

It's a Brave New World for Mailers

It's here, the much-discussed [exigent rate hike from the USPS](#). And it's going to hit businesses right where it counts.

The price increases are expected to generate [\\$2 billion in incremental revenue for the USPS](#), according to the agency's own data. Whether or not that figure is completely accurate, and how much of that will be borne by direct mail marketers, is yet to be seen. Still, that's a huge hit to an industry that has dealt with its shares of challenges during past several years.

All two billion of those dollars are coming out the pockets of the people who use the postal service, one way or another.

But there are steps you can take to make sure less of it is coming from your own pockets. In fact, it's a great time to take stock of your mailing operations and use this opportunity to be a smarter mailer.

We hope this How-to Guide will help.

Design Smarter

The shape and size of your piece has a big impact on postal costs, as you know. Seek input from the designers and the production team right on through to your logistics people for ways to help you save and comply with new regulations.

Get the Team on Board

Talk to your designers and fill them in on the urgency of the situation. Pose this as a serious design challenge for them (maybe even offer a bonus for design ideas that make significant reductions to your postal expenses).

For example, can you move to a letter-size catalog, or a smaller trim size? What about reducing the cover weight and interior paper weight? Reducing total page numbers? Sometime the simplest changes, almost unnoticeable to the average recipient, can add up.

Make your design team part of the solution and see what they can come up with.

Check Your Printer's Expertise

It might be time to take another look at your printing vendors. Share your concerns with your printing rep, and set up a time to talk about design and production ideas that can save money.

This is not the time to go with who you know simply because you always have. This calls for honest conversations and brutally truthful assessments of your printer's capabilities. If they can't help, shop around for a new printer for your most substantial mailing projects.

Talk to the USPS

For any mail piece, talk to your USPS rep (or make sure your designer or printer does) before finalizing any design. Often the smallest details can make a big difference, so don't assume you know what the USPS is thinking. If you aren't sure you are getting the answers you need, keep asking. Don't take anything for granted, as too many times the surprise comes at the price of an unexpectedly bloated postage bill.

Consider the List

Deciding who you mail to, what you send them, and how often they get it is key to maximizing your postal dollars. Take a closer look at your list and your frequencies to find places to save on postage.

Practice Good Data Hygiene

The world changes quickly, and your mailing list is out of date almost as soon as your piece enters the mail stream, even with NCOA compliance and good database procedures.

According to [a report from AccuData](#), "up to 20% of records within a typical house file are undeliverable, seasonal or vacant." By thoroughly cleaning up your list, you might be able to offset a good share of the postal increases.

Just as you should discuss postal saving suggestions with your printer, it's time to have lunch with your list broker and talk it through. You may need to invest some money upfront to redefine your circulation plan for maximum effectiveness. It's money well spent when you look at the dollars you can save over just a few mailings.

Who Gets What?

When someone requests a catalog, how many more times will you send that catalog before dropping them from your hot list? If they don't buy the first time, or the second or third, should

you send a fourth? The answer to this question lies in having solid insights into customer behavior, and it's a good idea to look critically at your prospect mailing policies.

Similar to the prospect who never buys is the "customer" who hasn't purchased in a long while. How long do you keep them on the "active" list? Do they need the quarterly catalogs, or would just the holiday edition be a good idea?

By more closely identifying your customer segments, you can create stronger mailing policies to each segment that will save you money on your mailings without hurting revenue outlooks.

Leverage the Mail Stream

For large mailers, consider co-mailing and co-palletization as possible ways to save big on postage and get into the mail stream -- and your customers' hands -- much more quickly.

The MPA offers [a great primer on co-mailing and co-palletization](#) and how you can leverage these opportunities to save money.

According to the MPA, "Comailing and co-palletization combine multiple magazines into a single mailing. Through these processes, multiple smaller-circulation magazines are combined and prepared in a manner that resembles the preparation of a larger publication, thus allowing the publications to qualify for substantial work sharing discounts for presorting, palletizing, and drop shipping."

In addition saving on postage costs, you can get other benefits from co-mailing and co-palletization, including more predictable service, better tracking and better delivery conditions, says the MPA.

Whether or not these are right for your publications depends on several factors. Talk to your printer (if they offer these services) or a third-party logistics vendor to find out if this is a good approach for your marketing.

Also, take advantage of [special promotions offered by the USPS](#) that can help you save and improve your overall marketing results.

Be Vocal. Change the World.

While it's easy to feel powerless in the face of government regulations, understand that the USPS does not act on its own. It takes its direction from a [Board of Governors](#), and is overseen by the [Postal Regulatory Commission](#) (PRC). These are real people making real decisions, and

they can be influenced by hearing from people like you who depend on the USPS for their income.

Get Involved

- Stay informed on the issues, and voice your opinions to the people who make up these boards, as well as your state legislators.
- Participate in industry groups that are working to change the way the USPS is run (for example, [the Greeting Card Association](#) and the [MPA – The Association of Magazine Media](#) are two industry groups that are lobbying hard for sanity. Add your voice to whatever groups make sense for your business).
- Become an active member of the [Association for Postal Commerce](#), which “represents those who use or support the use of mail for Business Communication and Commerce.”

What **NOT** to Do

Don't panic. Don't slash your mailing frequencies or volume without fully understanding the potential ramifications.

Overall, [direct mail still offers the best ROI for B2C businesses](#), and almost 7 in 10 people who receive direct mail marketing make a purchase or otherwise engage with that business. Direct mail also soundly beats email and search engines in initial customer acquisition, according to [MarketingProfs.com](#).

While the rates may be going up, the cost to your business of *decreasing* your direct mail marketing could be disastrous. There are better ways to save than burying your head in the sand and hoping it all goes away.

And while your competitors are cutting back, that leaves more room in your customers' mailboxes for your message. Embrace this opportunity to grow. [Declining mail volumes may be a good thing](#) for those who continue to use the medium.

Collectively, let's use our brains to be smarter in our businesses, and our voices to make a difference to our entire industry.

Talk to us about your own catalog and direct mailing challenges, and let's figure this out together.

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