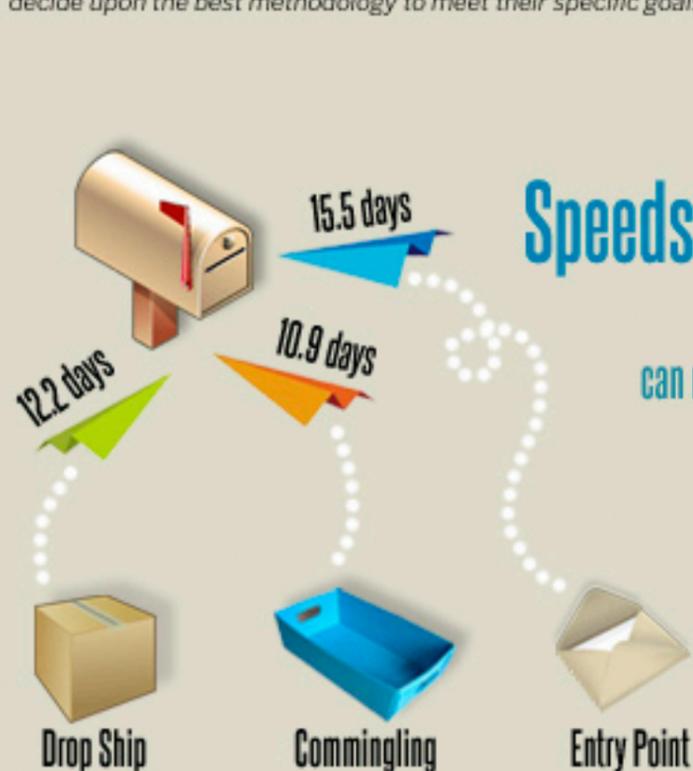
Drop Ship



Commingling



Analysis of an average 100,000 piece mailing gives the nonprofit the ability to see the savings and decide upon the best methodology to meet their specific goals



### Speeds Delivery Time

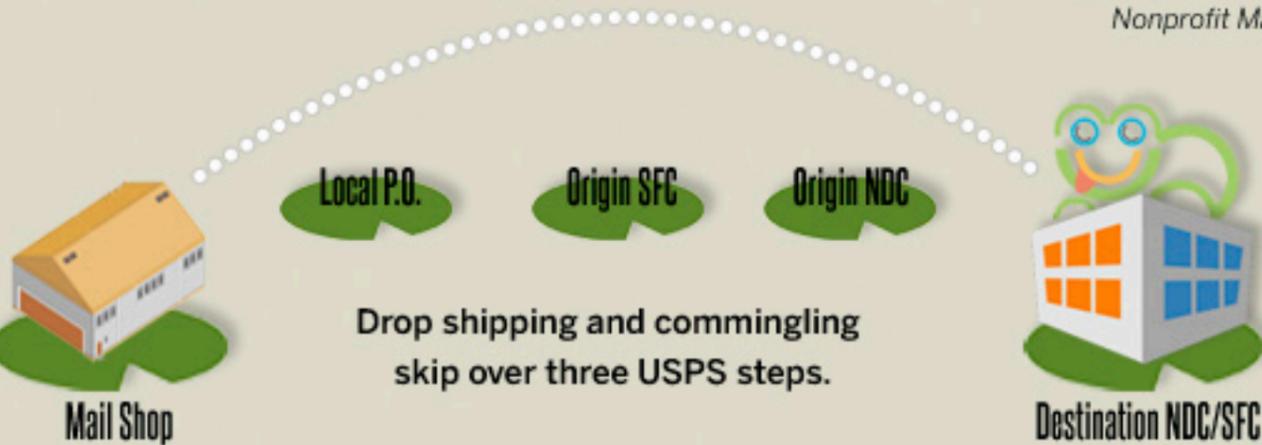
On average, Postal Logistics can reduce delivery time by 25%



Consistent, predictable and measurable delivery of mail is critical to the mission of nonprofit organizations.

Anthony Conway,  
—Alliance of Nonprofit Mailers

Average delivery time to Destination SCF by method of more than 325 million pieces of mail over a three year period.



Nonprofits who use Postal Logistics have the ability to control and protect budgets, expedite mail deliverability and to track campaigns once in the mail stream.

### The Benefits of Postal Logistics:

	Savings	Expedited Delivery	Trackability	Ability to Decide Priorities	Volume Pricing
Entry Point	X	X	✓	X	X
Commingling	✓	✓	✓	✓	✓
Drop Ship	✓	✓	✓	✓	✓
Combined Methods	✓	✓	✓	✓	✓



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# Problem Solved

## Examples of how we've helped our clients.

### DISASTER RECOVERY

Hurricanes and other catastrophic events can have a tremendous negative impact on mailings. Recently, for two of our clients, trucks filled with their mail were destroyed en route by vicious hurricane winds and rain. But PMG was able to identify the exact sectional centers and addresses affected and immediately provided replacement data and materials.

### POSTAGE COSTS REDUCED

One of our clients had a complex prospect mailing with 11 different versions mailing at the same time. Because of the number of individual zip strings, there was very little postage savings. But, because PMG manages postal logistics for our clients in addition to the production, we were able to work out a plan to consolidate the mailings after they were inserted, and then truck them directly to the various bulk mail centers. The client wound up with postage savings of thousands of dollars after all.

### OVERWEIGHT

Too many mailings are disrupted or extra postage is required because the package turns out to be just a bit overweight...even after a mock-up is done. To eliminate these problems from the get-go, one of PMG's Team Leaders devised his own computer program that enables us to plug in all the components, and generate a precise calculation of the total package weight in a matter of seconds.

### INVENTORY

An agency partner was unsure of the physical inventory for a recent acquisition mailing and renewal series for its brand-new client. PMG visited the new client's site to analyze both its inventory and its mailing processes. We found a lot of inventory that could be either discarded or combined, and gave the customer a full report. The knowledge consolidated our production tactics, honed their mail plan, and was a big relief to the agency as well.

### ARTWORK

A prestigious cultural organization and its agency were concerned that a long-planned fundraising test would have to be canceled or delayed when a critical piece of art did not materialize on time. But PMG, with a resident graphic designer and pre-press operation on-site, was able to create the necessary art and the test mailing went out on time.

### ONLINE PERSONALIZATION

An agency partner had a museum client who wanted to upgrade their donors based on previous giving history. All online renewals had previously been generic and they knew there had to be a way to take existing giving data and upgrade those donors. The Engage) Group developed a unique ask string email and customized landing page program that has year after year increased donations for the museum.

### MAIL DESTROYED BY FIRE

More than 10,000 flat pieces being drop shipped for one of our clients were destroyed when the freight truck carrying more than 188,000 pieces of mail caught fire. To add to the complexity of the situation, this was the first mailing in a sequence being sent to donors. Thanks to our proprietary mail-tracking system, we were able to precisely identify exactly which donors' mail was on that particular truck. After consultation with the client, PMG immediately began reprinting the destroyed package and was able to hold the follow-up mailing which was already in production. Both campaigns were back on schedule within one day of the fire and at no cost to the client.

### DELIVERY

A local homeless shelter was having a tough time getting their artwork finished for an important event. They asked if there was any way we could "speed up the mail" and PMG's answer was YES. We arranged to have their invitations trucked directly to the local postal facility, shortening the delivery time and enabling the shelter to have a very successful event.

PMG can help you! Call us at **410.290.0667**. Learn more at [www.pmgdirect.net](http://www.pmgdirect.net).

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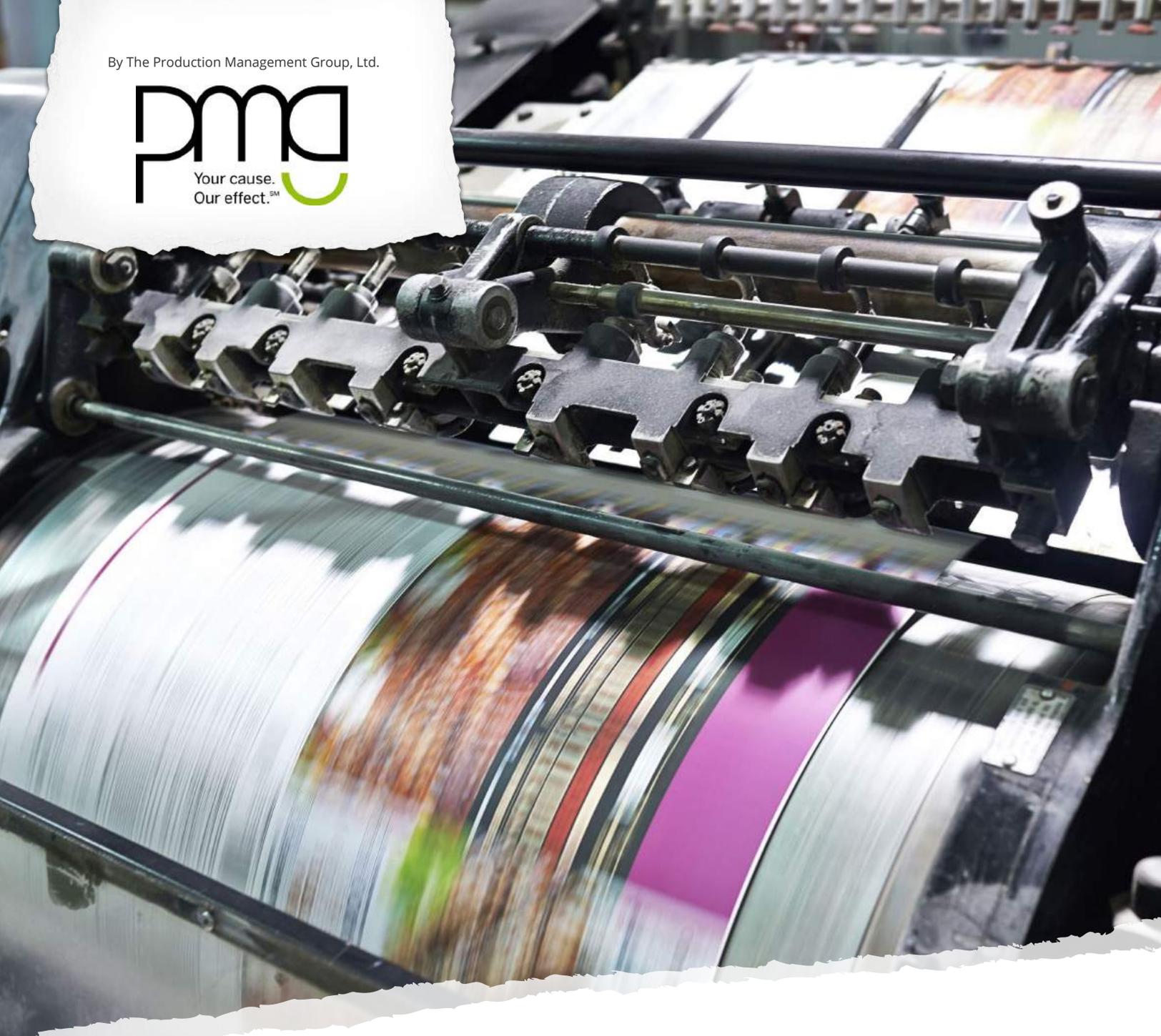


# Direct Mail Checklist

Whether you're a seasoned direct mail professional or embarking on your very first campaign, working your way through a checklist can reduce the risk that you forget to do something important on a mailing. From developing the most effective designs to leveraging postal logistics, this handy checklist includes 8 essential cost-saving tips and budget-breaking pitfalls to avoid:

- 1. Plan (farther) ahead.** Instead of thinking about the single job ahead of you, brainstorm potential ways this project could fit into an annual plan. Certain direct mail components – such as envelopes and return envelopes – are typically the same for each mailing, and gang printing will result in much lower costs long-term. Contract pricing also comes into play. When you find the right service providers, can you negotiate the price down in exchange for guaranteed work next quarter? Consider these opportunities ahead of time.
- 2. Design a cost-effective piece.** Work closely with your designer to choose the right stock and finish to maximize effectiveness without incurring unnecessary upcharges. Consider any insertion clearances during the design process, beware of intricate manual folds, and generally avoid any odd shapes and sizes, which can quickly ramp up both production and postage costs.
- 3. Choose the right printer.** Do your research and learn the core competencies of each printer you're considering. Ideally, you'll find multiple printers that specialize in the type of printing you're looking for. When it's time to compare bids, make sure you're comparing apples to apples – don't be fooled by disparities in paper quality, postage charges, or set-up fees.
- 4. Expect the unexpected.** With so many moving parts, it's crucial to anticipate potential problems and have plans in place to either prevent or quickly recover from them. Always conduct a thorough preflight inspection before sending anything to the printer, looking at everything from typos to font sharpness and postal compliance. If you're doing a large production run of a 4-color or special print job, consider doing a press check as well; check for color proof accuracy, press sheet registration, sharpness, bleeds and blemishes.
- 5. Choose the right mail shop.** Just like a printer, you want to choose the best mail shop based on your specific size and automation needs. If you're mailing millions of pieces, a mail shop specializing in large mailings will likely have the high-speed insertion equipment and other automated tools necessary to provide the best price and fastest turn-around time. Going to a larger shop for a smaller mailing, however, could result in excessive set-up costs. Finally, ensure the shop is familiar with the latest postal regulations and is able to comply with low-cost postal strategies.
- 6. Double-check your data hygiene and merge purge processes.** Sending a duplicate or undeliverable piece of mail is literally throwing money away.
- 7. Leverage postal logistics.** Both drop shipping and commingling strategies take advantage of the U.S. Postal Service's work share program, resulting in significantly reduced postage rates. If your mailing qualifies, you can manually sort, sleeve, tag and strap each piece of mail and hire a freight company or drop shipper to deliver your mail to a postal facility close to its ultimate destination. This process, known as drop shipping, typically results in postage savings between 12% and 20%. Alternatively, you can partner with a commingling company who will pick up your unsorted mail, mix it with mail from other sources, sort it according to strict USPS regulations and ship it to its correct facilities. This option usually results in postage savings of about 12% and completely eliminates additional labor and freight charges. Commingled mail is also delivered an average of 2.4 days faster than if it was dropped off at the nearest bulk entry unit.
- 8. Reflect.** At the conclusion of each project, take a moment to think about what went well and what didn't, and identify potential ways you can improve your process for the next mailing.

By The Production Management Group, Ltd.



# **CUTTING YOUR DIRECT MAIL PRODUCTION COSTS TO THE BONE**



***Dear Reader,***

I understand just how critically important saving money on direct mail production is to your organization. However, years of conversations with prospective clients have made me realize that while this goal is universally shared, many do not fully understand how to achieve it.

I've written this eBook to explain exactly how you can cut your direct mail costs to the bone without compromising quality. Based upon PMG's decades of managing direct mail production projects, I'll explain how to design a mail piece that can be cost-effectively produced and mailed, and how to get the best possible production bids. Then I'll cover how to anticipate and avoid problems that can arise during production that might result in unexpected additional costs and, in the worst case, cause you to miss your mail date. And because choosing the right mail shop can be just as important as selecting the best printer, I've spelled out the key factors to consider in doing so.

One of the biggest opportunities to save money is by reducing postal costs. Because this is often overlooked, I've devoted a whole chapter to how to minimize your postal spending.

Another very effective way you can save money is to move from producing a series of one-off mailings to managing your direct mail program on an annual basis. Because we've found that PMG clients save an average of 10% on their production costs through annual planning, I've made it my personal mission to spread the word!

I'm thrilled to pass this hard-earned knowledge along to you and hope you find it helpful. If you'd prefer to outsource your production management to experts who will focus on maximizing your savings while freeing up your time, the last chapter outlines what you can expect from a partnership with PMG.

Hang on tight; here we go!

***Jim Paolucci, Director of Production***



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## DESIGNING A COST-EFFECTIVE DIRECT MAIL PIECE

The first step in reducing your direct mail costs is to design a mail piece that can be inexpensively produced and mailed.

The most important elements to consider are size, shape and stock. To cut production costs to the bone, avoid the following problems:

**Odd sizes and shapes:** Odd sizes cost more to print and to mail. If your designer has specified square envelopes, for example, ask yourself if it really makes sense to pay 22.6 cents to mail each one when you could save 37% by mailing a #10 envelope for 14.2 cents.

**Fit on sheet:** The more images you can fit on a sheet, the more you'll save. A 5" by 7" postcard with bleeds will be less expensive than a similar 5.5" by 8.5" piece because the first will print 20-up on a typical press sheet versus 16-up for the second. This saves both paper and press time..

**Choose a "good enough" stock:** Designers often select a higher-quality stock than is really necessary. Since paper is often the single biggest cost in producing a mail piece,

choose carefully. Make sure your paper is strong enough to handle the rigors of the production process and, if you're producing a self-mailer, of the postal journey itself. Avoid requiring special mill order papers unless they are absolutely essential to the effectiveness of the campaign.

**Avoid unnecessary finishes:** Ask yourself whether the additional element requested by your creative team is likely to pay for itself in higher response rates. Is the higher glossiness and abrasion-resistance a UV coating provides likely to improve response rates? If so, you should include it in the bid. If not, strongly consider saving the money.

**Consider production requirements:** Intricate pieces that require manual folds or multiple passes through different machines are going to drive up your costs.

**Comply with Postal Regulations:** The USPS imposes stringent requirements on direct mail to qualify for its lowest postal rates. Make sure your envelopes fit the required height to length aspect ratio and that the total weight of your package is not above the maximum set for that rate class.

**Check insertion clearances:** If you are inserting one or more components into an outer envelope, you need to make sure they fit easily. Ideally, a component being inserted should be at least 1/2 inch narrower than the envelope it is being mailed in. However, if there are a number of components to be inserted together or if the combined components are somewhat thick, you may want to increase this spacing in order to maintain high insertion speeds while avoiding jamming.



## GETTING GOOD LOW-COST PRINTING BIDS

At the end of the bidding process, you want to make sure you are able to select between several high-quality, inexpensive bids. This requires that you request bids from printers ideally suited to this type of production, that you have the ability to accurately compare the bids, and that you've built the minimum-necessary amount of spoilage into your specification.

### Choosing the right printer

Every printer has different types of printing they do particularly well and quantities they handle comfortably. However, most printers will bid on every job they receive a request for. If you want to ensure you're getting low-cost bids from printers who'll do good work, you need to do more than send a bid package to the same three printers you've been using for years for all your printing work.

We recommend you to develop a list of printers & their specialties. For example, PMG continually studies the core competencies of major printing shops and pre-qualifies

them by printing specialty. When we bid a job, we'll request bids from 4 to 8 printers who we know specialize in this type of printing. And because we manage the production of over 100 million pieces of mail a year, our buying power assures us of very competitive bids.

### Comparing apples to apples

In the quest to save every last penny, many managers simply accept the lowest-cost bid. It is important, however, that you make sure you're comparing apples to apples. Three key areas to check for differences are:

- » **Paper quality:** With the cost of paper usually the biggest driver of production costs, it is critical to make sure the quotes you're comparing are using the same paper. You don't want to choose a printer whose higher production costs are masked by the usage of less expensive paper. Determine whether the less expensive paper is adequate for your job and, if it is, ask your chosen printer to use it.
- » **Postage charges:** As I'll explain in the next section, there are several postal logistics techniques that can fairly dramatically reduce your postal expenses, which different mailshops may or may not be taking advantage of. If you are working with a postal logistics company who is making sure you qualify for the lowest-possible rates, you should compare the print-only portions of each bid separately from the mailing portion.
- » **Set up fees:** Avoid any chance of being nickled and dimed by requesting that all potential set-up fees and other add-on charges be detailed separately in the bid document.

### Accurately predicting spoilage

Prior to asking printers for bids, think carefully about what level of wastage to build into the specifications. There is always some loss of paper and components during production. However, some types of production (such as hand-written envelopes) have particularly high rates of spoilage. Base your quotes on producing the lowest-possible quantities of each piece that you're comfortable will be sufficient to complete the mailing.





## SAVING MONEY DURING PRODUCTION

One of the secrets of effective production management is to conduct thorough preflight and press check review processes so you can catch problems while they're still inexpensive to fix. It is also important to know which production dates are crucial to meeting mail dates and then make sure you meet them. Finally, since unexpected problems are not uncommon, taking steps to anticipate problems and be able to recover quickly from them is important to staying on track and on budget.

**The importance of preflighting:** We strongly recommend that you establish a preflight checklist and confirm that all elements are perfect before sending your art to the printer. If the printer is responsible for checking art quality and tolerances, it will cost you both time and money. If a second proof is required, for example, it could delay your mail date and result in additional charges.

Here are important elements to confirm in a preflight inspection:

- » **Fonts:** Are all fonts available and embedded correctly in the file? Is the type sharp?
- » **Images:** Are all images of high enough resolution (typically 300 dpi) to print clearly? If any images are compressed, has the compression method jeopardized production quality in any way?
- » **Print Layout:** Are all page elements printing? Is your document set up to the correct final trim size and does it incorporate sufficient bleed? Are any undesirable white spaces showing between elements?
- » **Folds:** Are all of your folds set up correctly?
- » **Typos:** Now that you can see the entire piece, take the time to check once again for any typos.
- » **Compliance with Postal Regulations:** Does the address show clearly through the window on the envelope? Is any content infringing on areas designated for address information or USPS scan lines?

**What to evaluate at a press check:** If you're doing a large production run of a 4-color or special print job, we recommend you do a press check prior to giving the printer final OK to produce thousands (or millions!) of pieces.

Since you have hopefully identified any type, image or placement issues during the preflight inspection, focus during the press check on making sure the color of the inks applied to the actual paper stock match your color proof as closely as possible. Color proofs are great guides, but differences in the printing process will affect the final colors.

In general, you want to ensure flesh tones look realistic, company/organization colors match, registration (sharpness) is good, and there is consistency among the pages. In addition, check the following:

1. Is the paper stock the correct weight and color?
2. Have all requested corrections been made on your final press sheet?
3. Are there any missing elements or copy changes?
4. Are there any broken letters or imperfections in the type?
5. Is the type sharp, especially when the type is a color-build?
6. Is the press sheet in proper registration, including 4-color images and color builds?
7. Do the four-color images match the color proof as closely as possible?
8. Are there any hickeys, blemishes or other unusual marks?
9. If you have cross-overs, as is common in magazines and catalogs, does the color match from page to page?
10. Do the bleeds extend beyond the crop marks?

### **Anticipating and Dealing with Potential Problems:**

Think about the types of problems that could arise on your job and figure out if there are any steps you could take in advance to reduce the likelihood of such a problem arising.

For example, let's say your mailing includes a flyer promoting a fundraising event in a nearby city. If there are versions of the flyer for 5 different cities, it is relatively easy to imagine the person running the insertion machine grabbing the wrong flyer. In this case, assigning component codes to each separate piece in the mailing and prominently displaying the component codes to be included in each version can do a lot to reduce errors.

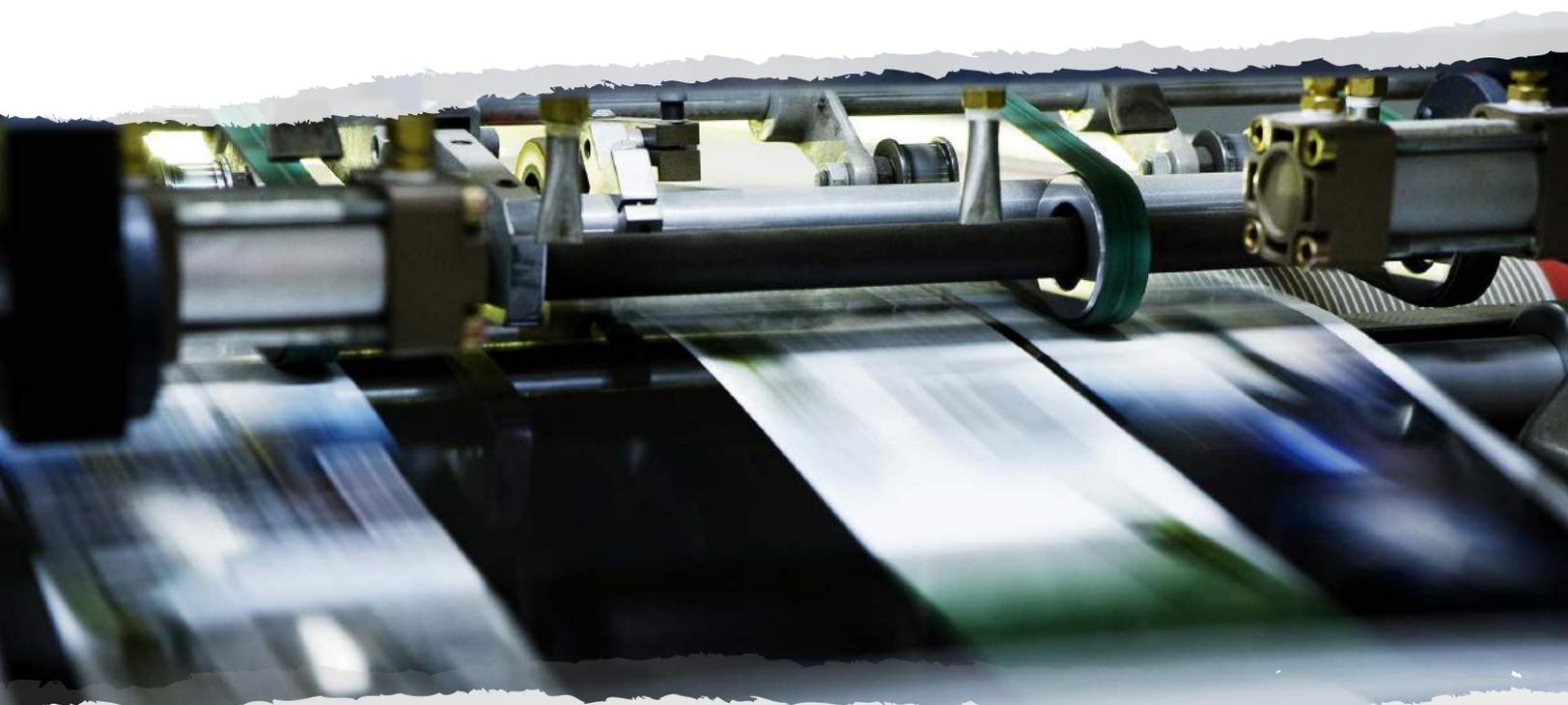
***Stories from the real world:***

“We arrived at work one day to the distressing news that over 10,000 pieces of a client’s mailing had gone up in flames when the delivery truck they were on caught fire. Making matters even worse, this was the first piece of a multi-part mailing!

Because of our proprietary mail tracking system, we knew exactly which pieces had been lost. PMG immediately reprinted the lost mail pieces, rescheduled the follow-up mailing, and had both campaigns back on schedule within one day of the fire at no cost to the client!”

***Fred Lloyd***

PMG Production Team Leader





## CHOOSING THE RIGHT MAIL SHOP

It is every bit as important to choose the right mail shop for your mailing as it is to select the best printer. In order to get a low bid with reasonable turn-around times, pay particular attention to the following:

**Mail shop size:** You want to match the size of the mailing to the size of the mail shop. If you're mailing 2 million pieces, you'll likely get the lowest price and reasonable turn-around times from a mail shop that specializes in large mailings and has invested in high-speed equipment. If you're only mailing 1,000 pieces, however, a larger shop will likely charge an exorbitant amount in order to cover high set-up costs.

**Level of automation:** It is also important to find a mail shop offering the appropriate amount of automation for your mailing. If your mailing requires inserting a personalized letter into a matching envelope, using a mail shop with camera match capabilities will save the cost of paying someone to continually check that letters are being inserted correctly. Additionally, the presence of high speed insertion equipment will likely reduce your costs on a larger mailing.

**Ability to comply with low-cost postal strategies:** As the postal logistics world continues to evolve, mail shops need to be adaptable. At a minimum, they need to keep up with the latest postal regulations to ensure your mailing is prepared correctly. However, the mail shop also should be open to using any new strategies that your postal logistics firm recommends without charging extra for them.

PMG typically requests bids from 8 to 10 mail shops of the appropriate size and level of automation for each job we manage for our clients.



# MINIMIZING POSTAL COSTS

Many marketers believe that postage is a fixed cost. Fortunately, nothing could be further from the truth!

The first step is to make sure you are following appropriate data hygiene and merge purge processes. Not only do you want to ensure that every piece of mail is deliverable, but you also want to avoid wasting money sending duplicate mailings to the same household or address. To learn more about these crucial processes, check out our free eBooks at [www.mmirect.com/free-guides](http://www.mmirect.com/free-guides).

Once you've got a clean mailing list, postal logistics offers several techniques you can use to substantially reduce the amount you need to pay to have your mail delivered.

The basis for these savings is the U.S. Postal Service's work share program where they substantially reduce the postage they charge for mail pieces delivered to a mail facility close to its final destination. To achieve these savings, you have to sort your mailing into trays of at least 150 mail pieces going to the same 3-digit or 5-digit zip code and deliver the trays to one of the 21 Network Distribution Centers (NDCs) or 350 Sectional Center Facilities (SCFs) close to where the mail needs to be delivered.



There are two primary options for delivering your mail to multiple NDCs and SCFs:

- » **Drop Shipping:** You can hire a freight company or drop shipper to deliver your mail to the appropriate NDCs and SCFs. If your mailing is large enough, you can achieve postage savings of between 12% and 20% by drop shipping compared to delivering your mail to the nearest bulk mail entry unit. You need to be aware, however, that all drop shipped mail needs to be sorted, sleeved, tagged and strapped according to stringent postal service regulations and appropriate paperwork submitted to ensure its acceptance at its final destination.
- » **Commingling:** Another option is to work with a commingling company who will pick up your unsorted mail, mix it with mail from other sources, and ship it to the mail facility closest to its destination. We've found that clients of MailSmart Logistics (another PMG company) typically save about 12% in postage costs on the mail they commingle. Commingling also reduces your mail shop's labor costs as your commingler handles all of the sorting, sleeving, tagging, strapping, paperwork and shipping to the NDCs and SCFs.

Commingling offers other benefits too. Typically mail commingled by MailSmart Logistics arrives 2.4 days faster than if it were dropped off at the nearest USPS mail entry location, and you can follow the progress of your mailing through the mailstream for free with MailSmart Logistics' proprietary MailTracker service!

To learn more about commingling, please read our free eBook [Is Commingling Right for You?](#).

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***Stories from the real world:***

"A PMG client had an important fundraising event coming up, but they were way behind schedule for sending out the announcement. The client thought they'd have to send the mailing out by first class mail in order to get it in their potential attendees' hands in time, but they didn't have the budget to do so. When MailSmart Logistics was able to meet their delivery deadline by shipping the mailing directly to critical postal facilities for only 4% more than the basic commingling rate, the clients started calling me their 'Miracle Worker!'"

***Vicky Clark***

PMG Director of Operations

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## REAPING THE BENEFITS OF ANNUAL PLANNING

One of the most effective ways to cut your direct mail production costs is to do your planning on an annual basis rather than bidding each job separately.

This reduces production costs in two ways:

- » **Gang printing:** While every solicitation is going to be different, it is likely that some components (such as envelopes and return envelopes) will be the same for each of your mailings. Since printing 1 million envelopes at a time is significantly less expensive than printing 200,000 envelopes five times during the year, annual planning can save you real money.
- » **Contract pricing:** Like most service providers, printers will quote a reduced rate if they know they can count on work throughout the year.

In order to determine how much a company could save by planning annually, we asked for a series of bids for two companies. First, we asked for one-off bids to produce

each of a company's mailings throughout the year. Then we asked the same printers to quote on doing the mailings for the entire year. Here are the results:

COMPANY	MAILINGS PER YEAR	AVG. MAILING SIZE (# OF PIECES)	SAVINGS RESULTING FROM ANNUAL PLANNING
X	6	200,000	11%
Y	6	500,000	9%
Average			10%

In addition to the print production cost savings of about 10% you can expect to achieve, moving to annual planning should also allow you to reap substantial savings from your mail shop. Other advantages to annual planning include:

- » Your production manager, your printer(s) and your mail shop(s) will partner with you throughout the year to make sure you meet your objectives
- » By committing to commingle a larger number of pieces during the coming year, you can lock in a lower postal rate per piece with MailSmart Logistics



# WHAT TO EXPECT FROM A PARTNERSHIP WITH PMG

Sometimes the more you learn about an area, the more you realize that you'd be better off hiring experts to manage it for you. If you're interested in outsourcing the management of your production while cutting your direct mail costs to the bone, we'd love to talk.

When we're working together, PMG becomes part of your team. We'll use our decades of production management experience to get you the lowest bids, organize your production process to keep everything on schedule and on budget, and help you deal with any issues that come up.

PMG operates differently than a lot of other companies. We don't believe in making our clients change their way of operating to fit our processes; we build our processes to comply with our clients' preferred methods of working.

We'll continually look for ways we can add value to your program and help fulfill your mission. And, if it's helpful, we can bring in experts in postal logistics, list management, and multi-channel marketing from our sister companies to save you even more.

“

“With the millions of pieces we put in the mail each year, there's so much that can go wrong with production. But with PMG, it's always a top-notch job”.

***Lee Freedman, Director of Production***

World Wildlife Fund

”

**Sound interesting?**  
**Let's Talk!**

————— *Call Jim Paolucci at* —————

**(410) 290-0667**



# Want to Improve Your Direct Mail Production?

Take our 10 question quiz to  
identify simple ways to improve  
your direct mail production.

**Go to the Quiz!**



# How To Use Data Hygiene To Maximize Your Direct Mail's ROI

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mmidirect



Dear Reader,

As you're probably aware, following strong data hygiene principles can be every bit as important to the return on investment your mailing attains as having a strong message and an attractive mail piece. During the 40 years I've been helping clients use data hygiene to clean up their mailing lists, I've learned that there's a lot of confusion about how to accomplish this.

I wrote this eBook to explain the actions you should take to ensure that the addresses on your mailing list are deliverable and that your mailing is being sent to those most likely to respond to your mailings.

The eBook starts by explaining the tools available to improve the deliverability of your list and the categories of addresses you may wish to exclude from your mailing. Since the secret to making sure you're mailing to the most responsive names is to set up and analyze well-designed tests, the next chapter covers exactly how to do so. Finally, we explain how to make sense of the data-filled reports you get from your data processing software or consultants, and the important questions you'll want to use them to answer.

After following the processes in this eBook, the vast majority of the addresses on your mailing list should be deliverable and the addresses most likely to be nonresponsive will have been eliminated. The last step you'll want to take before finalizing your list is to make sure you're not sending more than one copy of a particular mailing to an individual or household. Our next eBook will explain how to optimize your merge purge process to accomplish this.

I'm thrilled to pass this hard-earned knowledge along to you and hope you find it useful. However, if you find all of this a bit overwhelming and would prefer to rely on experts to manage your lists, the last chapter outlines what you can expect from a partnership with MMI Direct.

**Hang on tight – here we go!**

Marvin Dawson, Vice President

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# Making sure records are deliverable

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Nothing is more wasteful than paying to mail something that is undeliverable. Not only does such a mail piece not get seen by the person you think would likely find it interesting, it doesn't get the chance to convince anyone at all!

We recommend that every list be processed through at least the first two steps outlined on the next page prior to every mailing, and periodically through the third step:

# 1 Coding Accuracy Support System (CASS) Certification:

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The introduction of the nine-digit zip code in 1983 ushered in a substantial improvement in mail delivery. The additional 4 digits allow each street (and sometimes each house or apartment building) to have its own unique zip code, dramatically improving the accuracy of both automated mail processing and sorting at the local post office.

CASS Certification software evaluates the accuracy of the provided addresses and improves the quality of the address through address standardization, zip code correction, zip + 4 append, and carrier route code append. It also adds a delivery point barcode as part of matching to the Delivery Point Validation database. Finally, through the LACS (Locatable Address Conversion System) process, CASS converts old-style addresses (e.g., addresses like "Rural Route 1") to modern street names.

This pre-processing is considered so crucial by the U.S. Postal Service that they require your list to be CASS Certified no more than 180 days prior to the date you send out a mailing in order to qualify for postal discounts.

# 2 National Change of Address (NCOA):

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The U.S. is a very transient country. With over 11% of all Americans moving in a typical year, keeping your direct mail list up-to-date is an ongoing challenge.

The USPS keeps a list of every one who has filed a Change of Address form and updates the list every week. Checking your list against the NCOA database allows you to reach your prospect, customer or donor almost immediately at their new address. This is doubly important for standard class mail, since the Post Office charges extra to forward bulk mail.

In order to qualify for reduced postal rates, the USPS requires you to process your list through NCOA or a similar USPS-approved process within 95 days of a mailing.

## 3 Proprietary Change of Address (PCOA):

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Unfortunately, as many as 40% of Americans who move don't bother to file a change of address notice with the USPS. However, even those who didn't change their address with the post office probably did notify their cell phone company, cherished magazines, and other companies they did not want to lose touch with. So a consortium of these organizations banded together in 1995 to share this information with each other and make the data available to data processing services like MMI Direct.

PCOA processing is not required by the USPS and there is, of course, a separate charge for it. It is definitely worth testing to see whether running your list through the PCOA database pays out in terms of higher returns on your mailings. Fortunately, while PCOA processing used to cost several times more than NCOA, PCOA's cost has dropped substantially in recent years.

Assuming the benefits of PCOA do pay out for your list, you also need to determine how frequently you should use it. Relocation rate is heavily dependent upon age -- Americans in their twenties move nine times more frequently than those in their seventies, for example. It is also heavily dependent upon income, with almost twice as many Americans earning less than \$5,000 a year moving in 2012 (13%) compared to those with an annual income of over \$100,000 (7%). So it may make sense for managers of lists consisting primarily of older, wealthier donors to run their full house list through PCOA far less frequently than a company whose target audience is young gamers.



# Choosing Addresses To Omit From A Mailing

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Deciding what types of addresses to exclude from a mailing is surprisingly complex, and your decision may change depending upon whether you are dealing with your house list or a rented acquisition list. We'll consider the questions you want to ask by category.

## Types of addresses typically omitted from mailings

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While there are undoubtedly businesses that would find it profitable to mail to one or more of the following categories of addresses, some will not. These are the types of addresses we almost universally recommend excluding from a mailing:



**Jails or Prisons:** There are few organizations for whom prisoners are likely customers or donors.



**Military:** Because of the likelihood they may be stationed overseas or living on a ship for extended periods, military personnel with APO or FPO addresses are typically excluded from mailings.



**Nursing Homes:** Residents of nursing homes are often not in a position to decide on a purchase or to make a donation.



**Trailer Parks:** If your product is priced higher than a resident of a trailer park is likely to be able to afford, you may want to omit such addresses from your mailing list.



**Vacant Lots:** Mailing to an address where the house is unoccupied and there is no forwarding address rarely makes sense. If there is no house or other structure on the property and you're not a builder, investor or real estate agent, it's hard to imagine that mailing to such an address will pay out.



**Disaster Areas:** If an area has recently been hit by a natural disaster, you should strongly consider either postponing the mailing or excluding the area from your mailing. Not only are any remaining residents likely to be focused on basic survival issues, but mail delivery is often suspended for extended periods following major disasters.

 **Addresses That Contain Profanity or Buzz Words:** Disgruntled people will sometimes add an offensive address to a list for the purpose of angering the recipient. For 15 years, MMI has been continually updating a special data file designed to screen out addresses containing inappropriate words and phrases.

 **5- or 6-line Addresses:** Unusually long addresses are often chopped off on the envelope, causing the mail piece to become undeliverable. Even if your mailing can accommodate them, you may want to exclude such addresses if individuals in large companies are not part of your target market.

## Special Cases Requiring More Consideration

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There are a number of categories of addresses that may or may not make sense for you to mail depending upon your organization's target audience and the type of mailing you're doing:

 **Deceased Records:** First of all, if a family member has contacted your company to ask that no further mail be sent to the deceased, offer your condolences and immediately remove them from all future mailings. You should also periodically match your file against one or more of the databases that contain reported deceased records. However, it may not be a good idea to remove these records from your house list. The surprising reality is that mailings to deceased individuals often have a solid response rate. Perhaps the surviving spouse wants to continue to contribute to the organizations the couple used to support together, or perhaps the record was incorrectly flagged as deceased.

If you're dealing with a rented acquisition list, however, your decision is likely to be different. Since the family has no prior relationship with your organization, mailing to records flagged as deceased is less likely to be productive and we typically recommend cleansing such names from an acquisition list.



**DMA Pander:** People on the DMA Pander list have asked the Direct Marketing Association to remove their names from direct mail mailing lists. We strongly recommend that all such records be removed from an acquisition list. However, the people on your house list have expressed interest in your organization at some point and you should continue to mail to them unless they specifically request to be removed from your list.



**Records with Company Names:** If your target audience is consumers, you may want to drop any names with a business address. In practice, the majority of our clients in this situation drop names with a business address from acquisition lists but keep them on house lists.



**No Names:** If you are soliciting individuals and there is no name in the record, there are several factors you might want to consider. If your mailing doesn't have a lot of personalization and the demographics of the address are good, you may want to keep the record and add "Current Resident" or "Friendly Neighbor" as the first line of the address.

Separately, if there is a company name and businesses are part of your audience, mailing to the record may be appropriate. You may wish to add a title such as "Chief Marketing Officer" to route it to the appropriate person in the company.



**Unique Zips:** Large facilities like the Pentagon or major universities have their own zip codes. If you are doing a mailing to consumers, you may want to avoid having your mail piece get lost in the mail room of such as a large organization.

## Addresses with Questionable Deliverability

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Finally, there are special categories of records that may or may not be deliverable:



**CASS Rejects and NoPlus4 Records:** If there's a major problem with the records – there's no street address or the zip code is in the wrong state – it should be removed from the mailing. However, if the zip code is in the right city but CASS couldn't append the zip+4 code, don't automatically drop the record; it may well be delivered. Look at the flags or footnotes CASS appended to your file and choose which records to drop based on the type of error CASS indicated.



**NCOA Nixies:** This person filled out a change of address form with the U.S. Postal Service, but did not provide a forwarding address. You may be able to identify a forwarding address for some of these records through the PCOA database. If not, these records should be dropped from your mailing as they will not be delivered.



**Potential Nixies:** When this record was processed through the NCOA database, it was close to an address for which a change of address form was filled out. However, the match wasn't exact enough for the USPS to provide a new address. Again, you may be able to identify a forwarding address by using PCOA. If not, study the footnotes USPS assigned to these potential nixies so you can determine whether they are likely to be deliverable or not.



**Temporary Moves:** Many people file a temporary change of address with the Post Office when they take a long vacation or move south for the winter. These records are removed from the database 30 days prior to their reported date of return, so if you've done the NCOA processing immediately prior to your mailing, you might want to exclude these records from your upcoming mailing.



# Testing Key Data Hygiene Decisions

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One of the most exciting things about direct mail is that you can use hard data to make important decisions rather than relying on guesswork. This chapter explains how to conduct testing for the two primary types of questions you'll want to test.

## Testing The Responsiveness of a Type of Address

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Determining whether it makes sense for your organization to mail to a particular category of addresses (such as military personnel or those without Zip+4 addresses) typically requires 4 steps:

**1** Include these addresses in a mailing in such a way that their results can be analyzed separately

---

If you want to test whether mailing to deceased members pays out, for example, a component of the source code should indicate whether a particular record has been flagged as deceased.

If you don't want to create separate source codes, an alternative is to provide your service bureau with the responses to the mailing and ask them to break out results by category after the mailing.

**2** Determine the response to the mailing by category

---

Calculate the response rate and average return per customer for the address categories you tested and see how this compares to the rest of the mailing and to company averages.

For example, if there were 63 responses and a total of \$2,105 donated from a mailing sent to 5,000 deceased records, your response rate and average return would be as follows:

$$\text{Response rate} = \frac{\text{Number of responses} \times 100}{\text{Total mailed}} = \frac{63 \times 100}{5,000} = 1.26\%$$

$$\text{Average return} = \frac{\text{Dollars of revenue}}{\text{Number of responses}} = \frac{\$2,105}{63} = \$33.41$$

### 3 Calculate whether mailing to this type of address pays out

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To calculate pay out for this segment of the mailing, compare the cost of mailing to these addresses to the revenue that accrued:

$$\begin{aligned} \text{Mailing Cost} &= \frac{\text{Number of pieces} \times \text{Total cost of mailing}}{\text{Total pieces mailed}} \\ &= \frac{5,000 \times \$42,400}{81,500} = \$2,601 \end{aligned}$$

Since the company paid \$2,601 to receive \$2,105 in donations, mailing to these deceased records did not pay out.

## 4 Compare the return for this segment to company objectives

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Even if a mailing doesn't cover its costs, however, it may still meet company objectives. The reason for this is simply that many donors will give more than once, making the long-term value of a new donor higher than the revenues from this first donation.

Every organization's objectives are different, and you should compare the response of the tested segment to company goals before concluding whether it makes sense or not to omit these types of addresses from future mailings.

## Testing Whether PCOA is Cost-Effective

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In order to determine whether the response rate of a PCOA-improved list is higher than that of the original list, companies typically split the PCOA-updated addresses into two separately-coded segments. Half of the records are mailed to the new address PCOA has provided and half are mailed to the original address in the file.

In order to determine whether the improved deliverability of the PCOA segment brought in enough additional revenue to offset the cost of PCOA processing, compare the response rate and dollars of revenue of the two segments.

## The Importance of Retesting

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We recommend retesting your key data hygiene decisions every two to three years. Just because a test five years ago found that a certain category of addresses should be omitted or that PCOA did not pay out for your company list does not mean that the same thing holds true today.



# Understanding Your Data Hygiene Reports

---

The reports you receive from your data processing team contain a wealth of interesting information. The following sections explain how to read the List Hygiene and List Processing reports and the questions they're designed to answer.

## The List Hygiene Report

The List Hygiene Report shows what changes were made to clean up the data file as it was run through CASS, NCOA and PCOA. Your report will likely look similar to the following:

Description	Select	Input	Zip + 4	Zip +4%	Zip Corr	Zip Corr%	Moves w/ New Address
House List	A	30,140	29,988	99.50	61	0.20	1,082
House List	B	29,014	28,860	99.47	44	0.15	1,572
House List	C	20,131	20,023	99.46	38	0.19	1,364
Acquisition List A	\$10 + 24 Month Donors	95,973	95,829	99.85	0	0.00	1,053
Acquisition List B	Active Subs	60,922	60,731	99.69	18	0.03	433
Acquisition List C	Donors/Activists	10,004	9,985	99.81	5	0.05	196

Description	Select	Moves w/o New Address	Moves %	PCOA Moves w/ New Address	PCOA Moves %	Apt Number Appended / Corrected	Addresses Enhanced
House List	A	100	3.92	1,825	6.06%	136	3,782
House List	B	100	5.76	2,066	7.12%	144	4,575
House List	C	103	7.29	1,672	8.31%	79	3,689
Acquisition List A	\$10 + 24 Month Donors	184	1.29	250	0.26%	22	1,722
Acquisition List B	Active Subs	160	0.97	1,070	1.76%	267	10,700
Acquisition List C	Donors/Activists	54	2.50	224	2.24%	73	748

Each row covers a different segment of records. One row may consist of donors in the house file who've given \$50.01 to \$75.00 in the last three months, for example. Another row may include acquisition list records for donors who gave at least \$10 in the last 24 months to another company in your industry.

The columns contain the following information for each category of records:

- **Input:** The total number of records in the original file.
- **Zip + 4:** The number of records containing a nine-digit zip code after CASS processing.

- **Zip Correction:** The number of records for which the original zip code was found to be incorrect.
- **Moves with New Address:** The number of records for which the recipients have filed Change of Address notifications that included their forwarding address with the USPS. These records have been updated with the new address.
- **Moves without New Address:** The number of records that NCOA flagged as moves but for which no forwarding address is known, the box is closed, or the new address is out of the country. These types of records are referred to as "NCOA Nixies".
- **PCOA Moves with New Address:** The number of post-NCOA records for which PCOA identified a new address.
- **Apt. Number Appended/Corrected:** The number of records for which PCOA was able to add or correct information about the apartment number.
- **Addresses Enhanced:** The total number of records whose addresses were made more deliverable during one or more of the processing steps. This total includes the number of records for which a nine-digit zip code was added by NCOA, a number that is not separately reported in the report.

In most cases, the column containing a count of the number of records meeting a certain criteria is followed by a column showing what percent of the total file these adjustments represent.

The List Processing Report provides answers to three important questions:

## 1 How clean were the original files in the mailing?

---

If 11% of the records in a file were updated with new addresses, it is likely that this file isn't being run through NCOA on a regular basis. This doesn't necessarily mean that it is a bad file; more likely, it is not being mailed to frequently.

## 2 Could a processing step have been inaccurately performed?

---

If none of the records in a particular group were updated with new addresses, there's a good chance that an earlier processing step messed up the name or address fields.

## 3 Do any of the acquisition lists look suspect?

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For example, if a list that purports to consist only of donors who've given in the last 3 months has a 10% hit rate for new addresses, this list is probably not as described.

## The List Processing Report

The List Processing Report shows the records that were dropped from the final mailing list for various reasons prior to merge purge operations. Your List Processing Report probably looks somewhat like this one:

Description	Segment	Provided Input	Conversion Rejects	Deceased Rejects	NCOA Undeliverables	DMA Pander Rejects	Prison Rejects	Profanity Rejects
House List	A	30,140	0	440	98	379	0	29
House List	B	29,014	0	573	98	363	3	33
House List	C	20,131	0	419	99	287	1	28
Acquisition List A	\$10 + 24 Month Donors	95,973	0	464	181	4	0	0
Acquisition List B	Active Subs	60,925	3	672	160	6	566	50
Acquisition List C	Donors/Activists	10,005	1	601	54	72	3	21

Description	Segment	CASS Rejects	Military Rejects	No Name Rejects	Vacant Rejects	Company Rejects	Total Rejects Prior To Merge	Merge Purge Input	Percent Kept
House List	A	78	6	11	214	113	1,368	28,772	95.46%
House List	B	79	4	4	231	168	1,556	27,458	94.64%
House List	C	51	5	10	174	146	1,220	18,911	93.94%
Acquisition List A	\$10 + 24 Month Donors	8	1	0	64	0	722	95,251	99.25%
Acquisition List B	Active Subs	97	1	397	166	1	2,119	58,806	96.52%
Acquisition List C	Donors/Activists	1	0	11	59	0	823	9,182	91.77%

The numbers in this report reflect the number of records which were dropped from the list for different reasons.

If you have chosen not to remove a certain category of records (such as deceased records on your house list, for example), these columns will show 0. A short explanation of each of these categories follows:

- **Provided Input:** The original number of records in the data file.
- **Conversion Rejects:** Attempting to convert the address to a standardized format resulted in an unusable address. This often occurs with international or blank addresses.

- **Deceased Rejects:** The number of individuals reported to have deceased whose records have been removed from the list.
- **NCOA Undeliverables:** NCOA believes these people moved, but no forwarding address is on file.
- **DMA Pander Rejects:** These people have requested to not be sent unsolicited direct mail.
- **Prison Rejects:** These records are addressed to a prison or jail.
- **Profanity Rejects:** These addresses contain obscenities or buzz words.
- **CASS Rejects:** These addresses were judged not to be deliverable during the CASS Certification process.
- **Military Rejects:** These addresses are on a military base.
- **No Name Rejects:** Record does not contain an individual's name.
- **Vacant Rejects:** No one is believed to live at this address, either because the house is vacant or this is a vacant lot.
- **Company Rejects:** Record appears to refer to a company address.
- **Total Rejects Prior to Merge:** The number of total records which were dropped from the mailing list for one of the reasons identified above.
- **Merge Purge Input:** The number of original records less those rejected for any reason during data hygiene processes.
- **Percent Kept:** The percentage of the original list that has successfully completed all data hygiene operations and is being forwarded to merge purge.

Rather than learning the ever-changing intricacies of data hygiene and merge purge themselves, many companies prefer to hire an expert to do it for them. If you're in the market for data processing assistance, we'd love to earn your business!



# What To Expect From A Partnership With MMI Direct

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Our principals have been managing data hygiene and merge purge operations for a wide variety of companies for 40 years. We eat, breathe & dream about data!

We approach every client's project with a fresh eye. There's no cookie-cutter approach with us -- we dive into your business to understand what makes it unique so we can recommend only those list management processes which will cost-effectively meet your objectives and goals.

We pride ourselves on providing our clients with the best results as inexpensively as possible. Because we approach each new project as the start of a long-term partnership, we're proud to report that few of our clients ever leave us!

“

Working with MMI Direct is like having another team member on our projects. They understand how important deadlines are in our business and always help me meet them – even when lists are late.

No matter how many projects are active or how they change, MMI is always on top of it, managing all the little details, which in this business is what it's all about. The team is always going above and beyond what's required, helping us to prevent problems and avoid delays. I could not imagine working with anyone else to get my data processed correctly and on time.

”

**Melissa Young**

Vice President of Marketing,  
New Market Health

Sound Interesting?

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---



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# Understanding Your Merge Purge Reports

You probably receive several reports from your merge purge service provider during the course of preparing a file for a new direct mail campaign. Although they look confusing at first glance, these reports actually contain a lot of interesting information. Read on for a short course in how to read them.

**Merge Purge Summary Report:** This report analyzes the overlap of names between multiple lists, and probably looks something like this:

File Code	Description	Segment	Merge Purge Input	Multi Drops	Single Drops	Suppression File Drops
72825	List 1	L13-24 \$10+	14,149	1,679	3	444
72826	List 2	L12 \$10+	77,770	5,670	118	8,732
72827	List 3	Active Donors	14,623	2,546	14	1,102

File Code	Description	Segment	Single-Buyer Output	Multi-Buyer Output	Merge Purge Output	Percent Kept
72825	List 1	L13-24 \$10+	10,972	1,051	12,023	84.97%
72826	List 2	L12 \$10+	60,970	2,280	63,250	81.33%
72827	List 3	Active Donors	9,722	1,239	10,961	74.96%

The columns refer to the following:

**Merge Purge Input:** The number of names on the list after completion of the data hygiene process.

**Multi-Drops:** The number of multi-buyer records that were dropped from this list because their duplicate was retained on another list.

**Single Drops:** The number of records dropped because they appeared more than once on this list.

**Suppression File Drops:** The number of records that were eliminated because they matched with an internal suppression file.

**Single-Buyer Output:** The number of records on this list that appeared on only one list in this merge purge process.

**Multi-Buyer Output:** Records that occurred on more than one list.

**Merge Purge Output:** The total number of records remaining on this list after the merge purge processes that are ready to be mailed to.

**Percent Kept:** The percentage of the merge purge input records that remain on the final list.

# Understanding Your Merge Purge Reports - 2

**Multi-Buyer Summary:** This report shows the number of multi-buyers on each list and how many different lists they were found on. For example, 813 of the records on List 1 were also on List 2 or List 3, and 238 of the records were on all three lists.

File Code	Description	Segment	Multi-Buyers	2-Time	3-Time
72825	List 1	L13-24 \$10+	1,051	813	238
72826	List 2	L12 \$10+	2,280	2,042	238
72827	List 3	Active Donors	1,239	1,001	238

**Match Analysis Matrix:** This report is useful in identifying potential issues as it analyzes the degree of overlap between different lists. For example, if there is an unusually high hit rate between two segments of the same list, it may indicate that the first segment wasn't omitted from the second list when that list order was fulfilled.

	72823	72791	73102	72792	7
72788	0.8	1.0	8.1	12.3	
72819	0.3	0.2	1.4	2.7	
72789	4.6	0.1	1.0	1.4	
72790	4.3	0.2	2.6	4.0	
72823	0.1	0.1	0.6	1.2	
72791	0.5	0.0	<b>58.1</b>		
73102	0.3	7.8	0.2		
72792	0.7	0.7	5.4		
72793	0.3	0.2	1.5		
72794	0.8	0.6	5.6	9.6	

72791  
List 10  
L24 \$10+  
73102  
List 10  
L24 \$0-4.99

Feeling a little overwhelmed? Our team of experts have been eating, breathing & dreaming about list optimization for decades, and we'd love to help.  
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# Understanding Data Hygiene

Data hygiene makes sure records in your mailing list are deliverable to responsive addresses by accomplishing two primary goals:

**Making Sure Addresses are Deliverable:** Nothing is more wasteful than paying to mail something that is undeliverable. Avoid doing this by completing at least the first two of the following steps before each new mailing:

- **Coding Accuracy Support System (CASS) Certification:** CASS Certification software improves the addresses on your mailing list by standardizing them, adding nine-digit zip codes, and creating delivery point barcodes for each address. CASS also converts old-style addresses like "Rural Route 1" to modern street names.
- **National Change of Address (NCOA):** With about 11% of all Americans moving each year, keeping your direct mail list up-to-date is an ongoing challenge. Processing your list through NCOA updates all your records for which a Change of Address form has been submitted to the U.S. Postal Service with the correct forwarding address.
- **Proprietary Change of Address (PCOA):** Unfortunately, as many as 40% of Americans who move don't bother to file a Change of Address notice with the USPS. However, they usually do notify their cell phone company, cherished magazines, and other companies they don't want to lose touch with. By comparing your list to a database of address changes maintained by a consortium of such companies, you can further improve your list's deliverability.
- **Omitting Non-Responsive Addresses:** There are a number of types of addresses that have far lower response rates than typical. For example, most businesses will find that mailings addressed to jails or prisons, military personnel, nursing homes, trailer parks or vacant lots are unlikely to generate much response. A thorough data hygiene process will remove these and other non-responsive address types from your list.

Want more information about how to use data hygiene to clean up your list or  
looking to have experts manage your list for you?  
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# When It Pays To Stop Mailing Someone

It's always difficult to know when to remove a previous donor from your mailing list. They obviously cared enough about your mission to donate at least once in the past; surely if you reach them with a beautifully-crafted appeal, they'll give again, right? Unfortunately, the answer is "not necessarily".

There's a science to determining when it makes financial sense to stop mailing a previous donor. MMI's chronic non-responder analysis examines the past 3 years or so of your mailings and the responses you received from each. By looking at the number of times a donor has been mailed and the responses received from each mailing, we can determine the point at which there is such a low likelihood of response that you're losing money continuing to mail to someone.

Rather than suppressing these records forever, an interim option is to skip a few mailings and then mail them again. It's possible you've been mailing this group of previous donors too frequently or they are going through a financially-challenging period; perhaps when they hear from you again after a break, they'll reengage.

Because the behavior of donors changes, you shouldn't do a chronic non-responder analysis just once and rely on its findings for years to come. We recommend redoing your chronic non-responder analysis at least once a year to see if the results have changed.

If you're intrigued by the idea of using analytical tools to optimize the return on investment of your direct mail campaigns, we'd love to work with you.  
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# Using Data Enhancement to Increase Response Rates

As your database has grown over the years, names have undoubtedly been added in a variety of ways. Perhaps one of your sales people picked up a business card at a convention or a memorial donation was made in honor of a friend. Unfortunately, a lot of the people in your database will never make another donation or buy your product. How do you separate the names that are worth continuing to contact from those that aren't?

Enter data enhancement. Modeling organizations have built massive databases containing data on billions of transactions. One way you can take advantage of this treasure trove of information is to append useful data to your database, such as demographic information or email addresses, which would allow you to better personalize your marketing campaigns and possibly extend them across multiple channels.

You can also utilize the data in these powerful databases for predictive purposes. Modeling analyses can identify the factors that people donating to particular causes tend to have in common. These factors may include demographic characteristics such as age, sex, occupation, education or geographic location, but also may include product use patterns or a person's interests. So, in addition to fleshing out the data in your database, a modeling company can analyze each record in your database and predict how likely this person is to respond to a mailing from you.

Modeling companies can take things even further. In addition to telling you which names are not likely to contribute, they can also recommend records to replace them with that are much more likely to be responsive to your appeal.

Data enhancement can be a powerful way to increase the response rate of your mailings.  
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# How to Reactivate Lapsed Donors

According to the Association of Fundraising Professionals' 2016 Fundraising Effectiveness Survey of 9,922 nonprofits, only 46% of donors who contributed to a nonprofit in 2014 made a repeat gift in 2015. In other words, more than half of each organization's donors from the previous year disappeared!

Since a marketing rule of thumb is that it costs 5 to 7 times more to acquire a new donor than to successfully resolicit an existing one, rekindling the interest of these donors should be a top priority of every nonprofit. The question is how to effectively do so.

The first thing to realize is that these donors probably don't see themselves as having "lapsed"; they most likely still consider themselves active supporters of your organization. Celebrate their past giving and rekindle their passion for your cause by sharing stories of how their gifts made a big difference. Creating a compelling, donor-focused newsletter or video that tells stories about how your organization helped specific individuals or communities can be highly effective in accomplishing this.

If your lapsed donors contributed to a specific campaign, make sure your reactivation piece includes stories about the impact your organization is making in areas you know they're interested in. For example, if someone donated to help hurricane victims in Haiti, tell stories about the home your organization built for a young family and about the well you dug which brought clean water to a town. If you're helping with the aftermath of a similar tragedy somewhere else today, you can then segue to describing your current needs.

It is important to realize that lapsed donors can be quite different. Some will have given once and never again; others may have given faithfully for many years. You will be most successful if you approach these groups differently in your reactivation efforts.

The Audubon Society of Rhode Island created a very interesting campaign for long-time donors who had recently let their membership lapse. Rather than berate them for not continuing to contribute, Audubon thanked them for their many years of support with a handwritten, personalized note, described the impact their previous donations had had, and extended their membership for free for another year. Amazingly, 50% responded to this non-appeal by paying for their annual membership and 25% actually donated more than the annual fee!

One group worthy of extra attention is lapsed donors who are still actively contributing to similar organizations. Identify these high-potential lapsed donors by running a merge purge operation that compares your lapsed files to acquisition lists you're renting. Then reach out to each of these individuals in a carefully-considered, personalized way.

Developing an effective reactivation program can be time-consuming. Done well, however, you're sure to find that the returns make it very worthwhile.

Do you need assistance reactivating your donor list? Call us at **410.561.1500**.  
Learn more at [www.mmidirect.com](http://www.mmidirect.com).

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**WILL YOU MAKE A DONATION OF  
\$250, \$100 OR \$50 TO SUPPORT OUR  
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## **Optimizing Your Ask String**

One of the most crucial elements of an effective solicitation letter is to ask for a donation of the right size. If a donor has given \$100 to you twice before, you are leaving cash on the table if you suggest a donation of \$25. Alternatively, if a donor never gives more than \$15 to any organization, you shouldn't ask them for "\$100, \$50 or \$25", as you are likely to receive nothing.

It is typically recommended that the lowest suggestion on your ask string match the largest donation this donor has made in the past, rounding up slightly if necessary to reach a common donation amount. This low ask should be preceded by two higher asks featuring amounts that are significantly higher but not unreasonable for this level of donor.

Choosing the appropriate ask string for records on your house list tends to be straightforward, as you can base your request on what that individual has given you in the past. For records on acquisition lists, however, you're flying blind because you have no giving history.

A solution you may want to consider is to work with a modeling organization. Because they have massive databases containing billions of records, they can recommend an appropriate ask string for most individuals based upon their donations to similar organizations.

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# Optimizing Your Merge Purge Operations

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## Dear Reader:

Having spent decades managing the merge purge operations for a multitude of clients, I consider the merge purge decision-making process to be fairly straightforward. However, because it can seem like Greek to people relatively new to the field, I've written this eBook to demystify the merge purge techniques you should utilize.

The first step in preparing for a new mailing is to ensure that all addresses are standardized and deliverable. Should you need a refresher, our first eBook, "[How to Use Data Hygiene to Maximize Your Direct Mail's ROI](#)", explains exactly how to accomplish this.

This eBook begins by outlining what you should take into account as you choose match criteria to dedupe your list. For each set of duplicates you find, I then explain how to choose the best record to keep. Once you have a deduped list, there are several exciting options you should consider, such as marketing again to multi-buyers and using modeling to further optimize the records on your list and choose the best ask strings.

Finally, I explain how to read the reports you get from your list management software or consultants.

And because it is sometimes easier to follow an example versus general rules, I've included a case study that walks you through the merge purge processes a hypothetical company, Environmental Stewards, might take in preparation for their next mailing.

I hope you find this eBook helpful in understanding merge purge operations. However, if you feel a bit overwhelmed and would prefer to rely on experts to optimize your prospecting efforts, the last chapter outlines what you can expect from a partnership with MMI Direct.

**Thanks for your interest, and good luck with your prospecting!**

Marvin Dawson, Vice President

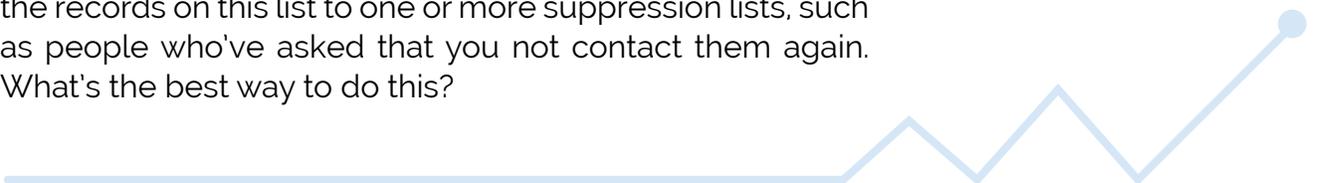
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# Identifying Potential Duplicates

If you've collected names from a number of sources, there are likely to be quite a number of duplicate records on your combined list. You will also undoubtedly want to compare the records on this list to one or more suppression lists, such as people who've asked that you not contact them again. What's the best way to do this?



## Choosing the Appropriate Deduping Level

---

The first decision you need to make for each dedupe process is what level of deduping best meets your organization's needs. Do you want to send separate pieces of mail to two different individuals at the same address? How about two different families at the same address? The way you answer these questions will help you determine which of the following consumer-focused matching levels would be best for your organization:

**INDIVIDUAL:** Avoid sending duplicate mailings to a particular individual by flagging records where the first name, last name and address all match.

**HOUSEHOLD:** If you don't want to send more than one mailing to a particular household, this type of matching flags records that share the same last name and address as duplicates.

**RESIDENT:** If you want to avoid sending more than one mailing to a particular address, use resident matching to flag all records with the same address.

## Selecting Match Tightness Criteria

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The second major decision you need to make is how tight you want your match criteria to be.

Because people's names get on lists in a variety of ways, misspellings, nicknames and abbreviations are rampant. While the data hygiene process does a good job of standardizing addresses, first and last names can vary widely. For example, is "John Martin Cook, Jr." the same person as "Johnny Cook"? How about "Martin Cook" or "John Cooke"?

Fortunately, matching software knows how to take common nicknames into account, and will mark "Bob" as equivalent to "Robert".

But after nicknames are taken into account, imagine giving each set of two records a score between 1 and 100 based on how similar the two names are. If every character of the two records is identical, it would score a 100; if no character is the same, it gets a 0. You can then choose which of the following levels of matching you want to use based upon the two records' matching score:

<b>Exact:</b>	<b>100</b>
<b>Tight:</b>	<b>90 - 99</b>
<b>Medium:</b>	<b>75 - 89</b>
<b>Loose:</b>	<b>60 - 74</b>

To make things even more complicated, you can set different levels of matching for different elements of the two records. For example, if you want to err on the side of not dropping individuals who have donated before from your list, even if they live at the same address, you might require the name to be a tight match, the address a medium match, and the zip code to be exact in order for two records to be flagged as duplicates.

As you choose the appropriate matching level and match criteria for two lists, think through the consequences of eliminating a record inappropriately or of not eliminating a record that is a match, and adjust accordingly.

## Multiple Merge Purge

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One thing important to note is that different match analyses do not need to be run sequentially. You can set up a multiple merge process that simultaneously tests lists for a variety of different matches, specifying different match criteria for each step.

## Case Study: Identifying Duplicates

Environmental Stewards, a hypothetical nonprofit whose mission is to protect the environment, is getting ready to send a solicitation to 75,000 environmentally-conscious individuals, a significant number of whom they hope will become new donors to their organization.

Their preliminary list combines records of donors who have given to one of three similar environmental organizations during the last two years. They have purchased the rights to mail each of these people once.

Environmental Steward's letter has been designed to encourage low-dollar, first-time donations. Because of this, it is absolutely crucial that this mailing not be sent to major donors who have previously given \$5,000 or more to the organization. Nor does the company want anyone else in the same household as the major donor to receive the mailing. Therefore, the first step in the merge purge process is to match the combined list of all potential records against Environmental Steward's Major Donor list using loose match criteria on a household level.

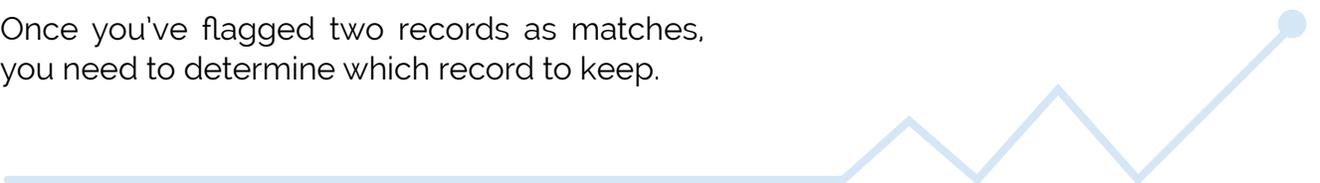
The team would also like to remove any previous Environmental Steward donors from this list. However, if a donor who gave \$50 to the organization last month were to receive another solicitation, it wouldn't be a big deal. Therefore, the second dedupe process they run is to match their recent, low-dollar donor file to the new acquisition list using tight, individual match criteria.

Finally, Environmental Stewards matches the three rental lists against each other using medium-tight residential match criteria to flag the multi-buyers who are on more than one of these lists.



# Choosing The Best Records To Keep

Once you've flagged two records as matches, you need to determine which record to keep.



## House Lists

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If one of the records is on your house list, the answer is simple. You will almost always keep the house record, because it makes no sense to pay to acquire a name that you already own and have a history with.

## Acquisition Lists

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However, if the same name appears on two different acquisition lists, you and your List Broker have several options for setting ranking priorities:

- **Rank Lists By Order of Cost:** If names on one list cost \$40/thousand and the other list costs \$100/thousand, it makes sense to choose the name on the less expensive list as long as your list agreements don't prohibit this type of ranking priority.
- **Rank Test Lists Higher:** If this is the first time you are using a particular list, you might want to give names on it a higher priority than your continuation list in order to give the new list the best chance of proving its worth.
- **Rank Test Lists Lower:** Alternatively, if you're primarily interested in tapping into a new universe of names (and assuming your list rental agreements don't prohibit this), you might rank a new list lower than your continuation list in order to determine whether mailing to its incremental, unique new names is worthwhile.
- **Random Selection:** Finally, if you want a clean read on the responsiveness of the names on different lists, you can decide which names to keep on a random basis.

### Case Study - Choosing The Best Records

The Environmental Stewards are testing samples of three different acquisition lists to see which lists have a higher return for them. Because they want to give each list an equal chance, they decide to randomly choose which record to keep for each match.



# Multi-Buyers

Records that are on more than one acquisition list are called Multi-Buyers. Since these people are contributing to more than one organization, multi-buyer records tend to perform better than those of single buyers. Your pricing arrangement with the list owner will determine how you can use these records.



If you've paid for all the names on the list that aren't suppressed and you have a record that occurred on two different lists, you've paid for this 2-time multi-buyer twice, and you have the right to mail them a second time. Similarly, you can send a third mailing to a 3-time multi-buyer who appeared on three lists.

Of course, if you're renting the names on a net net arrangement where you pay only for names that are mailed, this wouldn't be true.

## Case Study – Multi-Buyers

Among the three acquisition lists, 1,928 of the names were 2-time multi-buyers and 238 were 3-time multi-buyers.

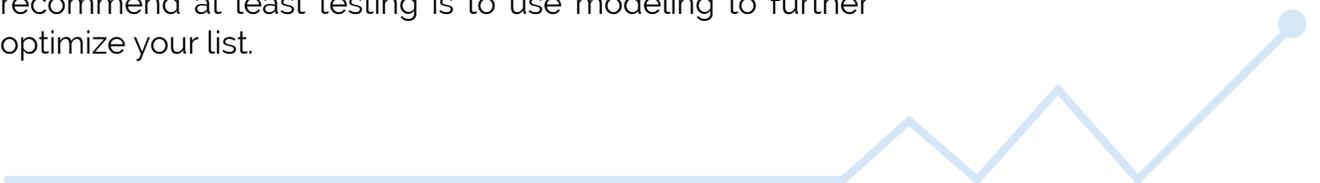
Environmental Stewards decides to do a separate mailing to all 2-time multi-buyers four weeks after the first mailing. If there is an adequate return on this mailing, they will consider mailing 3-time multi-buyers again six weeks later.

Because multi-buyers were identified on a household basis, the Environmental Stewards decide to address the second mailing to a different individual in the household if possible. For example, if John Smith and Mary Smith were identified as a household match and the first mailing was sent to John Smith, the second mailing would be addressed to Mary.



# Merge Purge Optimization

At this point in the merge purge process, you have a net file of all surviving names. An additional step we often recommend at least testing is to use modeling to further optimize your list.



Modeling organizations use massive databases containing billions of transactions to estimate the responsiveness of records to various appeals. This market segmentation analysis looks at demographic characteristics such as age, sex, occupation, education and geographic location, and can also potentially consider a person's interests and product use patterns. They can compare the demographics of records on your net file to those in their database to identify those individuals less likely to respond.

If you choose to drop the lower-scoring names, you can also decide to replace these names with other names that the modeling organization predicts will be more responsive.

As with every other decision, we highly recommend that you test the responsiveness of these various groups of names so you can see if it makes economic sense to use modeling for future mailings.

## Case Study – Merge Purge Optimization

The modeling organization discovered three distinct groups of individuals who were more likely to donate to environmental organizations like Environmental Stewards:

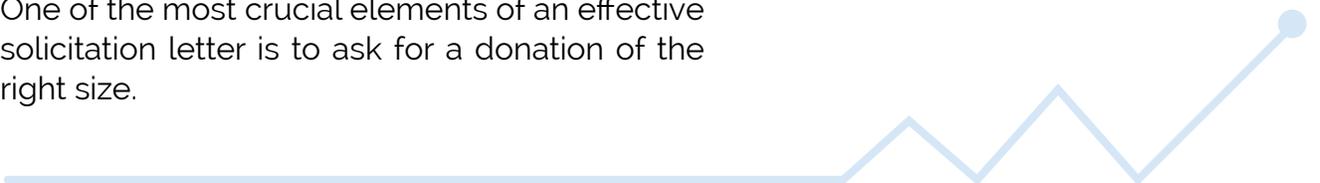
- College-educated, higher-income individuals
- Individuals of any educational level who lived within 50 miles of a major body of water and who enjoyed outdoor water-oriented activities such as fishing or boating
- Members of the Sierra Club

When the modeling organization matched the current list against these criteria, they flagged 12.7% of the records as being less likely to respond. Environmental Stewards decided to test the effectiveness of this modeling by mailing to half of the records the modeling organization flagged, and replacing the other half of the flagged records with names the modeling organization predicted would be more likely to respond. These two types of records were coded so that the results could be easily analyzed after the mailing.



# Ask String Optimization

One of the most crucial elements of an effective solicitation letter is to ask for a donation of the right size.



If a donor has given \$100 to you twice before, you are leaving cash on the table if you suggest a donation of only \$25. Alternatively, if a donor never gives more than \$15 to any organization, you shouldn't ask them for "\$100, \$50 or \$25", as you're likely to receive nothing.

Choosing the appropriate ask string for records on your house list tends to be straightforward, as you can base your request on what that individual has given to you in the past. For records on acquisition lists, however, you're flying blind because you have no giving history.

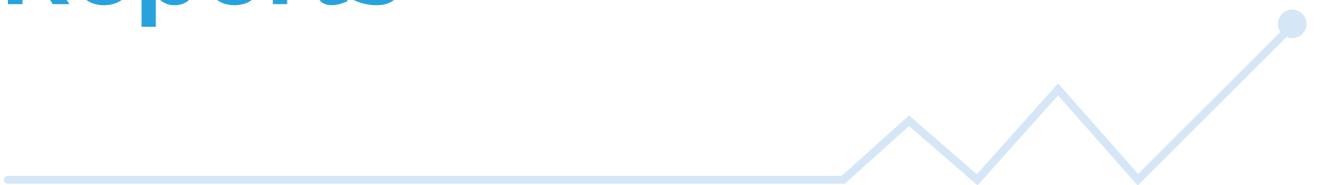
If you are working with a modeling organization, you can take advantage of their massive database by asking them to create a unique ask string for each record following criteria you set. Modeling organizations may have sufficient data to create an appropriate ask string for as many as 75% to 80% of the records on an acquisition list.

### **Case Study – Ask String Optimization**

Environmental Steward's modeling agency was able to recommend ask strings for 76% of the names on the acquisition list. Making the assumption that individuals who did not have a lot of transactions in the database were likely to be low-dollar donors, Environmental Stewards chose a default ask string of "\$100, \$50 or \$25" for the remainder of the records.



# Understanding Your Merge Purge Reports



## Merge Purge Summary Report

This report analyzes the overlap of names between multiple lists.

File Code	Description	Segment	Merge Purge Input	Multi Drops	Single Drops	Suppression File Drops
72825	List 1	L13-24 \$10+	14,149	1,679	3	444
72826	List 2	L12 \$10+	77,770	17,706	118	8,732
72827	List 3	Active Donors	14,623	2,546	14	1,102

File Code	Description	Segment	Single-Buyer Output	Multi-Buyer Output	Merge Purge Output	Percent Kept
72825	List 1	L13-24 \$10+	10,972	1,051	12,023	84.97%
72826	List 2	L12 \$10+	60,970	2,280	63,250	81.33%
72827	List 3	Active Donors	9,722	1,239	10,961	74.96%

The columns refer to the following:

**Merge Purge Input:** The number of names on the list after completion of the data hygiene process.

**Multi-Drops:** The number of records that were dropped from this list because their duplicate was retained on another list.

**Single Drops:** The number of records that were dropped because they appeared more than once on this list.

**Suppression File Drops:** The number of records that were eliminated because they matched with an internal suppression file.

**Single-Buyer Output:** The number of records on this list that appeared on only one list in this merge purge process.

**Multi-Buyer Output:** Records that occurred on more than one list.

**Merge Purge Output:** The total number of records remaining on this list after the merge purge processes that are ready to be mailed to.

**Percent Kept:** The percentage of the original number of records that remain on the final list.

## Multi-Buyer Summary

This report shows the number of multi-buyers on each list and how many different lists in this group that the buyers were found on. For example, 813 of the records on List 1 were also on List 2 or List 3, and 238 of the records were on all three lists.

File Code	Description	Segment	Multi-Buyers	2-Time	3-Time
72825	List 1	L13-24 \$10+	1,051	813	238
72826	List 2	L12 \$10+	2,280	2,042	238
72827	List 3	Active Donors	1,239	1,001	238

## Match Analysis Matrix:

This report is useful in identifying potential issues as it analyzes the degree of overlap between different lists. For example, if there is an unusually high hit rate between two segments of the same list, it may indicate that the first segment wasn't omitted from the second list.

	72823	72791	73102	72792	
72788	0.8	1.0	8.1	12.3	
72819	0.3	0.2	1.4	2.7	
72789	4.6	0.1	1.0	1.4	
72790	4.3	0.2	2.6	4.0	
72823	0.1	0.1	0.6	1.2	
72791	0.5	0.0	<b>58.1</b>		72791 List 10 L24 \$10+
73102	0.3	7.8	0.2		73102 List 10 L24 \$0-4.99
72792	0.7	0.7	5.4		
72793	0.3	0.2	1.5		
72794	0.8	0.6	5.6	9.6	

Rather than learning the ever-changing intricacies of data hygiene and merge purge themselves, many companies prefer to hire an expert to do it for them. If you're in the market for assistance with your prospecting efforts, we'd love to earn your business!



# What To Expect From A Partnership With MMI Direct



Our principals have been managing data hygiene and merge purge operations for a wide variety of companies for 40 years. We eat, breathe & dream about data!

We approach every client's project with a fresh eye. There's no cookie-cutter approach with us - we dive into your business to understand what makes it unique so we can recommend only those data hygiene & merge purge processes which will cost-effectively meet your objectives and goals.

We pride ourselves on providing our clients with the best results as inexpensively as possible. Because we approach each new project as the start of a long-term partnership, we're proud to report that few of our clients ever leave us!

"Working with MMI Direct is like having another team member on our projects. They understand how important deadlines are in our business and always help me meet them – even when lists are late.

No matter how many projects are active or how they change, MMI is always on top of it, managing all the little details, which in this business is what it's all about. The team is always going above and beyond what's required, helping us to prevent problems and avoid delays. I could not imagine working with anyone else to get my data processed correctly and on time."

**Melissa Young**  
Vice President of Marketing, New Market Health

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- Postal regulation compliance

Our postal logistics services get your direct mail campaigns delivered for less than Marketing Mail and Presort First Class rates, plus we expedite delivery and add no-cost services and tools.

We analyze every mailing to build your very best mail delivery strategy. We eliminate several USPS steps and provide maximum savings – on average 12% less than entry point.

We work with mail owners – both commercial and non-profit, agencies, printers and lettershops nationwide. Our postal logistics work for both Marketing Mail and First Class mailings and there are no minimums.

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*"MailSmart Logistics has enabled us to differentiate ourselves from other agencies, with no additional cost. We can now offer a valuable service to each of our clients which results in a postal saving from \$10K to \$75K per year."*

—Linda Webb, Stephen Winchell & Associates

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# What is Postal Logistics?

Postal logistics is a way of lowering your postage costs, speeding delivery of your mail and ensuring that you can track the mail as it travels through the system (and back to you, using our new Return Tracking feature!).

Postal logistics utilizes the workshare principles adopted some years ago by the Post Office: the more mail sorting and preparation that is done before a mailing reaches the mail stream, the lower the postage price you'll pay. And the closer you can get the mail to the recipient's mailbox before it enters the mail stream, the more efficiencies you will realize in both delivery time and price.

A good way to understand what postal logistics is and how it can benefit you is to first understand how a typical Entry Point mailing travels from post office to mailbox.

After a mailing is delivered to the local post office by the mail shop, it is taken to the Origin SCF (Sectional Center Facility) where it is combined with other mail so that it can travel to a larger, regional facility called an NDC (Network Distribution Center).

The mail is then resorted and sent to the nearest Destination Network Distribution Center (NDC) and Destination SCF where it is broken down, delivered to individual post offices and then delivered to individual mailboxes. As you can see, this takes many steps and much time.

Postal logistics shares much of the work normally conducted by the USPS and delivers the mail directly to the Destination NDCs and SCFs, skipping the Origin SCF completely. This is done by either commingling your mailing with others before it reaches the postal system or if your quantities are sufficient, drop shipping is utilized.



Commingling combines mail from several mailers into one group before it even reaches the postal system. You will realize postal savings due to volume discounts and pre-sorting. The mail delivery is expedited because the commingler handles much of the work for the post office. Commingling is an ideal solution for small and mid-size mailers.



Drop Shipping delivers your mail pieces further into the mail stream, eliminating at least three steps (Local Post Office, Origin SCF and Origin NDC) the postal service would have to take to process the mailing.

Let us help you put the power of our postal logistics tools to work for your organization. Give us call at **443.539.2640**. Learn more at [www.mailsmartlogistics.com](http://www.mailsmartlogistics.com).

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# Your Guide to Bulk Mail Savings

First class mail is typically delivered in the U.S. within 1-4 days. If you are shipping at least 200 pieces and the mailing is not extremely time-sensitive, you can ship standard class (often referred to as “bulk mail”) instead. Bulk mail rates will be 38% – 55% less than first class if your company is a for-profit entity, and 55% to 80% less if your company is non-profit. These savings are obviously worth pursuing if your mail can take a bit longer to arrive.

In order to get the maximum bulk postage discounts, you need to do the following:

**Deliver the mail to the mail facility closest to where the mail needs to be delivered.** The USPS reduces what it charges to deliver a piece of mail commensurate with the work you save them. There are substantial savings if you sort your mailing into trays of at least 150 mail pieces going to the same 3-digit or 5-digit zip code and deliver the trays to one of the 29 Network Distribution Centers (NDCs) or 196 Sectional Center Facilities (SCFs) closest to the mail’s ultimate destination. You have two main options to get the mail to these centers:

- **Drop Shipping:** If your mailing is over 100,000 pieces, you will likely end up identifying dozens of NDC and SCF locations where you can save money by drop shipping the trays of mail to the mail facility closest to the mail’s destination. Be aware that all mail being drop shipped needs to be sorted, sleeved, tagged, and strapped according to stringent postal service regulations and appropriate paperwork submitted to ensure its acceptance at the final destination point.
- **Commingling:** Another alternative is to work with a commingling company that will arrange to pick up your unsorted mail, mix it with mail from other sources and ship it to the mail facility closest to its destination. Using a major commingler like MailSmart Logistics provides a multitude of advantages for a mail house because the company handles all of the sorting, sleeving, tagging, strapping, paperwork and shipping to the NDCs and SCFs. And because MailSmart Logistics commingles so much mail, their customers benefit from their substantial volume discounts.

**Comply with the Postal Service’s requirements for automated mail.** USPS requires that each piece of mail meet the following requirements to qualify for the reduced rates associated with automated mail:

- **Be CASS Certified:** CASS stands for “Coding Accuracy Support System”. CASS certification standardizes address data by fixing street and city misspellings, confirming the carrier route, checking five- and nine-digit zip codes, and creating an accurate delivery point barcode. This can be done for you by your postal logistics company or you can do this yourself by purchasing CASS-certified software for your mail shop. You must run your data file through the certification software within 180 days of the date of the mailing.
- **Check against the National Change of Address (NCOA) database:** With one in every six American families moving each year, making sure the addresses in your mailing list are correct is an ongoing challenge. The USPS requires that your mailing list be compared with the Postal Service’s database of known address changes within 95 days of the date of the mailing.
- **Barcoding, Sorting & Tagging:** Mailings must be 100% delivery point or Intelligent Mail barcoded, and sorted and marked according to USPS standards. All pieces must be automation compatible.

Need help with your bulk mailing? Give us call at **443.539.2640**.  
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# Is Commingling Right for You?



As I write this, the U.S. Postal Service has just announced another postage rate increase. Once again, organizations who rely heavily on direct mail are being challenged to find creative ways to reduce mail costs so they can continue to reach their fundraising and outreach goals within their invariably-tight budget.

If you need to reduce your direct mail costs, one of the options you should consider is commingling. While not appropriate for every business, ***commingling can reduce your postal logistics costs by as much as 12%.***

We've developed this eBook to explain what commingling is, how to determine if it is right for your company, and how you can get started commingling.

I hope you find this information helpful. Please call me if you have any questions or would like to start saving money with commingling.

**Debbie Sylvester**

*VP of Sales, MailSmart Logistics*

**(443) 539-2640**

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## How Postal Logistics Saves You Money



If you can deliver a piece of standard mail to a mail facility close to its final destination, the USPS will substantially reduce the postage it charges for that mail piece through its work share program. There are substantial savings if you sort your mailing into trays of at least 150 mail pieces going to the same 3-digit or 5-digit zip code and deliver the trays to one of the 21 Network Distribution Centers (NDCs) or 350 Sectional Center Facilities (SCFs) closest to the mail's ultimate destination.

There are three ways you can deliver your mail:

- 1. Take it to the Bulk Mail Entry Unit yourself:** Delivering trays of mail directly to the destination Post Office is typically only an option for companies with small, extremely localized mailings.

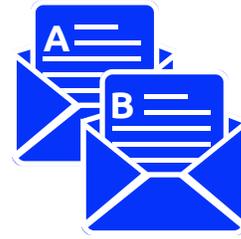




2. **Drop Shipping:** You can hire a freight company or drop shipper to deliver your mail to the appropriate NDCs and SCFs. If your mailing is large enough, you can achieve postage savings of between 12% and 20% by drop shipping instead of delivering the mail to your local Post Office. Please be aware, however, that all drop shipped mail needs to be sorted, sleeved, tagged, and strapped according to stringent postal service regulations and appropriate paperwork submitted to ensure its acceptance at the final destination point.
  
3. **Commingling:** A third alternative is to work with a commingling company who will pick up your unsorted mail, mix it with mail from other sources and ship it to the mail facility closest to its destination. We've found that MailSmart Logistics clients typically save about 12% on the mail they commingle. Commingling also reduces your labor costs as your commingler handles all of the sorting, sleeving, tagging, strapping, paperwork and shipping to the NDCs and SCFs.

Of course, you can combine these methods to maximize your savings on a mailing.

# Determining Which Postal Logistics Option to Use



Some companies make the mistake of deciding which postal logistics option to use based solely on postal rate. However, the only way to be sure you are truly maximizing your savings is by comparing the total delivered cost of all the options, with freight charges and direct labor costs for preparing the mail added in.

For example, while the drop shipping option below has the lowest per piece postal rate, drop shipping ends up costing more than commingling once freight and direct labor costs are factored in. Dropping your mail at the nearest bulk mail entry point is almost always the most expensive option:

	Local Entry	Drop Shipping	Commingling
Postal rate per piece (standard rate mail)	\$0.288	\$0.255	\$0.264
Postage costs per 100,000 piece mailing	\$28,800	\$25,500	\$26,400
Freight	---	\$1,250	(included)
Direct labor for sorting, sleeving, strapping & tagging the mail, plus preparing the USPS paperwork	\$750	\$750	(included)
Total delivered cost	\$29,550	\$27,500	\$26,400
Total delivered cost per piece	\$0.296	\$0.275	\$0.264



To make cost comparisons easy, MailSmart Logistics charges each client a single commingling rate for each piece of commingled mail they ship during the entire period between postal rate increases. Due to our large buying power, these commingling rates are lower than all but the biggest mailers can qualify for by themselves, and we keep things simple by not charging extra for pickups or anything else.

Many mailing services maximize their savings by drop shipping whatever mail is economical for them to deliver directly and commingling the rest.



## How Much Can You Save with Commingling?



The amount you'll save through commingling is proportional to the amount of commingling you do. Typically, MailSmart Logistic's clients commingle at least 2 million pieces of mail a year and save an average of 12% off of standard mail rates.

Determining exactly how much your company would save by commingling requires you to do only two things:

- ◆ Estimate how many pieces you expect to commingle per year
- ◆ Submit a copy of a typical data file to the commingling company

You should receive an exact estimate within 24 hours.



## Other Benefits of Commingling

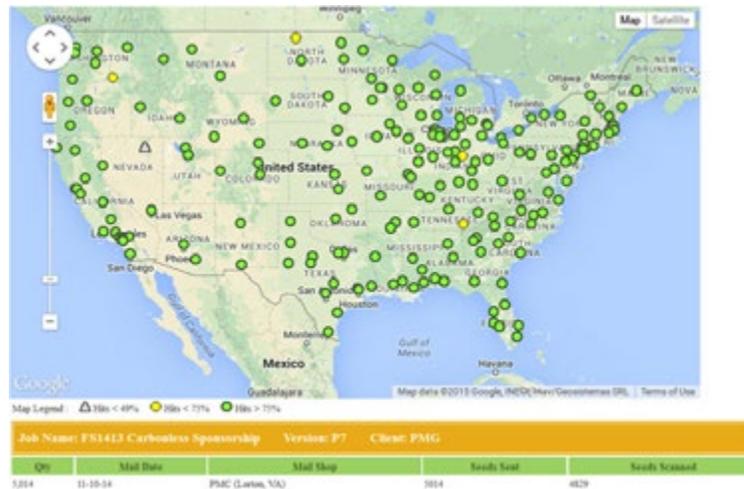


MailSmart Logistics has been offering commingling services since 2002. In addition to our large buying power and years of experience, what really sets us apart is our belief in providing extraordinary customer service. All of our clients receive:

- ◆ **Fast and predictable mail delivery:** Because we work with the largest commingling company, your commingled mail will move quickly and predictably through the mail stream. In fact, our data shows that your mail will arrive 2.6 days faster if you commingle with MailSmart Logistics than if you drop it off at the nearest USPS mail entry location.



- ◆ **Free mail tracking:** Know where your mail is at every point in time at no cost to you using our MailTracker program:



If a client isn't getting the expected response from a mailing, you can help them understand what impact (if any) mail delivery might be having on their response rate. And if a mail truck is in an accident or mail is not being delivered quickly from a particular location, MailSmart Logistics can follow up and attempt appropriate action.

- ◆ **Superior customer service:** We bend over backwards to make it easy for you to work with us. We handle everything for you from managing the data file to scheduling the pick-ups, filling in the pick-up slips, sorting the mail, and managing any count discrepancies. Once MSL's truck leaves your shop with the mailing, you can be confident that the mailing will go out as planned with no further effort on your part.
- ◆ **Postal logistics consulting:** Not sure if a mail piece qualifies for USPS's automation pricing? Have a problem with sequence number count discrepancies? Your MailSmart Logistics account manager will utilize their many years of commingling experience to serve as your personal postal logistics consultant.

# How to Start Commingling



If you are ready to start commingling with MailSmart Logistics, you'll be amazed by how simple the process is. You only need to do two or three things before we pick up your first mailing, none of which should take more than a few minutes:

- 1. Determine your commingling rate for the year.** All we need to know to determine your commingling rate is how many pieces you can commit to commingling per year. Since we don't charge extra for pickups or anything else for letter-size mail under 1.5 ounces, we can tell you instantly what it will cost you for each piece of commingled mail you send between now and the next postage increase (and for larger or heavier mail, we can tell you if there are any surcharges).
- 2. Confirm nonprofit status at our drop location.** If you are a nonprofit or mail for them, we will need to make sure each nonprofit has nonprofit status at the mail drop location where we'll take your commingled mail. If nonprofit status needs to be acquired, we'll ask the nonprofit to fill out Form 3623 and then will coordinate approval through the USPS. We can usually get approval within one business day of submitting the paperwork.



**3. Information about this specific job.** For each mailing, we'll need to know the following:

- a. The name of the client
- b. The job name and job number
- c. The number of pieces, broken down by mailing version if necessary
- d. How you are affixing postage
- e. When and where the mailing should be picked up, preferably with at least 24 hours advance notice

If you are metering or stamping the mail, we'll confirm how much postage to affix and how much should be sent to us. If you are using an indicia, we need to receive the entire postage payment in advance. And if you would like to use an indicia but don't have your own, you can use our commingling company's indicia at no cost.

If you use an outside mail house, you can send the entire payment for postage to us and we'll pay the mail house directly or, if you prefer to pay the mail house separately, we will calculate the payment splits for you.



MailSmart Logistics provides  
worry-free shipping at  
remarkably-low postal rates.

You're going to love working with  
MailSmart Logistics!

Sound Interesting?  
**Let's Talk!**



Request a Free Phone Consultation or call

**(443) 539-2640**

# Average Delivery Days from PBPS Location



## AVERAGE DELIVERY DAYS FROM PBPS LOCATION

Client Location	Operating Center	Operating Center Zip Code	Zone 1-2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9
LAX	Huntington Beach, CA	92647	2-3	3	4	5-6	6-7	8-9	9	10
Chicago	Naperville, IL	60563	3	3	4	5-6	7-8	8-9	9	9
JFK	Reading, PA	19605	2-3	3	4	5-6	6-7	8-9	9	10

The Production Management Group, Ltd. family is dedicated to providing our clients with superior direct marketing services including direct mail production, data hygiene and processing, postal logistics and online fundraising strategies. Our team of experts is ready to help you with any or all of your marketing program needs.



[pmgdirect.net](http://pmgdirect.net) [mmidirect.com](http://mmidirect.com) [mailsmartlogistics.com](http://mailsmartlogistics.com)  
[engageyourcause.com](http://engageyourcause.com)

## MailSmart Logistics

We deliver. Your results.<sup>SM</sup>

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# 2018 USPS Postage Rates for Nonprofit Mailers

Effective 1/21/2018

## NONPROFIT MARKETING MAIL (formerly Standard Mail)

Minimum Weight: None

Maximum Weight: Less than 16 ounces

A special postage rate within Standard Mail available for authorized nonprofit organizations.

Minimum Quantity: 200 pieces or 50 pounds of mail

For machinable letters 3.5 ounces or less*					
Entry Point Discount	Automation			Machinable	
	5-Digit	AADC	Mixed AADC	AADC	Mixed AADC
Origin	\$0.136	\$0.159	\$0.172	\$0.172	\$0.185
DNDC	\$0.112	\$0.135	\$0.148	\$0.148	\$0.161
DSCF	\$0.105	\$0.128	-	\$0.141	-

For machinable flats 4.0 ounces or less, price per piece								
Entry Point	Automation				Non-Automated			
	5-Digit	3-Digit	ADC	Mixed AADC	5-Digit	3-Digit	ADC	Mixed AADC
None	0.227	0.334	0.401	0.432	0.300	0.384	0.436	0.468
DNDC	0.186	0.293	0.360	0.391	0.259	0.343	0.395	0.427
DSCF	0.174	0.281	0.348	-	0.247	0.331	0.383	-

For machinable flats more than 4.0 ounces, price per pound								
None	0.764	0.764	0.764	0.764	0.764	0.764	0.764	0.764
DNDC	0.601	0.601	0.601	0.601	0.601	0.601	0.601	0.601
DSCF	0.553	0.553	0.553	-	0.553	0.553	0.553	-
Per Pc None	0.036	0.143	0.210	0.241	0.109	0.193	0.245	0.277
Per Pc DNDC	0.036	0.143	0.210	0.241	0.109	0.193	0.245	0.277
Per PC DSCF	0.036	0.143	0.210	-	0.109	0.193	0.245	-

\*Additional postage applies if weight exceeded. Contact your MailSmart Logistics representative for accurate rate.

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# 2018 USPS Postage Rates for Commercial Mailers

Effective 1/21/2018

## COMMERCIAL MARKETING MAIL (formerly Standard Mail)

Minimum Weight: None

Maximum Weight: Less than 16 ounces

Minimum Quantity: 200 pieces or 50 pounds of mail

For machinable letters 3.5 ounces or less*					
Entry Point	Automation			Machinable	
	5-Digit	AADC	Mixed AADC	AADC	Mixed AADC
Origin	\$0.251	\$0.274	\$0.287	\$0.287	\$0.300
DNDC	\$0.227	\$0.250	\$0.263	\$0.263	\$0.276
DSCF	\$0.220	\$0.243	-	\$0.256	-

For machinable flats 4.0 ounces or less, price per piece								
Entry Point	Automation				Non-Automated			
	5-Digit	3-Digit	AADC	Mixed ADC	5-Digit	3-Digit	ADC	Mixed ADC
None	0.393	0.500	0.567	0.598	0.466	0.550	0.602	0.634
DNDC	0.352	0.459	0.526	0.557	0.425	0.509	0.561	0.593
DSCF	0.340	0.447	0.514	-	0.413	0.497	0.549	-
DFSS	-	-	-	-	-	-	-	-
For machinable flats more than 4.0 ounces, price per pound								
None	0.894	0.894	0.894	0.894	0.894	0.894	0.894	0.894
DNDC	0.731	0.731	0.731	0.731	0.731	0.731	0.731	0.731
DSCF	0.683	0.683	0.683	-	0.683	0.683	0.683	-
DFSS	-	-	-	-	-	-	-	-
Per Pc None	0.169	0.276	0.343	0.374	0.242	0.326	0.378	0.410
Per Pc DNDC	0.169	0.276	0.343	0.374	0.242	0.326	0.378	0.410
Per PC DSCF	0.169	0.276	0.343	-	0.242	0.326	0.378	-
Per Pc DFSS	-	-	-	-	-	-	-	-

\*Additional postage applies if weight exceeded. Contact your MailSmart Logistics representative for accurate rate.

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# 2018 USPS Postage Rates for Commercial Mailers

Effective 1/21/2018

## FIRST CLASS MAIL

Minimum Weight: None

Maximum Weight: 3.5 ounces

Minimum Quantity: 500 pieces for presorted mailing

First-Class Mail - Commercial - Letters and Postcards					
	Automation			Machinable	Nonmachinable
Weight Not Over (Ounces)	5-Digit	AADC	Mixed AADC	Presorted	Presorted
1	0.378	0.408	0.424	0.458	0.668
2	0.378	0.408	0.424	0.458	0.668
3	0.378	0.408	0.424	0.458	0.668
3.5	0.378	0.408	0.424	0.458	0.668
Postcard	0.257	0.268	0.274	0.280	-
Addl. Ounce Rate			0.21	0.21	
Nonmachinable Surcharge				0.210	



First-Class Mail and EDDM - Retail			
	Letters	Letters - Metered	Flats
Weight Not Over (Ounces)			
1	0.50	0.47	1.00
2	0.71	0.68	1.21
3	0.92	0.89	1.42
3.5	1.13	1.10	-
4			1.63
5			1.84
6			2.05
7			2.26
8			2.47
9			2.68
10			2.89
11			3.10
12			3.31
13			3.52

MailSmart Logistics is offering a **Complimentary Postal Analysis** to help you determine the best method to deliver your mail. Our Postal Logistics gives our clients the ability to increase the speed of delivery, save on postage rates and track mail from drop to delivery.

\*Additional postage applies if weight exceeded. Contact your MailSmart Logistics representative for accurate rate.



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# Track Your Return Mail in Near Real Time

Our proprietary postal logistics tool uses your IMb to place codes on your return envelopes, which allows us to track your return mail and allows you to:

- Alert your caging company and other mail processors as to peak volumes
- Optimize timing of supporting online campaigns
- Make decisions about future campaigns
- Launch subsequent campaigns without delay due to more readily available data
- Avoid waiting for reports from mail processors



Our Return Mail Tracking service is free for our clients. Let us help you put the power of our postal logistics tools to work for your organization. Give us call at **443.539.2640**.  
Learn more at [www.mailsmartlogistics.com](http://www.mailsmartlogistics.com).

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A blue-tinted photograph of four business professionals in a meeting. Two men are shaking hands in the foreground, while a woman and another man look on. The background is a grid of thin white lines.

# What To Expect From a Partnership with **MailSmart** Logistics

# What To Expect From a Partnership with MailSmart Logistics

MailSmart Logistics has been offering commingling services since 2002. In addition to our large buying power and years of experience, what really sets us apart is the way we do business:

- **Extraordinary customer service:** We bend over backwards to make it easy for you to work with us. We handle everything for you from managing the data file to scheduling the pick-ups, filling in the pick-up slips, sorting the mail, and managing any count discrepancies. Once MailSmart Logistics' truck leaves your shop with the mailing, you can be confident that the mailing will go out as planned with no further effort on your part.
- **Free mail tracking:** Know where your mail is at every point in time at no cost to you. If a client isn't getting the expected response from a mailing, you can help them understand what impact (if any) mail delivery might be having on their response rate. And if a mail truck is in an accident or if mail is not being delivered quickly from a particular location, MailSmart Logistics can follow up and attempt appropriate action.
- **Low, locked-in commingling rate:** Because of our large buying power, we can offer commingling rates to our customers that are lower than all but the biggest mailers could qualify for by themselves. Making our pricing even better, we will lock in your commingling rate from now until the next postal rate increase based upon the volume of mail you expect to commingle this year. With no worries about pickup charges, pricing tiers or any other extra fees for letter-size mail under 1.5 ounces, this should make it easy for you to develop competitive mailing bids.
- **Fast and predictable mail delivery:** Because we work with the largest commingler, your commingled mail will move quickly and predictably through the mailstream. In fact, our 2014 data shows that your mail will arrive 2.4 days faster if you commingle with MailSmart Logistics than if you drop it off at the nearest USPS mail entry location.
- **Reducing your workload:** Not only will we do all of the data handling for you, but using our service should save you substantially in labor costs since there is no need for you to sort, sleeve or tag the mailing.
- **Postal logistics consulting:** Not sure if a mail piece qualifies for USPS's automation pricing? Have a problem with sequence number count discrepancies? Your MailSmart Logistics account manager will utilize their many years of commingling experience to serve as your personal postal logistics consultant.

Scott and his team at MailSmart Logistics are the best – dependable, efficient and always pleasant. Their goal is flawless execution, start to finish, and they deliver every time!

”

**Karen Gotay**  
*The Mail Bag*

Sound Interesting?  
**Let's Talk!**



Request a Free Phone Consultation or call  
**(443) 539-2640**

# Direct Mail Gets a Big Boost Online with USPS Informed Delivery

Informed Delivery is seeing strong growth in subscribers and campaigns according to Bob Dixon, director of product technology innovation at the USPS. Here are the latest updates from Bob, based upon our ongoing conversations with him and his recent presentation at the DMAW Production Strategies Forum.

There are now 10.6 million users nationwide, including 5.6 million email-enabled users, who receive Daily Digest emails, which provide a preview of upcoming mail.

- The average email open rate for these Daily Digest emails is an impressive 67%.
- The USPS wants to double the number of subscribers to 20 million by this October. They're planning an aggressive multi-channel campaign to help meet this goal.
- 517 brands are currently participating in Informed Delivery campaigns, representing many different industries.
- 2,180+ campaigns have been created to date.
- Nonprofit organizations have had the most successful campaigns, based on click through rates.
- The USPS is working hard on several fronts to make the sign-up process easier to accelerate subscriber growth.

## What is Informed Delivery?

Informed Delivery users receive **scanned images of the exterior** of incoming letter-sized mailpieces (processed through automated equipment). Images are available via **email notification, online dashboard, or mobile app.**

If a mailer participates in Informed Delivery, **supplemental content, referred to as "interactive campaigns,"** will be shown (for Letters or Flats).

Interactive campaigns include **custom images and a URL** that directs the user to a digital experience.

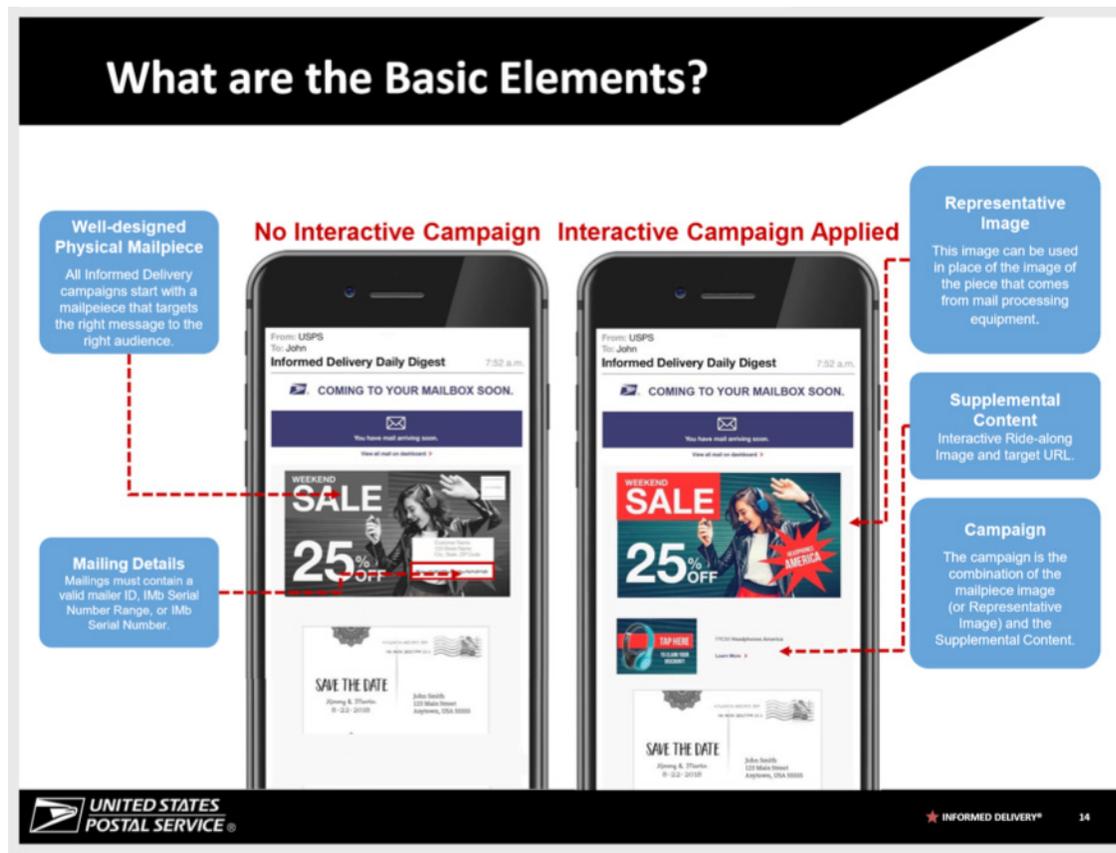
MAILER-PROVIDED WEBSITE

UNITED STATES POSTAL SERVICE®

INFORMED DELIVERY® 2

Source: USPS

# Direct Mail Gets a Big Boost Online with USPS Informed Delivery - 2



Source: USPS

Here are just a few of the fascinating insights Bob Dixon has shared:

**When will the free campaign test period end, and what will the pricing structure look like when the program rolls out?**

There are no plans to charge marketers or subscribers for this service yet. Eventually the USPS will try to monetize new and enhanced services beyond the basic program. But for now, they want to avoid adding cost barriers given the digital competition. This product proves that digital and direct mail can work together, and they want more consumers and marketers to understand its value and use it.

**Once Informed Delivery catches on with more marketers, how will multiple, competing campaigns be positioned in the Daily Digest emails?**

Right now, any direct mail piece with a campaign rises to the top, above the gray scale scanned images. The order is intentionally randomized if a subscriber receives more than one campaign in their email. The USPS is trying to be fair. However, there is a monetization opportunity in the future for marketers to pay for position. When enhanced services do become available, will there be different nonprofit and commercial rates? The USPS is looking into this, but nothing has been determined yet.

## What new features can we expect in the future?

The Informed Delivery team is currently testing packages (parcels) with ride along content. They are also developing a coupon feature, which would allow a mobile device to add a coupon to a digital wallet. And they're exploring a click-to-call feature. They are committed to exploring and testing new technologies to benefit consumers and marketers alike.

## It's time to jump in and make a splash with Informed Delivery!

With Informed Delivery, mailers get to integrate their direct mail campaigns with colorful, digital campaign elements featuring customized images and URL links that "extend the mail moment" as the USPS says. It can help boost response, link digital content, reinforce brand, and provide a deeper customer and donor experience. And for now, it's free.

If you're not yet familiar with Informed Delivery, now is the time to participate, as both a subscriber and a marketer. The PMG team has managed a number of successful Informed Delivery campaigns for our clients. We can share our experience, and help with both campaign strategy and implementation, making it surprisingly easy for you. Contact us today to get started!