

8 Steps To Lowering Your Catalog Postage Costs

Everyone has concerns about postage because: (a) it keeps going up; and (b) there is constant change in what is already a complicated system. Postal reform helps moderate costs, but it still won't change the fact that postage outweighs all other catalog production costs combined. Getting a grip on your postage costs demands addressing several key areas.

1) Understand How the System Works

The U.S. Postal Service (USPS) wants to minimize labor costs by:

- Standardizing sizes
- Dealing with 100 percent deliverable addresses
- Receiving as much presorted mail as possible
- Having mail delivered by customers deep into the postal system
- Automating the sortation of mail it does process

They call this “worksharing” and offer you better postage rates for the services you provide. The hitch, of course, is that it costs you money to perform these services. So the name of the game is net savings — your self-service gain versus what the USPS would charge in higher postage for the same tasks.



2) Take the Right Steps to Reduce Costs

Some processes, like presorting, are no-brainers and can be provided by qualified service bureaus, printers and lettershops. That's true for many list hygiene services as well, though they tend to be overlooked to the annual tune of 5.6 billion pieces of undeliverable mail as addressed (UAA).

But the trickier part comes in delivering mail deeper into the postal system. Many small to mid-size catalogers lose out because they feel they don't have enough volume or ZIP Code concentration to justify drop shipping to Bulk Mail Centers (BMCs) or Sectional Center Facilities (SCFs).

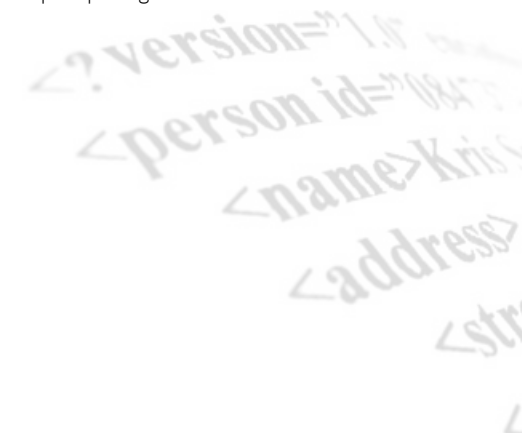
3) Comailing Helps Smaller Circulation Catalogers

Fortunately, there are now offline comailing programs available. Comailing combines the circulations of a pool of catalogs being produced within a common timeframe into a single, presorted mailing list. A sophisticated, offline collating system then feeds each title based on the respective sortation order. By combining multiple titles into one mailstream, more mail can be put onto pallets to qualify for drop shipping discounts. The resulting finer sortation also generates even greater savings through postal worksharing discounts. While comailing might add a few days to the schedule and will incur some service fees, many catalogers in the 20,000- to 75,000-circulation range experience net savings of 10 percent or more. Even mailings as small as 5,000 and as big as 200,000 can benefit as well.



4) Get an Accurate Postage Estimate

By definition estimates aren't guarantees, but the idea is to come as close as possible to avoid an unpleasant surprise when your postage bill arrives. The mistake too many mailers make is not using an actual mailing list. The best choice is to use the list from your last mailing, which will provide a basis of comparison, especially if you're considering a new mailing process. There are lots of potential variables and having the real list allows your mailer to run preliminary presorts and better devise an optimum mailing strategy. You'll also want to be sure that the mailer knows the size and weight of your catalog because both will impact postage.



5) Design Your Way into Savings

Design considerations — size, shape, page count, paper, tabbing and many other factors — can impact your postal costs. The current rate structure is as much about shape as weight. The USPS wants pieces that fit its automated sorting equipment and anything with non-machinable characteristics (like failing to meet “bend and rigidity” tests) can lead to significant surcharges. Often a minor design adjustment can create significant savings, avoid surcharges and eliminate the risk of rejection.

6) Scrub Those Lists

The USPS is determined to reduce by 50 percent the amount of undeliverable mail and its high associated costs. As a result, the USPS is scrutinizing mail much more carefully before it enters the postal system. This includes confirming that the primary address data is truly deliverable. Mailings that don't conform lose all automation discounts, which can be a huge penalty for high-volume mailers. So there's plenty of incentive for upgrading your list.

Here are some of the key optional list services you should incorporate immediately:

- **National Change of Address (NCOA).** With more than 40 million Americans moving each year and Standard Mail not being forwarded, you need to run your list against this file, which is updated every two weeks and identifies individual, family and business moves that have been registered with the USPS.

- **Merge/Purge and Deduping.** Sending duplicates is not only costly but also annoying and does nothing for your organization's image. You need to be able to zoom in on minor inconsistencies such as titles, abbreviations and misspelled names or middle initials that can cause duplicates.
- **Mail Preference (MPS).** This DMA-sponsored service helps consumers who want to decrease the amount of national commercial or non-profit mail they receive. The Deceased Do Not Contact List further allows grieving families to remove deceased loved ones from mailing lists. These are good public relations moves that also avoid wasted circulation.

7) Use 21st Century Payment Methods

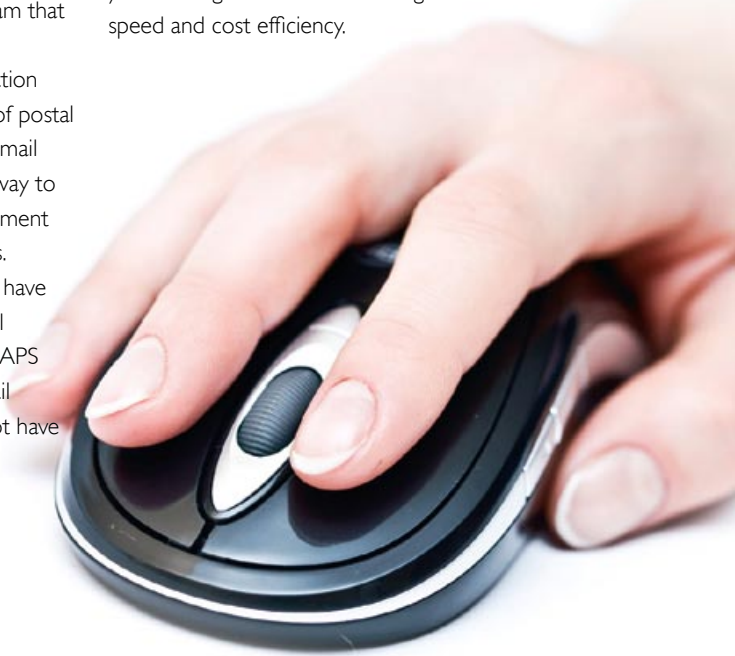
You'll gain a lot of flexibility by opening a Centralized Account Processing System (CAPS) account. This is a USPS program that allows mailers to pay for postage electronically through one central location regardless of the number or location of postal permits they may have or the class of mail used. It is a convenient, cost-effective way to manage postal money and is a requirement for participating in comailing programs. Keep in mind, however, that comailers have two choices: 1) open their own comail permit linked to their organization's CAPS account; or 2) use their printer's comail permit, in which case the mailer cannot have a CAPS account.

8) Hook-Up With the Right Partner

You don't want to go it alone on postage and mailing strategies. There's just too much at stake. Partner with a mailing professional who can guide you through the postal maze while ensuring postage savings, mailing accuracy and delivery speed.

Ripon Printers provides list hygiene and CASS Certified mail processing services that help you achieve your mailing goals. We also provide an effective CoMail solution for small and mid-size catalogers. Participation is easy and can often produce net postage savings of 10 percent or more.

Let us estimate your potential savings through a free analysis of your current mailing list. Send an inquiry to sales@riponprinters.com and be sure to request our new **Print Tips** series, which offers helpful information to get your catalog to market with the greatest speed and cost efficiency.



Ripon Printers

656 S. Douglas St.

P.O. Box 6

Ripon, WI 54971-0006

toll free 800-321-3136

phone 920-748-3136

fax 920-748-3741

www.riponprinters.com