



Tangible ROI's for Full Service Intelligent Mail

2013 Baltimore PCC Mailer's Education Seminar & Business Exposition

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Intelligent Mail® Implementation

- Original Plan – Meet Industry Regulations
- Reality
 - Dates Changed
 - Technology Changed
 - Need to Justify Implementation
- Alternate Reality
 - Companies have figured out how to save money based off intelligent use of data



Opportunities by Vertical



Financial Services

CARD Act, Regulation Z, UDAP, Fraud Flag



Insurance

Cancellations, Agent Copies, Interested Party Notifications, Certificates of Mailing



Healthcare

HIPAA, Cancellations, Cobra, EOB's, Denials



Retail

Standard Class, Campaign Performance, Response Marketing, Call Center Management



Telecom

Carrier Change Confirmation, Third Party Reconciliations

Opportunities by Department

Mail & Print Operations	Marketing	Customer Service	Legal	Finance	Line of Business
Discounts	Discounts & Promotions	Piece-Level Queries	Proof of Mailing	Cash Flow	Improving Address Quality
Job Tracking	Campaign Management (Mail / Multi Channel)	Tracking Responses		Collections	Tracking Responses
Delivery	InHome™			Tracking Responses	Tracking Cancellation Notices
Vendor Management	Vendor Management			Tracking Cancellation Notices	
Identify Delivery Issues	Tracking Responses				

Public Examples of IMb[®] ROI

- Reader's Digest – Covered the cost of implementation through use of ACS[™]
- US Census – Reduced door-to-door census surveys by measuring response and address quality
- Hallmark – Increased revenue through in-store postage



Case Studies

- Protecting the Discount
- Campaign Optimization
- Cancellation Notices
- Reducing Fraud
- Cash Flow Optimization
- Real Intangibles

Protecting the Discount

- Very basic strategy to ensure compliance with USPS® regulations

Mail Type	Discounted Postage	Non-Qualifying Postage	Difference	Mail Pieces Per Month	Months in a Year	Annual Additional Cost
First Class	\$0.3810	\$0.433	\$0.052	1,000,000	12	\$624,000
Standard	\$0.2650	\$0.274	\$0.009	1,000,000	12	\$108,000

Campaign Management

- Increase response by effectively managing distribution and multi-channel campaigns

	Average Order Value	Response Rate *	Mail Piece	Campaign Value	Campaign Per Piece	Net Benefit
Mailing Campaign Response Rate	250	1.3%	1,000,000	\$3,250,000	\$0.50	\$2,750,000.00
Multi-Channel Campaign Response Rate	250	9.4%	1,000,000	\$23,500,000	\$1.00	\$22,500,000.00
			Totals:	\$20,250,000		\$19,750,000

* Source of Response Rates - Banta White Paper "Developing Effective Multi-Channel Strategies"

	Average Order Value	Response Rate *	Mail Piece	Campaign Value	Campaign Per Piece	Net Benefit
Mailing Campaign Response Rate	250	0.5%	1,000,000	\$1,250,000	\$0.50	\$750,000.00
Multi-Channel Campaign Response Rate	250	1.0%	1,000,000	\$2,500,000	\$1.00	\$1,500,000.00
			Totals:	\$1,250,000		\$750,000

* Source of Response Rates - Real Life

Real Life – Campaign Management

Situation

- A large Direct Marketing campaign during the biggest season a large portion of mail was alerted to have no scans, over the Eastern United States.
- It was determined that the mail may not be recoverable due to a large trucking problem.
- Because of the IMb® we knew which pieces had not been scanned so we created a new file for the lettershop to reprint and expedite using First-Class Mail® to ensure the pieces made it in before the end of the season and to salvage the mailing.

Results

- Over 5 million pieces were recreated.
 - Piece cost = \$0.35
 - Value of responder = \$100.00
 - Response rate = 0.5%
- \$4,250,000 ROI for that mailing.



Real Life – Campaign Management

Situation

- Mailing alerts found little to low scans at a NDC and SCF's on 250,000 pieces of mail.
- Because of the early alerts the mail was found, expedited and the mail was delivered a few days after the bulk of the mail.

Results

- Piece cost = \$0.35
- Value of a responder = \$500
- Response rate = 0.25%
- \$400,000 ROI for that one mailing.



Cancellation Notices

- The insurance industry utilizes an array of data for policy cancellation notices.
- Data is utilized in place of bulk certificate of mail (\$.44 cents each) and used in court as evidence in an accident trial to prove an uninsured driver was mailed a cancellation notice.

Mail Type	Presorted Rate	Full Rate	Difference	Tracking Data Per Piece	Certificate of Mailing	Difference	Mail Pieces Per Month	Months in a Year	Annual Savings
First Class + Certificate of Mailing	\$0.433	\$0.460	\$0.027	\$0.010	\$0.440	\$0.430	1,000,000	12	\$5,484,000

“(The) data has saved our company hundreds of thousands of dollars annually in certificate of mailing costs. Once the process is setup, it is seamless and works like a charm.”

– Leading Insurance Company that sent approximately 10,000 pieces per day via certificate of mail.

Reducing Fraud

MSNBC

- 8.4 million credit cards are stolen each year
- 286 million instances of fraud each year

StatisticsBrain.com

- 7% of all stolen credit cards through the mail
- 588,000 credit cards per year are stolen through the mail
- 1.4% of all e-commerce sales are lost due to stolen credit cards

Outbound Credit Cards	Stolen Through Mail - 1.7%	Average Value	Monthly Cost	Months in a Year	Annual Cost
100,000	1,600	\$ 5,000	\$ 8,000,000	12	\$96,000,000

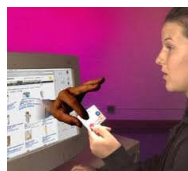
Real Life – Reducing Fraud

Situation

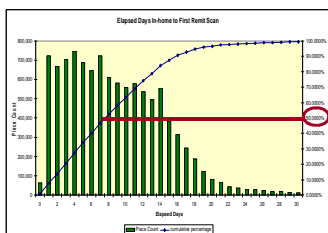
- During a one-year period we worked with a large credit card company and the USPS Inspection service where we used the IMb of the mailpiece and fraud data generated by the credit card company to identify two separate fraud rings.
- Two SCF's (East & West Coast)

Results

- Individuals were identified, monitored and arrested.
- Over 10,000 cards were stolen in one year from these two locations
- \$500.00 in fraud per card.
- Over \$5,000,000 in fraud prevented over a year's time.



Cash Flow Analysis



USPS Performance on Remittances

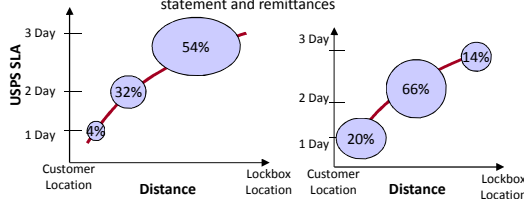
- Optimize use and location of Lockbox operations to improve cash flow (improve control, performance, and predictability)

Customer payment behavior analyses

- Identify in-home to remittance response time
- Predict cash flow and necessary processing support
- Establish production to minimize remittance time

Lockbox float efficiency analyses

Elapsed days between receipt of statement and remittances



More Visibility for More Control

- Maintain enterprise-wide standards and optimize mailing splits across all supply vendors
- Soften the impact of the 2013 USPS® price change increase through postage savings
- Improve address quality and save more
 - Reduce bad-address costs with Full Service IMb
 - Increase potential revenues by delivering more mail to known Changes of Address (COA)
- Improve visibility of the end-to-end mailing process
 - Consolidate commingle and tracking data into a single report
 - Provide “mail tendered to USPS” information within tracking reports

MailTrak
with commingle

Version Summary

Campaign: **GE**
Total Campaign

1st Class Mail (Delivery Window = 1 to 3 Days from Mail Date)
* In Home Window Date Range = 11/30/12 through 12/02/12

Version	Mail Date(s)	Lettershop	PBPS Processing Information		Tracked Quantity
			First Scan	Tendered to USPS	
3TSTID	11/29/2012	SueVendor	11/26/2012 21:09	11/26/2012 21:48	19
3TST1M	11/29/2012	SueVendor	11/26/2012 21:09	11/26/2012 21:09	288
3TST2D	11/29/2012	SueVendor			2
3TST2M	11/29/2012	SueVendor	11/26/2012 21:09	11/26/2012 21:42	73
3TSTD	11/29/2012	SueVendor	11/27/2012 21:14	11/26/2012 21:42	10
3TSTM	11/29/2012	SueVendor	11/26/2012 21:09	11/26/2012 21:09	317
Sue's Vendor 1st Class Total :			11/26/2012 21:09	11/26/2012 21:09	709
1st Class Mail Grand Total :			11/26/2012 21:09	11/26/2012 21:09	709

Other Applications

- Automating Undeliverable / Returned Mail
- USPS Incentives
- Participate in E-Induction and Seamless Programs

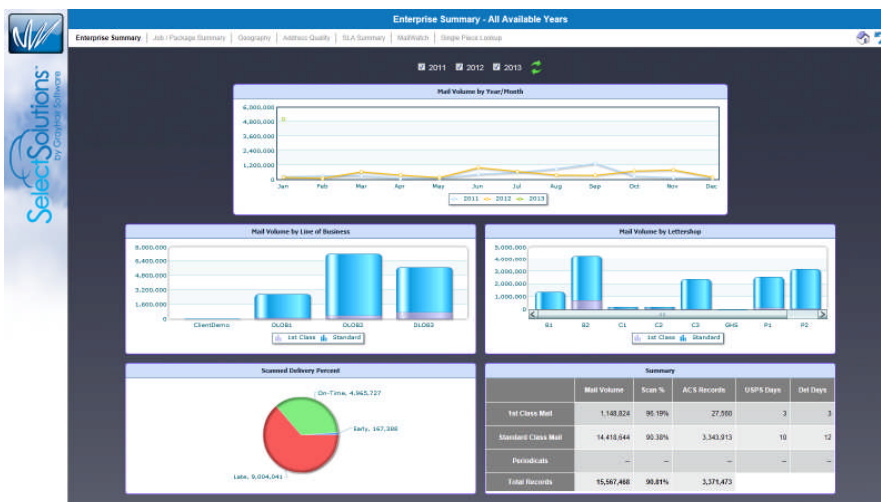
Real Intangibles

- Risk Mitigation
- Customer Service
- Domestic Voter Registration
- Overseas Voter Registration

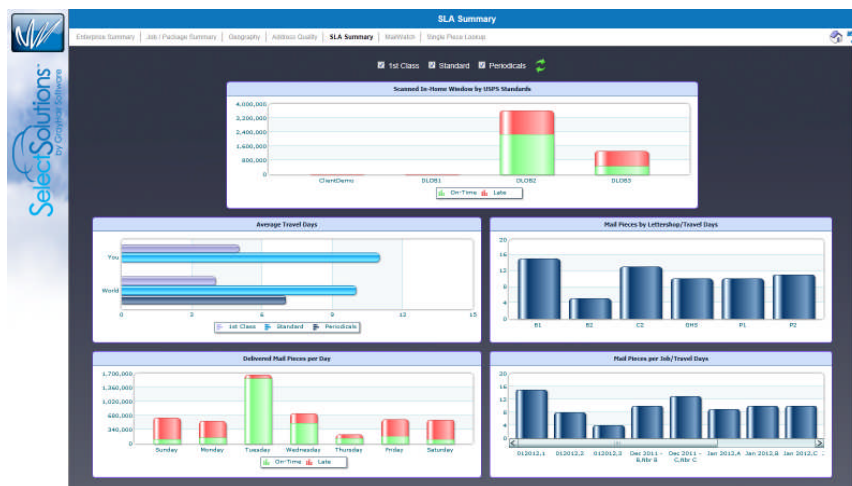


The key is how you present data

- Graphical / Easy to read executive reports

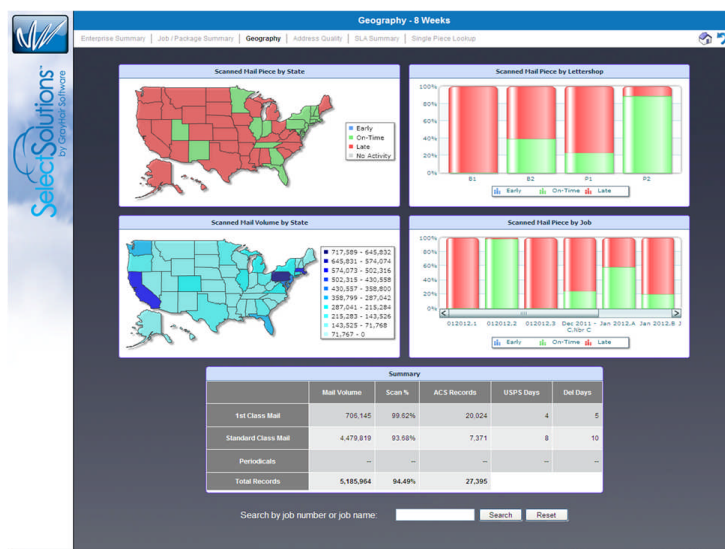


The key is how you present data



The key is how you present data

- Geographic identification of potential issues



In Closing

- Intelligent use of data is an enterprise strategy
- Leverage the savings of one project to fund additional revenue and savings opportunities
- Demonstrates the value of mail as a integral part of a complete communication strategy



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