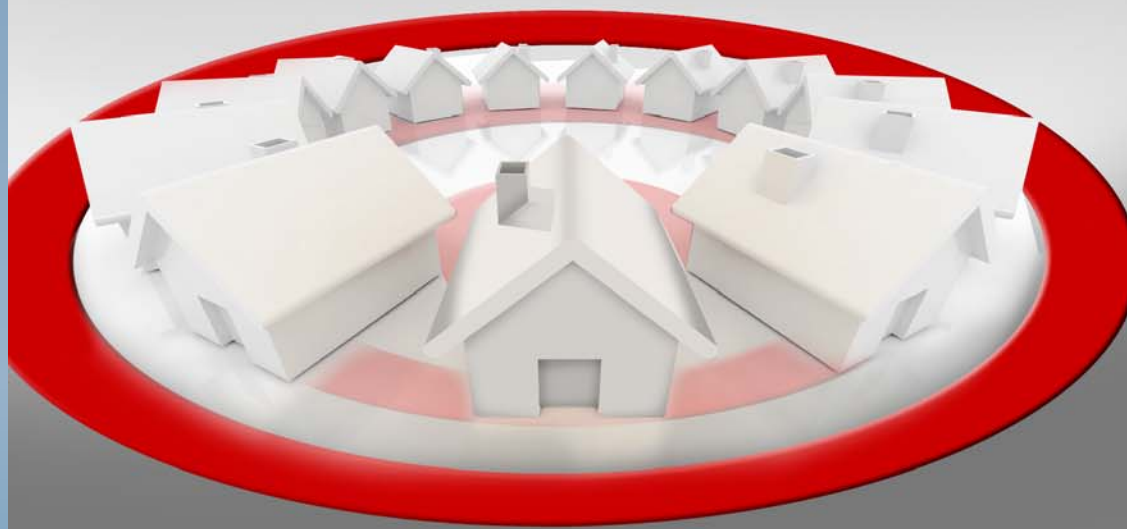


Saturation Mail: The Perfect Low-Cost Way to Reach More Customers



Mailing Lists

Saturation Mail: The Perfect Low-Cost Way to Reach More Customers

If you own a local business and are looking for an inexpensive way to increase your sales, or plan to expand your business to a new market – you might want to consider doing a saturation mailing. It's the perfect way to deliver more mail for less.

The saturation mailing strategy works by “saturating” a direct mail message within a localized area (i.e. a radius from your business, particular neighborhood(s), a ZIP Code™, city or county) by reaching the majority of households and/or businesses in a postal carrier route.

Saturation mail is ideal for local businesses looking to establish their brands, increase walk-in traffic, and deliver targeted offers promoting their services, grand openings, and special events.

Saturation mail can help connect you to your customers and prospects – those who are located nearby and are more likely to do business (and repeat business) with you.

And, because saturation mailings are so quick and easy for the Post Office™ to process, they pass the savings on to the mailer - saving you 20-25 percent off the cost of Standard Mail® or about 5 cents per mail piece delivered.

But before you begin, you must make sure you understand the rules. A saturation mailing needs to meet certain requirements set by the USPS®.

The Rules of Saturation Mailing

Saturation mailings enable you to cost-effectively target entire neighborhoods within a ZIP™, city, radius or county. To qualify for the maximum saturation mail discounted postage rate, your mailing must meet two requirements:

1. The mailing must follow the 90/75 Rule, which means you must mail to at least 90 percent of residential addresses, or at least 75 percent of the total number of residential and business addresses in a given carrier route.
2. The mailing must be sorted in “Walk Sequence” order – the actual sequence that the postal carrier walks the route.

Mailing in Walk Sequence order saves the Postal Service™ the time, labor and money it would have spent sorting, coding and processing your mailing, which in turn means a faster and more cost-effective delivery of your mail. To reward you for making its job easier, the Postal Service provides discounts that can slash your costs – saving you up to 24 cents on every piece you mail.

Even though you're making the Postal Service's job easier doesn't mean you have to do all the work. The saturation mailing list you purchase from your list provider may be in Walk Sequence order.

Why Saturation Mail Works

Saturation mailing works for any size business, but it's especially profitable for local businesses such as auto dealerships, medical offices, boutique retailers, and restaurants – businesses that rely on walk-in traffic, and benefit from strong word of mouth.

Saturation mailing will help reinforce customer retention and acquisition efforts by giving you the vehicle to deliver your messages straight to nearby residents' mailboxes.

Benefits of Saturation Mail

- » Localize and saturate an area by ZIP Code™, radius, city or county
- » Save 24 cents off First-Class™ postage or 4-5 cents off Standard Mail® rates
- » Increase brand recognition within community
- » Mail directly to potential customers in a targeted area
- » Lower your cost per lead by as much as 70 percent

How Saturation Mail Works

The first step to doing a saturation mailing is to get your hands on the right mailing list – a saturation list, also known as an occupant list. These mailing lists contain all the addresses in a particular area and are usually prepared by a commercial list provider. Make sure the list you purchase contains a carrier route and walking sequence number, to qualify your mailing for the maximum saturation discount rates.

Saturation mailing lists offer local businesses greater value per record, since postage and the cost per lead are much lower than more targeted consumer and business lists. A saturation mailing list typically costs up to 70 percent less than a consumer or business list, so your cost per lead can be as low as \$.01/lead – compared to \$0.08/lead for a consumer/business list. While a consumer or business list allows you to pull from a wide range of demographic criteria to target prospects, such as age of individual, total household income, length of residence – it can still be more cost-effective to purchase a saturation list and mail to a larger group with an offer that has a wide appeal, such as a grand opening or a local sale – to draw walk-in traffic.

Since postal rates are much lower for saturation mailings, you can buy a larger list and mail out more pieces. For example, you can send out 10,000 pieces in a saturation mailing for the same price of 1,000 pieces with names on a consumer/business list.

And you can still target and narrow your saturation list using selects such as post office boxes, rural routes, apartments, and residential and business addresses.

The 90/75 Rule

If a carrier's route consists of 500 addresses, 400 of which are residences, your saturation mailing would have to reach:

- » 90 percent (or 360 of the 400 residential addresses)

OR

- » 75 percent (or 375 of all addresses in the carrier route)

A saturation mailing list typically costs up to 70 percent less than a consumer or business list.

How to Save Money with Saturation Mail

The Postal Service offers saturation mailing rates beginning at \$0.179 cents per piece for businesses as an incentive to presort the mailing in Walk Sequence. If you compare the saturation rate to the Standard Basic Letter rate of \$0.234 cents, you're saving 4-5 cents per piece. Nonprofits can reap even more savings, with postage rates as low as \$0.108 cents per piece. You can save even more by actually delivering your mail to a Bulk Mail Center (BMC) or Sectional Center Facility (SCF).

Here's an example of how saturation mailing can help you save precious marketing dollars:

Scenario: A local pizza restaurant just opened and wants to promote its grand opening to nearby residents and businesses. So the restaurant decides to conduct a direct mail campaign with a \$10 off lunch coupon to drive walk-in traffic. The mailing uses a standard-sized envelope and weighs 3.3 oz. The saturation rate per mail piece is \$0.179; the Standard Basic Letter rate is \$0.234; and the First-Class rate is \$0.769. The restaurant wants to mail 5,000 pieces.

Option 1 – Saturation Mailing: If the restaurant conducts a saturation mail campaign to announce its grand opening, its total mailing cost is only \$895.

Option 2 – Standard Mailing: If the restaurant chose the Standard Mail route, it would have spent \$1,170, or 31 percent more than a saturation mailing.

Option 3 – First-Class Mailing: If the restaurant chose to send mail First-Class, it would have spent \$3,845, or a whopping 330 percent more!

Conclusion

Saturation mailings are an easy, cost-effective way to target specific areas and find those most likely to purchase your products and services. Just remember the 90/75 Rule and make sure your mailing is in Walk Sequence order. That's it. Your list broker will know exactly what you need.

By saturating your local community with an offer to drive walk-in traffic or announce a grand opening or sale, you'll not only save money on marketing expenses, you'll also improve your customer retention and acquisition efforts by targeting your best market – your neighbors.

How to Qualify for Saturation Mailing

Send only these mail-types:

- » Sales or promotional messages
- » Letters, cards or flats
- » At least 200 sorted and addressed pieces all the same size, shape and weight

Follow these rules:

- » Mail must be sorted in Walk Sequence order
- » Mail must satisfy the 90/75 Rule
- » No personal letters
- » No bills, invoices or statements
- » No contracts
- » No valuables or currency

Saturation mailing lists are not recommended for First-Class mailings.

About Melissa Data Corp.

Melissa Data is an active DMA member, and a member of the DMA's List and Database Council. Since 1985, the company has been a leading provider of direct marketing and mailing solutions with emphasis on U.S. and Canadian address and phone verification, postal encoding, and NCOA^{Link}® processing. The company also offers a wide variety of USPS® CASS™ processed mailing lists that are available online, 24/7, and come with a 100 percent deliverability and best price guarantee. For more information, visit www.MelissaData.com or call 1-800-MELISSA.

Saturation mail is a great way to:

- » Announce grand opening events
- » Draw large crowds to your store
- » Target all addresses in an area
- » Establish brand recognition
- » Increase walk-in traffic
- » Get to know all your neighbors

Saturation mailings help you target your best market – your neighbors.

© 2010 Melissa Data. All rights reserved.

Melissa Data is a nonexclusive NCOA^{Link}™ Interface Distributor and Full Service Provider Licensee of the USPS. The following trademarks are owned by the United States Postal Service®: CASS; First-Class Mail; NCOA^{Link}; Post Office; Postal Service; Standard Mail; United States Postal Service; USPS; ZIP; ZIP Code; and ZIP + 4.

Saturation Mail: Three Real World Applications

Here are three examples of how a saturation mailing can increase your business by establishing your brand in specific regions, to customers who are most likely to do business with you. Each example shows how you can do a successful saturation mailing to maximize response at a lower cost.

Example 1 – Selling Real Estate / Resident Focus

A real estate agent recently sold several homes in a community he's previously not advertised in. The agent launched a series of saturation mailings to consistently target that community to establish trust and credibility to residents in that specific area, and find and nurture new leads.

His goal: To promote his expertise and in-depth knowledge of the community, and to show local residents that he knows how best to sell a home in their particular area.

The agent also wanted to advertise his strong sales success rate and high-quality service. In order to leverage his business cost-effectively and reach more prospects, the agent sent postcards to residents in that community. But before he sent the postcards, the agent made sure he followed the 90/75 Rule, which meant that he had to mail to at least 90 percent of the residential addresses in the specific carrier routes.

Example 2 – Selling Bottled Water Solutions / Resident & Business Focus

After securing a few clients in an emerging business center, a local water bottling company hoped to maximize its profit margin by defraying the costs of distribution. Their strategy: to reach out to other nearby businesses and residential customers within the same region through a series of saturation mail efforts. This follows the 90/75 Rule - mailing to at least 75 percent of the total number of residential and business addresses in a given carrier route.

Delivering water to five or 20 customers cost roughly the same in fuel mileage and man-hours, etc. For instance, delivering water to 15 more customers, all located within the same carrier route, wouldn't make much difference in transportation and fuel expenses – but would give the company a significant boost in revenue.

Example 3 – Co-Bundling with Local Vendors

Co-bundling is an attractive, inexpensive way for small and local businesses to pool their resources together by developing joint mailing efforts.

For instance, a hair salon can team up with a nearby restaurant and fashion retailer to share the cost of printing and mailing postcards, offering targeted deals and discounts to residents and businesses in a local market. The hair salon could offer haircuts for \$15, the retailer could offer 20 percent off any item in the store, while the restaurant could entice local prospects with a 50 percent off an entrée coupon in their joint mailing.

Their goal: to attract and build a loyal customer base, those who are located in neighborhoods within close proximity to their business. These prospects are more likely to continue returning to their business – again and again.

Your 8-Step Saturation Mail Checklist

Now that you've decided to go with a saturation mailing – how do you get started? Here's a quick, checklist of all the things you need to be ready with before you submit your mailings to the Post Office.

1. Obtain a Bulk Mail Permit from your local post office.

You must have a valid mailing permit before you can mail at presorted postage rates. You have to pay a fee when you apply and when you renew the permit every 12 months.

2. Determine your payment type and obtain authorization from the post office.

- a. Precanceled Stamps – If you want your mail to look more personalized, you can use precanceled stamps.
- b. Meter – Using a postage meter is a convenient way to pay for postage.
- c. Imprint – You can have permit imprint information, called an indicia printed in the upper right hand corner of the mailpiece.

3. Get materials and supplies from the post office, including rubber bands, trays and sleeves.

4. Buy tie straps to bundle your mailpieces.

5. Obtain a saturation mailing list.

6. Verify that your mailing qualifies for Enhanced Carrier Route (ECR) rates.

7. Measure your mailpiece to see if it qualifies for letter or flat rates.

The size of your mailpiece will determine what rates are available to you. Standard Mail includes letters, cards or flats. All the pieces in your mailing must be the same shape, size and weight.

8. For more details, go to www.usps.com/businessmail101

How Much You Can Save with Saturation Mail

This chart shows how much you can save by doing a saturation mailing comparison to other postal discounted rates.

Example of Postage Savings at USPS Presorted Rates effective 5/11/09

Weight up to 1oz	FIRST-CLASS .44		STANDARD .44		NONPROFIT .44		POSTCARD .28	
LETTERS & CARDS	Rate	Save / M	Rate	Save / M	Rate	Save / M	Rate	Save / M
5-Digit	\$0.335	\$105	\$0.233	\$207	\$0.132	\$308	\$0.205	\$75
3-Digit	\$0.357	\$83	\$0.251	\$189	\$0.150	\$290	\$0.218	\$62
AADC	\$0.360	\$80	\$0.253	\$187	\$0.152	\$288	\$0.220	\$60
MXD AADC	\$0.382	\$58	\$0.270	\$170	\$0.169	\$271	\$0.230	\$50
Saturation CART	n/a	n/a	\$0.182	\$258	\$0.110	\$330	n/a	n/a
Nonauto/presort	\$0.414	\$26	\$0.256	\$184	\$0.155	\$285	\$0.245	\$35
FLATS Single Rate .88	Rate	Save / M	Rate	Save / M	Rate	Save / M	Please note	
5-Digit	\$0.380	\$500	\$0.346	\$534	\$0.212	\$668	Postage rates effective 5/11/09. Entry Discount level used is NONE. Savings are per 1000 presorted pieces vs F-C single piece rates.	
3-Digit	\$0.542	\$338	\$0.418	\$462	\$0.284	\$596		
AADC	\$0.603	\$277	\$0.486	\$394	\$0.352	\$528		
MXD AADC	\$0.725	\$155	\$0.496	\$384	\$0.362	\$518		
Saturation CART	n/a	n/a	\$0.194	\$193	\$0.120	\$76		
Nonauto/presort	\$0.757	\$123	\$0.367	\$513	\$0.233	\$647		

Presort rate requirements - First-Class Mail®: 500 piece minimum - Standard Mail: 200 pieces or 50# minimum