

Commingling, CASS, **LACS^{Link}**, Delivery Point Validation And Move Update

Tools for Improving Costs and Accuracy of Your Mailing Campaign

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

Introduction & Executive Summary

In today's global economy, companies are being forced create contingency plans the keep pace with these changing markets while remaining cost efficient. As a result companies are changing the way they approach their mailing campaigns.

To save the maximum about of money in mailing campaigns, most organizations need to change certain practices. Companies are reviewing their current mailing infrastructures and using it as an opportunity to reexamine how they manage customer communications. In many cases they are discovering a new path toward improved profitability and stronger customer relations.

Midwest Direct has scrutinized the current mailing campaign of several organizations from Fortune 500 companies to nonprofit institutions. Midwest Direct has identified best practices that potentially will save an organization thousands of dollars in time and unnecessary postage costs.

This White Paper examines common tools in improving a company's mailing campaign with the highest degree of accuracy and cost effectiveness. They include the following:

-  Commingling
-  The Coding Accuracy Support System (CASS)
-  LACS Lin
-  Delivery Point Validation

Each of the above tools represents a unique method an organization can implement in their direct mail campaign accurately, saving significant money.

Lastly, this report examines the upcoming Move Update scheduled to take affect in November 2008.

Commingling

Commingling is the physical combination of direct mail from various marketers into a single “mailstream” to guarantee the absolute highest volume and work sharing discounts for all contributors.

First Class mailers have been taking advantage of commingling for years. An emerging trend of presort bureaus is that direct marketers, ad agencies, printing houses. Individual businesses and mail order companies are starting to commingle Standard or market mail as well.

Typically, this process strives to enable “five-digit Zip” discounts; where by at least 150 mail pieces are bundled to each respective area (Small discounts are available for bundling to broader areas, including “three digit ZIP” zones).

With commingling, Standard A mailers can more economically combine and ship both their control mailings as well as test groups. In addition to expanded discounts for Section Center Facilities (SCF) and Bulk Mail Centers (BMC) entry and actual mail delivery of all groups is now more consistent to each destination. Commingling Standard mail promises to greatly extend a company’s reach, impact and potential through the traditional marketing vehicle of direct mail.

Coding Accuracy Support System (CASS)

The Coding Accuracy Support System (CASS) is a United States Postal Service administered methodology that provides commercial mailers a common platform to measure the quality of address-matching software.

The purpose of CASS certification is to continually improve the accuracy of 5-digit ZIP Codes, ZIP+4 Codes, delivery point codes and carrier route codes applied to mail. CASS streamlines mail handling and sorting by providing a strict set of performance standards for address correction and postal coding software. In turn, mailers may qualify for postage discounts.

“Accuracy, Accuracy, Accuracy”

An address with an incorrect five-digit ZIP Code, ZIP + 4 code, carrier route code, or an address with no ZIP + 4 code or failure to process using Deliver Point Validation (DPV) or LACSLink can contribute to delays in processing mail. Match rates using CASS vary greatly depending on address hygiene, the quality of addresses used, and the timeliness of the customer database update applications.

The USPS will accept the mailer’s barcodes as accurate if they show that they have recently matched their address list against their master 9-digit zip code list. Software that is approved to do this matching will print a special "CASS report" (USPS Form 3553) when it runs their list, showing how many addresses were attempted, how many were matched, when the matching was done, and the date of the master zip code list that was used.

An organization performing the mailing is required to submit the CASS report to the USPS along with keep a record of the report on file. In addition, the mailer must also show the date of the CASS report on the postage statement that they turn in to the USPS with each mailing.

Most of the savings in bulk mailing comes from sorting. The largest barcoding savings are for mailings that have more than 150 pieces going to the same 5-digit zip code, with smaller savings for mailings that are scattered among many zip codes without 150 pieces to any one zip code.

Because the discount categories for barcoded mail are different from those for non-barcoded mail, an address that gets the lowest non-barcoded price will never get the lowest barcoded price.

To get the barcoded prices, the organization performing the mailing must do everything they need to do for regular bulk mail prices. In addition, they must be sure to include accurate 9-digit zip codes for as many of their addresses as possible.

To be CASS Certified, participants must pass with a minimum score of 98.5% for ZIP + 4, carrier route, five-digit and LACSLink (see section below). 100% for delivery point coding, eLOT, DPV, RDI and Perfect Address. CASS certification is valid until the end of the current annual period.

[Link](#)

LACS

LACS^{Link} is a secure dataset of converted addresses. Commonly the program is involved in such instances as changing rural-style addresses to city-style addresses. In addition, LACS^{Link} also contains existing city-style addresses that have been renamed or renumbered.

- Reduces undeliverable mail by providing the most current address information for matches made to the LACSLink file.
- Lowers mailer costs by reducing the number of undeliverable and duplicate mail pieces by using the most current address information.
- Provides the opportunity for faster product/service marketing through accurate mail delivery.

Delivery Point Validation (DPV) and How it Helps Customers

The United States Postal Service has now made it mandatory that anyone seeking to receive discounted automated rates must have their names processed through Delivery Point Validation or DPV software. DPV verifies the existence of the CASS Certified™ addresses in your database.

One of the main advantages of the DPV service is that it pinpoints if a record is a valid USPS delivery destination. DPV's other half, CASS standardizes the address.

The DPV Product confirms that:

- The known address has verifiable primary and secondary data.
- The known address has the verifiable primary but not secondary data.
- The address cannot be verified as a known address.

Move Update

In November 2008, The USPS will extend Move Update to cover all Standard Mail as well as all discounted First-Class Mail. In addition, the minimum frequency of updating of delivery of addresses will increase from 185 days to 95 days.

To be sent at Standard Mail rates and discounted First-Class Mail on or after November 23, 2008 the names and addresses used on the mailpieces must have been updated within the preceding 95 days or after August 20, 2008 by one or more of the USPS approved Move Update methods listed below:

- Address Change Service (ACS)
- National Change of Address Linkage System (NCOA^{Link}®).
- Fastforward[®] MLOCR if used each time before the mailing is entered
- A USPS Approved Alternative Move Update Method (First Class Mail Only):
- Appropriate Ancillary Service Endorsements

Address Change Service (ACS) – There are two versions of the USPS Address Change Service in which both result in a participating mailer receiving change-of-address (COA) or reason for non-delivery information from the USPS electronically.

- **Traditional ACS** - must (1) obtain an ACS Participant Code from the USPS's National Customer Support Center; (2) include the ACS Participant Code on the envelopes and on the address labels, blocks in the USPS required format.
- **OneCode ACS** - requires a Mailer Identification Number (MID) which is incorporated into the Intelligent Mail Barcode (IMB) on the mailer's mailpieces along with an ACS Participant Code.

When undeliverable-as-addressed (UAA) mailpieces are found, the ACS code prompts the USPS computer system to create an electronic record of the customer's move information. These records are consolidated nightly and provided to ACS mailers via a secure website or on a CD-ROM according to frequency (daily, weekly, bi-weekly, monthly or bi-monthly) determined by the mailer.

National Change of Address Linkage System (NCOA^{Link}) - The NCOA^{Link} process takes the mailer's list and examines each element of the address. The program will verify ZIP Code; standardize the format for street address, city and state names. It then appends a ZIP+4 Code, together with a carrier route code

and delivery point barcode to the mailer's address. Once this process is completed, the entire list is matched against the NCOA database. When a name and address on the mailing list matches a name and address on the NCOA database, the new address is returned to the mailer. Link

Fastforward[®] – The Fastforward[®] system is program that is updated on a weekly basis and contains permanent (COA) records for the last thirteen-month period relative to the move-effective date the customer provided. The system interfaces with commercial mail-processing equipment, such as MLOCRs and RVE stations to redirect previously prepared mailpieces to the intended recipient's new address.

Alternative Methods (First Class Mail Only) – To use an Alternative Move Update method the mailer must:

- Obtain Postal Service COA information by one the authorized methods (ASC, NCOA^{Link}, Fastforward[®] or an on-mailpiece ancillary service endorsement) no more than 95 days before mailing mailpiece using these addresses.
- Contact each address associated with a Change of Address within 30 days of its receipt of the COA information and request confirmation of the COA.

Ancillary Service Endorsements – Ancillary service endorsements may be used to keep current, up-to-date names address current, but that require (1) to send a mailpiece to the name and address with an appropriate ancillary service endorsement (2) to apply the COA information received by the mailer as a result of its prior use of an ancillary service endorsement to within the prior 95 days.

Conclusion

Commingling and the implementation of CASS and Delivery Point Validation has evolved into a critical direct mail execution tool resulting in greater accuracy, timeliness and reduced postage costs. All of which is helping many mailers realize important additional value from their campaigns.

Reduced postage rates may provide the initial motivation for investment in postal optimization, but a wide range of ancillary benefits –including improved targeting capability, enhanced flexibility with regard to mail timing and significant potential reduction in “waste mail” expense. The implementation of Move Update in November 2008 will also change the current business mailing.

In the future, the possibilities presented by such strategies appear far more diverse. Reduced waste (through the advance elimination of undeliverable addresses), improved targeting (through more precise timing of mail delivery and better application of available consumer data) and dramatically enhanced multi-channel coordination (again through improved tracking and delivery) are all benefits made possible simply by approaching the “postage issue” as a key driver of direct mail value.

About Midwest Direct



Founded in 1982, Midwest Direct is a leading full-service marketing solutions provider. The company provides solutions in direct mail, payment renderings, commercial printing, fulfillment services, digital print management and design services. Midwest Direct is one of only 20 companies in the United States to be accredited with the United States Postal Service's 'Mail Preparation Total Quality Management Certification' (MPTQM). With locations in Cleveland, Ohio and Pittsburgh, Pennsylvania, Midwest Direct is uniquely positioned to provide customers with a broad range of services and coverage.

Additional information about Midwest Direct is available on the Internet at <http://www.mw-direct.com> or by calling toll free 1.800.686.6666