

Finding the ROI in Great Address Quality

Ken Seward

*Manager, Address Management Systems
Portland, OR – District, USPS*

Scott Barker

*Enterprise Solutions Specialist
Neopost Northwest – Portland, OR*

Today's Agenda

- Why Address Quality?
- Tools and Processes
- Challenges and Solutions
- What's the Value to me?

“Glossary”

- DPV® – Identify inaccurate or incomplete addresses
- LACS – Locatable Address Conversion System. Automated process of obtaining new address when the address has been changed by the local planning authority or building management
- Suite^{Link}® – Improves address assignments to business addresses by adding known secondary (suite) numbers
- AEC – Address Element Correction. Corrects and standardizes address elements on the worst addresses not resolved by CASS™
- NCOA – National Change of Address. Aids mailers in identifying address changes before mail enters the mail stream
- ANK – Attempted Not Known. For NCOA^{Link}® limited service providers and end user mailers. ANK^{Link}® is an enhancement to the existing 18 month NCOA^{Link} product. ANK^{Link} provides an additional 30 months of COA information.
- ACS™ – Cost effective means of obtaining accurate change of address information
- UAA – Undeliverable As Addressed

Constantly Changing Data

40,093,000
annual moves



Over 1 million **new delivery points added** each year

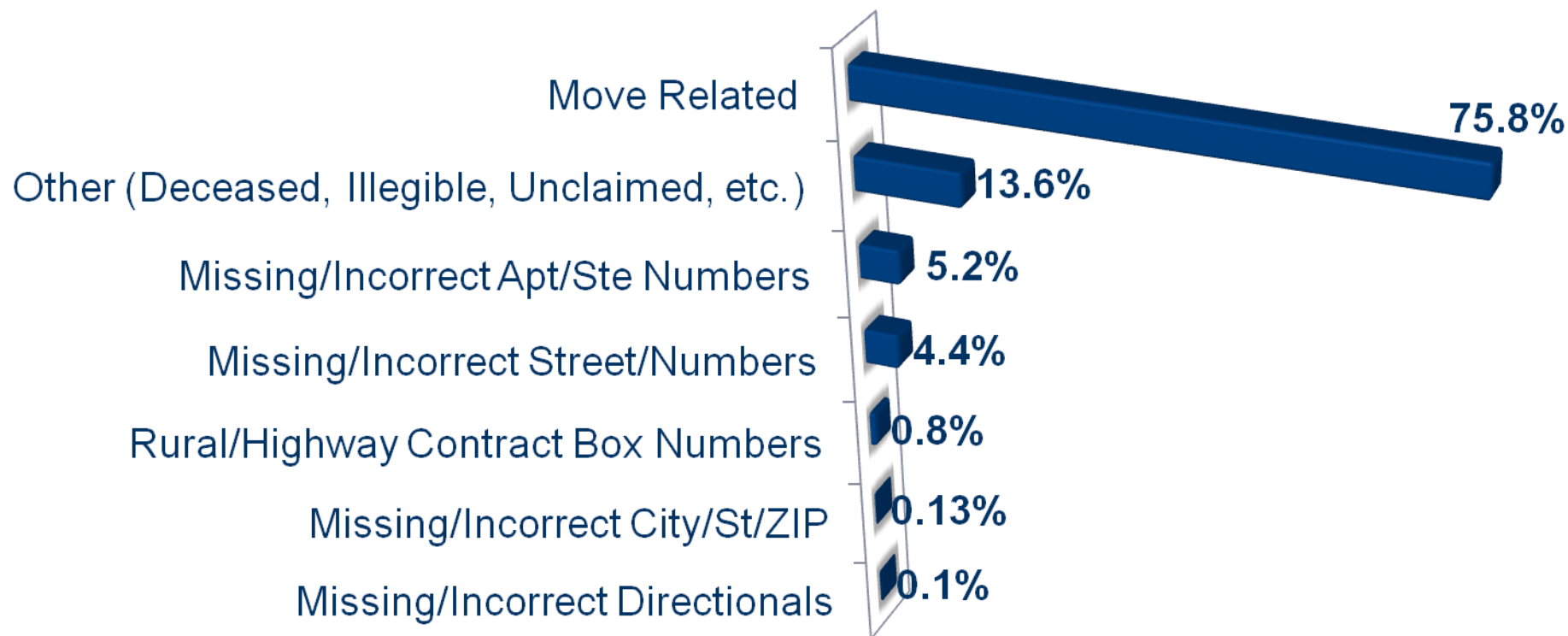


*2.5 million businesses
that filed a COA *not included*

More than 2.5 million deaths
occur in the US every year

*Source: U. S. Census Bureau

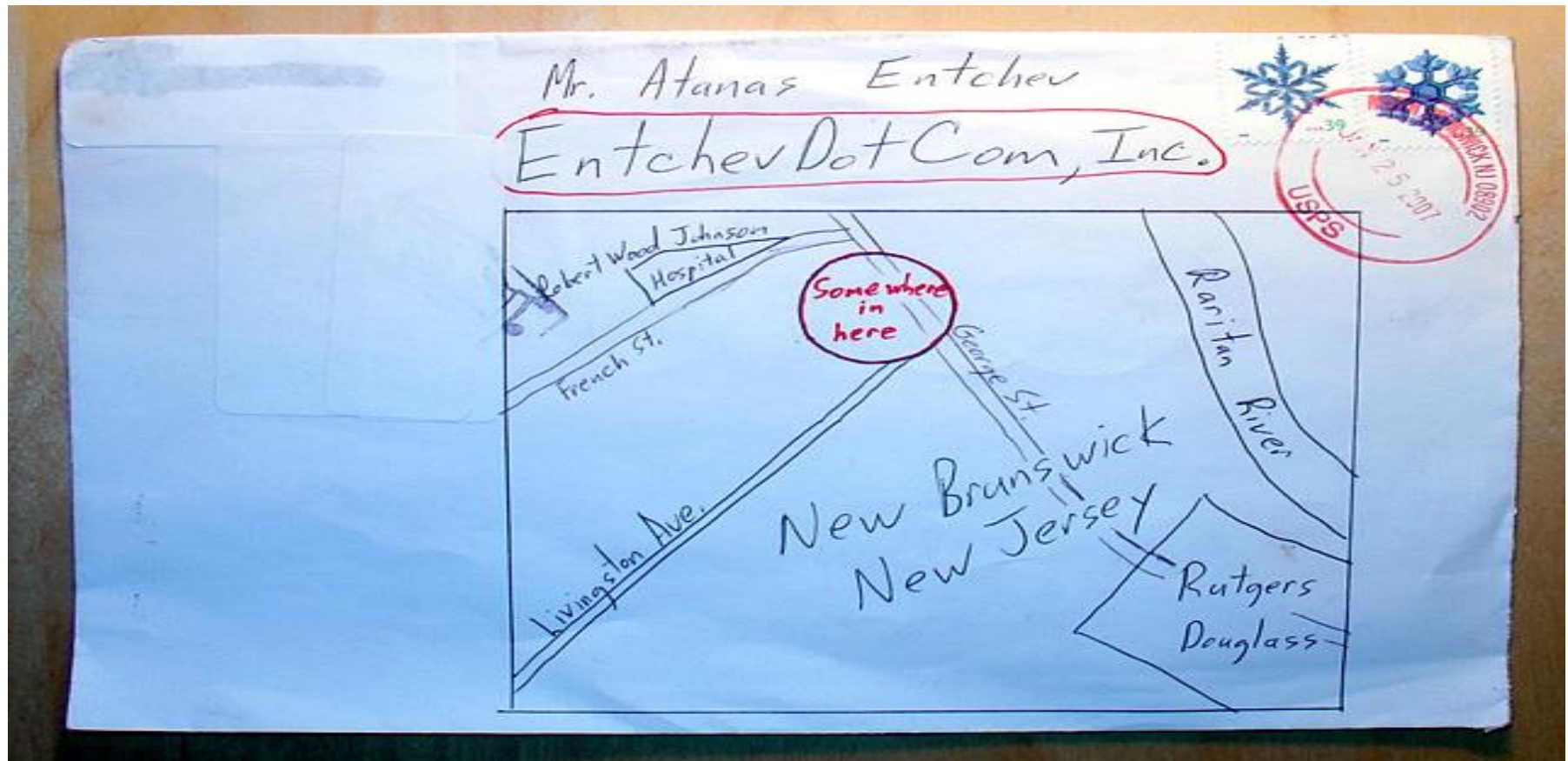
Breaking Down UAA*



Based on a 9.7 Billion UAA Volume, Christensen UAA Study 2004 (All Classes)

*Source: USPS® NPF 2006 List or Lemon Presentation

Example of UAA Mail



Example of UAA Mail

2425 COMMUNICATIONS PKWY.

FLANO

TX 75093

75093+8879 R052
4900299003

NIXIE 750 CC 1 25 04/12/08

RETURN TO SENDER
INSUFFICIENT ADDRESS
UNABLE TO FORWARD

ED: 49002830399 *1485-04050-10-40

12345678910111213141516171819202122232425262728293031323334353637383940414243444546474849505152535455565758596061626364656667686970717273747576777879808182838485868788899091929394959697989910010110210310410510610710810911011111211311411511611711811912012112212312412512612712812913013113213313413513613713813914014114214314414514614714814915015115215315415515615715815916016116216316416516616716816917017117217317417517617717817918018118218318418518618718818919019119219319419519619719819920020120220320420520620720820921021121221321421521621721821922022122222322422522622722822923023123223323423523623723823924024124224324424524624724824925025125225325425525625725825926026126226326426526626726826927027127227327427527627727827928028128228328428528628728828929029129229329429529629729829930030130230330430530630730830931031131231331431531631731831932032132232332432532632732832933033133233333433533633733833934034134234334434534634734834935035135235335435535635735835936036136236336436536636736836937037137237337437537637737837938038138238338438538638738838939039139239339439539639739839940040140240340440540640740840941041141241341441541641741841942042142242342442542642742842943043143243343443543643743843944044144244344444544644744844945045145245345445545645745845946046146246346446546646746846947047147247347447547647747847948048148248348448548648748848949049149249349449549649749849950050150250350450550650750850951051151251351451551651751851952052152252352452552652752852953053153253353453553653753853954054154254354454554654754854955055155255355455555655755855956056156256356456556656756856957057157257357457557657757857958058158258358458558658758858959059159259359459559659759859960060160260360460560660760860961061161261361461561661761861962062162262362462562662762862963063163263363463563663763863964064164264364464564664764864965065165265365465565665765865966066166266366466566666766866967067167267367467567667767867968068168268368468568668768868969069169269369469569669769869970070170270370470570670770870971071171271371471571671771871972072172272372472572672772872973073173273373473573673773873974074174274374474574674774874975075175275375475575675775875976076176276376476576676776876977077177277377477577677777877978078178278378478578678778878979079179279379479579679779879980080180280380480580680780880981081181281381481581681781881982082182282382482582682782882983083183283383483583683783883984084184284384484584684784884985085185285385485585685785885986086186286386486586686786886987087187287387487587687787887988088188288388488588688788888989089189289389489589689789889990090190290390490590690790890991091191291391491591691791891992092192292392492592692792892993093193293393493593693793893994094194294394494594694794894995095195295395495595695795895996096196296396496596696796896997097197297397497597697797897998098198298398498598698798898999099199299399499599699799899910001001100210031004100510061007100810091010101110121013101410151016101710181019102010211022102310241025102610271028102910301031103210331034103510361037103810391040104110421043104410451046104710481049105010511052105310541055105610571058105910601061106210631064106510661067106810691070107110721073107410751076107710781079108010811082108310841085108610871088108910901091109210931094109510961097109810991100110111021103110411051106110711081109111011111112111311141115111611171118111911201121112211231124112511261127112811291130113111321133113411351136113711381139114011411142114311441145114611471148114911501151115211531154115511561157115811591160116111621163116411651166116711681169117011711172117311741175117611771178117911801181118211831184118511861187118811891190119111921193119411951196119711981199120012011202120312041205120612071208120912101211121212131214121512161217121812191220122112221223122412251226122712281229123012311232123312341235123612371238123912401241124212431244124512461247124812491250125112521253125412551256125712581259126012611262126312641265126612671268126912701271127212731274127512761277127812791280128112821283128412851286128712881289129012911292129312941295129612971298129913001

701 RICHARD M SCRUSHY PKY

FAIRFIELD

AL 35064

35064
4900200000000

NIXIE 352 DE 1 80 04/13/08

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

BC: 490029,00399 *2075-15200-13-20

Hilbert's Basis Theorem

2550 EAST CHANDLER
#24

STRYKFLOW- NC FREIGHT
LAS VEGAS NV

NV 89120

89120
4000209303

NIXIE 001 4C 1 39 04/15/00

NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

GC: 49002900399 *0194-07261-14-44

[illegible]

4574 WINDING WAY

SACRAMENTO

CA 95841

4300210000

NIXIE 057 CC 1 77 04/13/00

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

BC: 49002900399 *2372-04954-13-11

~~~~~

# What is a Quality Address?

A quality address is defined when:

All necessary elements are complete and correct...

- ✓ Pre-directional
- ✓ Primary address number
- ✓ Street name
- ✓ Street suffix
- ✓ Post-directional
- ✓ Secondary identifier
- ✓ Secondary number
- ✓ City
- ✓ State
- ✓ ZIP + 4<sup>®</sup> code



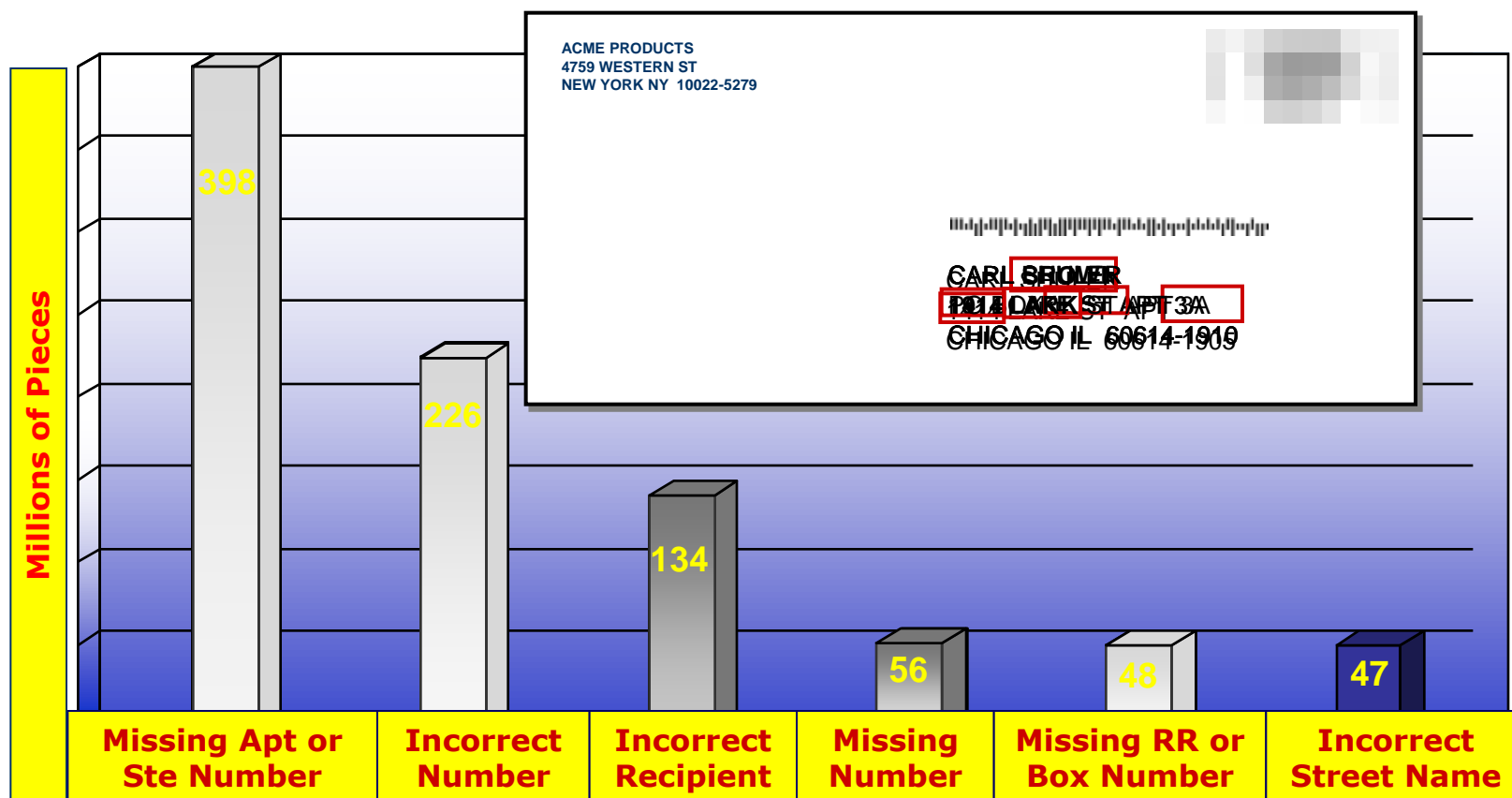
# What is a Standardized Address?

Address elements are printed on envelopes in standard format:

- Format all lines of the address with a uniform left margin
- Uppercase letters are preferred on all lines of the address block
- Fully spell out or abbreviate words using USPS® standard abbreviations
  - [www.usps.com](http://www.usps.com)
  - [ribbs.usps.gov](http://ribbs.usps.gov)
    - Publication 28, *Postal Addressing Standards*

## Common Address Quality Problems

### Physical Address UAA



# Solutions to Ensure Address Quality

**Standardize**

**LACS<sup>Link®</sup>/DPV<sup>®</sup>**

**CASS Certified<sup>™</sup> Software**

# LACSLink® Product

- Provides a database of municipality-introduced address changes
- The data is provided by USPS® through the LACSLink product
  - Conversions come into the database from Postal carriers and municipalities (ex.- Rural Routes)
- Updating the addresses using LACSLink data ensures deliverability and prevents further UAA mail

# DPV<sup>®</sup> Product

- Confirms the existence of a delivery point in AMS
- Identifies a commercial mail receiving agency
- Improves address assignments
- Helps to reduce UAA

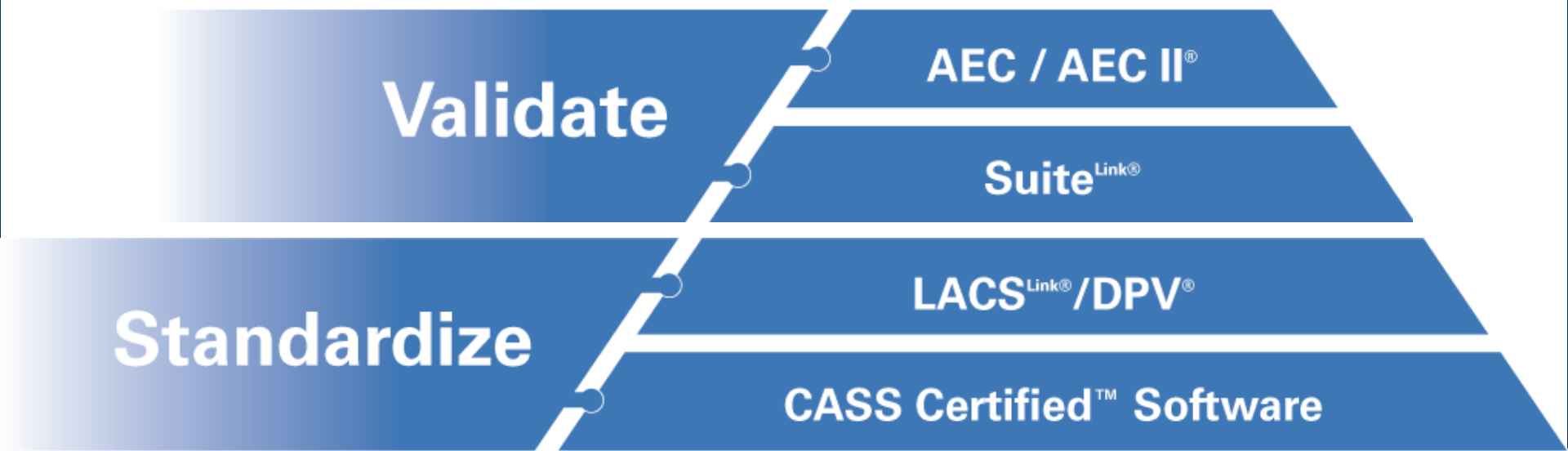


***Is 249 High St in ZIP Code<sup>™</sup> 94301 a valid address?***

**Yes or No**

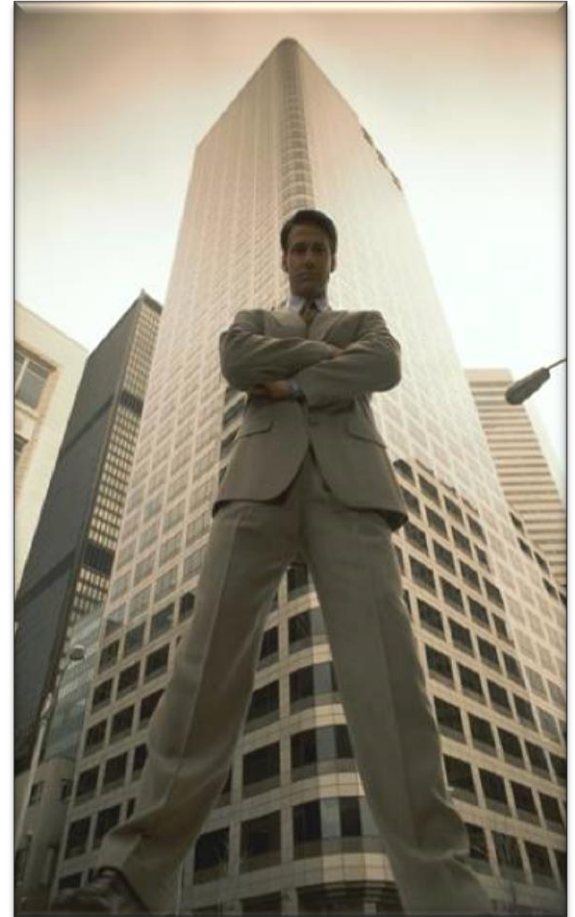


# Solutions to Ensure Address Quality



# SuiteLink® Product

- Improves address assignments to business addresses by adding known secondary (suite) numbers
- Provided a business name and an associated ZIP + 4® coded address matches to a high-rise default, the SuiteLink process will return the appropriate suite number when available



# AEC & AECII® Service

- AEC provides a crucial “last resort” approach to stubborn addresses
  - USPS® service to help correct addresses that CASS Certified™ software cannot fix
- AECII expands AEC processing
  - Leverages Delivery Force Knowledge™ for addresses that AEC cannot correct



Mailer sends file to National Customer Support Center (NCSC)



File processed through AEC enhanced computer logic

Mailer's AEC data



Mailer receives AEC processed files



Unresolved AEC records



Matched against historical file

Mailer's AEC II data



Mailer receives AEC II processed files



## AEC Processing Flow



If still unresolved



Interface with delivery unit personnel



Delivery unit personnel verifies address information (Delivery Force Knowledge)



The background of the slide is a photograph of the open rear of a white moving truck. The interior of the truck is visible, showing wooden shelving and the back of the cargo door. The text is overlaid on this image.

## *On the Move!*

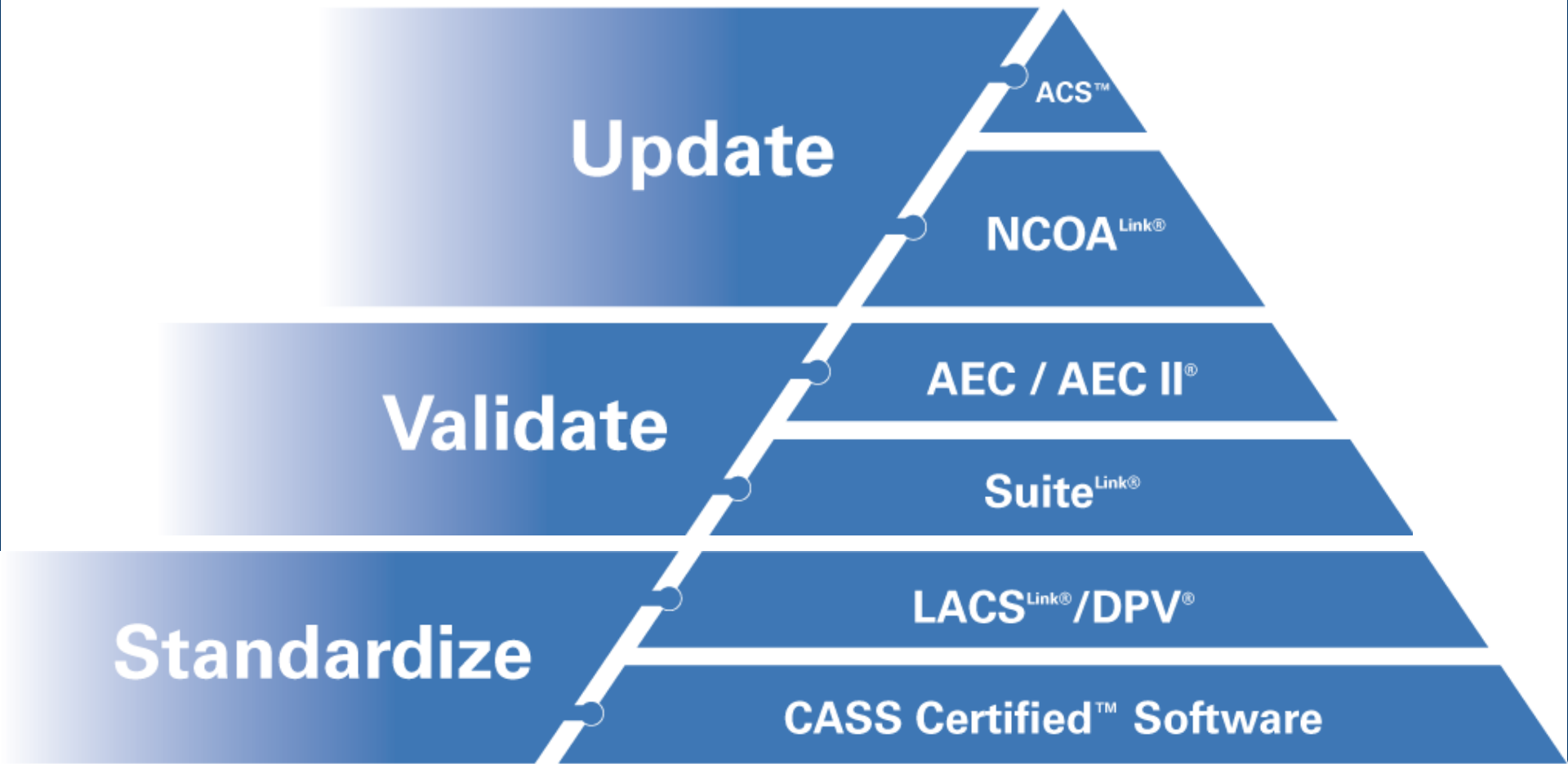
**35.9 million (11.7%)  
US residents moved between  
2012 and 2013\***

- **Renters more mobile – 24.9%**
- **18 – 34's move most often**
- **Other demographic factors**
- **Average American moved 11.7 times (2011 Census)**

**\*US Census Bureau – Nov 2013 Press Release**



# Solutions to Ensure Address Quality



# Move Update Requirement

- Who must comply with Move Update rules?
  - First-Class Mail® or Standard Mail® claiming Presort or Automation discounts
- How often?
  - Addresses updated using an approved method within 95 days prior to the mailing date
- Are there exceptions?
  - Exceptional or an alternative address format are not required to meet Move Update (mail is not forwarded)
    - Or Current Resident
    - Postal Customer

# Move Update Methods

- Prior to Mailing
  - NCOA<sup>Link®</sup>
  - NCOA<sup>Link®</sup> MPE (Mail Processing Equipment)
- From Mailing Process
  - Ancillary Service Endorsements
  - ACS<sup>™</sup>
- Alternative Move Update Methods
  - 99% Accurate
  - Legal Restraint

# ANK<sup>Link</sup>® Service

- A valuable add-on to NCOA<sup>Link</sup>® Limited Service Providers and End User Mailers
- Provides an indicator that a move may have occurred in months 19 through 48
  - Does not contain the actual new address
- Allows for more value out of move update processing
  - Only the flagged addresses need to be sent to a 48-month NCOA<sup>Link</sup> Full Service Provider

# Use of ACS™ as a Post Mailing Option\*

- Traditional ACS™ – Manual Return
- Electronic
  - **Traditional ACS™** – delivered via Electronic Product Fulfillment (EPF) account
  - **OneCode ACS®** – delivered via EPF
  - **Full-Service ACS™** – delivered via *PostalOne!®* after the records are associated to qualified mail pieces in the eDoc
  - **Single Source ACS™** (New)

\*Source: USPS® Keeping it Simple Presentation

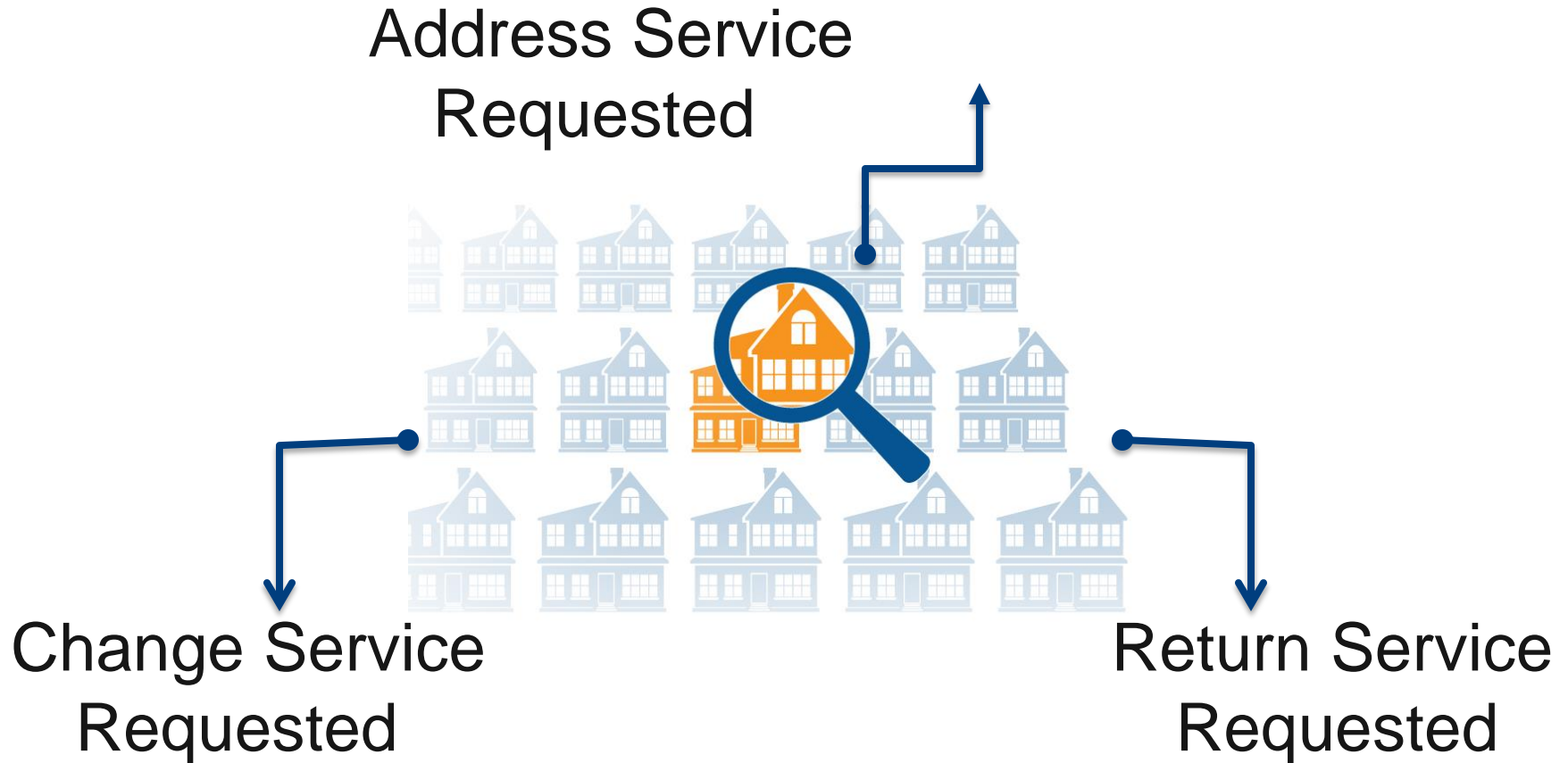


# UAA

- **First-Class Mail®** pieces will incur a return
  - Pay postage to resend
  - Time invested into finding the correct address information for the contact
- **Standard Mail®** pieces are thrown out by USPS®
  - The average cost of a letter-size mail piece is \$1.50!
  - **Do you know how many of your pieces are thrown out?**



# Dealing With UAA After Mailing



# What Hasn't Been Corrected?

The **USPS address correction** data set has:

- *No names*
- *No apartment numbers*
- *No other types of appends*

The NCOA<sup>Link</sup> service requires an **exact match**



# Hidden Moves

- Some people *don't* provide a forwarding address
- **20 – 30%** don't report anything to USPS®
  - It's not required by law
  - They forget, don't care or don't want to be found



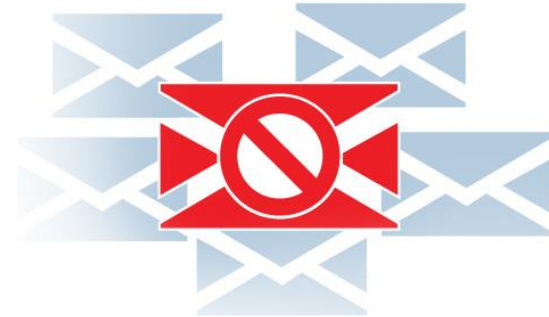
# Leverage Additional Resources

Identify the deceased



Uses Social Security  
Administration Data

Flag those on the “Do Not  
Mail” Database



Focus on reaching the  
people who are **receptive** to  
receiving your message



# Leverage Additional Resources

Locate people who haven't filed their move with USPS®



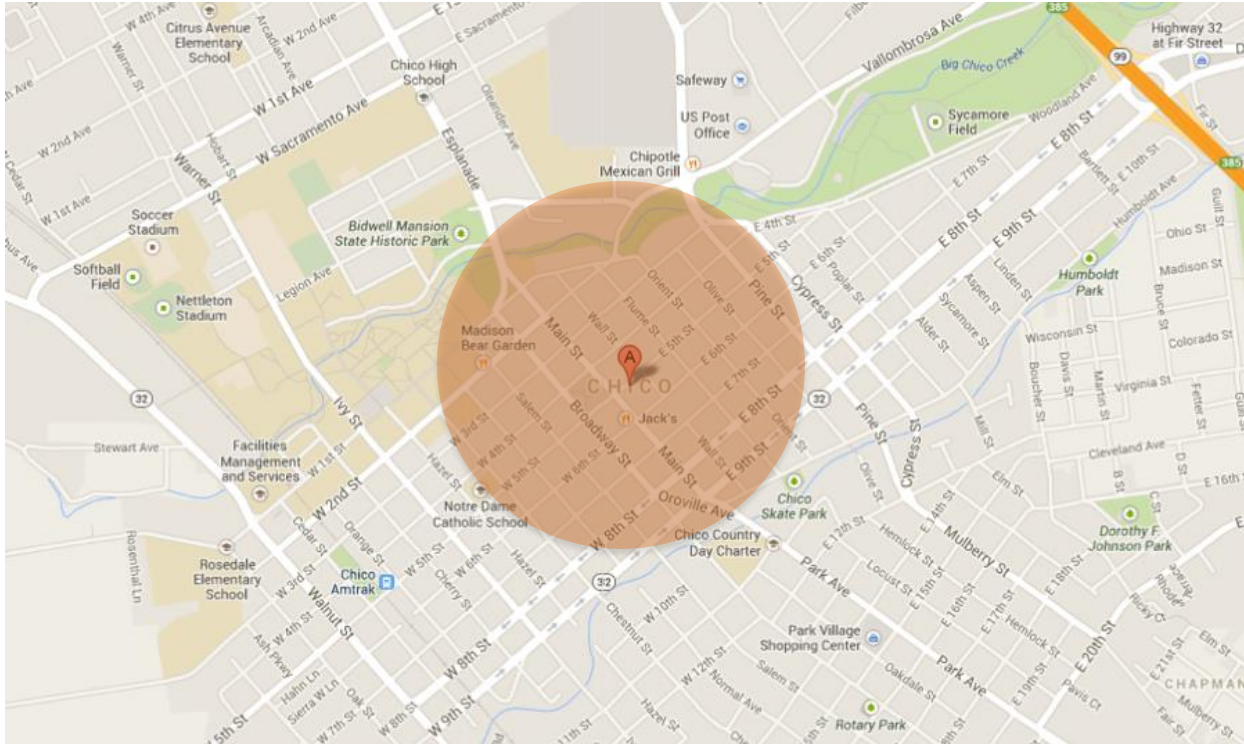
An **ECOA** service compiles moves from magazines, utilities, etc.

Append Apartment Numbers



Complete residential addresses to reach more people on your target list

# Geocode



Improve the effectiveness of your direct marketing campaigns with more targeted campaign lists

# Mail Costs

- Take a step back...what are the *obvious costs*?
  - Printing, paper and labor
  - Postage
  - Any return service and address correction fees

**All JUST** mailing-related costs



# Calculating Costs

| UAA Result | Approximate Cost to USPS | Cost to Mailer                                                                     |
|------------|--------------------------|------------------------------------------------------------------------------------|
| Return     | 51.3¢/ea.                | Original postage + cost of mailer + any return service and address correction fees |
| Discard    | 4.4¢/ea.                 | Original postage + cost of mailer                                                  |
| Forward    | 21.3¢/ea.                | Original postage + cost of mailer + any address correction fees                    |

**Return service and address correction fees are dependent on the mailing class and service type selected.**

# Let's Do The Math

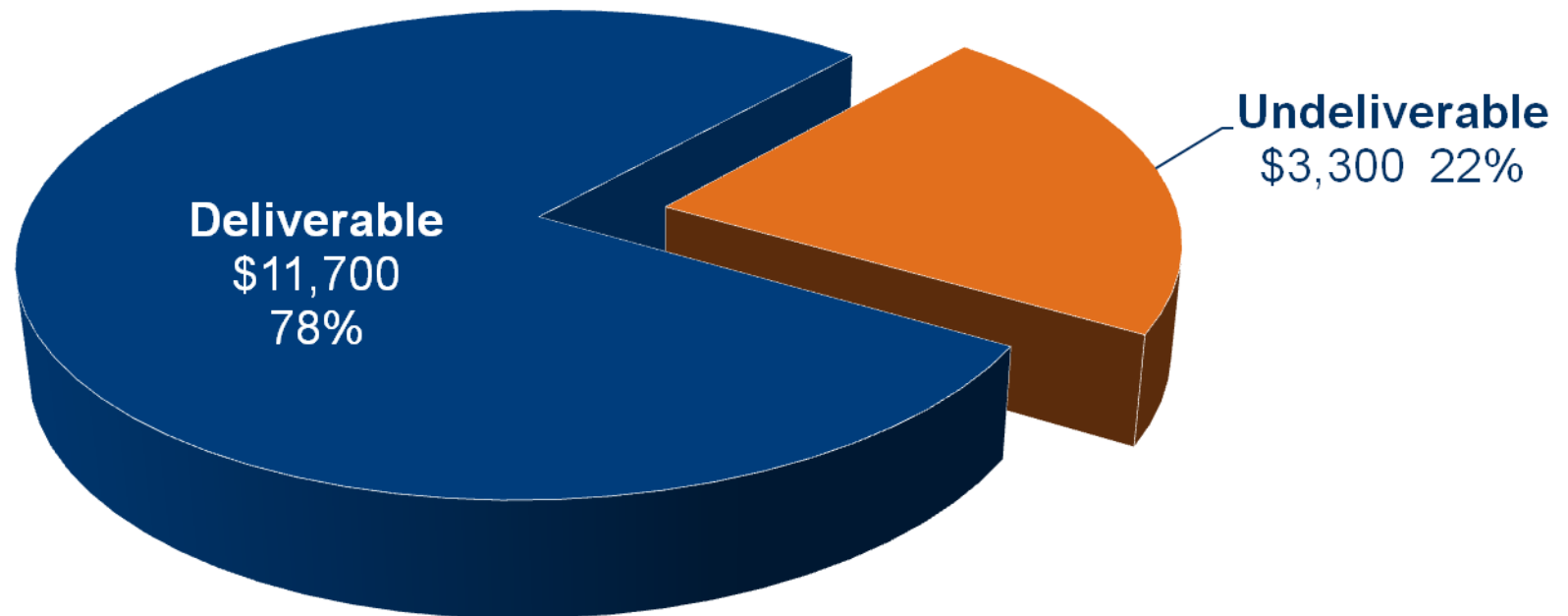
As an example, let's say you mail **10,000 pieces**

- Each piece costs \$1.50 to print and mail
- 2,200 are undeliverable records

$$\$1.50 \times 2,200 = \$3,300 \text{ *wasted*}$$

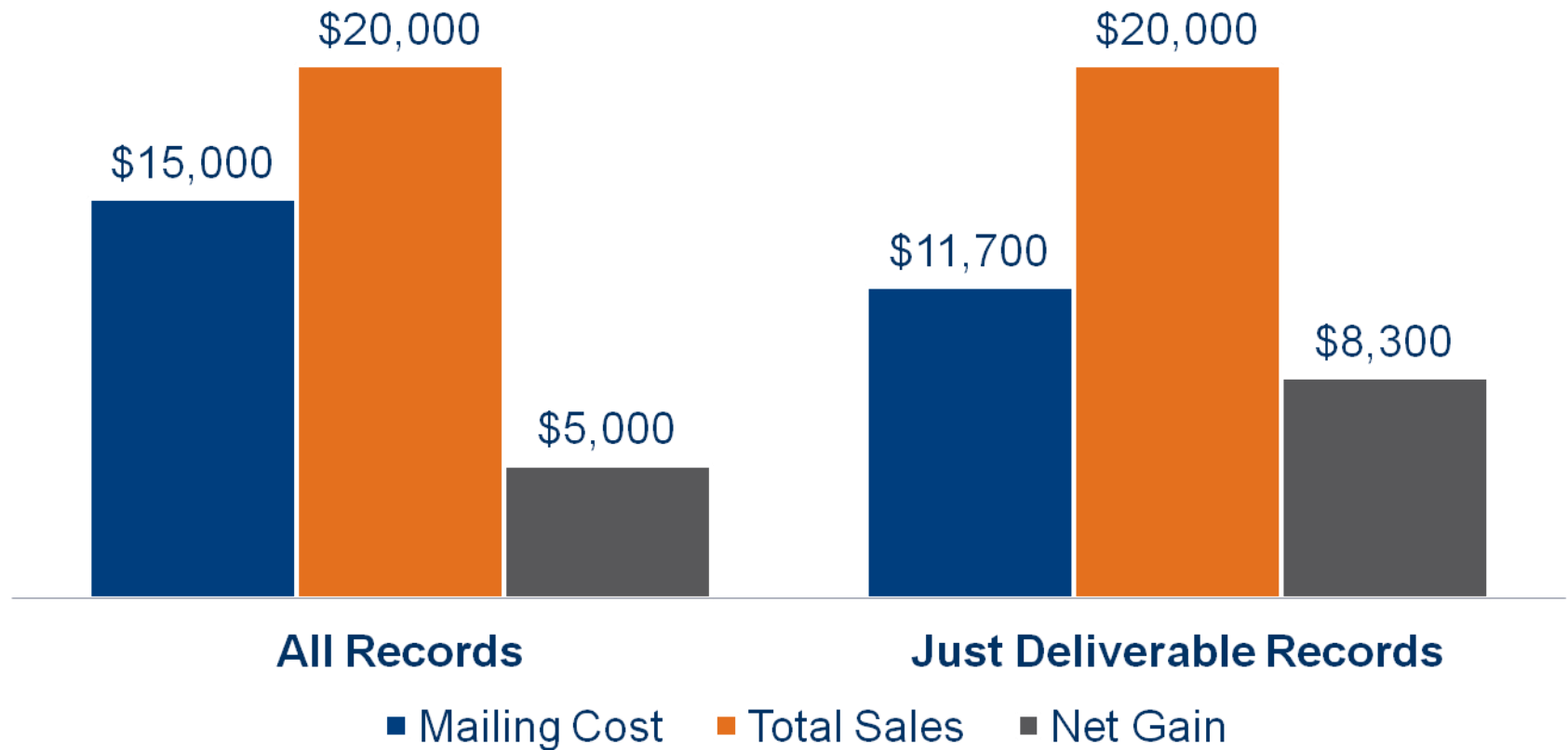


# Wasted Budget





# Exclude Bad Records, Improve ROI



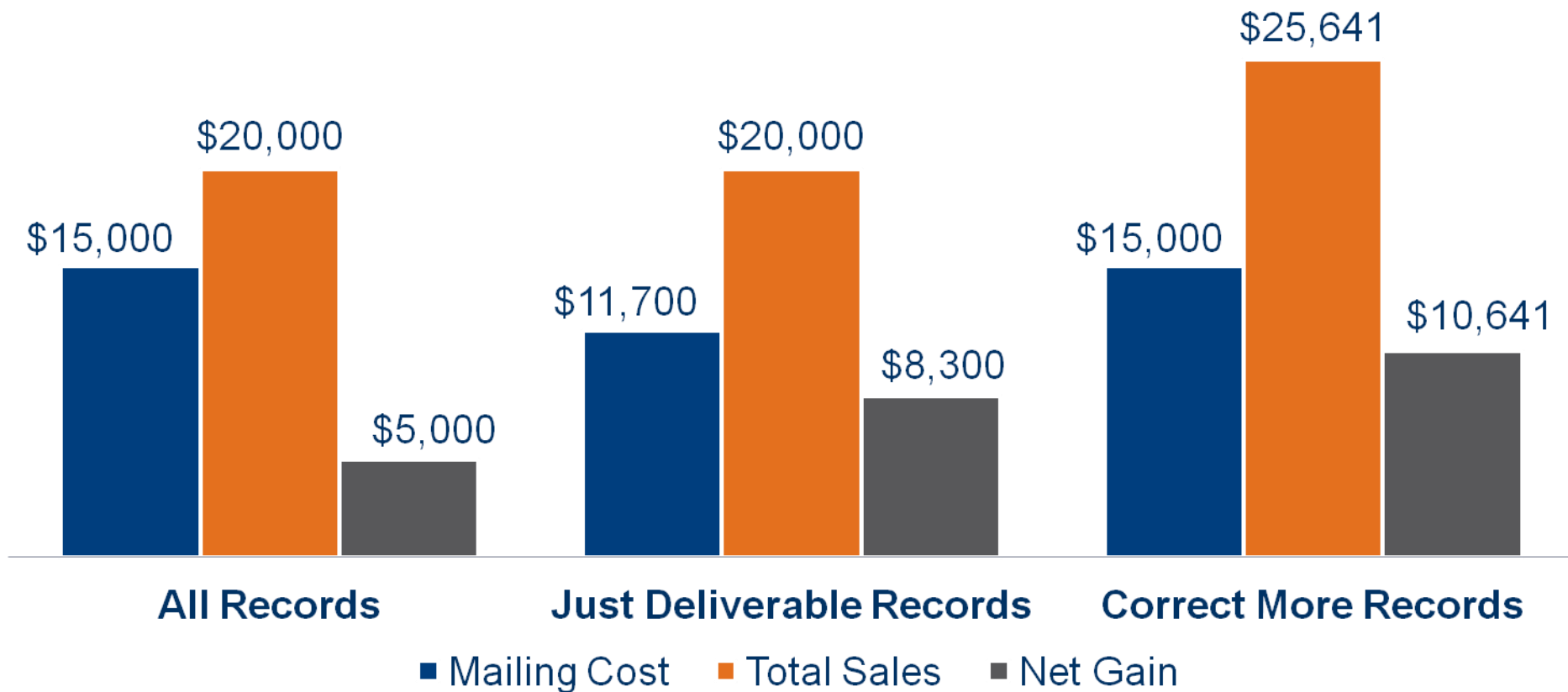
# Calculating Opportunity Costs

Back to our **2,200** undeliverable records

What if you could **reach** these contacts? \$\$\$



# Correct Records, Improve ROI



# Summary

- Be aware of the impact of undeliverable records
- Know the quality of the records you are mailing
- Correct undeliverable records to reduce costs incurred by returned mail or pieces that get thrown out by the carrier
- Improve customer service — ensure recipients actually get their mail in a timely manner

# Q&A...

**Thank you!** — we appreciate your time.

***Ken Seward***

*Manager, Address Management Systems*

*Portland, OR – District, USPS*

*(503) 294-2379*

*[Kenneth.G.Seward@usps.gov](mailto:Kenneth.G.Seward@usps.gov)*

***Scott Barker***

*Enterprise Solutions Specialist*

*Neopost Northwest – Portland, OR*

*(530) 368-1250*

*[s.barker@neopost.com](mailto:s.barker@neopost.com)*