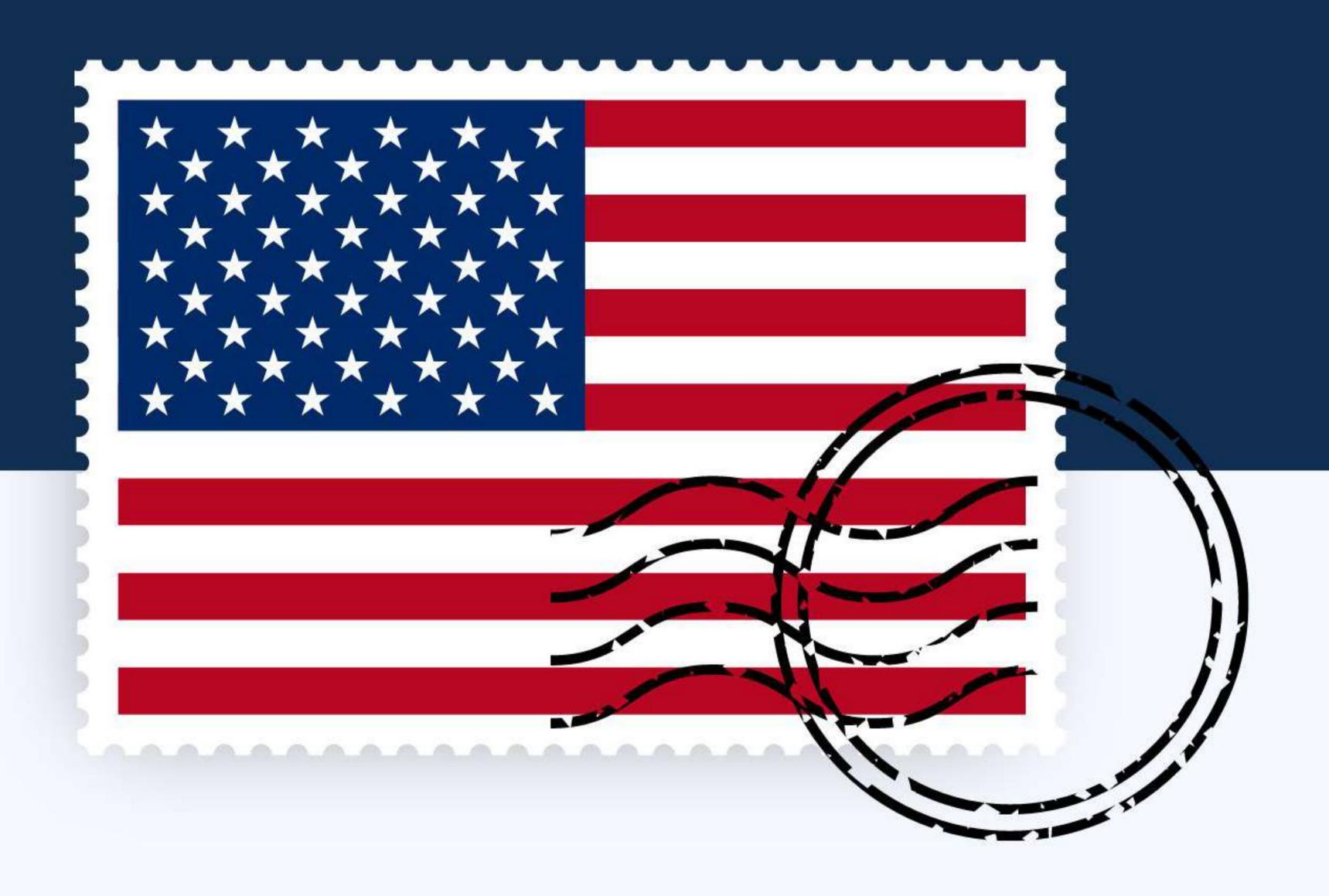
THE POSTAGE RATE RESET OF 2024

How to control costs and win the postage rate increase





Introduction

Postage rates are a significant part of your direct mail campaign. With rising costs everywhere post-Covid, add the U.S. Postal Service. USPS was given additional pricing authority by the Postal Regulatory Commission following a period of stable and predictable increases that actually slightly exceeded inflation. To achieve the financial stability required by Postmaster General Louis DeJoy's Delivering for America plan, regular rate increases are regarded as a necessity.

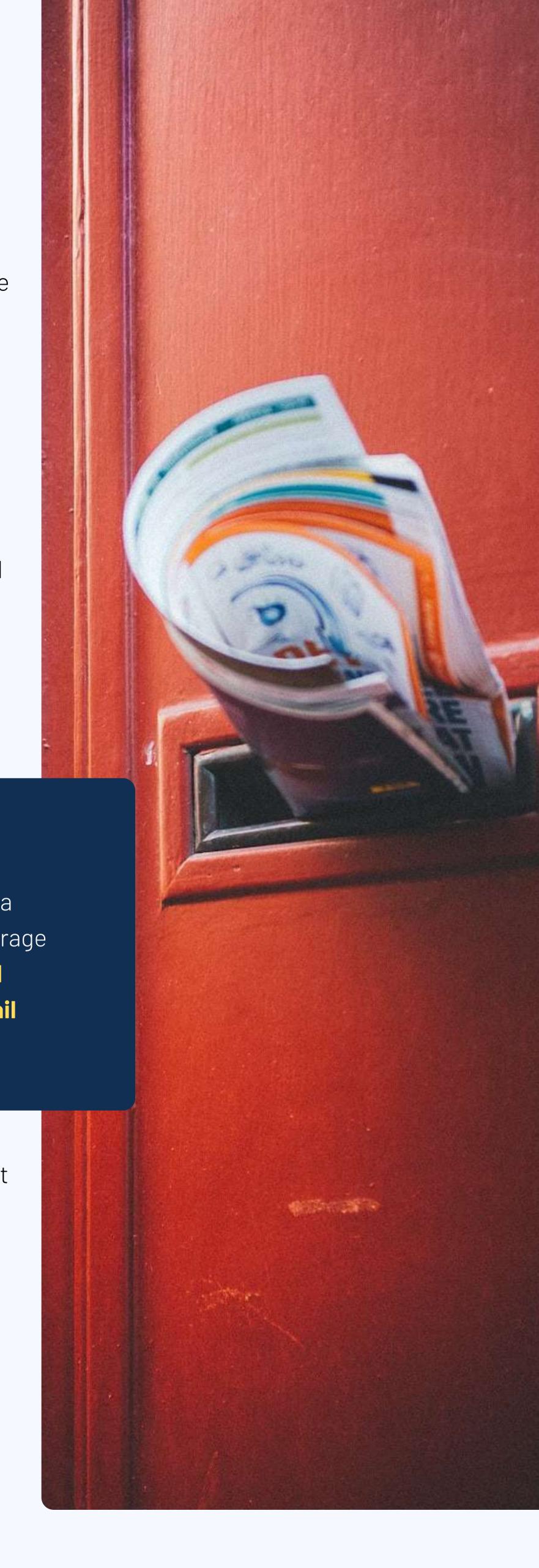
We've had 8 increases since January of 2018, with an average rise of around 1.03%, and 33.4% just since the inception of dual rate hikes in 2021 alone (for First Class Presort, Non-Profits, and Marketing Mail). DeJoy is stepping off his 1.03% average and is getting much more aggressive over the next two years with proposed 7.7% increases coming in July of 2024 and 2025 and 2.2% in January 2025 and 2026.

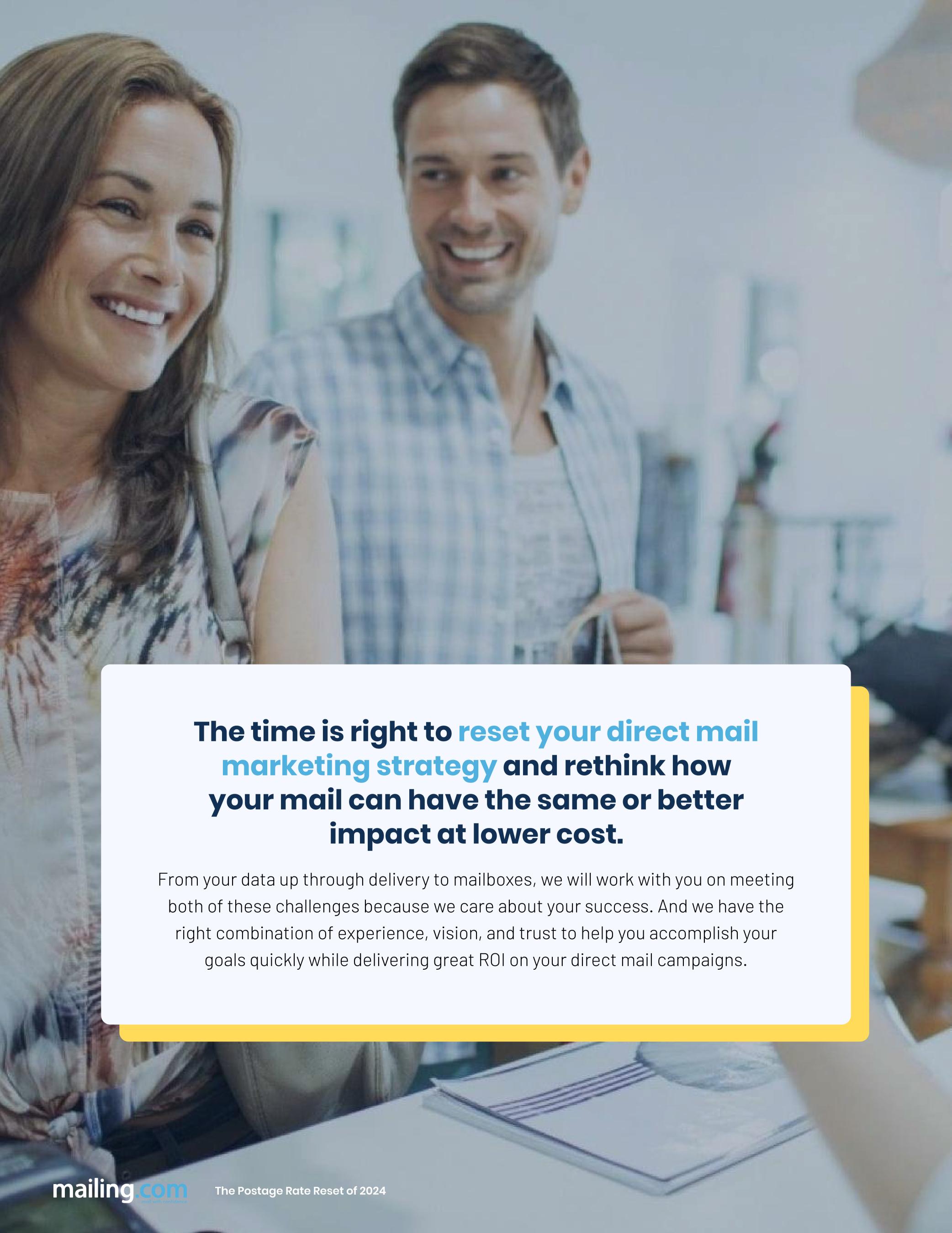
Breaking

And now, another postal rate hike. On April 9, 2024, USPS filed a price change notice with the Postal Rate Commission for an average increase of 7.8% to take effect on July 14, 2024. The new postal rates include a 5-cent increase in the price of a First-Class Mail Forever stamp from 68 cents to 73 cents.

Like many costs in business, increases have been on the rise but may not have been something you've thought much about. However now, doing nothing is no longer an option.

With USPS price increases locked in for the foreseeable future, it makes sense now, more than ever, to find new solutions that work better for your marketing needs - and wants.





Five Top Ways to Control Costs

There are big opportunities for cost reductions and efficiencies that can be achieved and lead to savings on postage. Here are several areas where you can begin to rethink your direct mail - the packages, the processes, and the goals that underlie your marketing strategy.

Restart with Top Quality Data

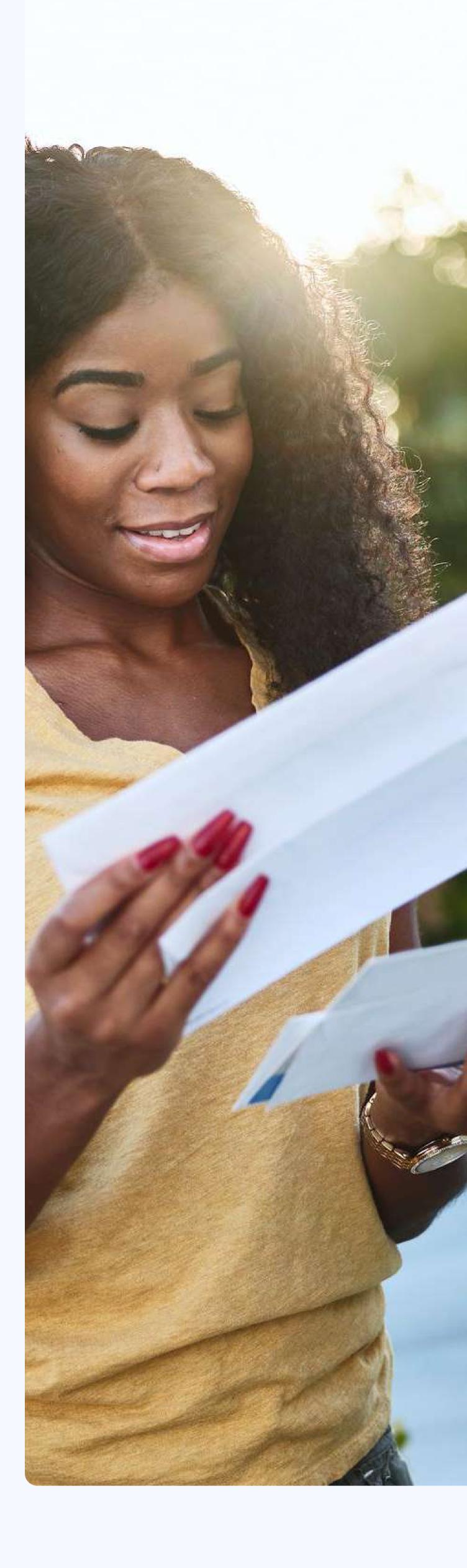
Data is the lifeblood of your marketing efforts. It drives sales and helps you develop insights on your customers while strengthening their trust and loyalty.

But good data, first-class data - that's an investment. A lot of companies that use mail in their marketing mix are drowning in data that they've been collecting. They'd love to activate it, but they're uncertain if it's all accurate. It may be scattered, siloed, or out of reach.

Besides internal organizational methods, **you need a partner who focuses on data quality**, meshes seamlessly with your workflow, ensures you can get the most out of your best data, and quickly gets your mail to market.

Your list data should be run through a series of vital checks to ensure that it's accurate and current before mailing. These procedures include:

- CASS (Coding Accuracy Support System) a USPS certification that corrects and standardizes address elements like zip codes and misspelled street or city names
- NCOA (National Change of Address) compares addresses against a database of all new address information filed with the USPS
- Dedupe eliminates duplicate copies of data by verifying a list against data bureau services; extra characters or blanks are also deleted
- Presort puts the list in proper order before printing; using zip code order with a minimum of 200 pieces and a bulk permit earns you a discount



Refocus on Customers & Prospects

Direct mail segmentation is a crucial step in creating campaigns that reach different people who have different expectations of your brand, and different requirements of how their preferences, needs, and wants can be met. With insights about your customer's or prospect's segment, you can use copy and images on your mail piece that are more relevant, and therefore, more likely to get their attention than a static piece.

A key factor to success with segmentation and personalization is expertise in identifying opportunities for reaching customers and then, printing and mailing high-quality direct mail pieces.

The right partner can help you develop testing and modeling strategies that analyze and target high-value segments. Using hundreds of data points, you can create the perfect mailing list that targets segments of their desired audience by one or more these types:

- **Demographic** gender, age, ethnicity, income, occupation, and education level
- Geographic state, city, zip code, street, or "neighborhood"/radius
- **Behavioral** customer activity, such as buying products and services, using the RFM (Recency, Frequency, Monetary) model
- **Psychographic** attitudes and values, interests, and more broadly, lifestyle, all form a personality profile



Redesign Mail Pieces

To make sure that your message creates an impact, you need to choose the right direct mail formats. But which direct mail format works best for your campaigns today?

You have many affordable options for design, printing, processing, and postage but also a wide range of costs associated with re-working your current direct mail pieces.

For example:

- **Reduce mailer size** Keep your current format but shrink the trim size (width and height), use less components in envelopes, or lighter-weight papers
- Move to a larger mailer size Upsize to a larger piece or format that can take the place of multiple smaller pieces
- **Switch format** Change your current format to a smaller one should result in lower costs (e.g., move from envelopes to folded self-mailers, or from FSMs to jumbo postcards)

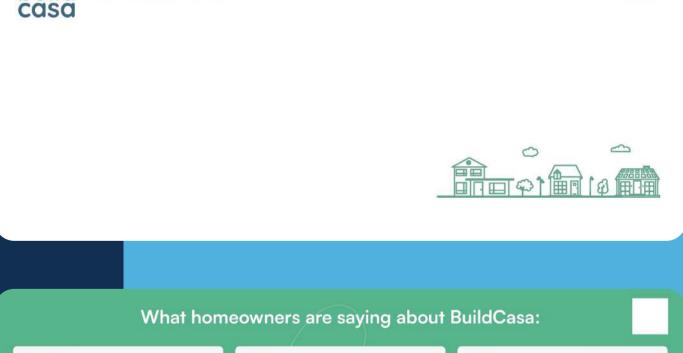
Subtle changes and flexibility can help to reduce costs. Your mail campaigns may be easier and faster to print and mail. However, remember that the relevancy of your messaging - and how it's delivered on your mailer - also needs to be reexamined.

For example:

- Can you reduce the number of words or images to fit well on a smaller format?
- Are you using hierarchy, typography, and white space to emphasize your offer and call-to-action?
- And can you leave the heavy lifting of longer copy and multiple envelope inserts for your website?

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Doing all of the work of splitting I wanted to unlock the I've been trying to split my lot a lot, connecting it to electricity for 2 years but haven't been value of my property but and water, and selling to was having a really rough able to find the professionals to do it. This saves me a ton time with it. BuildCasa is someone is now something I don't have to worry about. really fantastic. of time and energy. Redwood City homeowner Sacramento homeowner Sacramento homeowne Visit www.buildcasa.com or call (916) 619-1442 to find out mor

Reorient Mail Production

At a basic level, automation improves on the usual manual process to send direct mail campaigns. You simply make any changes to an existing template or upload a new mailer to a completely automated CRM system, just as you would with an email marketing campaign.

However, at a more advanced level, automation operates across channels by sending direct mail based on event- or behavior-based triggers. Data flows from point-of-capture (e.g., website visits, abandoned carts) into your CRM for printing and entry into the USPS mailstream.

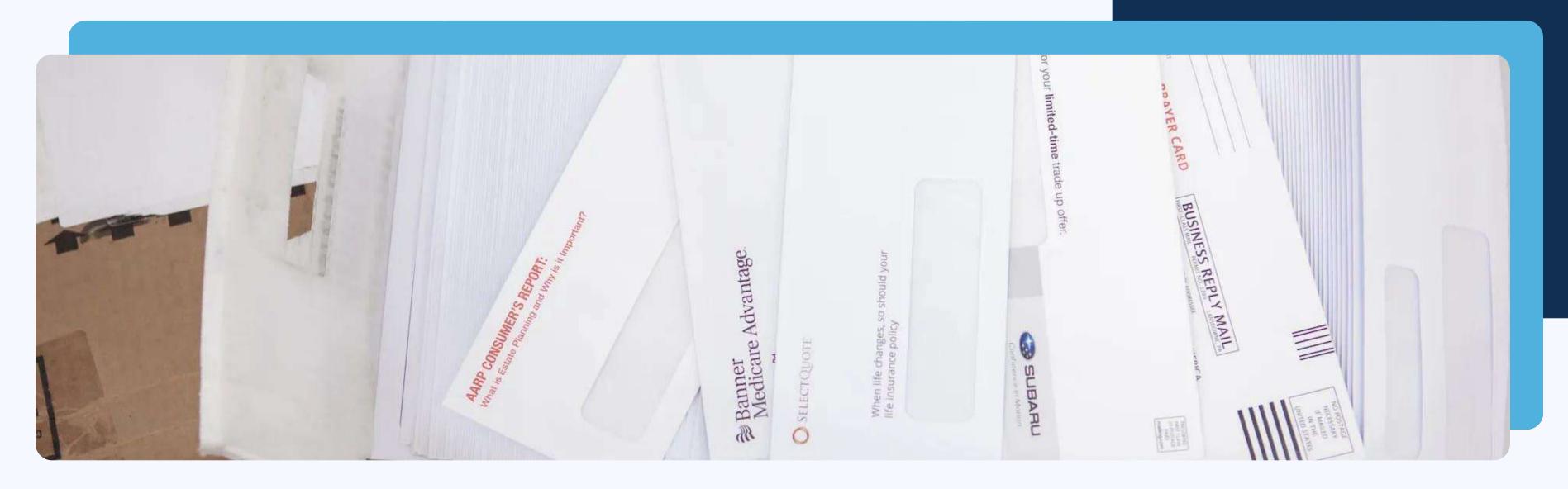
When you align your production process with customer data and mailing options choices, you can operate more seamlessly across your entire direct mail cycle. In addition to reducing costs, you'll get into the mailstream faster, and with less friction, and reach your target audiences sooner.

Understanding and controlling many workflows in your processes is critical for overcoming bottlenecks, eliminating workarounds, and attaining efficiencies. This requires a series of integrations to share data easily.

A key step for moving forward is to **start with assessing and documenting your current workflows and focus on those that generate the most orders.** Identify any gaps in your processes and look for opportunities to integrate and automate using your workforce and solutions (software and hardware) already in place. And if there are none, then document your specific needs or challenges and then find solutions that achieve your goals.

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Reoptimize Mailing & Tracking

If your mailing pieces are compatible with USPS's processing equipment, they qualify for discount pricing. But, they must meet several criteria, such as:

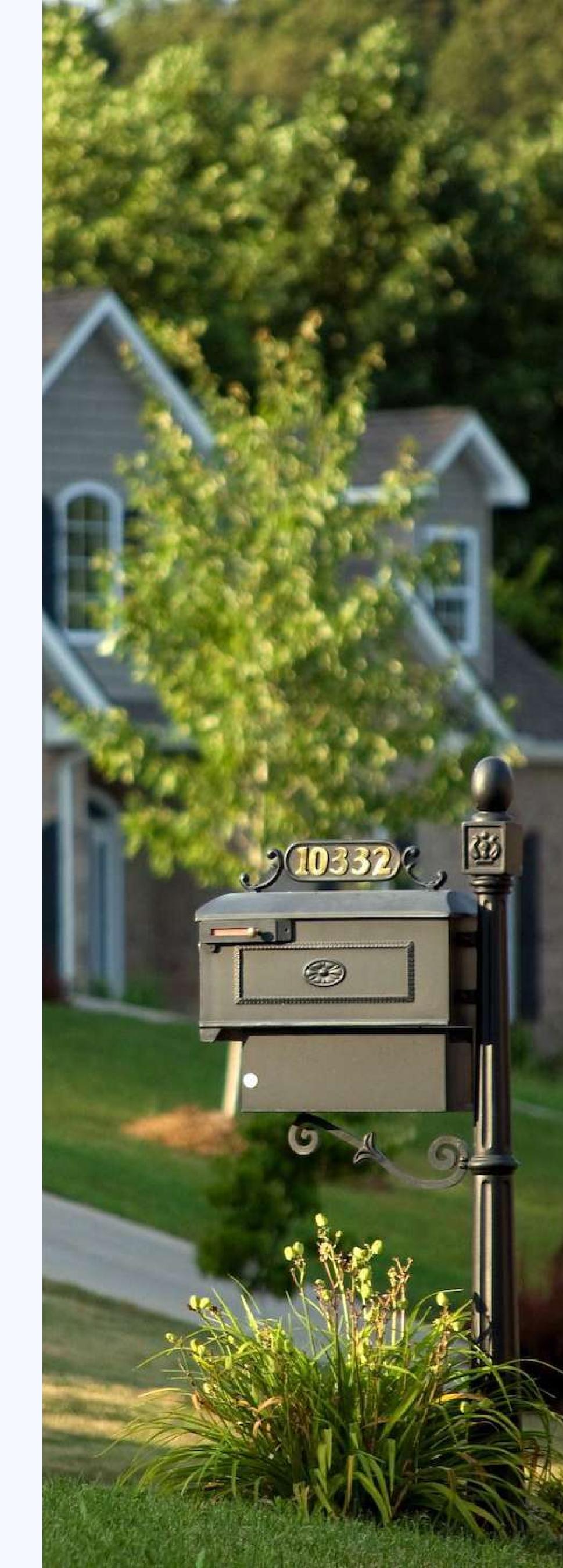
- **Minimum quantities** (500 mailings for First Class, 200 for Marketing Mail)
- CASS certification in the last 180 days
- An Intelligent Mail barcode (IMb) with the correct delivery point routing code printed on each piece

Full-Service Mailers using USPS Seamless Acceptance can offer significant postage discounts because they use electronic documentation and Intelligent Mail barcodes (IMb) to automate and streamline mail entry verification.

Another important tip: utilizing a drop shipping service. Your mail campaign can be sent in bulk to the nearest USPS office, saving you even more money and time. In addition, both of these advantages improve the certainty of in-home mail dates, an important consideration at a time when on-time delivery for First Class and Marketing Mail are experiencing slowdowns.

Finally, enrollment in Informed Visibility, especially when working with third-party solutions, provides numerous benefits for tracking your mail, such as:

- Near real-time notification of delivery dates
- Enables better planning and alignment with workflow, including omnichannel campaigns
- Insights into USPS processing times and issues
- Mail delivery trend data





Conclusion

At mailing.com, we value our partnerships with our clients and we are committed to working with you to strengthen those relationships and your bottom line. Addressing the upcoming postage rate hike – and minimizing its impact – is our immediate concern. But that's not good enough. We want to help future–proof your mail from additional increases, and the suggestions that we offered above are only a starting point for what's possible.



We Can Help You Too!

With nearly six decades of service, we are eager to bring our expertise and ideas to your direct mail campaigns. Our award-winning customer service is only part of our investment in your success. For more specific guidance for your campaign needs, please reach out to our advisors. We would love to start a conversation, and work with you to create successful, exceptional brand experiences on time and on budget.

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