FRANKLIN
Data Empowered Direct Marketing

Mail Tracking to Reduce Costs

Executive Summary

Several years ago a casino became alarmed because a number of its customers were not receiving their direct mail offers on time. They were received either too close to an event date or even after the event.

The casino made the decision to switch from mailing Standard to First Class. Implementing that decision would cost an extra $0.12 per piece, resulting in a $24,000 per month increase in postage based on an average of 200,000 pieces of mail per month. This option gave the casino the assurance of knowing that its mail was being received on time.

Franklin then introduced its Mail Tracking Solution, which enabled the casino to track its mailings down to the individual recipient. It could also analyze the speed of mail to specific geocodes such as SCF and Zip.

They decided to conduct a test to see how much mail time they were saving by mailing First Class. After the test, they concluded that only 20% of their mail needed to be sent by First Class and that 80% could be mailed Standard.

The results were remarkable. By converting 80% of its mail back to Standard, the casino saved almost $20,000 per month – or $240,000 per year in postage alone.

When To Slow Down Your Mail

Another casino had quite a different mailing issue. Its main customer base is located in two contiguous states. It always mailed its offers at the same time to both states. Offers were primarily for free or discounted rooms over the weekend and other perks.

Over a period of time, it noticed an alarming trend. Customers in 'State A' where the casino is located were receiving their offers earlier than 'State B' next door. As a result, customers in 'State A' were redeeming their offers and by the time customers from 'State B' attempted to book a room, the block of free or discounted rooms was taken.

It became aware of the trend when one of its better customers from 'State B' complained that he could never get a free room.

Our recommended solution, after looking at statistical tracking data, was to drop ship the mail to 'State B' and wait to drop the mail for 'State A' until the truck arrived in 'State B'. The result is that both states have identical 'in home' dates and customers all have an equal opportunity for the free and discounted rooms.

Challenge

For years, casinos and other mailers were confronted with the same dilemma: to mail Standard and save on postage expense, or mail First Class to be certain offers were received in a timely manner, thereby increasing the chance of a good response.

In many cases, mailers chose the latter. A typical casino marketing department knew that its first goal was to produce a good response and get players through the door. Thus the trend toward First Class mail.

As recently as late 2008, there was no way to analyze mail speed accurately enough to mail Standard with assurance that it would be received on time. It would have created a constant fire drill and hit-or-miss testing. Invariably, some of the best customers would still receive their mailing late.

Pressure on marketing departments was further increased with the onset of the recession and decreased gaming revenues. They were now asked to maintain a high level of response and reduce costs at the same time.

About the same time the U.S. Postal Service introduced the IMBC (Intelligent Mail Bar Code). Once we began using the IMBC, we were able to track mail performance by a number of factors including geocodes such as NDC, SCF, Zip, State, County and City.

Armed with this new information, we offered the casino a solution that would completely change its way of thinking.

What else can I do with mail tracking?

Find out when individual recipients receive their mail. You can track mail by individual recipient and download the list to Excel. Several casinos take advantage of this by giving their casino hosts the list so that they can follow up with their best customers. Another casino uses the individual name search function when people habitually claim they did not receive their free slots coupons.

Download data to trigger your call center, launch emails and ramp up customer service. By downloading the data into Excel, you can easily create visual displays of peak mail delivery times after the drop date. Armed with that data, you can make sure customer service phones are covered. And, if you have a good list of opt-in email addresses for your customers, it's a great way to send out a "watch for it in the mail" blast.

Available from any computer, anytime. You can login to our website anytime and see how your mail is progressing. While you're there you can also check on job status, manage your inventory and check your online proofs.

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Solution

The casino decided to use mail tracking to conduct a test of First Class versus Standard to see if it was feasible to reduce its postage expense.

It took a 20% random sample of its 200,000 piece mailing and asked us to mail it Standard. We created a separate job part to segregate it from the First Class portion. The casino tracked both classes of mail and saw that, for the most part, the Standard mail was tracking just one day behind First Class.

It did see about 20% of the Standard mail was taking too long – up to seven or eight days for delivery.

The next month it repeated the test with a different 20% assigned randomly to the Standard mail file and achieved identical results. The same zips from the first mailing were in the seven to eight day range, so the casino flagged those codes for First Class on all future mailings.

In many cases, they recognized that the slower Standard mail was in rural areas further removed from the SCF.

As a final check, they downloaded the mail file by individual name to track the number of days it took the mail to arrive and cross-indexed that against their better players to be certain that their mail was delivered on a timely basis.

The test required a fair amount of data crunching to complete, and there were some customers in the Standard test cell who received their mail late but the results proved to be highly beneficial.

About Drop Shipping

Drop shipping your mail at a postal facility closer to your recipient's address can reduce postage costs *and* speed up delivery of your mail. These postal facilities include NDC (National Distribution Center) and SCF (Sectional Center Facility).

When we truck your mail to either of these locations, the USPS provides us with a greater postal discount on Standard Mail. This is in exchange for Franklin Press eliminating their need to process mail at a local facility and transport it to these NDC and SCF facilities on their trucks.

In some instances, you may wish to convert First Class mail to Standard and utilize drop shipping to recognize significant postal savings.

We will pass savings for drop shipping your mail on to you less a shipping and handling fee.

We automatically analyze all of your mailings to determine if the economics of drop shipping are feasible.

Results

- The casino now uploads its data and artworkone day earlier to account for the lag time inStandard mail.
- It now mails 80% of its mail Standard and 20% First Class.
- The monthly postage savings is $19,200.
- They continue to monitor their mail on amonthly basis to determine if there are newareas of Standard mail that may need to bemoved to First Class.

Ten Reasons Why You Should Work with Franklin

1. Robust information and physical security safeguards with independent third-party audit

2. Twelve full-time data programmers with extensive experience with major banks

3. Twenty-four hour operation resulting in fast turn times

4. No rush charges

5. $11 million in errors & omissions insurance

6. Variable data experts

7. Web-enabled mail and job tracking

8. Two mailing facilities – Baton Rouge & Memphis

9. Drop shipping to save you postage costs and speed up mail delivery

10. Woman-owned with National Certification

For More Information

To receive information on how our mail tracking can work for you,, contact us today!

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