

Upon receiving my quote via e-mail, he immediately called me back with the following comment: *“Dan, I don’t think I can sell them on the Zip+4 thing.”*

Hmmm. *“Okay,”* I said, *“I can forego this service, but do they understand how this will affect their postage costs?”*

To which he replied, *“They aren’t as concerned about the postage. To them **postage is postage** and there isn’t much they can do about that. They need your best price on the lettershop services.”*

Oh, really! No matter how many times I hear that, or some variation of it, it never ceases to amaze me! Based on the example above, **POSTAGE IS 85% OF THE TOTAL COST OF THE MAILING!!** But the fact is, most companies don’t understand how vital it is to get the best postage rates available.

So, here is what I did. I typed up a comparison showing the total cost of the project with, and without, the Zip+4 Standardization.

Now, before we look at the hard numbers, let take a quick look how Burke’s ‘preps’ the data – also known as the *standardization process*.

The purpose of standardizing addresses is to get as many of them to have not only the 5-digit Zip Code, but the additional 4 digits after that – hence the name Zip+4. The more addresses with the 9-digit Zip Code, the more discounts you will receive from the post office.

In order to receive ‘automated’ rates, as opposed to ‘non-automated’ rates, this process must be done. It creates what is known as a CASS (Coding Accuracy Support System) certificate. This certificate is required to be on file with the post office and is typically submitted along with the mailing.

So, how does this save you MONEY? There are two crucial benefits:

- **Deliverability – This process checks the address for accuracy. This is important, especially for Standard A mailings, since the post office will *throw away* what cannot be delivered.**
- **Overall costs savings – By processing at automated instead of non-automated rates, you save an average of 5 to 6 cents per piece mailed! That can amount to a HUGE bottom line savings for you!**

But, according to the client mentioned above, *postage is postage, right?* Well, let’s return to our example and see how this worked out.

Again, my original estimate was for \$17,536, which included postage, data prep and lettershop services. The only difference in the new estimate was removing

the standardization process which saves them \$960. So now the estimate looks like this:

Lettershop:

- **Apply tab, inkjet address, sort & mail \$0.04 ea \$2,560**

Postage Estimate:

- **Standard A **NON-automated** letter \$.268 ea \$17,152**

Grand Total: \$19,712.00

The end result – the client saved \$960.00 by omitting the Zip+4 Standardization, but they increased the postage expense from \$14,016 to \$17,152!!

This translates to a net increase in cost for the whole project of \$2,176!!

Once I sent my client the comparison, he showed his customer and they decided to go with the automated rates. It was just a matter of working with us at Burke's, because we handle mailings every day, and we understand the postage discount rules set up by the United States Postal Service.

With this knowledge, you can see the importance of taking every facet of a direct mail campaign into account when calculating your costs. When postage plays such a vital part of the overall financial picture, **IT'S TOO IMPORTANT TO OVERLOOK.**

To see how Burke's Direct Mail and Fulfillment can save you money on your next direct mail project, call us at 1-877-715-1200. Or e-mail us at sales@burkeservices.com.

Check our website at www.burkeservices.com for future reports on mail piece design – another crucial element to receiving postage discounts.

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We look forward to hearing from you!

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