

LetterLink

Your Resource for Direct Mail Marketing



Published by A.M. Mailing Services, Inc.

Vol. 9 No. 4



"Providing direct mail marketing solutions"

Marty Ochs - President
Dan Topel - Sales Manager
Jeff Veesenmeyer - Sales & Mktg.
Fred Schulze - Print Supervisor
Treesa Landry - Sales Rep.
Leanne Herman - Sales Rep.

INSIDE...

- 7 tips for production
- How to avoid design errors
- Emotions that drive copy
- Case Study for duplex inkjetting
- Calendar of events

How to prepare for the 2007 postal rate increase

The U.S. Postal Service has proposed a postage rate increase for 2007. This proposal was driven by their rising fuel and healthcare costs. The USPS operates a fleet of over 260,000 vehicles and their healthcare costs rose \$437 million in the past year.

The new rate structure would force mailers to reevaluate all of their mailing and address quality practices. Increases for difficult to handle mailpieces will be dramatic. The new rates will be more sensitive to shape and weight of the mailpiece, as well as address quality.

The average increase for First Class mail will be 7.1%. The Standard Mail rate will increase 9% on average. Non-machinable and non-barcoded mail will increase even more. If approved by the Board of Governors the rate change would go into effect in May of 2007.

There are many ways you can minimize the increase by starting to plan now. You could save money by drop shipping or commingling your mail. Designing your mailpieces into shapes that reduce processing costs can earn higher postal discounts. Also, you should be taking a hard look at list hygiene. The penalty for mailing to undeliverable addresses will be higher than they were in the past.

Drop Shipping – The USPS encourages “work sharing.” When a mailer provides the shipping to a Bulk Mail Center (BMC) or Sectional Center Facility (SCF) additional postal discounts are earned. List analysis is required to determine if any discounts would apply. Mailings with high geographic saturation or volume of over 100,000 pieces have the best potential for this service. A mail house experienced in postal logistics can help reduce your postage by as much as \$0.02 per piece.

Commingling – This is a “work sharing” service that sorts many different mailings together before being entered at the post office. Sorting machines batch your mail with other mailings by zip code. The margins between the proposed new rates and what can be saved through commingling will be widened in 2007. This service works best with smaller national mailings or those with multiple versions.

Reconfigured Mail – The shape of the mailpiece will take on more importance with the new rate system. Pricing incentives will create an adjustable rate structure for mailpieces that configure to easily processed shapes. A First Class Flat that is folded to lettersize can reduce your postage substantially under the new rates.



Over 500 mailers attended PCC Day at Lambeau Field in Green Bay. Postmaster General, Jack Potter addressed them via closed circuit TV displayed on the stadium's big screen.

DM News & Tips

Send military mail early for Christmas

The USPS has announced their recommended mailing dates for international and military holiday mail. To insure overseas delivery of holiday cards and packages by December 25th you should mail by these dates.

Parcel Post	Nov. 13th
Parcel Airlift	Dec. 2nd
Priority Mail	Dec. 4th
First Class Mail	Dec. 4th
Express Military Mail	Dec. 19th

Use DM to reach Gen Y

Reaching Generation Y is proving to be a challenge for marketers. People born between 1979 and 1997 are not responding to conventional marketing channels. They are self-confident and savvy shoppers. Tests have found that of all the conventional methods, direct mail has the most impact on this market. To reach them try developing packages that look “cool”, personalize the piece and be sincere. Don’t use tricks. This group won’t fall for gimmicks.

Drive copy with flattery or guilt

Of the key copy drivers, two are extremely powerful. Flattery ranks highest on the list of emotions that cause people to act or change behavior. In an analysis of successful control mailings, it was discovered that flattery was used 42% of the time. It was the main copy driver in the sales letter.

Guilt was used in a test mailing for a defibrillator. This emotional driver increased the response rate by a whopping 200%. Other emotions that can drive copy and produce response are fear, anger, greed, exclusivity and salvation.

Quotable test rules by DM pros

“Two rules and two rules only exist in direct marketing: Rule # 1, Test everything; Rule #2, see Rule #1.”

– Malcolm Decker.

“Confine your tests to important changes, not trivial ones.”

– Maxwell Sackheim.

“For a test to be a clear winner, the number of responses must be more than double the square root of the orders.”

– Axel Anderson.

“If you make a mistake, call it testing; if you make a big mistake call it research.”

– Wendell Forbes.

continued from page 1

List Hygiene – Last year there were 45 million address changes nationwide. Postmaster General Jack Potter announced at the annual Postal Customer Council in September, “I want us to cut by 50% the amount of undeliverable as addressed (UAA) mail.” This is a \$2 billion a year problem that the USPS wants to improve. That’s the cost associated with forwarding, returning and disposing of UAA. The cost for Address Correction Services will go up. Improving your house database through NCOA and Fast Forward services will help offset that cost of UAA mail and improve your ROI.

Potter also announced the new Delivery Point Validation for First Class mail. This service will provide tracking of bulk mailings through the postal system.

The proposed rates for 2007 include some entirely new categories of mail. The USPS website does show some side-by-side comparisons. Go to <http://www.usps.com/ratecase/>.

Need help with the rate case? Consult your A.M. rep or call us at 608-884-3452.

GUEST COLUMN EDITOR’S NOTE: Article provided by ©North American Publishing Company. All Rights reserved. This article originally appeared in TM Tipline, Target Marketing Magazine’s weekly e-mail newsletter offering practical tips and solutions for profitable direct marketing. To learn more, visit www.targetmarketing.com.

Seven Ways to Trim Production Costs

By Tracy A. Gill,

editor, *Inside Direct Mail*; senior writer, *Target Marketing*

When it comes to direct mail, everyone wants to find a way to get the same return on less investment. As one of the biggest expenditures in a direct mail campaign, production is a logical place to start. And it’s also one of the easiest, as there are a number of simple things any company can do to trim some of the fat out of its production budget. Here are a few ideas:

- Use standard-size envelopes. With the right creative, #10s, 6" x 9" and the like have just as much mailbox impact as their custom counterparts, for a lower price. To keep standard-size efforts from falling victim to fatigue, without a major redesign, try folding the contents in different ways to fit into other standard size envelopes.
- Work with print vendors to determine the sizes and shapes that will make the best use of their printing sheets. By trimming a quarter of an inch here or an eighth of an inch there, you may be able to print two or three pieces across the form, resulting in less trim waste and less time on press. When that math doesn’t work, use the extra room to print freemiums, lift notes or other ancillary pieces.
- Don’t be afraid to commit—to your production. Buy paper in bulk, rather than on an as-needed basis, to get better rates, and consider using your best print vendors on a contract basis; many will offer discounts if you do.
- Use four-color printing sparingly and supplement it with less expensive two- or one-color designs. For example, impose a brochure so that one side features all the images in stunning four-color, while the reverse features one-color type. Avoid spot colors unless they are absolutely necessary; that one extra color adds many extra dollars to your budget.
- Look for inexpensive bells and whistles to add interest to a direct mail piece. For example, rather than using a costly scratch off to get prospects to interact with a reply device, have them play a matching game or sign a “special offer acceptance” agreement.
- Print on lighter paper to reduce both paper and postage costs. Glossy papers are a good candidate for this because they reflect more light and therefore can be more forgiving of quality.
- Get it right the first time. Author alterations—or reprints—are killers to both your time line and your bottom line.



10 Design Errors You Can Avoid

Mistakes happen when designing direct mail. Most of them are due to not knowing the postal regulations. A knowledgeable mailing vendor is a valuable resource. Here are ten of the most common design mistakes that are caught by project managers at A.M. Mailing Services, Inc.

- 1. No indicia/wrong indicia** – Unless you plan to affix stamps or meter postage, a postal indicia will be needed. Print the indicia when printing the mailpiece. Proof the indicia with a postal expert. This can save costly corrections later.
- 2. Wrong card stock** – Postcards and selfmailers have minimum thickness requirements. A 4-1/4 x 6 inch postcard must be printed on 7 point (.007) minimum stock. All oversized cards must be printed on 9 point (.009) minimum stock. Reply cards have the same rules.
- 3. Hi-gloss paper stock** – Many inkjet inks used for addressing will not dry on coated stocks. UV and aqueous coatings are especially difficult to address. Check with your mailer before choosing a stock. (A.M. Mailing Services, Inc. can inkjet all coated stocks)
- 4. Nonstandard aspect ratio** – The USPS wants rectangular letter mail. To qualify, your piece must fit their “aspect ratio.” Divide the height of the mailpiece into the width. Your answer must be between 1.3 and 2.5 inches. A 6x9 envelope has a standard piece aspect ratio of 1.5 inches.
- 5. Small barcode clear zone** – A barcoded lettersize mailpiece should have a 4 inch wide by 1-1/2 inch deep address area. The barcode must have an 1/8 inch clearance from left and right edge and 5/8 inch from the bottom.
- 6. Poor reflectivity** – The background behind an address barcode should be white or light colored. Dark colors will interfere with postal scanning equipment.
- 7. Nonstandard folding** – Selfmailers should be folded at the bottom of the address panel. This method requires one tab seal. Mailpieces folded at the top of the address, short folded and Z-folded will require additional tabs.
- 8. Improperly sized inserts** – Measure all inserts that are to be machine inserted into an envelope. They must be 1/2 inch smaller than the width of envelope and 1/4 inch less in height.
- 9. Failed tap test** – Tap test an address card that is inserted into a window envelope. There must be an address clear zone that will not show other printing through the window even when tapped on the left, right, top and bottom. That’s what the post office will do.
- 10. No Postal Gauge Template** – Order a Postal Gauge Template from A.M. Mailing Services, Inc. It shows how to check for envelope sizes, standard window placement, correct dimensions for letter mail, barcode location and more. E-mail orders to info@ammailing.com. It’s FREE!

CASE STUDY - Duplex inkjetting fixes a proofing error

BUD K Worldwide, Inc. is a cataloger of collectible swords, knives, and medieval weaponry. They distribute thousands of collectible items world wide.

PROBLEM – BUD K markets their product line with a 32 page 11x12 catalog. They mail over 300,000 catalogs per issue. Items are featured in 4 color photography, product description and order code. Prior to mailing their summer issue, two items on the back cover were found to not have product codes.

STRATEGIC OBJECTIVE – To find a cost effective, timely method to add product codes to the two items on the back cover prior to the final quarter fold.

In consultation with the printer, Team A.M. developed the perfect solution. The catalog would be shipped to A.M. Mailing Services, Inc. with a half fold. Team A.M. would duplex inkjet the address and barcode on the cover while simultaneously printing the product codes on the back cover. Top and bottom inkjetting is one of A.M. Mailing Services, Inc.’s unique capabilities. A.M.’s knife folding capability was used to produce the quarter fold.

TARGET MARKETS – BUD K Worldwide’s desire was to have the catalog in homes before the start of their summer sale.

RESULTS – Team A.M.’s solution avoided the need to reprint the catalog. The timeliness of the fix resulted in the catalog mailing on the originally scheduled drop date at minimal cost to BUD K.



The ability to inkjet top and bottom provided the fix needed to avoid a costly reprint of the BUD K Catalog.

*Read more about direct mail marketing in A.M. Letterlink past issues.
Visit www.ammailing.com*

Meet A.M. Employees



Kris Dierdick
Data Processing

Data Processing is one of the most important departments at A.M. Mailing. Kris Dierdick is part of the data team that prepares each mailing list before it is sent to the

plant for production. She receives lists via e-mail, on disks, CDs or FTP site. The data is converted, files are merged and duplicates removed. She then uses mailing software to CASS Certify, presort and attach the Zip+4 and barcode to millions of addresses each month.

Before joining A.M., Kris worked as a machinist, creating metal and plastic products. Then she took a position in technical support and customer service. At that job she helped customers walk through technical issues. This was good experience for helping A.M. customers with the technical aspects of database marketing.

Kris’s hometown is in nearby Evansville. Her family moved to Edgerton when she was 12. They began building a house on Lake Koshkonong...all by themselves! “Only the basement cement was poured by a contractor” said Kris. Inside the walls she left notes, dates and drawings. Her family moved, but Kris eventually came back and bought the house she helped build as a child. She lives there now with her husband, a cat, two Siberian Huskies and a couple of tanks filled with catfish.

Her hobbies include computers, home improvement, fishing, bowling - and she loves to do laundry! Well, her job is like a laundry list of things to learn. “I took this position because of the opportunity to learn new and exciting skills.” She also found many new friends. “Everyone at A.M. is great,” says Kris.

Team A.M. exhibits at PCC Day

The Lakeland Postal District held their annual Postal Customer Council (PCC) Day at Lambeau Field in Green Bay, Wisconsin this year. This was part of a nationwide event televised close circuit to over 200 PCCs around the country. Postmaster General, Jack Potter addressed PCC members from the Dallas PCC Expo. He outlined the USPS vision for the future that would provide better service and a seamless experience through improved technology.

The A.M. Team exhibited a new direct mail marketing product...the Pseudo Magnet that can be affixed to any mailpiece. From L-R Dan Topel, Leanne Herman, Jeff Veessenmeyer and Marty Ochs.





A.M. MAILING SERVICES, INC.
100 INTERSTATE BLVD
EDGERTON WI 53534-9399

PRSR STD
 U.S. Postage
 PAID
 A.M. Mailing
 Services, Inc.

RETURN SERVICE REQUESTED



Inside:
Your LetterLink Newsletter Vol. 9 No. 4
from A.M. Mailing Services, Inc.

Mark your calendar for these print, mail and marketing events

November 8 - CADM's BOB STONE EDUCATION DAY
 Chicago, Holiday Inn Chicago Mart Plaza, 12 educational breakout sessions hosted by the Chicago Association of Direct Marketing, call 312-848-2236 for registration.

November 28- WPPC TOOLS FOR IMPROVING COLOR QUALITY
 Pewaukee, WI, Country Springs Hotel, 8 a.m. to 3 p.m., learn about color management and the advances in digital soft proofing systems, for more details or to register call Marty Ochs at 608-838-9899 or go to www.wppc.org

November 11-13 - NCDM 2006
 Orlando, FL, Caribe Royale Orlando Resort, annual conference sponsored by the National Center for Database Marketing, call 800-927-5007 to register.

December 12 - CADM ACRONYM HOLIDAY BASH
 Chicago, House of Blues Restaurant, networking event for marketers from the CADM, ADFED and AMA organizations. Call 312-848-CADM (2236) for details.

December 13 - AMA MADISON MONTHLY MEETING
 Madison, WI, Clarion Suites, 7:30 a.m. to 9 a.m., breakfast meeting, will feature a speaker from Famous Footwear's marketing department, sponsored by the Madison Chapter of the American Marketing Association, call 608-232-9696 ext. 12 for details and registration.

December 15, - GMCC HOLIDAY BUSINESS CARD EXCHANGE
 Madison, Wingate Inn, 4:30 p.m. to 6:30 p.m. sponsored by the Greater Madison Chamber of Commerce, call 608-443-1954 for details.

January 17, 2007 - WPPC CATALOG INNOVATIONS
 Pewaukee, WI, Country Inn, learn how catalogers cut costs with data mining, digital asset management, variable data printing, selective distribution, comailing and other cutting edge best practices. Call Marty Ochs at 608-838-9899 or visit www.wppc.org.

Moving? Want someone added to this mailing list?

Please correct my name and/or address
 YES - add me to the LetterLink mailing list

Fax 608-884-8949 E-mail info@ammailing.com

Name _____

Company _____

Address _____

City _____ State _____ Zip _____

E-Mail _____



A.M. MAILING SERVICES, INC.
 100 INTERSTATE BLVD EDGERTON, WI 53534-9399
 608-884-3452 FAX 608-884-8949
 800-410-MAIL (6245)
 e-mail info@ammailing.com
www.ammailing.com