



Expand Your Printing Services With Mailing and Fulfillment

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A Couple of Definitions...

- What is the difference?
 - Mailing
 - Distribution
 - Fulfillment

Caveats

- Mailing is NOT printing
- Postage is NOT revenue
- Mail list manipulation and management is NOT prepress file management
- Fulfillment is NOT hand bindery and distribution
- You must – MUST – keep your mailing software current at all times!



Printers and Fulfillment

State of Fulfillment 2005

	Printers	Mailing/Fulfillment Specialists
Average Annual Sales	\$25.2 MM	\$5.3 MM
>\$10MM in sales	71%	8%
Ave. # of years offering f/f	10	12
Proportion < 5 years	43%	32%
Ave. # of clients served	23	34
<11 clients	60%	46%
>25 clients	20%	36%
Total Respondents	42	51

73.5% expect business to increase
Average increase projected for 2005 is +14.8%

Source: *Industry Trends in Fulfillment, Finishing, and Distribution*, RIT, 2004



Direct Mail

- A strong economy supports direct mail.
- Legislation and regulation limiting telemarketing and e-mail marketing.
- Digital printing approaching an “audience of one.”
- Most of us are more upset to receive unsolicited e-mail - “spam”- than to receive unsolicited print mail - “junk.”
- “Flip side” – states proposing “Do Not Mail” legislation.



Direct Marketing Expenditures Up

- Since 2002, direct marketing expenditures:
 - 69% increased
 - 16% stayed the same
 - 15% decreased
- Direct mail expenditures:
 - 54% increased
 - 33% stayed the same
 - 13% decreased
- Expenditures – getting vs. keeping customers
 - 52% on customer acquisition
 - 47% on customer retention
- 72% have increased their use of e-mail marketing

Source: Direct Marketing Association

Direct Mail – Vertical Markets

Direct Mail Expenditure - 2002 (in \$Millions)	
Catalogs	\$ 10,345
Business-to-Business	\$ 7,538
Retail	\$ 6,386
Financial Services	\$ 6,371
Not-for-Profit	\$ 3,675
Hospitality	\$ 2,313
Publishing	\$ 1,909
Automotive	\$ 1,656
Telecommunications	\$ 1,580
Healthcare	\$ 686
Other	\$ 3,565
Total	\$ 46,024

Source: Direct Marketing Association



Mailing Services Menu

- **Lettershop services – “lick and stick”**
- **Personalized**
 - Personalized letter, inserted with brochure into window or matched envelope.
 - Small volumes
 - Simple VDP applications – “mail merge+”
- **Customized**
 - Simple variable graphics and text (versions)
- **1:1 Marketing**
 - Complex variables, conditional logic,
 - Cross media publication – e-mail, Web, direct mail
 - Fulfillment, response management (including personalized micro-sites, analytics)



Fulfillment Services Menu

- Literature fulfillment – including POD
- Product fulfillment
- Kitting and custom packing
- Rebate and coupon processing
- Sales and consumer response programs
- Call center – incoming/outgoing
- Stand alone online catalogs and ordering
- Interface with enterprise procurement systems
- “Finished goods fulfillment” or “turn key fulfillment”
 - Take title to all inventory
 - Invoice customer on delivery
 - Buy-back agreements
 - Requires clear SLA (Service Level Agreements)



Getting into Mailing/Fulfillment Services

Requires special knowledge – and most important – the ability to sell the services.

- Buy it – outsource the service, partner with a mailing/fulfillment service until you are ready.**
- Build it – grow your own... long process, will make mistakes.**
- Hire it – hire experienced staff and management, use consultants when/where appropriate – process is faster, less likely to make major mistakes.**
- Acquire it – fastest process, get the whole package at one time – management, staff, experience, knowledge and probably equipment and software.**



10 Steps to Offering Mailing Services

- Develop a strategic plan.
- Select your postal automation/presorting software.
- Select your mailroom equipment.
- Develop a mail piece design/validation process.
- Develop a list processing/management process.
- Develop security/privacy management processes.
- Develop a quality assurance program.
- Hire/train your staff.
- Modify your estimating and pricing procedures.
- Use your postal automation software to generate new revenue.

Get Involved – Stay Informed



A note: CYA

- Get good “Errors and Omissions” Insurance.
- You could be expected to pay for the reprinting, mail processing, and postage for errors resulting in a failed mailing.
- Other liability issues:
 - Inventory “shrinkage”
 - Postage management



Mailing “Gotchas!”

- Mailing, as a process, continues to get more complex.
- Before 1990, there were three postage discounts.
- In 1990, a postal “reorganization” increased discounts to about 75.
- Today there are over 4000!



Addresses – the Good, the Bad, the Ugly

- All addresses are not equal, some are correct but not worth mailing to.
- 17% of Americans move every year, and only 80% of them file a change of address with the USPS.
- Customer databases, for the most part, are abysmal.



Postal Software

- **Entry level**
 - Envelope Manager, Mailers+4, AccuZIP, SmartAddresser
- **Mid-tier**
 - BCC Software, Satori Software, SmartMailer, Postalsoft Desktop Mailer, Anchor Computer
- **Top-tier**
 - Group1/Pitney Bowes, Trillium (Harte Hanks), Firstlogic, Acxiom



Mailing Terms You Need to Know

- **CASS – Coding Accuracy Support System** – a certification process to ensure that postal automation software can accurately standardize addresses and encode them with ZIP+4 and carrier route information.
- **PAVE – Presort Accuracy Validation and Evaluation** – a certification process to ensure that postal presorting software can accurately presort and prepare mailings for deposit with the USPS.



Working with the USPS

I'm from the USPS and I'm here to help you...

- The *Post Office* is just that place where you buy stamps.
- The Postal Service – as in USPS – is the service provider with whom you work.
- There is no one named “someone” at the USPS.



Now that we've scared you...

- About 55 - 60% of all printed matter ends up in the mail, sometime in its product lifecycle.
- Probably 40+% goes directly into the mail system.
- Mailing is the #1 value added service that commercial and digital printers want to add.
- Confirm with your customer and prospect base that you have the market.
- Go for it!



Resources - USPS

- **USPS - www.usps.com**
- **RIBBS – <http://ribbs.usps.gov>**
- **Postal Explorer – <http://pe.usps.gov>**
- **MERLIN – www.usps.com/merlin**



Resources - Events

- **MailCom, MSMA – September 25 – 27, Las Vegas, NV**
- **DMA05, Direct Marketing Association - October 15-19, Atlanta, GA**
- **Parcel Shipping & Distribution Forum – October 31 - November 2, Chicago, IL**
- **Xplor/Graphics of the Americas – February 1-5, 2006, Miami Beach, FL**
- **National Postal Forum, USPS – April 2-5, 2006, Orlando, FL**
- **National Conference on Operations and Fulfillment – April 9-12, 2006, Orlando, FL**



Resources - Associations

- **Mailing and Fulfillment Services Association, www.mfsanet.org**
- **Mail Systems Management Association, www.msmanational.org**
- **Alliance of Non Profit Mailers, www.nonprofitmailers.org**
- **PostCom – Association for Postal Commerce, www.postcom.org**
- **Parcel Shippers Association, www.parcelshippers.org**



Resources - Publications

- ***Direct*** (\$) - www.directmag.com
- ***MultiChannel Merchant*** - www.multichannelmerchant.com
- ***Mail Magazine*** (\$) - www.mail-magazine.com
- ***DOCUMENT*** - www.dptmag.com
- ***Mailing Systems Technology*** - www.mailingsystemsmag.com
- ***Parcel Shipping and Distribution*** - www.psdmag.com
- ***PostalWorld*** (\$) - www.mypostalworld.com
- ***PostInsight*** - www.postinsight.com
- ***Business Mailers Review*** (\$) - www.businessmailersreview.com
- ***PostalNews*** - www.postalnews.com
- ***Presort.com*** - www.presort.com
- ***PostalMag*** - www.postalmag.com
- ***DM News*** (\$) - www.dmnews.com
- ***Inside Direct Mail*** - www.insidedirectmail.com