

A.M.

LetterLink

Your Resource for Direct Mail Marketing



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“Providing seamless
direct mail solutions”

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INSIDE...

- Envelope teasers improve response
- RPN program extended
- 3 copy tips that help response
- PCC day promotes mail value
- Calendar of events

Five ways to reduce mailing costs in your 2008 budget

The 2007 Postal Rate increase was painful for direct mail marketers. It is estimated that the postal reform will remove from the mail stream about 3 billion pieces of direct mail advertising, 800 million catalogs and 350 million periodicals. The good news is there will be less competition for your reader's attention.

As you begin the budget process for 2008, you should take a close look at ways to reduce mailing costs. Postage and printing are the biggest expenses in most mailings. The new rules consider shape, weight and size in the postage rate structure. Changing paper and formats can cut printing and postage costs. Here are some strategies that could help you make budget next year.

1. **Trim down your database** – Each piece of Undelivered As Addressed (UAA) or unopened mail wastes printing, lettershop and postage dollars. On the consumer side, 20% of the people in your database moved last year. In a business database the people changes are even greater. Every database has prospects that could be deleted. Every time you cleanse a mailing list of 1,000 undeliverable addresses or poor prospects – you save about \$500 in printing, production and postage.
2. **Watch your weight and shape** – Reducing the size or paper stock of your mailpiece will lower the weight and reduce postage on larger mailing formats. Redesigning the format from flat to lettersize provides big postage savings. The post office wants machineable mail. A lettersize mailpiece under 3.3 ounces is the niche product they want. You'll pay much higher rates on all other formats from now on.
3. **Commingle or drop ship your mail** – The post office encourages worksharing. They have increased the discounts for vendors who can provide presorting and transportation of mail. This reduces USPS labor and they pass along the savings. Commingling works well for First Class and Standard letter mail that has low zip code saturation. B2B nationwide mailings are perfect for commingling. Drop shipping to Bulk Mail Centers (BMC) or Sectional Facilities (SCF) is a good strategy for large volume mailings with high geographic saturation.
4. **Design for efficiency** – Find out which sizes and shapes will make the best use of your printer's sheets. Trimming a quarter inch from a design could enable the printer to put 4 up instead of 3 up on a sheet. This reduces the paper cost by 25%. Choose standard size #9, #10 or 6x9 envelopes. They will beat the price of a custom made or uncommon sized envelope. Standard sizes for envelopes, selfmailers and postcards are also less expensive for lettershop production.
5. **Print 2-color instead of 4-color** – Designing some pieces for one or two color printing will reduce costs. Creative use of color screens can give a 2-color piece the look of 4 spot colors. Mail a 2 color double postcard to

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DM News & Tips

Push response with teasers

Almost all of the most successful direct mail packages include envelope teasers. In the book *Million Dollar Mailings*, 71 of the best direct mail envelope packages were featured. Nearly all of them included a strong teaser message on the outside of the envelope.

Marketing study identifies ad overload

A marketing study showed that the average consumer is exposed to 2,904 media messages every day. Each person will only pay attention to 52 of the messages. They will only positively remember four.

USPS sticking with “sticky notes”

The Repositionable Note (RPN) program has been extended. These are the 3x3 sticky notes that can be attached to the outside of cards, envelopes, catalogs and magazines. They’ve been described as “billboards for business mail.” More than 1,500 customers have used RPNs on 247 million pieces of mail since the program began in 2005.

Direct mail generates \$700 billion in sales a year

The Direct Marketing Association (DMA) estimates that marketers will spend \$56 billion in direct mail this year. This will produce \$700 million in sales. That means that every \$5.60 spent on direct mail marketing will bring in \$70 in sales. Not a bad return on investment (ROI).

Mail links shoppers to the web

Surveys show that 41% of Americans shop online with a catalog in hand. Studies have shown that catalog recipients make up 37% of web sales, spend 16% more and are twice as likely to make a purchase online. The success of catalogs driving customers to the web prompted eBay to create a catalog in 2004. The print medium has produced a dramatic climb in sales during their holiday campaigns.

Does direct mail destroy forests?

Actually, every paper company spends millions of dollars on reforestation. They plant multiple trees for every one that is cut down. The result is that the U.S. now has 20% more trees than it had 25 years ago.

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announce a new product or service. These mail at First Class Postcard a rate – which is less than Standard Mail – but get First Class delivery. Your UAA is returned to you for FREE. This low cost format cleans up your database and gets qualified leads from the business reply card. It’s a great tool for cleaning up controlled circulation or catalog lists.

SUMMARY POINTS TO CONSIDER

- Cleanse your database through NCOA at least one or two times a year.
- Consider dropping records from your database if they don’t CASS Certify or pass Delivery Point Validation (DPV). These records are very likely to be undeliverable.
- A reduction in your UAA will be an increase in ROI.
- Refolding a publication to 8.5x5.5 can reduce postage by 18 cents a piece.
- Redesigning a publication to a 6x11 slim jim will do the same as above.
- Commingling can save \$5 to \$20 per thousand in postage. It also eliminates the cost of data processing for postal presort and sorting during production.
- Drop shipping can improve delivery time by one or two days. Net savings after transportation can be \$15 to \$25 per thousand.
- Printing press capabilities vary greatly. Finding the right fit for your quantity and print specs can reduce cost.
- About 50% of all envelope mail is sent in a #10 envelope. The reason why is – they are cheaper.
- The 4x6 single or double postcard is still the best deal the post office has to offer. Postage is reasonable, delivery is fast and UAA return mail is Free.

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Three Copy Tips That Can Boost Leads

By **Hallie Mummert**, editor in chief, *Target Marketing*

As a greater variety of business sectors incorporate direct marketing into their business activities, more two-step and even three-step campaigns are being conducted. Even though the name of the game in lead generation is to sell the response as opposed to the product or service, companies must ensure they don’t resort to hyperbole in place of good salesmanship that connects the challenge to the solution to the product or service.

Greenbrae, Calif.-based copywriter and direct marketing consultant Ivan Levison suggests marketers try the following ideas to drive more leads:

- * Make full use of the letter’s subhead—Headlines tend to be succinct and dramatic to gain attention. Use the subhead to flesh out the offer a little more and keep prospects reading, Levison advises.
- * Make the offer front and center—If you wait until the end of your letter to explain the offer, he points out, you could lose a great deal of prospects who are too rushed to weed through your prose to find the bottom line. Get the offer on the table early on in your copy.
- * Use photos for credibility—If your offer is tangible, such as a whitepaper, educational DVD or samples kit, then include a photo of it on the letter, outer envelope, order card or anywhere else in the package that pushes the item. Photos can lend substance to copy, helping to assure prospects that the offer is for real.

Levison offered these tips in the March 2007 installment of his online column for *Inside Direct Mail*, a sister publication of *Target Marketing*.



Value of mail promoted at National PCC Day

Mail matters to American consumers and businesses. Finding ways to make mail more valuable is the goal of the USPS. That was the message Postmaster General Jack Potter delivered to over 14,000 Postal Customer Council (PCC) members in a closed circuit TV broadcast during National PCC Day.

From leveraging cutting edge technology to keeping rate increases at or below inflation the USPS is working to continually improve. "We want to continue working with you on building strong and positive relationships," Potter said.

Potter pointed out that the USPS is the only delivery service that visits every address in the nation, six days a week. They service 146 million homes and businesses and operate without any tax dollars. One of the mailing industry's biggest challenges is the Do-Not-Mail legislation that has been proposed in 15 states. It has been estimated that if all advertising mail were blocked, the cost of a First Class stamp would increase to over \$5 and many local postal offices would close.

The USPS is promoting a range of business practices that will keep mail welcomed. They are working with mailers to clean up databases, use more personalization and print with recycled papers.

Many of the 200 PCCs across the country provided educational sessions for their members during PCC Day. The Milwaukee and Madison PCCs presented five sessions that outlined new postal services and mailpiece quality. Here are some of the takeaway points to consider.



This is an enlarged example of the Intelligent Mail Barcode already being printed on some mail. It will be used for mail delivery tracking, managing marketing data and routing the mailpiece.

- **New Intelligent Mail Barcodes are here** – You've seen them on flats (9x12 envelopes and catalogs) and will start seeing them on all mail in the next year. These are the barcodes that have ragged bars on top and bottom of the code. They are wider and taller and carry much more data. The Intelligent barcode will identify the sender, the mailpiece, the product or special services as well as the Zip Codes for sorting and routing. They will enable mailers to track their mail.
- **Reducing Undeliverable As Addressed (UAA) mail** – Over 10 billion pieces of UAA are mailed every year. The cost to forward, return or recycle, costs the USPS \$1.7 billion annually. The goal is to reduce UAA to 5% of all mail.
- **Move Update requirements will be implemented by 2009** – Some method of approved address correction will be required on First Class and Standard Class mail every 95 days.
- **More efficient mail handling is a necessity** – The USPS provides delivery to 146 million homes and addresses six days a week. They add two million new delivery addresses every year. Their workforce has been reduced by 30%. They must improve efficiency through automation and technology to maintain services.

Meet A.M. Employees

Jody Krueger
IT Manager



Jody Krueger, IT Manager at A.M. Mailing Services, Inc., races stock cars on weekends. His 2003 Pontiac Grand Prix with a Chevy 355 V-8 engine is sponsored by A.M. Mailing Services, Inc.

When Jody Krueger isn't tinkering on A.M.'s computers, he will be tinkering on race cars. He owns four stock cars and races them most weekends during Wisconsin's auto racing season.

A.M. has sponsored his late model Pontiac Grand Prix for several years. Jody races it every Saturday night at nearby Jefferson Speedway. He has one win this year, but that's not what drives him to race. "It's the sense of accomplishment," says Jody. "When things don't go well early on a race night, but you get the car fixed and keep it racing, it's a good feeling that you're up to the task."

Stock car racing has been a part of the Krueger family for many years. Jody's grandfather owned and built race cars back when stock car racing was on dirt tracks. Jody's dad worked on a pit crew and raced cars for over 30 years. He met his wife at Jefferson Speedway. When Jody was just 10 years old he began helping his dad work on race cars. Today, Jody's dad and brother are part of the Krueger Racing team.

Jody feels that a lot of what he has learned working on stock cars has helped with his job at A.M. Maintaining a stock car requires ingenuity and creative solutions. Those same traits have helped him upgrade mailing equipment systems and design the computer network that runs A.M. Mailing Services, Inc.

Jody has worked at A.M. for 11 years. He started out in equipment maintenance. His strong computer knowledge and ability to trouble shoot made him the perfect choice to head up the IT department 7 years ago. Jody lives in Edgerton with his wife, son, daughter and grandson.



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Inside:
Your LetterLink Newsletter Vol. 10 No. 4
from A.M. Mailing Services, Inc.

Mark your calendar for these print, mail and marketing events

November 7, CADM BOB STONE EDUCATION DAY
 Chicago, IL, University of Chicago, This year's theme is Integrated Strategies for a Multi Channel World, a full day of educational sessions sponsored by the Chicago Association of Direct Marketing, call 312-849-CADM (2236).

November 27, WPPC PRODUCTION TECHNOLOGY UPDATE
 Pewaukee, WI, Country Springs Hotel, learn what's new with the software tools of the trade from Adobe, Apple, C2, Quark and Sells Printing. Sponsored by the Wisconsin Publishers Production Club, for details call Marty Ochs at 608-838-9899 or visit www.wppc.org.

December 11, AMA MADISON MONTHLY MEETING
 Madison, WI, Clarion Suites, Lunch meeting 11:30 a.m. to 1:30 p.m., meet the new board of directors for the Madison Chapter of the American Marketing Association, speaker to be announced, call 608-232-9696 ext. 12 for details and registration.

January 28, 2008 WPPC DIGITAL EDITIONS FOR PUBLISHERS
 Pewaukee, WI, Country Springs Hotel, explore the metrics of taking print publishing to online publications. Sponsored by the Wisconsin Publishers Production Club, for details call Marty Ochs at 608-838-9899 or visit wppc.org.

March 10-12, 2008 PUBLISHING BUSINESS CONFERENCE & EXPO
 New York City, Marriott Marquis, annual event providing practical, strategic insights for publishing executives. Sponsored by Publishing Executive and Book Business magazines. Visit www.PublishingBusiness.com for details.

May 18-21, 2008 NATIONAL POSTAL FORUM
 Anaheim, CA, four-day conference and expo for the mailing industry. Mark the date and visit www.npr.org.reg2 for details and registration.

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