The easiest 5% ROI lift you might ever achieve.

Harnessing the power of address information

“A communication piece that doesn’t reach its recipient because of unsanitary data is a wasted opportunity. The cleansing of data is a critical step in all our marketing campaigns.”

Neil Everett,
Chief Marketing Officer of the
Air Miles Reward Program

CANADIAN MARKETING ASSOCIATION

From anywhere... to anyone
Foreword

The key to all good communication is to be relevant. No matter how we frame it—in terms of audience, creative, timeliness, offer or other factors—good communication comes down to delivering meaningful information to a recipient. The concept of relevance and targeting has been touted by the direct-marketing industry and the direct-mail sector forever.

Accuracy and deliverability of the “list” are at the core of our industry.

As a mail-service provider to agencies and clients alike and currently as Chair of CMA’s Postal Relations Committee, I’ve had the distinct pleasure of working with some very particular production, creative and other marketing people who have demanded the utmost in quality, consistency, creativity and cost-efficiency. And while all marketers are keen on having the “right list,” responsibility for list accuracy and maintenance often falls to more technical employees who are outside the marketing function.

How does the amount of resources dedicated to maintaining your data compare to the amount spent on the rest of your marketing budgets? What percentage of your marketing budgets is invested to keep the marketing lists accurate, complete and up to date?

While organizations and their mail-service providers generally run Address Accuracy and Correction as an operational function, it has been my experience that list cleanliness is seldom viewed as a tool for marketers to drive better response rates, decrease cost per response or positively impact ROI. While some recognize the importance of data-hygiene, this paper uses research results to make the case for integrating it across all marketing and operational lines.

Yes, if we could tackle mail deliverability as an industry, there is no doubt that Canada Post will benefit by removing volumes of undeliverable mail from its system. But let’s face it: for the Direct Marketer, accurate addresses equal the right audience. Period. It’s a core belief in our discipline and we should be embracing efforts to help marketers more efficiently achieve better deliverability.

Yes, improved address accuracy may mean that mail-service providers like me could see fewer pieces flow through our facilities. But if embracing cleaning tools results in a potential 5 per cent lift to direct-mail campaigns, how might this stimulate the direct-mail channel as a whole?

If we embrace data-hygiene practices, imagine the reduction Canadians would see in the inaccurately addressed mail that actually makes it to their mailboxes, offers targeted to previous home owners, or deceased relatives. If marketers eliminated that clutter, those pieces actually addressed to the consumer may seem a bit more relevant.

And relevance is the key to good communications and marketing success.

John Leonard
Vice-President Sales and Marketing
SMART DM
Chair, CMA Postal Relations Committee
The easiest 5% ROI lift you might ever achieve.
Harnessing the power of address information

It is by no means easy nowadays to be a marketer. It seems like the measurement spotlight is relentlessly focused on marketing departments and that, increasingly, marketing must demonstrate its effectiveness by attaining return on investment (ROI) targets. With this kind of emphasis, savvy marketers are focusing on tracking results, improving accountability and achieving ROI targets by implementing new growth strategies and cost-cutting measures.

This raises the question: how do you realize a lift in ROI? The answer is surprisingly simple. Arguably the most successful marketers in the world have recognized that they hold a significant wealth in growth opportunities in the untapped customer knowledge held in their expanding databases. But, for some organizations, the quality of the data in their database might be less important than the quantity. Data quality might only be an afterthought, despite the risk that poor data-hygiene might adversely affect brand, direct-marketing costs, business intelligence and, most importantly, profitability. In fact, the ability to effectively contact customers and prospects by having accurate addresses is a crucial requirement for any direct-marketing campaign. If you improve the accuracy of your data through the implementation of correct and complete addressing processes, it might be the easiest five per cent ROI lift you will ever achieve.

Every year, more than 140 million addressed mail pieces do not make it to the intended recipients.

IT’S ALL ABOUT EFFICIENCY

Have you been hearing about marketing budgets being scrutinized or cut? With that in mind, smart marketers are looking for new ways to make their customer databases and prospect lists work harder. A recent Chief Marketing Officer (CMO) Council study conducted in collaboration with the Canadian Marketing Association confirms that the top priorities and primary challenges facing today’s marketers are “to grow and retain market share” (48 per cent) and “lower costs and improve go-to-market efficiencies” (44 per cent).1

Improving operational efficiencies is also becoming of greater importance to marketers as is the need to further expand their business intelligence by applying greater measurability to their campaigns. This need to track results is paramount, and worrying about the operational aspects of programs is gaining importance.

TODAY’S REALITY: LACK OF AWARENESS TOWARD WASTE

Marketers know that a number of well-orchestrated elements are required to effectively and efficiently execute a direct-marketing campaign. Firstly, is the creative impactful—will it help your mail piece get noticed, get opened and get read? Once you’ve managed to grab your target’s attention, have you provided a compelling offer and call to action? Have you leveraged relevant production technology, efficiencies and “green” options such as using selective print and recycled paper? And finally, have you identified and obtained an internal or external mailing list that targets the appropriate audience?

How can a lift in ROI easily be achieved in the midst of this thorough and exhaustive process? By ensuring that the address is correct and complete on the mail piece you worked so hard to create, edit, print and target, you’ll help make sure that it successfully reaches the person or home you intended it to reach, and hopefully drive a response.

Every year, more than 140 million addressed mail pieces do not make it to the intended recipients and, in some cases, not even to the mailbox due to incomplete and incorrect addressing\(^i\). For marketers, the potential losses are many: wasted opportunities, lost sales, lost chances to retain customers and lost billing interactions—all of which negatively affect your ROI. In addition, other upfront costs of mailing a communication piece that is unable to reach its intended recipient are often absorbed by the mailer. When calculating these costs, you must consider not only postage but also production and labour costs. Although costs are dependent on quantity, paper stock and format, directmarketingonline.ca estimates each mail piece produced on average costs approximately $1. These costs begin to add up rather quickly. What you cannot see, you cannot measure, and therefore, you cannot manage.

HOW CAN MARKETERS REDUCE WASTE?

To begin tackling the issue of undeliverable mail, we need first to better understand the root causes. Based on a study conducted in 2008, the primary cause of undeliverable mail is that the intended recipients have moved. Approximately 70 per cent of all undeliverable mail is attributed to people who have moved\(^ii\) and, with 15 to 20 per cent of Canadians moving each year\(^iv\), this comes as no surprise. In fact, mailers who were surveyed indicated that the most critical issue for them is obtaining information about people who move. Although you might know the identity of the intended recipient, you still need to ensure you have the recipient’s current address.

And once you’ve verified that you have the most current address, you must confirm it is complete. At 27 per cent\(^iii\), incomplete and invalid addresses are the next most common reasons for the inability to deliver mail. Addresses considered incomplete are usually missing critical elements, such as apartment or suite

\(^i\) CPC Lettermail and Publications transaction volume data, 2007; CPC Undeliverable Addressed Admail Pilots conducted in 2008-2009
\(^ii\) Undeliverable Mail Study CP#08-203
\(^iii\) Mover Behaviour in Canada, 2007
numbers. In fact, the occurrence of incomplete addressing is 2.85 times greater for multiple-dwelling addresses than for single-dwelling addresses.

In 2008, to better understand how Canadian businesses measure up when it comes to data-hygiene awareness and adoption, Canada Post conducted more than 600 surveys with business customers responsible for marketing and preparation of addressed mail. The survey results showed that the majority of respondents were aware of the potential impact that people who move have on their data-hygiene. However, very few understood its financial impact in terms of cost savings and potential ROI lift, and most did not embark on any corrective measures. In fact, when asked about the overall cleanliness of their files, the majority of businesses felt that their lists were on average accurate to a rate of 95 per cent or higher.

Not only did most marketers believe that their lists were clean, the research also demonstrated a low awareness and/or adoption of the key data-hygiene tools available, with only 14 per cent ever having used an Address Correction service and 16 per cent having used Change of Address tools.iii Although the marketplace has general awareness of return postage services, which enable mailers to see mail that is not deliverable, few surveyed have opted to use them as part of their Admail™ mailing processes.

When asked why there was such low adoption of today’s address-quality tools, the answer was clear: most businesses believe that customers are proactively contacting them with address updates and corrections, and therefore feel there is no need to clean their data. However, if that is the case, why are there more than 140 million pieces of undeliverable mail annually?

Not surprisingly, as most businesses believed that their mail files met or exceeded the standard of 95 per cent accuracy, the majority, 74 per cent, did not measure undeliverable mail at all and 69 per cent were unable to estimate its financial impact.iv From our survey, it can be seen that businesses are producing a significant amount of waste that is not only impacting the environment, but also decreasing their ROI.

Let’s not forget the customer in our assessment of the situation. Think about the consumer frustration that results from mail that is poorly targeted, not relevant, addressed to previous residents or incorrectly addressed, or from multiple pieces of the same mailing. And, Canadians who have become more environmentally aware might be disconcerted by this demonstration of waste. It stands to reason that these negative customer responses will do little to contribute to cost containment, the sale of your products or a positive brand experience.

You should also bear in mind that time and time again consumers have made known to Canada Post and the mailing community their dissatisfaction when a mailer, unknowingly, addresses a mail piece to a deceased resident. These errors, which are avoidable through the application of suppression software, might often be perceived by households as a mailer being inconsiderate or insensitive.
TOOLS SPECIFICALLY DESIGNED TO CLEAN MAIL FILES

There are a number of services and tools available to help marketers reach their target customers and decrease waste. Let’s take a look at them and how they can help to improve your address hygiene.

The Address Accuracy program assesses the correctness of addresses and identifies those that appear to be undeliverable. This is an instrumental core program, which uses Canada Post’s range-based address database to validate and correct, where applicable, a list of addresses. If an undeliverable address supplied by the mailer cannot be corrected, it is considered invalid for mailing purposes.

New in 2010, Address Accuracy software results will offer enhanced reporting features that will not only flag invalid addresses, but also identify addresses that are considered potentially incomplete with missing suite and/or apartment elements. Although still mailable, these addresses with missing information should be reviewed by mailers and completed to ensure they are fully deliverable in the future.

The Canada Post National Change of Address (NCOA™) database is the only complete and the most comprehensive file identifying movers within Canada. NCOA includes three critical capabilities:

1. **Updated mover address:** The most accurate, up-to-date mover information available, helping you maintain your mailing lists and keep in contact with your existing customers after they’ve relocated.

2. **Suppression:** In addition to knowing where your customers have moved to, the NCOA program also allows mailers to suppress customers who have moved, but did not provide a forwarding address.

3. **Deceased:** The NCOA service can also facilitate removal of deceased customers from your mailing file. When there is an estate move identified on file for one of your customers, you can include this in your suppression list and eliminate a potentially misdirected message to the family of the deceased.

Given all of these functionalities and considering that research shows mailers believe movers are the main reason for undeliverable mail, the NCOA product provides a solution that can help you improve deliverability and successfully get your message to the intended person.

When all the data-hygiene tools were applied, more than 11.3 per cent of the mailing file was affected.

As customers are constantly moving and new and existing addresses are being updated regularly both within the Canada Post database as well as within mailer databases, the accuracy of a mail file can degrade every month. It is only through regular and continuous cleaning that mailers can be assured that they are optimizing the deliverability of their lists.
BUT, DO THE TOOLS REALLY WORK?

To help measure the effectiveness of mailer data-hygiene practices, Canada Post engaged 13 major mailers across several industry segments to participate in a series of data-hygiene pilots, serving as experimental models, from August 2008 to June 2009. These pilots were designed to demonstrate the potential impact of using tools for all mailers.

Results of the pilots were as follows:

The Address Accuracy tool showed that, on average, 8.3 per cent of mailing-file items were inaccurate or required a correction to be deliverable—this was considerably higher than the five per cent inaccuracy rate cited by marketers in Canada Post's study. Missing or incorrect apartment/suite information was a primary driver of incomplete addresses.

When the National Change of Address (NCOA) tool was applied, another 2.2 per cent of addresses were corrected to the appropriate location, and 0.8 per cent of the addresses were suppressed. When all the tools were applied, more than 11.3 per cent of the mailing file was affected.

The pilots demonstrated that the comprehensive use of tools at the time of the mailing offered benefits to companies that are known, or might be expected, to have relatively clean databases (e.g., large billers, financial institutions) as well as companies that might be predicted to have less accurate databases. As part of the pilot, we identified mailers in each of those categories. In the case of mailers who conducted regular hygiene, applying the full complement of tools prior to mailing provided a 0.5 per cent correction rate and 2.8 per cent suppression rate (total 3.3 per cent of file affected). The benefit for mail files with limited hygiene delivered a correction rate of 4.4 per cent and a suppression rate of 8.1 per cent (total 12.5 per cent of file affected). Data-hygiene practices at the time of mailing were shown to deliver measurable results for mailers at both ends of the spectrum.

This study enabled us not only to demonstrate the impact of the tools and forecast their benefits, but also to better understand the “profile” of mailer databases that were prone to inaccuracies. Mailers with a higher likelihood of having clean data generally fell within the following sectors: financial institutions, catalogue, publishers and telecommunications. These organizations used their mailing lists to communicate on a more consistent and regular basis with their customers. These mailers tend to implement good data-hygiene practices using NCOA and Address Accuracy regularly, and often applied corrections and suppressions to their databases.
What about the other mailers that have limited data-hygiene processes in place? These mailers generally ran Address Accuracy once a year and any corrections or suppressions identified were not applied into their databases. These mailers also didn’t run NCOA.

**Mailer Data Quality Checklist**

<table>
<thead>
<tr>
<th>Mailer List Elements</th>
<th>Hygiene Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sourced from billing database</td>
<td></td>
</tr>
<tr>
<td>• Frequent contacts or active loyalty program or publication</td>
<td></td>
</tr>
<tr>
<td>• Recently collected list</td>
<td></td>
</tr>
<tr>
<td>• Regular updates applied back to database</td>
<td></td>
</tr>
<tr>
<td>• Regular validation at customer contact points</td>
<td></td>
</tr>
<tr>
<td>• Low apartment/suite penetration</td>
<td></td>
</tr>
<tr>
<td>• Low rural penetration</td>
<td></td>
</tr>
<tr>
<td>• Lower likelihood to be clean</td>
<td></td>
</tr>
<tr>
<td>• Infrequent contact or lapsed customers</td>
<td></td>
</tr>
<tr>
<td>• No billing or purchase history</td>
<td></td>
</tr>
<tr>
<td>• Prospect lists and those acquired through promotions or online</td>
<td></td>
</tr>
<tr>
<td>• Long-term warranty customers</td>
<td></td>
</tr>
<tr>
<td>• Customers with long purchase cycles</td>
<td></td>
</tr>
<tr>
<td>• High apartment/suite penetration</td>
<td></td>
</tr>
<tr>
<td>• High rural penetration</td>
<td></td>
</tr>
<tr>
<td>• Higher likelihood to be clean</td>
<td></td>
</tr>
</tbody>
</table>

For all mailers, the application of Address Accuracy and NCOA data-hygiene tools contributed to improving operational efficiencies by reducing waste and attaining a potential lift in ROI. This study also enabled us to estimate hygiene risk based on mailer list characteristics. The list profile for mailers with a higher likelihood of having clean lists includes a number of characteristics such as sourcing addresses from a billing database, low apartment and rural penetration, regular address validation, and applying corrections and suppressions back to their databases. As expected, the list profile for mailers with a lower likelihood to have clean lists was the opposite. If a mailer uses a file infrequently, sources prospects through promotions and in-store events, and has limited contact with customers (long purchase cycle) then the likelihood of address issues is substantially higher.

Regardless of what profile your data file falls within, reducing inaccuracy through the use of data-hygiene tools can help lift not only the rate of deliverability but also your potential ROI. The tools have clearly demonstrated value in terms of potential ROI improvement and waste reduction for mailers, many of whom considered their data to be clean and mailable.
Internal Data Management Best Practices

To drive the greatest efficiencies from your customer data, implementation of effective address-hygiene practices should start well before you pull a list for mailing. Companies that understand the value of accurate customer information apply best practices in data management across their company to help improve the effectiveness of sales and service. Here are five internal data management “best practices” followed by leading-edge companies:

1. Standardize addresses and make sure it’s right at the point of entry
2. Make it easy for customers to update and confirm address at each touch point
3. Clean your internal databases regularly
4. Create an in-house “Do Not Mail” file
5. Keep track of your returned mail

Getting your data entered correctly the first time is the best policy. At the point of data entry through your call centre, order forms, point of sale or online, consider implementing tools that will identify inaccuracies and suggest improvements before data enters your customer-information infrastructure. As an ongoing practice, make it easy for customers to confirm and update address information by leveraging all of your customer touch points.

Another important data management practice is to clean your internal database regularly by leveraging services that will help you identify movers and files with incorrect or incomplete addresses. To help you reduce waste by not mailing to unresponsive recipients, it’s also good practice to create an in-house suppression file for contacts who have either asked to be taken off your mailing list or are deceased.

Lastly, a clear indicator of bad address data is returned mail. Services available to help manage back-end data-hygiene for mailers include Return to Sender (RTS), a value-added service for Lettermail™ customers and Return Postage Guaranteed (RPG) for Addressed Admail™ service customers. RPG may be accessed by adding an indicia to the mail piece, which enables undeliverable mail pieces to be returned to the mailer, allowing mailers to update mail lists. The mailer pays the RPG service fee only for pieces returned as undeliverable. Incorporating RPG helps you to keep track of returned mail and maintain a more accurate customer mailing list, while minimizing waste and saving costs on future campaigns. If you’ve received returned mail, chances are that those customers or prospects no longer reside at the address you have on file. For the sake of cost-containment, don’t keep mailing to them.

If all else fails and you cannot make changes to your source systems, consider creating an updated market contact file that can be used prior to mailing to manage suppressions and ensure accurate updated marketing address information exists. This marketing contact file is your last line of defence before you spend marketing dollars and send out your message.
SIX-STEP BEST PRACTICE DATA-HYGIENE PROCESS

Once you are ready to mail, there are six steps that can help to ensure your addresses are as correct and complete as possible. You can work with your internal data teams, mail-service provider, agency or marketing partner to ensure that you have leveraged all possible tools and best practices.

1   Step one: Address Standardization
One of the most important tasks when preparing campaign data is standardizing addresses for the purpose of processing through data-hygiene. Ensuring addresses are in a consistent and correct format facilitates the highest match rates when applying any of the following tools, ensuring that your results will be better.

2   Step two: Merge Purge—duplicate elimination from and between files
Another important task when preparing campaign data is merging and purging data. Duplicate mail might irritate customers and can cost mailers money with no added benefit at the door. Duplicate mail can occur when customers are input into your databases several times, when multiple family members exist in your records, and when you have had a number of relationships with past inhabitants of a residence. You will need to determine your business rules to remove duplicates, but it can be well worth the money and time. These rules can be reused regularly.

3   Step three: Address Accuracy and Correction
Address Accuracy software scans your mailing file to help ensure that correct and complete mailing addresses (including a valid Postal Code™) are displayed in the proper format to increase the deliverability of your mail. Any addresses that cannot be corrected are flagged and can be addressed off-line through customer-service processes.

4   Step four: Mover Updates through NCOA (National Change of Address)
Application of the NCOA tool provides accurate, up-to-date mover information, helping you to maintain your mailing lists and keep in contact with your existing customers after they’ve relocated. Applying suppressions to the customers who have moved but not supplied their forwarding address can improve your ROI. NCOA can also help you suppress addresses of deceased contacts to avoid a negative customer experience.

5   Step five: Suppressions
Suppression enables you to remove records from a mailing list based on internal or industry protocol (e.g., the CMA “Do Not Contact” file). This helps to make sure you are not sending mail to those recipients who have indicated that they are not receptive to your message. If the address is valued and valid, the option exists to use “occupant”.

6   Step six: Returns Management
Utilize Return Postage Guaranteed (RPG) for Admail mailings to identify those records that pre-mailing solutions were unable to detect, giving you the opportunity to correct or remove contact information from your future mailing list. For Lettermail mailings, simply incorporate address information from mail that is automatically returned to you into your database.
These six steps incorporating data-hygiene tools are critical to help reduce undeliverable mail and potential waste, and lift ROI. And remember to update your primary database with corrections and suppressions made so that your in-house list will be as current and clean as your last mailing. This will reduce the magnitude of the issue of undeliverable mail and help contribute to a positive return on investment.

HERE’S WHERE THE FIVE PER CENT CAN HELP REDUCE YOUR COSTS

As an example, let’s take a mailing of 500,000 pieces. The assumptions are: the file is 10.5 per cent inaccurate (as shown from our findings from mailers), a two per cent response rate, and the cost per sale is $84.

By simply applying Address Accuracy and NCOA tools and incorporating 4,000 additional dollars into the budget to process your data, the resulting impact in your cost per sales would be a reduction from $84 to $79. Now that is effective use of marketing dollars.

<table>
<thead>
<tr>
<th></th>
<th>Without Data Cleansing</th>
<th>With Data Cleansing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undeliverable/Incorrect (%)</td>
<td>10.50%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Quantity</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Total campaign budget</td>
<td>$750,000</td>
<td>$754,000*</td>
</tr>
<tr>
<td>Undeliverable/incorrect pieces</td>
<td>52,500</td>
<td>25,000</td>
</tr>
<tr>
<td>Net response rate (%)</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Number of sales attained</td>
<td>8,950</td>
<td>9,500</td>
</tr>
<tr>
<td>Gross profit per sale</td>
<td>$250</td>
<td>$250</td>
</tr>
<tr>
<td>Average cost per sale</td>
<td>$84</td>
<td>$79</td>
</tr>
<tr>
<td>ROI</td>
<td>$2.98</td>
<td>$3.15</td>
</tr>
</tbody>
</table>

* Include data-hygiene processing costs

With a simplified return on investment formula of ROI = Gross Profit/Cost, assessing the return of every $1 spend this example illustrates that without data cleansing the ROI is $2.98 and with data cleansing the ROI increases to $3.15. This translates to a 5.5 per cent increase in ROI.
DATA QUALITY IS CRITICAL TO CAMPAIGN SUCCESS

In today’s competitive market, “business as usual” is no longer an option. Smart marketers have become more focused on finding opportunities to improve organizational efficiencies and reduce waste. With this new focus, the importance of leveraging data effectively and maintaining a superior level of quality, rather than focusing on quantity, is crucial to continuous campaign improvement and success.

Delivering a positive brand experience to your customers through the maintenance of clean and accurate data files can be easy. Applying data-hygiene tools and practices to your data file will allow you to maximize complete and correct addressing to help ensure your intended audience receives your communication piece. This, in addition to the suppression of deceased individuals, internal and external designated lists can affect your customer brand experience.

The application of these data-hygiene tools can help you improve ROI on your next campaign and beyond. Harnessing the power of address information can lead to the easiest 5% ROI lift you might ever achieve.

“A communication piece that doesn’t reach its recipient because of unsanitary data is a wasted opportunity. The cleansing of data is a critical step in all our marketing campaigns.”

Neil Everett, Chief Marketing Officer of the AIR MILES Reward Program
About Canada Post

The Canada Post Group, which includes Purolator Courier Ltd., SCI Group Inc. and Innovapost Inc., has strong market presence and generated $7.7 billion in revenues in 2008. Through a network of 6,600 post offices and 22 mail processing plants, Canada Post delivers to 14.7 million addresses across Canada and, in 2009, was named by Canadians as Canada’s Most Iconic Brand in an independent survey.

Canada Post's Direct Marketing division provides Canadian marketers with simple and smart solutions to help ensure the success of campaign ROI. In today's market, organizations must ensure that every communications dollar they spend is accountable to their bottom line—and direct mail is an advertising media that can be measured with precision. In 2008, Canada Post continued to create innovative direct-marketing services that go beyond simply delivering the mail, and help our customers achieve their business goals.

For more information about Canada Post's direct marketing data services, visit canadapost.ca/marketyourbusiness.

About the Canadian Marketing Association

With more than 800 corporate members, the Canadian Marketing Association (CMA) is the largest marketing association in Canada. Embracing Canada's major business sectors and all marketing disciplines, channels and technologies, CMA Members make a major contribution to the Canadian economy by driving $150 billion in sales of goods and services annually and supporting nearly one million jobs.

The Canadian Marketing Association is the marketing community's leading advocate on the key public policy issues affecting both consumer and business-to-business marketers. As well, CMA is the principal provider of knowledge, marketing intelligence and professional development opportunities for marketers, and catalyst for networking and business opportunities within the marketing community.

For more information, visit us online at www.the-cma.org.

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“Our campaign was a success. Employing data-cleansing before mailing significantly decreased our undeliverable mail, resulting in increased response rates and a greater overall ROI.”

Tracy Wiberg, Direct Marketing Coordinator, The Brick

Success Story

The Brick
Data hygiene brings sparkling results for major retailer

Background
For a number of years, The Brick—one of Canada’s largest volume retailers—collected mailing information from each customer at the point of purchase. This information was then used by the company for a number of targeted customer campaigns.

The challenge
Always looking for improvements, The Brick turned to Canada Post to help it improve the results of its already successful campaigns. The company wanted to reduce its large volume of undeliverable mail by increasing the accuracy of its customer data.

Canada Post sought to reduce The Brick’s campaign costs and increase response rates by driving up deliverability. Undeliverable mail is a waste of precious marketing dollars and resources.

Canada Post solution
A test campaign was launched using a mail list of 100,000 customers. Prior to mailing, core data-cleansing techniques were used: Address Accuracy, Merge Purge and National Change of Address (NCOA). The tools revealed that 40 per cent of the database consisted of duplicates, 20.5 per cent of addresses were invalid, and 3 per cent of customers were identified as having moved. The Brick then applied all the recommended corrections and suppressions prior to mailing.

Results
The results of this campaign clearly demonstrated the benefits of employing best-practice data-cleansing techniques. The volume of undeliverable mail was reduced by 29 per cent, which not only increased response rates, but also The Brick’s overall return on its marketing investment went up by 10%.

“Our test campaign was a success and we’ll be able to apply what we learned to future campaigns,” says Wiberg. “As a company that mails more than 10 million pieces annually, this will bring significant returns for The Brick today and into the future.”