

USPS's Confirm Program Makes Mail Smarter

By C. CLINT BOLTE

The U.S. Postal Service's Confirm program can help companies conduct targeted marketing campaigns and reduce customer dissatisfaction.

Conducting a one-to-one marketing campaign demands timely coordination of digital print, fulfillment, mailing services, e-mail broadcasting and telemarketing to ensure optimum response from the intended targets. Many pundits feel that the most practical answer to this complex facilitation requirement will be “smart mail.”

The heart of the United States Postal Service's vision for smart mail is its Confirm service. This article provides an overview of Confirm, describes a number of proven applications and highlights some case studies. Furthermore, it will discuss the latest technology changes announced by the USPS to enhance this service and suggest ways that printers can become involved for the benefit of their more sophisticated clients.

First released in 1998, the Confirm Service utilizes barcode data to provide near real-time tracking of both outbound and incoming (reply) mail streams to its mailing service subscribers. This includes first-class mail, periodicals, standard mail letters and flats that are both sent or received. Each time the mail passes under the barcode reader — when the first date and time is stamped upon induction, when its sorted and when it goes through the various processing facilities — that information can be electronically picked off the Confirm service Web site or received in a scheduled electronic file transfer.

While the exact minute the recipient receives and opens the envelope is not known, it can be safely assumed that the carrier route scan would be within hours of the ultimate delivery. Time-sensitive mail, such as financial statements, checks, certain direct mail pieces and even catalogs, will benefit the most from the ability to forecast when the intended recipient receives the targeted message.

Reducing Customer Frustration

Initially, large retailers used Confirm to track their invoice statements and accompanying reply envelopes to better predict cash flow and staff resources to process incoming checks. Many of these retailers quickly learned that this information mitigated customer frustration due to ill-timed dunning notices or consideration of the issuance of reprieves on late pay-

ments after confirming that the customers were not receiving their statements in time to submit payment by designated due dates. Most financial statements reflect “due dates” after which there might be a financial late fee charged or possibly services dropped.

The Confirm Service allows the corporate mailer to monitor when the client will receive the statement to ensure that there is enough time for the client to review the statement, prepare a payment and remit through standard first class mail within the due date target. Often the reminder notices of late or overdue payments, typically thought of by the recipient as a dunning notice, are automatically computer generated by a date trigger. If the outgoing statements are late or mails

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in certain regions is delayed (by bad weather, for instance), it is much more customer sensitive to delay those notices to the ZIP codes experiencing the delays rather than irritate the client with an insistent, ill-timed dunning notice.

At the recent National Postal Forum, Sue Taylor, the print/mail operations manager for Prudential Financial, described how Confirm improved customer service at her company. “A high level of confidence in predicting delivery” reduced stop payments/re-issues, provided additional proof of mailing and improved the management value of historical delivery results. Based on the Confirm information, Prudential was able to better staff call centers since data on outgoing mail pieces would more accurately help anticipate incoming call volumes.

Integrated Marketing Campaigns

Recently, Confirm became part of integrated marketing programs by ensuring that marketing pieces reached targeted audiences in time to support promo-

tions and to boost store, catalog or Web traffic through improved response rates by timing e-mail or telemarketing calls to follow the in-home direct mail receipt as predicted by the electronic Confirm tracking data.

Rachelle Korland, database marketing mailing list manager for Sterling Jewelers, was also a Confirm Service panelist at the 2004 National Postal Forum. The world's largest retail jeweler works with multiple print vendors throughout the United States in sending more than 60 million pieces of advertising mail annually to drive retail traffic in support of special in-store promotions for its 1,050 locations. Among these extremely time-sensitive mailings are dozens of creative versions for each mailing based upon logo and identified customer segments.

"One of the key objectives is to support TV, radio and print campaigns to build brand awareness," said Korland. Sterling made a number of early mistakes before learning to optimize this valuable Confirm resource, including unnecessarily complicated coding methodology, an expectation that each piece would be scanned only once and placing check digit in the wrong place. In addition, some of its service bureau and print vendors were unprepared to apply the PLANETCODE coding structure.

Sterling also learned that it did not need the detailed information that Prudential Financial described since individual checks are not being processed with Sterling's advertising promotional mailings. "We learned that coding the first and last piece of each bundle was adequate," said Korland.

USPS also acknowledged some valuable "lessons learned" from working with Sterling as an early, high-volume Confirm Service user. Earl Johnson, the USPS supervisor of Confirm support at the National Customer Support Center, said his group spends a large amount of time learning about the client's business to guarantee what a client can reasonably expect from Confirm.

To ensure quality scans, Johnson's group coordinates the 20-mail piece sampling submitted by the mailers containing all barcodes for evaluation. Corrections can be made and samples resubmitted to assure good scan read rates. As a result of USPS's customer support, more than 90% of the customers who tried the Confirm service have stayed with the program.

Coordinating the timing of the direct mail piece and determining when the prospect receives a cross-media follow-on is critical. At the 2003 Print Buyers Oasis, Douglas Fitzgerald, VP of Marketing for Wallace Printing, described an effective use of multimedia. Independent research and Wallace's experience verified

that customers enjoyed optimum response rates when a well-structured e-mail broadcast arrived within 24-48 hours following the arrival of the similarly designed direct mail piece. If the e-mail arrived either before the direct mail piece or three days or more after the mailing, the prospect's recollection of the message was lessened and the complementary intention of the two efforts diminished. Instead of complementing one another and increasing the motivation to act, buy or sign on, the two cross-media efforts were perceived to be independent.

Four-state Barcode

The transition from mailing a single promotional piece to devising a marketing program is becoming more pronounced and more complex. A study by the Electronic Document Systems Foundation titled "Printing in the Age of the Web and Beyond: How Society Will Communicate in the 21st Century" (edsf.org) pointed out that graphic communications jobs are becoming more complex. In fact, nearly a third of the jobs (32%), which represented 60% of the total print revenues, were either complex or very complex.

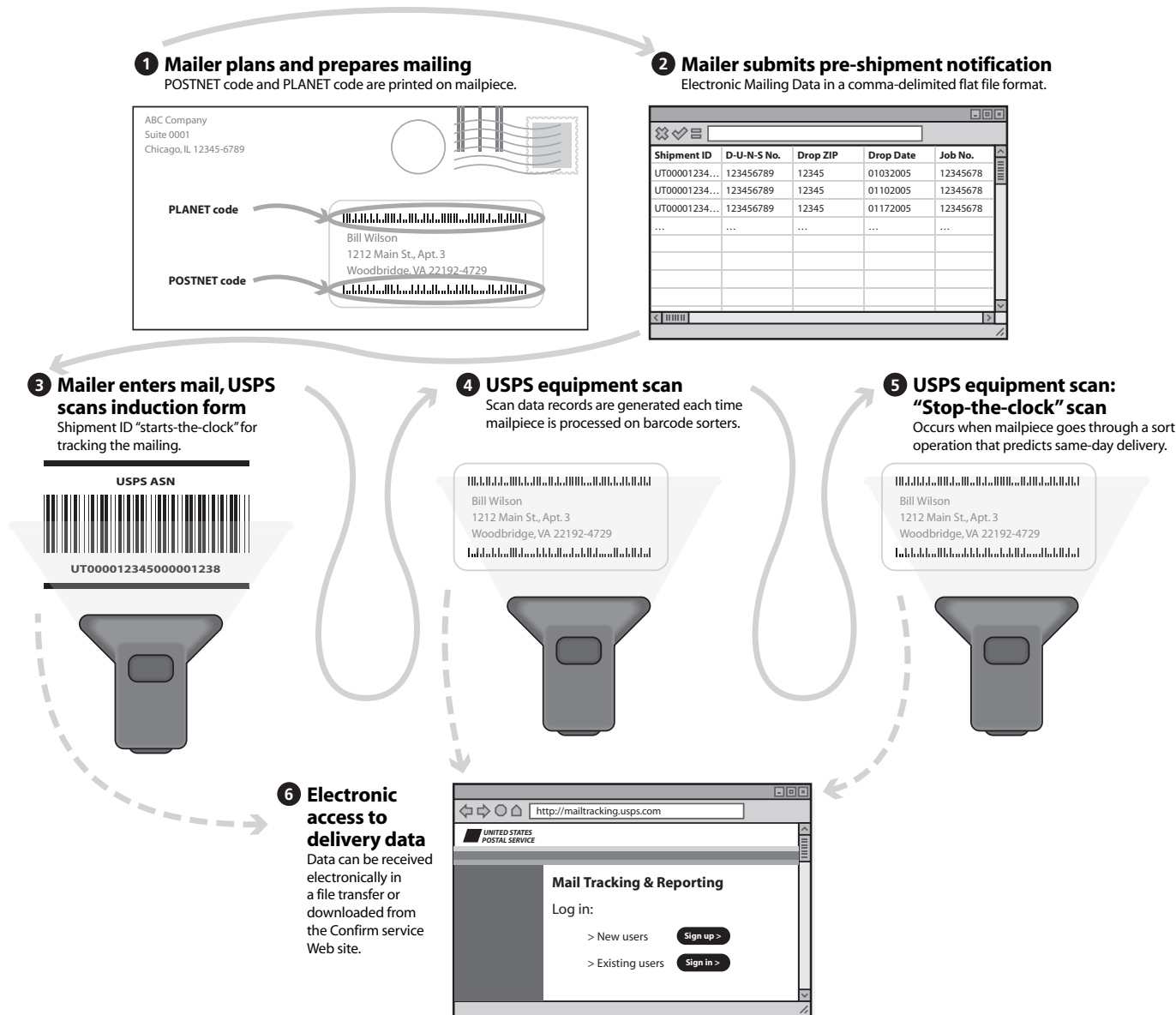
For printers offering fulfillment services and embracing the "satisfied recipient" concept, the point is not to be overwhelmed by this complexity, but rather to incorporate systems and procedures to best manage these processes for the benefit of the client. Confirm allows printers who offer fulfillment services and embrace the "satisfied recipient" concept to quantify their proof of mailing, as well as accurately predict response rate curves when the mailing is part of an ongoing marketing support program.

Using historical knowledge, the service can help optimize inventory levels and smooth labor demands for pick and pack order processing. So far, Confirm has relied upon two different 12-14 character barcodes that are ink-jetted onto each mail piece. The POSTNET code is below the address while the PLANET code symbology is the inverse of the POSTNET code and is above the address.

To save time and effort and improve reliability, in the next generation these two codes will be replaced by a single 11-digit barcode, called a four-state barcode, which will be applied to all mail. This will also further simplify the universal tracing and tracking of mail from entry to destination. One of the problems experienced early on in the four-state barcode testing is the difficulty of some digital printers to print clearly and sharply enough to be read accurately at very high scan rates through the USPS's automated sorting equipment. Legibility problems ensue when some inkjet droplets are laid down on incompatible coatings or those that use highly absorbent substrates.

PIA/GATF has devised tests involving many of the digital print engine vendors to analyze how they hold up under the rigors of these high-speed sorting units. The results will be reported at the upcoming

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PIA/GATF Tech Alert 2005 Conference in early February. (We will report those findings in an article on the highlights of that conference.)

While the USPS will make the transition from the POSTNET and PLANET coding structure to the new four-state barcode, printers shouldn't wait for that transition to benefit their clients using the existing, proven Confirm program. Confirm could be a vital measurement tool for companies that believe that "you

don't manage until you measure."

Confirm subscription fees are \$2,000 for three months and up to 15 million scans, \$4,500 annually for up to 50 million scans, and \$10,000 annually for unlimited scans. Visit the Confirm Web site (mailtracking.usps) or call 800-238-3150 for additional information. Your IT manager should get a copy of the CONFIRM Service User Guide, Publication 197, September 2004.

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