



A Valassis Direct Mail, Inc. White Paper

Simplified Addressing on City Routes:

The drawbacks to using simplified addressing on city routes for your mailings

In mid-December 2010, the Postal Service™ announced they were removing restrictions, effective January 2, 2011, from the Domestic Mail Manual (DMM®) on the use of simplified addressing for flat size mail pieces and irregular parcels that are delivered by USPS city carriers or to Post Office™ box holders at Post Office™ locations with city delivery service.

This allows mailers of Standard Mail® saturation (carrier route) flats and irregular parcels, the option of using simplified addresses (typically, "Postal Customer") instead of complete delivery addresses; and eliminates the need for mailers to maintain or rent for mailing use an updated database of delivery-sequenced specific addresses, otherwise known as a saturation list or resident occupant list.

The Postal Service™ believes this change in policy will encourage mailers, particularly small mailers, to re-enter the mail stream and reduce the obstacles to mailing by eliminating the necessity for a delivery-sequenced specific address list.

As one of the largest saturation mailers in city routes today, Valassis believes there are several reasons why this policy change has serious drawbacks for the same mailers and businesses it is intended to support. This white paper elaborates on the policy change and the drawbacks to city simplified so that mailers can evaluate the viability of using simplified addressing in city routes for themselves.

The Guidelines for Simplified Addressing in City Routes

It is important to understand that this adjusted form of addressing only applies in specific instances and that mailers must meet the Postal Service™ requirements in order to qualify. We have seen several articles and news reports throughout the industry regarding simplified mailing that have erroneous information about what types of mail may be addressed in this fashion. The biggest misconception is that all saturation mail to city routes can now be simplified addressed. This is not the case.

Here are the basic, high level requirements in order to qualify for city simplified. For specific details, mailers should refer to the DMM®, sections 602.3.2; 345.6.9.4; 445.7.6.4 and 507.1.2.3.

- Must be a Flat Size or Irregular Parcel¹
- Mailers must print on the piece "Postal Customer" or "Residential Customer" or "PO Boxholder"
- Mail pieces must include the city, state and ZIP Code when not being drop shipped to the destination delivery unit (DDU)
- Mailers must provide enough pieces for complete distribution to each active residential delivery (household residence) or active delivery (residential and business) within a carrier route
- Mailers must use counts to determine the number of pieces to print that are at least more recent than 90 days

Naturally, it then becomes important to define what is *excluded* from the revised policy. You cannot use simplified addressing in city routes if you mail:


- Letter Size pieces²
- Non-saturation mailings (mailers that use targeted or response lists)

How to Obtain Counts

The Postal Service™ currently offers two options for mailers to obtain the proper counts necessary to create the correct number of mail pieces: the Delivery Statistics File (for large mailers) or an interactive website (for small mailers).

¹ See final page for Flat Size dimensions.

² See final page for Letter Size dimensions.



The Delivery Statistics File is available monthly from the Postal Service™ on CD Rom or electronically and costs about \$1,000 a year. Alternately, mailers may obtain delivery statistics from the Address Information System (AIS) viewer, which is an interactive version of the CD Rom for about \$75 a year. The Postal Service™ expects large mailers to use the Delivery Statistics File.

Small mailers will likely not want to invest in the Delivery Statistics File on a national basis, quite simply because it is cost prohibitive for them, thus the Postal Service™ developed an interactive website, named the Simplified Mailing Process website (<https://smp.usps.gov/>), intended to provide information and assistance to small mailers who want to create Standard Mail® saturation mailings that bear simplified addresses. Because the website tool is geared toward the small mailer, the Postal Service™ will limit the number of ZIP Codes a mailer can get counts for during a website visit to five ZIP Codes.

Research into the Postal Service™ interactive site for small mailers shows that the counts provided are for all active deliveries in a ZIP Code or carrier route, but they do not take into account Seasonal addresses that are empty because it is the off season. In layman's terms, this means that the Postal Service™ is asking a mailer to print and pay for postage for addresses that cannot be delivered because no one lives there during that time of year (there are over one million Seasonal addresses nationally).

There are many other elements that are “missing” from the Postal Services site when compared to many saturation list provider websites, which we cover in the Other Missing Elements section in more depth.

Other Missing Elements

While the goal of saturation mail is to “saturate” the area, many smart mailers are taking advantage of the targeting, demographic selections, mapping and other technologies available to them – several at no additional cost – that some saturation list providers offer through their web based online list count, query and order systems.

These systems are easy to access, easy to use and are designed to support mailers in evaluating and creating the best possible mailing. They are significantly more advanced than the Simplified Mailing Process website the Postal Service™ offers and the Delivery Statistics File and AIS viewer options as well.

Here are some key elements these list provider systems offer in an interactive, real time platform:


- Radius pulls, accomplished by distance to store or drive time
- Demographic targeting at a carrier route level
- Limited targeting at a household level (for example, excluding or including apartments)
- Names append
- Feathering cut backs (selecting “just enough” addresses to get your postal discount, but no more)
- Prior order suppression - automatic suppression of what you ordered last time
- Drop stop full counts³
- Geographic latitude and longitude coding (so you can include on your mail piece the closest location for that customer)

Selecting carrier routes based on carrier route summarized demographics such as median income, home value and median age will directionally target the mailings and allow mailers to mail more efficiently, while still maintaining saturation levels. These types of variables, and hundreds of others, are available through list rental companies, but will not be available using the count systems the Postal Service™ is offering.

Similarly, many saturation mailers in recent years have opted to use an appended name on their mail piece which adds a level of personalization to their mailings, while still saturating a carrier route. Adding a first and last name to the mailing list rental is an option offered by most saturation list rental companies⁴ for a relatively low incremental cost. The addition of a person's name elevates the brand image of the mailing and often results in better response rates. Again, this kind of personalization is clearly not an option in the city simplified format.

³ Drop stops are common in urban areas, such as New York city. Drop stops are locked apartment buildings or gated communities where the Postal Service™ does not deliver the mail to the individual units/addresses. Rather, they “drop” the mail in the lobby or designated location for residents to pick up or landlords to distribute. The Postal Service™ maintains these Drop stops as a delivery count of one; however some list providers will give you the total unit count for the Drop stop so that the mailer can print enough pieces for the entire building to have one.

⁴ Names append is our single most used selection for saturation.



Additionally, many of these same list providers have extensive customer service teams who are there to guide a mailer through the possible options. All of these technologies and targeting variables help reduce mailing costs (better targeting = less mail), while improving response rates at the same time (better targeting = stronger response).

This is just a small synopsis of the many different advantages a mailer will have when they use a list saturation provider to order addresses rather than conducting simplified mailings.

Do Not Deliver Requests

Mailers, under the Deceptive Mail Prevention and Enforcement Act of 1999, are required to eliminate individual addresses from their mailings if requested by the business or consumer at the address if they include in their mail piece a promotional or skills contest (otherwise known as a sweepstakes). This means that if you are a mailer that offers a promotional or skills contest, or if you allow others to advertise in your mail piece a promotional or skills contest (for example a newspaper who has a car dealership with a new car sweepstakes promoted in the advertisement), then you are legally obligated to eliminate individual addresses from your mailing if requested by the addressee.

Additionally, the Direct Marketing Association – the governing body for mailers – strongly encourages responsible mailers to treat do not mail requests respectfully by eliminating them from your mailing. With the onset of strong environmental and privacy movements in the last decade, it is more important than ever for mailers to have a policy that is consumer focused when handling do not mail requests. A national do not mail list, which has been proposed many times in the past, would negatively impact a mailer’s ability to obtain postal discounts. This is particularly true for saturation mailers, who must mail at least 90% of the residents in a carrier route to qualify for full enhanced carrier route saturation mail postage rates, the lowest available.

Do not mail addresses automatically reduce a mailer’s count and can cause them not to meet the 90% requirement, therefore dramatically increasing postage costs. It is widely understood in the mailing community that the negative impact to overall mail volume that a national do not mail list would cause is considerable. Therefore, the industry as a whole has made a concerted effort to self-regulate with regard to do not mail requests to avoid this type of damaging legislation.

The Postal Service™ in their city simplified DMM® revision indicates that the “procedures currently in place to accommodate customer ‘do not deliver’ requests from mailers of simplified addressed mail pieces intended for distribution to rural routes will be similarly extended to simplified address mailings intended for distribution to city routes.” However, when you review the DMM®, you will find there are no published policies for do not deliver addresses for simplified mailings. Despite the fact that rural route simplified mailings have been in effect for at least two years, the Postal Service™ has not published any policies for mailers on do not delivers – how to communicate them to the Postal Service™, how the Postal Service™ will handle them, or how the Postal Service™ will enact quality control measures to insure these addresses will not be mailed. Instead, each rural route simplified mailer has been left to work something out with their postal representative for do not delivers.

Most mailers know that the incidences of do not deliver requests on city routes is much greater than on rural routes⁵. Imagine the postal carrier having to make sure that they have the right do not mail list attached to the right mailing (remember, these pieces have no individual address on them). Conceptually, a postal carrier could have two, or three, or more do not mail lists to manage. We see this as a recipe for disaster and an increased number of consumer complaints. Increased consumer complaints lead to negative public relations for companies and may lead us to a national do not mail list.

Further, trying to explain to an irate consumer that even though their address is not on the mail piece, your company did in fact eliminate it from the mailing, is a potential problem for the public relations and brand image of your company.

Printing Impact

Simplified on city routes still requires mailers to print the city, state and ZIP Code on the piece if the mail is not dropped at the DDU for the Postal Service™ to mail (many mailers do not drop at the DDU level because of the freight costs). That means that the change in guidelines will likely not save most mailers any money for printing since the normal mail preparation requirements would still be necessary – for example pre-sorting. Additionally, mailers must print on the piece “Postal Customer” or “Residential Customer” or “PO Boxholder.” The end result: a label of some form must be printed to be able to mail.

⁵ In our case, 75% of our do not deliver requests are in city routes.



The Importance of a Mailing List

Valassis believes strongly in the value of utilizing a delivery sequenced list of addresses for all mailings in city routes. The ownership or rental of actual addresses allows a mailer to target demographically, append names to personalize the mailing, and it supports a commitment to consumer choice such that do not mail requests are processed properly. Further, Valassis has a patent-pending data hygiene process that we apply to each and every update of address data we receive from the Postal Service™. This process allows us to keep our commitment to producing and mailing the most accurate and most comprehensive saturation list available today. We detect and correct in our list hundreds of thousands of errors in the Postal Service™ data each year and our corrected data is passed on to our clients and customers alike so that their results are the best possible.

While we recognize that the new guidelines allowing city simplified mailings to occur will be utilized by some mailers of flat size pieces, we hope this white paper has helped clarify the general guidelines for this mail type, as well as elaborate on the potential obstacles and drawbacks. To that end, Valassis will not be participating in city simplified addressing for our RedPlum™ mailings.

About Valassis

Valassis is one of the nation's leading media and marketing services companies, offering unparalleled reach and scale to more than 15,000 advertisers. Its RedPlum™ media portfolio delivers value on a weekly basis to over 100 million shoppers across a multi-media platform – in-home, in-store and in-motion. Headquartered in Livonia, Michigan with approximately 7,000 associates in 28 states and eight countries, Valassis is widely recognized for its associate and corporate citizenship programs, including its *America's Looking for Its Missing Children®* program.

Valassis compiles America's most complete national resident and business list. At 99.99% coverage of all addresses maintained by the USPS, the Valassis database is unmatched in address comprehensiveness and quality. Valassis is the only major compiler of address data that mails its own database – to over 70 million addresses on a weekly basis. Updated weekly directly with the USPS through its CDS program, Valassis is nearly 1 to 1 with the USPS database for total address coverage.

For more information on Valassis list products and services, visit our online order website at www.valassislists.com or inquire about our advanced order technology system at 1-800-695-0957.

Flat and Letter Size General Dimensions

FLAT SIZED dimensions:

Minimum: Height 6 1/8" X Length 11 1/2", thickness: 0.250" (1/4")

Maximum: Height 12" X Length 15", thickness: 0.750 (3/4")

Weight: 3.3oz or less

LETTER SIZED dimensions:

Minimum: Height 3 1/2" X Length 5", thickness: 0.007"

Maximum: Height 6 1/8" X Length 11 1/2", thickness: 0.250"(1/4)"

Weight: 3.3oz or less