



GOING POSTAL

3. It is flexible: It can be sent in a variety of formats.
4. It is tangible: You can hold it in your hand.
5. It is measurable: You can track the responses.
6. It is cost effective: It reaches who you want to reach.

According to Pitney Bowes (which also has a dog in this fight) direct mail is preferred to unsolicited email. A recent study it commissioned found that:

- 73% of people preferred direct mail over email for new product information.
- 70% of consumers preferred direct mail for business communications.
- 83% of people preferred to get bills and statements via mail vs. email.
- 42% of people say traditional mail is less intrusive than email.
- 42% of people say traditional mail is more convenient than email.

Of course, understanding the advantages of mail and knowing the preferences people have for mail over email is

By Bob Hall

Not that long ago, all the digital hotshots were predicting the disappearance of direct mail in favor of email. Now, after several years of being inundated with spam, people are tuning out email. The unrelenting flood of junk that dodges spam filters and clogs email boxes has tarnished electronic mail's reputation and effectiveness—so what's old is new again.

Call it snail mail, direct mail, or paper-based communications, mail is making a comeback and is becoming a small but important part of the job mix for quick and small commercial printers. This is being driven in part by the shortcomings of email and in part by the emerging variable data capabilities now finding their way into our shops.

In this year's Top 100 and Franchise Review, mailing services accounted for 3.79% and 3.5% of sales, respectively. If that sounds like a drop in the bucket, it works out to \$24.8 million and \$69.4 million. Extrapolate that across the entire \$13 to \$15 billion in sales from this segment and you've got some real dollars there.

Direct Advantages

According to the U.S. Postal Service (USPS), which obviously has a dog in this fight, direct mail has several distinct advantages:

1. It is targeted: You can focus on a specific audience.
2. It is personal: You can address customers by name.

What Mails How

The USPS offers different mailing services for different applications. Among them are:

- **First Class Mail:** Bills and checks, statements of account, handwritten materials, typewritten letters, personal correspondence.
- **Standard Mail:** Circulars, advertisements, solicitations for donations, newsletters, merchandise, printed matter not required to be mailed as First-Class or Periodicals.
- **Periodicals:** Newspapers, newsletters, and magazines.
- **Bound Printed Matter:** Permanently bound advertising, promotional material, directory material, or editorial material.
- **Media Mail:** Books, printed music, videotapes, CD-ROMS, computer media, printed educational charts.



According to USPS data, multimedia shoppers spend 30% more than single-media shoppers, 37% of e-commerce dollars come from catalog recipients, and 41% of Americans use both catalogs and the Internet.

just the beginning. In order to be successful, any direct mail campaign has to be more than just a clever idea and a mailing budget.

Personalization

Chances are that, unless there is a coupon for something you might buy, mail addressed to "occupant" or "current resident" gets tossed in the trash. In order to connect with customers one-to-one, a good direct mail campaign will involve the use of variable data and require some database management skills. (See articles on page 38 and page 18 of this issue for more on those subjects.) Content directed specifically to an individual is much more effective than a one-size-fits-all approach.

Of course, personalization requires some homework. It's easy enough to put together the basics: Name, address, city, state, zip code. Where do you get this basic information? You can either buy a list for your customer or use his or her database. Both have their pitfalls since purchased lists can vary widely in quality and customer lists can be poorly constructed or maintained.

However, unless you are content with limiting your personalization to "Dear Robert," you're going to need more than the basic information. This is where the quality of your customer's contact information comes in. Is there enough data to be able to target recipients by past purchases, occupation, age, income, affiliations, preferences, or any other individual trait to make the targeting more effective?

Equip It

The degree to which you can offer your customers personalization depends on the sophistication of your equipment. Mailing services can include everything from basic inkjet addressing to one-off, four-color digital pieces with customized messages specifically targeted to a single individual.

While there are many vendors of software and equipment specifically aimed at the VDP aspect of the mailing services market, the major digital vendors each have software and training to promote the use of their digital printers in the mailing service arena. Xerox touts the use of its DocuColor, DocuTech, and iGen3. Kodak has the NexPress, Versamark and DigiMaster printers. HP has Indigo and its inkjet devices.

One thing to remember if you are considering taking on mailing services as another profit center: It takes up a lot of space. You need room for an inkjet addresser, tabber, and postage meter. You need aisles wide enough to allow you to move materials on carts from machine to machine and out to the delivery dock. You also need a place to store processed mail until it is ready to go to the post office.

Play the Net

I started off this article with some disparaging remarks about email and its effectiveness. The fact is, as technologies evolve, direct mail and electronic communications are becoming complimentary. According to the USPS, more and more companies are integrating direct mail and the Internet in their marketing campaigns. This presents an advantage to the digitally savvy printer who can handle both printed and electronic communications.

One of the most direct ways to build an integrated campaign is to use the mail piece to direct the recipient to the sender's website. According to USPS data, multimedia shoppers spend 30% more than single-media shoppers, 37% of e-commerce dollars come from catalog recipients, and 41% of Americans use both catalogs and the Internet. I'd be willing to bet most of you have found something of interest in a mailing or catalog and completed the purchase at the company's website.

One of the newer methods of integrating mailing services with the Internet involves Personalized URLs, or PURLs. VDP printing is used to send out one-to-one personalized mailings which direct the recipient to a personalized page. Vendors such as Mindfire (www.mindfireinc.com) and Easy Purl (www.easypurl.com) are among those offering this capability to our industry segment.

Resources

The major resource for anyone looking at adding mailing services is the USPS. The basics of designing and preparing mail are contained in its Domestic Mail Manual available at <http://pe.usps.gov>. The USPS also occasionally offers classes on mail preparation and mail piece design. You can check with your local post office. The USPS also publishes books on various mailing-related topics.

NAQP has a Mailing Services Group (www.printimage.org). The Mailing Fulfillment Service Association (MFSA) offers a series of online webinars and will hold its Professional Management Conference this September in St. Louis. There are also eight regional MFSA chapters across the country (www.mfsanet.org).

The bottom line is that mailing services can be a valuable addition to your job mix but it will take a commitment in time, money, and education to profitably get into the game. ■■

Stamp It!

Postage meters and PC postage are only available through authorized USPS vendors. They are:

- Data-Pac Mailing Systems Corp. (meters): www.data-pac.com
- Hasler Inc. (meters): www.haslerinc.com
- Francotype-Postalia Inc. (meters): www.fpusa.net
- Neopost (meters): www.neopost.com
- Pitney Bowes Inc. (meters and PC postage): www.pitneybowes.com
- PSI Systems (PC postage): www.endicia.com
- Stamps.com (PC postage): www.stamps.com