

Improving Your Mailing Address Program

By Stuart McAllister

Mailing systems affect every portion of a business, and can potentially have a positive or negative impact on the organization as a whole. Years of practice have established steps you can take to ensure customer correspondence reaches its intended audience consistently and in a timely manner, even if your customers are on the move frequently.

The intent of this paper is to share industry best practices and standards used in the maintenance of mailing addresses. At the end, you will know which measures to consider for improving your current process and where hidden mailing costs and expenses may lie within your organization. Considering the mailing industry's rate of change, the decrease in the amount of postal mail, and the costs associated with replacing or updating software and hardware, this paper should help you ask the right questions of your partners to either fill gaps in your program or provide for an effective, end-to-end service.

A proper addressing program is essential to any business with a substantial amount of correspondence with their customers through physical mail. The opportunity cost of not reaching your customers — whether existing or prospective — can be significant. Lost sales opportunities, increased customer churn and lower brand-name awareness can all result from improperly addressed or undelivered mail.

This paper discusses six critical actions to help minimize the risk of such losses through a successful mail addressing program. This guide offers best practices for each step in the process, from design and implementation to tracking.

START AT THE BEGINNING: PRE-COMPOSITION

Before sending a single piece of mail, it is imperative to have the right address. "Mail piece pre-composition address validation" is the industry term for proactive address management from the first customer touch point.

Front-end address validation captures accurate address information prior to mailing. At this point, a customer service representative (CSR) validates the keyed information as dictated by the customer, while cross-referencing it with U.S. Postal Service (USPS) address files, all in real time. This process catches inconsistencies of verbal communication between the customer and the CSR by allowing the CSR to re-confirm before the address elements are placed in permanent storage if the USPS address file does not match what the CSR heard the customer say. (The same methodology should also be used for move updates when a customer changes physical addresses.) This is the first safeguard against mail delays due to accuracy issues in the address. This can also be the first line of defense against fraud.

USPS-certified Coding Accuracy Support System (CASS) software is an integral part of any leading addressing

MAIL VALIDATION

Best Practice: Implement a just-in-time approach to validating mail addresses. This can be done using CASS-certified software, Delivery Point Validation (DPV) and LACSLinkf

For more information on the guidelines established for CASS-certified software, reference PUB 28 by visiting <http://www.usps.com/publications/pubs/welcome.htm>

program. CASS verifies the accuracy of software used to ensure USPS-standardized address formats, accurate delivery-point validations, ZIP code realignments, directional corrections and address conversions. CASS certification requires annual renewal from each software vendor for quality control purposes. The purpose is to obtain high-quality addresses, reducing potential delivery issues. A correct address benefits the USPS by limiting non-deliverable mail, unsorted mail and delivered mail that requires extra effort to locate proper addresses. As such, mailers with CASS software may qualify for discounted postage rates from the USPS.

While, according to the USPS, over 99.2 percent of all U.S. address fall into a 30-character or less line-spacing categorization in the USPS database, more than a million addresses do not fit within that range. Spacing in the address lines, therefore, should accommodate between 36–40 characters, depending on the platform. Such an increase in characters decreases chances for delivery delays. This also is another quality control checkpoint against the initial address input. At this point, new and maintained addresses can be run nightly through the CASS software to further validate delivery point confirmation and complete full USPS address standardization of the customer address.

Additionally, higher frequency CASS cleansing decreases delivery delays due to ZIP code realignments. Street name changes are offered as often as monthly to consistently ensure every cycle is updated real-time with any ZIP code realignments or address conversions from the USPS. The exact frequency of cleansing is dependent on the mailing cycles, volume and application, but a good rule of thumb is once monthly. Any less and you run the risk of increased postage costs, repetitive volumes of undeliverable-as-addressed mail, and higher back-office or re-worked mail costs.

The National Change of Address Association’s (NCOA) pre-processing move-update software, NCOALINK®, allows users to receive the newest changes of address on file with the USPS. As more than 46 million moves are recorded per

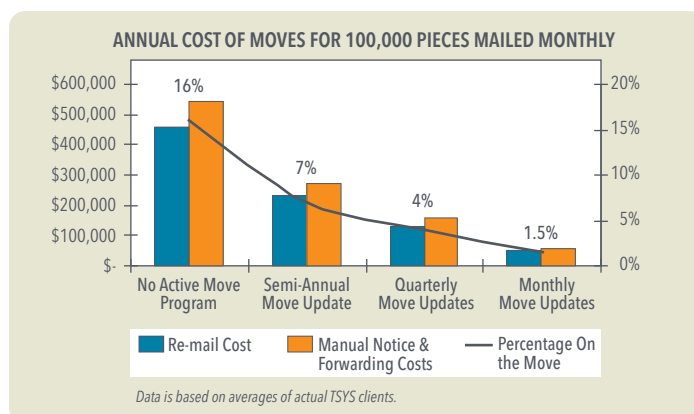
year by the USPS, keeping an updated list saves companies time, material and postage, in addition to the opportunity cost of lost revenue and loyalty.

Use of NCOALINK is required for many USPS automation discounts as it is the most effective pre-processing, move-update tool and ensures newly relocated mail recipients do not experience delivery delays. The service cross-checks address lists and returns with at least 18 months of historical results for changes in address to the mailer’s master address database. The monthly use of NCOALINK for addresses is recommended as part of an aggressive program for most businesses. Less frequent options are available, but careful thought should be given before using a minimum frequency specification for any mailing program. High frequency use of NCOALINK substantially reduces the issue of returned mail.

A mail piece that is redirected by the USPS may take up to 10 days to be received, potentially causing countless problems, including inconsistent cash flow for solicitors, perceived security issues by customers around identity theft, and data and account information vulnerabilities. The customers’ initial perception of re-directed mail can lead to such concerns when a re-direction sticker is prominent on the front of a mail piece. It is possible that upon opening the mail, their thoughts may be elsewhere than on the messaging that is attended to attract attention.

MAIL PIECE DESIGN COMPOSITION

To meet USPS requirements for optimum readability and efficient delivery through the mail stream, mail piece design considerations must be rigidly tested. Specific standards need to be met for font, size, spacing, window clearance for the address block, aspect ratios for the overall mail piece and automated barcode translations. Following these standards leads to higher-quality read rate in the mail stream and limits delays in mail acceptance. Front-end mailings not only are timely, but they also reduce the amount of return mail and increase the probability for USPS discounts through higher readability for automated postage.



MAIL PROCESSING

After composition, mail pieces should be processed through an in-line address DPV. A Multiline Optical Character Reader (MLOCR) is a type of mail equipment with optical character recognition technology that provides greater lift probability — the likelihood that a mail piece gets read, coded and routed appropriately through the postal delivery system. MLOCR sorting equipment increases such lift probability on hard-to-code addresses by capturing images of the entire address from each mail piece individually at only a fraction of a second. The postal code is compared to a master database and a barcode representing this information is printed on the mail piece, allowing for an initial sort. The mail now can be routed to its destination more promptly and with greater precision, which ultimately allows the USPS to pass along postage discounts.

In addition, the use of dual-coding standardization engines help maximize automation postage discount rates and deliverability. Machine Accuracy Support System (MASS), a catalyzing component of MLOCR during post processing of the finished mail pieces, provides even greater coding lift on addresses that may not have fully upgraded to the USPS eleven-digit PostNET barcode that is applied for automation rates during the CASS process.

ALTERNATIVE SERVICES FOR MAIL INTEGRITY

Exposure to fraud can be limited through the validation of change of addresses by sending a letter or postcard notification to the old address and confirming that the change of address notification received from a customer is correct. This lessens the risk of the wrong person receiving the mail piece and any consequential legal action that may be taken by a customer.

Incorporating confirmation service in the address block to track mail delivery to the end customer provides a higher confidence level that the mail piece was received by the correct person. Confirm Service is offered by the USPS for mail pieces shown to have a quality address and tracks mail

pieces in the USPS network to see that they move through in a reasonable amount of time. This service not only is helpful for cash flow budgeting, but it also can lead to cost reductions in collections and call centers. Such reductions derive from the ability to suppress collection letters and calls for customers when Confirm Service shows a remit was posted.

MAILER COMPLIANCE

To insure proper reporting is available for audits in accordance with compliance requirements mandated by the USPS, all documentation such as CASS 3553 reports, MASS certificates, move update 6014 forms, processing acknowledgment forms and NCOALINK reports should be housed in a secure and well-maintained tracking database.

SYSTEMS TESTING AND QUALITY ASSURANCE

Software and hardware upgrades are a constant in today's technology environment and necessitate routine testing of the software integration for USPS updates on addresses. Continual testing of software upgrades and new releases prior to installation helps avoid address data corruption and subsequent delays in the USPS mail stream.

REVIEW

Following these addressing guidelines will help you accurately communicate in a timelier fashion with your intended audience. Companies of different size and mailing patterns should also note they might have different needs and resources when it comes to meeting these guidelines.

Some may be successful with a combination of outsourcing and in-house execution. There are definite return-on-investment scenarios for investing in the right technologies to take advantage of postage discounts. In some cases upgrading is beneficial, while in others it may be better to partner with a specialist. Either way, arm yourself with the necessary knowledge to pursue software vendors, third-party processors or partnering with a leader.

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