

What You Need to Know About Savings on Postage

If you are using direct mail to promote your business, you know postage is a huge chunk of the budget! And the Postal Service continues to raise postage rates. The latest was on January 21, 2024, with a second increase coming July 19, 2024. How can you reduce postage costs? Even if you love your current direct mail provider, don't assume you are paying the lowest postage and freight rates. Below is a recent example of the postage Johnson & Quin saved a client.

\$480,000 in Postage Saved!

One of our clients, a large financial services company, mails over 60 million pieces of mail a year. J&Q lowered their postage costs by \$480,000.

1. \$170,000 was saved by using J&Q's customized Hybrid Postal Optimization
2. J&Q helped the client enroll in the USPS Informed Delivery Promotion resulting in an additional \$310,000 of postal savings.
3. We guided the client to combine their three programs into one to streamline creative, production and postage resulting in lower postage.



A total of \$480,000 in postage was saved in addition to streamlining the production of their programs.

We estimate saving this organization a similar amount this year with postal optimization and promotions.

What to Look For in a Production Partner to Minimize Costs

Production method

Creating highly targeted personalized mailings requires color digital production. This allows different versions of the letters and forms to be combined into one production run resulting in larger quantities sorted together and lower postage rates.

J&Q uses high-speed color inkjet printers that efficiently produce high volumes of personalized components with multiple versions in the production run. Outer envelopes can also be personalized as the letters are inserted with color logos, taglines and copy to further customize each package.

Postal optimization

Each mailing should be analyzed to determine segments that can be shipped directly to postal processing centers. The lowest postal rates are shipped deeper into the postal system, but may also have higher shipping costs. Experts analyze each file to obtain the lowest overall postage, shipping and handling costs.

Hybrid Postal Optimization – J&Q's analysis includes both drop shipping directly into the postal system, as well as commingling. One mailing can be shipped both ways with smaller segments commingling to get a lower overall postage cost than drop shipping or mailing at the local postal destination. J&Q uses a two-step sorting process to ensure which records should drop ship and which will commingle to obtain the lowest postage costs.

Logistics

Logistics partners ship the mail to the postal facilities, and are key to moving the mail and delivering it on time to postal facilities.

Don't Forget USPS Promotions!

Further postal savings can be attained by participating in USPS Promotions. For 2024 there are a few that clients can easily participate in including:

Tactile, Sensory & Interactive Engagement	Runs Feb 1 through July 31	Use of special paper stocks and inks to engage customer	5%
Emerging and Advanced Technology	6 months (Consecutive)	Send a mail experience that connects mailpieces with the latest digital technologies.	3-4%
Informed Delivery	Runs Aug 1 through Dec 31	Uses USPS Informed Delivery campaigns	4%

When selecting a mailing service provider do they have expertise in these areas?

- Manage data from processing the file, setting up the logic to create variable, personalized documents, and mail sorting
- Optimize the presorted mail files so that total postage and freight costs are as low as possible, while insuring the mail arrives in-home on time
- Manage multiple versions of both personalized letters/documents
- Coordinate the printing and inventory of multiple generic components
- Pull it all together in production to print, insert and mail while insuring quality and schedules
- Offer mail tracking so you can confirm when your mail is hitting in-home

Working with a Mail Service Provider who is experienced in high volume production and mailing can save thousands of dollars a year in both production and postage costs.