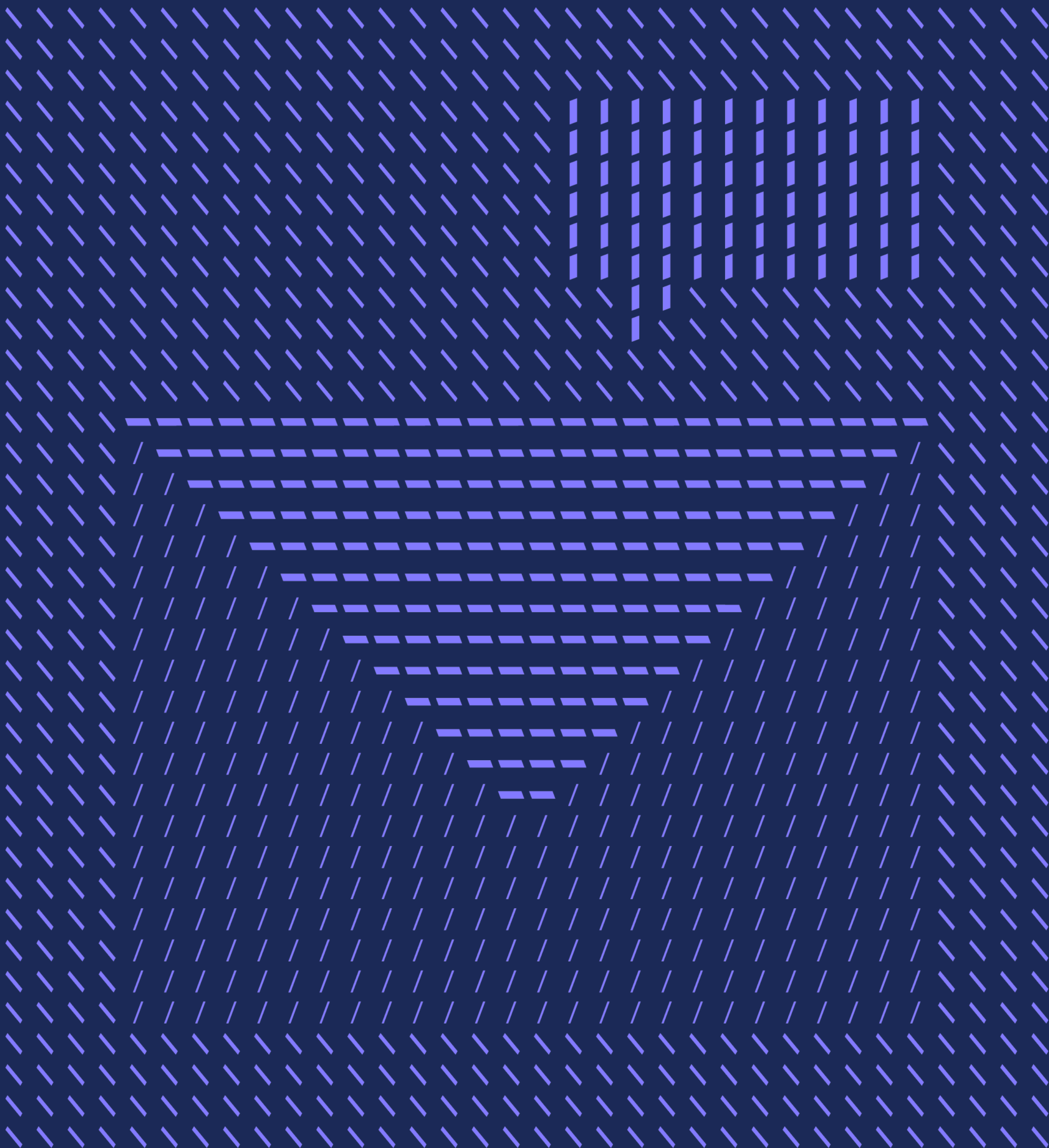
Advertising mail guide

Data & Marketing Association



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/ Acknowledgements

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/ Business practice

/ Business practice

Compliance

Complying with the law is the starting point for all marketers and this guide focuses on best practice requirements that exceed the letter of the law.

For the most part this guide does not repeat what the law and other legal guidance documents already say about advertising mail.

It assumes that you are already aware of and compliant with the law as related to one-to-one marketing, as well as the DMA Code.

Advertising mail and the DMA Code

The DMA Code is the standard to which all DMA members, their suppliers and clients must agree to operate.

Following the DMA Code and this advertising mail best practice guide is about much more than mere compliance – rather, it is about delivering one-to-one marketing that is a true exchange of value between your company, looking to prosper, and your customer, looking to benefit.

Marketing in the right way – honestly and fairly, putting your customer first – will also make you a much better and more valued marketer.

Key legislation

There is a wealth of legislative and best practice requirements of which you must be aware – but it all works towards making and keeping advertising mail beneficial to your customer.

The two key pieces of legislation governing one-to-one marketing, including advertising mail, are:

Data Protection Act 2018 (DPA)

Privacy and Electronic Communications (EC Directive) (Amendment) Regulations 2011 (PECR)

Industry codes

Advertising mail is subject to code requirements from a number of industry bodies:

DMA Code
DMA members must comply with the DMA Code.

Non–members are strongly advised to comply with the Code as it is a useful summary of the legal and best practice requirements for one-to-one marketers.

The Code is adjudicated by the Direct Marketing Commission (DMC).

The CAP Code
The British Code of Advertising, Sales Promotion and Direct Marketing (CAP Code), which is enforced by the Advertising Standards Authority (ASA).

Regulatory organisation

The Information Commissioner's Office (ICO)
Regarding data protection and privacy issues.

FCA rules for financial services mail

If your marketing relates to an investment product that falls within the scope of the *Financial Services and Markets Act 2000*, then the creative agency and mailing house must ensure that:

- The client is properly authorised under the Act by the Financial Conduct Authority (FCA): fca.org.uk
- The final copy has been signed off by a responsible official of the client

Failure to do either could result in the agency or mailing house committing the criminal offence of publishing an unauthorised advertisement.

Penalties

Penalties for compliance failure include fines and sanctions under legislation and various industry codes.

To find out the latest information on penalties and sanctions, including examples of companies that have been penalised, visit:

ico.org.uk/

Subject access requests

Your customer is entitled by law to see the data that your organisation holds on them and can request this in writing. It is therefore essential that your company contact information is clearly visible on your advertising mail.

Clearly and transparently displaying your address is a legal requirement – and is also far more likely to engender customer trust than not doing so.

Royal Mail standards

There are various Royal Mail standards that are quasi-regulatory.

These are very technical and should be taken care of by your mailing house.

To investigate these further you can find detailed information at:
www.royalmailtechnical.com

Campaign creation

/ Campaign creation

Strategy

Role of advertising mail

Alongside the advent of digital communications, advertising mail should now be a targeted, carefully timed part of your brand's multi-channel customer journey.

Recent research into consumers' relationship with mail has provided a number of important insights that are helpful for you to understand when defining your admail strategies and looking to deliver relevant, highest-quality marketing to precisely targeted customers at the right time in their buying cycle.

- **Consider the role of mail in your customer's journey**
  The research shows that when people consume mail, the parts of their brain associated with laying down long-term memories were over 70% more active than when consuming TV and 40% more active than for email.

  This means the opportunity is not just to try to elicit immediate direct response or action but to embed the brand in your customer's mind so it can rise to the surface when they move into a more active phase of the buying journey. This might be just a few days away in the case of the weekly shop, or several months away for insurance, holidays or a new mobile phone.

- **Consider your brand values and feel**
  Part of the emotional strength of mail is linked to its tangibility and ability to use physical production values.

  Simply being able to touch and feel the brand in your hand has been shown to generate a stronger reaction and a more emotional engagement.

  People also project physical production values onto brand values – if they think your mailing looks and feels 'quality' then they will assume the same of your brand.

- **Consider your message**
  Consumers see mail as a medium of authority – one they prefer for things that are important, formal or official – whilst 57% say that receiving mail makes them feel more valued.

- **Consider the longevity of your communication**
  The research showed that on average addressed advertising mail is kept around the home for 17 days. And if you send customers a catalogue you can expect 71% of them to keep it for a month or more.

- **Consider the nature of your communication**
  Customers state a strong preference for receiving items such as brochures, catalogues, welcome packs, bills and statements and loyalty rewards by mail; whereas they typically opt for digital channels to hear about news and updates, confirmations or follow-up messages, other products and services and information from companies they have not used before.

- **Consider the decision you are asking your customer to make and choose your channel accordingly**
  Mail scores highly when a communication is perceived as important or complex. It is a more immersive medium than, for example, email, which is perceived by customers as more suited to simple or topical messages.

  Mail grabs our attention, draws us into a communication and then holds our attention – making it uniquely suited to messages that require greater consideration than email, or occasions when you need to communicate more information.

  - How much time will your customer need to fully understand, investigate, digest and decide upon your offer?
  - Are they likely to need to discuss it with others?
  - Is it a decision they will need an extended period of time to act upon?

- **Understand strengths of advertising mail**
  Mail gives you the creative opportunity and space to communicate with greater authority and substance.

  Classic scenarios that benefit from the power of advertising mail include:

  - New product announcements
  - Communication of complex or sophisticated offers
  - Products governed by regulatory bodies, such as financial services

- **Consider how mail works alongside other channels**
  Mail and digital work in very complementary ways – and mail has also been shown to drive digital behaviours.

  As a direct result of receiving mail:

  - 92% have been driven to online or digital activity
  - 87% have been influenced to make online purchases
  - 86% have connected with a business online
  - 54% have engaged in social media
  - 43% have downloaded something

- **Mail and email together increase performance**
  Because mail and email complement each other so well, it is not surprising that, when planned together, you can expect to see significant gains compared to using just one or the other.

  The research shows that adding mail to email opens up a unique group of consumers ready to take action.

  When compared to using email on its own, the research shows that as a result of adding mail:

  - 13% more consumers visited a sender's website
  - 21% more consumers made purchases
  - 35% more consumers redeemed coupons or vouchers

  Similarly, consider using email to increase the success of your advertising mail by sending follow-up emails confirming offers, arranging calls or providing news.

- **Consider your short and long term objectives**
  It is very important to balance both short and long-term strategies. Continued efforts to deliver only short-term effects will not drive your long-term growth and profitability.

  While short-term effects are clearly important in today's world, it is vital that you develop a balanced mix of short-term activation and long-term brand building activities and can clearly identify how your mail activity will support both.

- **Sources**

Royal Mail MarketReach, *Media Moments Neuroscience, Neuro-Insight, 2013*

Royal Mail MarketReach, *Mail and Digital 1, Quadrangle, 2013*

Royal Mail MarketReach, *Mail and Digital 2, Quadrangle, 2014*

Royal Mail MarketReach, *Media Moments Ethnography, Brass Insight Oct 2013*

Royal Mail MarketReach, *Catalogue Research, Comscore, 2012*

DMA National Email Benchmarking Report, 2013

IPA Databank Meta-analysis, Peter Field, 2013

Campaign priorities

The key influences on a successful campaign, in order of their significance, are:

- **List**
  Unless you are speaking to the right customers, everything else is irrelevant.

  Make sure that you know exactly who your best customers are – where they live, what their profile is, how they behave, their marketing preferences – and be able to provide the rest of your campaign team with this thorough intelligence.

  Getting this right can make or break your campaign – and getting it really right, with some brilliant insight, will give everyone else the fuel to make each aspect of your campaign perform brilliantly as well.

  See the DMA *Data guide* for much more in-depth insight and advice on how to get to know your customer and make sure that you have the right data, correctly prepared, as a platform for your successful campaign.

  - Who should you be mailing – where and why?

- **Offer**
  Do not flatter yourself that your customer will be automatically interested in your brand – you must be absolutely certain that your offer is really, truly valuable to your customer otherwise your mailing will be thrown away as 'junk mail' and our money wasted.

  - What is your unarguable proposition?

- **Timing**
  Even the right offer to the right person will go unnoticed or unappreciated if you do not deliver it at the right point of the year, month or point in their customer journey.

  For example, Mothercare has developed the ability to know from a single purchase exactly what point a mother is at in her pregnancy or child's life – and so can instantly map out, in detail, relevant communications right up until the child's sixth birthday.

  Postal services allow you to be remarkably precise with your mailings – able to guarantee that your mailer will arrive on a Friday with an offer for the weekend, for example.

  - When is the right moment to catch your customer's attention?

- **Creative**
  Once you are sure that you have identified your perfect customer, offer and moment of communication, you can effectively begin to make that offer stand out, engage, capture your customer's imagination and drive response.

  Advertising mail offers an inexhaustible range of creative opportunities across design, physical format and the full five senses. See the *Creative* section below for further thought-starters.

  - How can you deliver your message in the most compelling manner?

- **Response**
  Ensure that your call to action and response mechanism are appropriate to your goals – whether it's a website address driving online traffic to further information, a QR code or personal URL to deliver a brand experience or a postal response form to encourage direct sales or subscriptions.

  - How can you make it as easy and rewarding as possible for your customer to respond?

Advertising mail goal-setting

- **Set channel-specific role**
  As with every channel, shape your advertising mail activity so that it contributes its own unique strengths to your overall campaign.

  For example, you might decide that your advertising mail piece is going to convey deeper information about your product or service than any other channel could, and so decide to send the piece early on in your campaign to lay the ground for other activity.

  Consider:

  - What is your business objective?
  - Is there a business case for investment?
  - Will it make sense in terms of revenue generated, customers gained or return on investment achieved?

- **Use printed formats to build awareness**
  Whilst one-to-one print is a time-honoured and successful direct response medium, you should also increasingly look to take advantage of print's aesthetic, tactile and longevity qualities to build a richer brand experience to augment your activity across other channels.

  For example, Friends of the Earth sent donors a printed 'Bee saver' kit, including a bee species identification chart, to fully introduce and explain their campaign in advance of targeted fundraising phone calls.

  Print offers you an unrivalled opportunity to present your brand and fuller product or campaign information – both of which significantly help to lay the groundwork for follow-up activity.

- **Mix up your goals**
  Do not always attempt to drive the same response from your customer. Over the course of a campaign, consider sending a carefully calculated mix of brand-building campaign packs and immediate response mailers.

- **Calculate your break-even point**
  Use your campaign budget and your average customer value to calculate how much you can spend per mailer and expect to gain a positive ROI.

- **Design all activity as part of 12-month plan**
  Your advertising mail will deliver best results if you design it with a big-picture view.

  Ensure that you map your customer journey out over a full year – and integrate it engagingly with all your other marketing across different channels.

  This will allow you to develop a more effective, sophisticated customer journey as well as take advantage of opportunities such as your customer's birthday and specific buying points throughout the year.

Defining objectives: get SMART

- Marketing goals should always be SMART

  Specific
  Measurable
  Achievable (or aspirational)
  Realistic
  Time-related (or timely)

  For example, your SMART marketing objectives might be:

  - Recruit 10,000 new customers over the next six months at a cost per acquisition of £40
  - Keep customer churn below 12% for the next financial quarter, with an allowable marketing spend of £20 per customer

General objectives

- **Advertising mail is likely to be more useful when**
  - You need to show a recipient that they are valued
  - You want to add credibility to your message
  - You want to convey a complex message
  - You want to be taken seriously

- **Advertising mail supports**
  - Relationship marketing: its direct and personal form makes it ideal for building the customer relationship
  - Brand development: it communicates brand values directly to customers
  - Transactional marketing: its immediacy enables businesses to increase sales volumes fast

- **Advertising mail delivers**
  - Increased customer value: by increasing sales activity through long-term engagement
  - Amplification benefits: where mail is used in conjunction with other media, such as TV, there is a reciprocal lift in response and awareness

Choosing performance indicators

Goal setting is integral to achieving campaign success and is essential to keeping the business focused, monitoring progress and ultimately ensuring a successful outcome. To evaluate the success of your campaign, select performance indicators that reflect your goals.

- **Basic performance indicators**
  - Total cost
  - Total mailing volume
  - Number of enquiries, registrations or leads
  - Number of sales
  - Web traffic (click-throughs)
  - Phone calls
  - Footfall
  - Total income (one-off, or over an agreed time period: one year, three years and so on)

- **Complex performance indicators**
  Calculate more complex indicators by combining two or more basic indicators, such as:
  - Response rate (RR%) = Number of responses/number of contacts
  - Conversion rate (CR%) = Number of sales/number of responses
  - Cost per response (CPR) = Total campaign cost/number of responses
  - Cost per lead/enquiry = Total campaign cost/number of leads/enquiries
  - Cost per sale = Total campaign cost/number of sales
  - Average sale value = Total income/number of sales
  -

- **Return on investment**
  ROI is a key metric used to assess effectiveness of marketing spend.

  Use ROI to evaluate individual campaigns, compare campaigns and compare the results of different marketing activities – for example, advertising mail versus TV advertising.

Targeting and personalisation

A core benefit of advertising mail is that it is a personalised medium.

Always consider your admail as part of a meaningful, useful one-to-one relationship with each individual customer – not just as a numbers game.

- **Personalise relevantly**
  Because you are mailing known individuals, you have fantastic opportunities to make your message extra relevant and useful to them. In fact, it might well be a false economy to produce a one-size-fits-all mailer.

  Rich data and evolved production techniques mean that you can now send each customer a mailer tailored with dynamically-selected imagery, offers, information and formats that will better resonate with them personally – increasing your chance of a higher response rate and higher sales value.

- **Start with high-quality, precise data**
  A major strength of advertising mail is that your customer will, on average, open 97% of correctly-addressed mail.

  This offers a huge opportunity to reach your exact targets – as long as you are precise in sourcing, selecting and using your data.

- **Segment carefully**
  Even if you have no other data on your customers, their address alone can allow you to target your message based on factors such as their location, whether they live in a family house or city centre flat, whether they have a garden, whether they've just moved in or have bought a new-build property, and so on.

  Create useful segmentations that will help you to only send relevant, useful advertising mail to each recipient, rather than wasting vital resources and money.

- **Understand your data strengths**
  Large organisations may be able to afford to buy or collect more data, but this presents its own challenges when it comes to maintenance and use. Small organisations may have less data and resources to handle it, but can find it easier to segment and target accurately and adaptably.

  Make sure you take the particular strengths and challenges of your own situation into account when it comes to defining your data and mailing strategies.

Integration

- **Lead customers to your online sales funnel**
  Out of all customers who respond to advertising mail, 44% will visit the brand's website, whilst 34% will search online for further information about the product or service.

  (Source: DMA infographic From letterbox to inbox, 2013)

  Whilst this means that you can use mail to feed your online sales funnel with qualified leads, it also means that you need to make certain that your online experiences are up to scratch and consistent with your mail message when you launch your mailing campaign.

- **Consider digital technologies**
  Technologies constantly change and can offer very worthwhile creative opportunities.

  Consider these against the suitability of your brand. For example, a TV show mailer might use a QR link to a video trailer, whilst a sports brand might use augmented reality to bring a pair of trainers to 3D life.

- **Use timing**
  Consider where and when your mailer is likely to be looked at by your customer, how you can make it useful to them at that point and how this can fit in with your integrated customer journey.

  For example, a supermarket might send a targeted customer a particular recipe based on their shopping habits – and include a QR code link to a pre-filled online shopping basket containing all the right ingredients for that recipe, ready for purchase and delivery.

- **Use online to fuel advertising mail**
  Consider how you can use online activity or customer behaviour to inform your advertising mail piece – and consider how you can set up trigger mail to automatically speed your customer journey along.

  For example, you might trigger the mailing of a product brochure based on your customer's browsing behaviour on your website; or you might ask them to tailor their own holiday brochure to be printed on demand and mailed.

/ Campaign creation

Planning

1. Budgeting

Your budget is your tool to maintain overall financial control.

- **Budget thoroughly**
  Ensure that it covers:
  - The marketing activities planned
  - When they are due to happen
  - The outcomes you expect from those activities (forecast)

2. Project schedule

Your project schedule should act as a clear indication and agreement of what is happening and when throughout your project – and who is responsible for delivering and approving each element.

- **Work backwards from your deadline**
  Start with your deadline – the absolute point at which your campaign must be delivered – and fill in the preceding stages from last back to first, allowing proper time for each.

  This will flag up right at the outset any time constraints or scheduling problems that you might face and allow you to agree solutions with relevant members of your project.

- **Allow margins for error**
  Despite the best-laid plans, the number of different elements involved in producing a campaign makes it almost inevitable that something will be delayed, even for reasons beyond anyone's control.

  If you are in charge of the project calendar, make sure that you build in a useful margin at each stage to help soak up delays. Any missed deadlines can have serious knock-on effects throughout the rest of your project.

- **Keep your calendar up to date**
  Think of your calendar as a living document, constantly updated to reveal obvious synergies – and clashes – in your promotional schedule.

3. Gantt chart

Your Gantt chart will represent your project schedule visually, showing:

- The start and finish dates of each of the required elements in your project or campaign
- Resource requirements at any given point in a campaign
- Dependencies – ie any tasks that cannot be completed until previous tasks have been

  To implement a campaign successfully, manage these project dependencies carefully.

  For example:

  - You cannot send your mailing until you have produced all separate elements of the mailing pack
  - You cannot produce your mailing pack until you have created a broad creative vision

/ Campaign creation

Creative

Writing the creative brief

A great brief is essential if you want to create great work.

Your brief must contain all relevant information and considerations, and in particular:

- Clarify the project goals
- Define the creative need
- Establish the scope and limits of the project
- Set out what is to be done
- Detail the project budget
- Include any information that can help feed the creative solution, such as product information, competitor information, particular requirements, other marketing activity around the brand or product (particularly relating to how your advertising mail piece will fit with other activity and previous activity) and the broader brand and product strategies and positioning

Your creative response will elaborate this into HOW your goals are to be achieved.

Parts of a mailing pack

The standard mailing pack

A standard advertising mail pack consists of four elements. These are:

- **Outer envelope**
  The first thing that your target will see. Your envelope must stand out from the rest of the mail enough to encourage someone to open it. Relevance is key to avoid your customer just discarding it unopened.

- **Letter**
  A direct, personalised – and personal – communication to your target, based on information unique to that individual. This is the vehicle for your strongest sales argument: the part of the mailing that persuades.

  The sales letter replaces the conversation you would have with your customer if you could be there in person.

  The best sales letters work because they focus relentlessly on the needs and motivations of the reader – not the product manager, the managing director or the copywriter.

- **Leaflet/insertion**
  Use a leaflet/insertion to provide additional background, product information and justification for the purchase decision – or to include something that your customer might stick on the fridge, pass on to someone else or otherwise use separately to your letter.

- **Reply device**
  Typically, a reply device could be a pre-paid envelope, card, voucher or similar for your customer to use or post back to you.

  This is the most functional element in a pack but can be crucial to the success or failure of the pack as a whole.

Extra elements

Some mailings may be pared down to a bare essential of outer envelope and letter, with the reply device built into the letter. But you can also include other elements, such as:

- **Lift letters**
  A short re-statement of the key benefits already introduced in the main letter copy

- **Testimonial leaflets**
  Additional proof of credentials, from satisfied customers

- **Guarantee or customer charter**
  Your credentials as a company worth doing business with

- **Incentive or special offer leaflet**
  An extra reason to respond

- **Separate response form/reply-paid card**
  Perhaps to gain stand-out, to allow your customer to retain the main part of your letter (if it contains information they need to keep, for example) or just to be easier to put in their pocket and post later.

Creative opportunities

The art of selling is a mixture of creating desire and overcoming objections, fears and doubts. Advertising mail offers many creative opportunities to help you achieve all of this in a very compelling manner.

- **Start simple and stay relevant**
  Amidst the myriad creative opportunities available to you in advertising mail, always ensure that your message is both clear and extremely relevant.

  The right message at the right time will always win: make sure you get the substance right before you get carried away with style.

  Your creative does not need to be wacky or expensively produced to work – just extremely relevant and appropriate.

- **Tell a story**
  Advertising mail's stand-out strength is that its long-form approach allows you to tell a complete, finely-tuned and engagingly-presented story.

  People are hard-wired to want and respond to stories – and need them in order to provide themselves and others with a real, emotionally rewarding reason to buy.

  Use the medium to interest your customer with your most compelling brand or product story, answering questions such as:

  - Where does your product come from?
  - Who invented it?
  - How long has it been around?
  - What makes it different?
  - What kind of company makes it?

- **Aim to stand out creatively**
  Think about how you can reward your customer with a really engaging, entertaining creative experience.

- **Be useful**
  The most well-received marketing is often hardly perceived as marketing at all – rather, your customer is delighted to receive something that has a real practical or entertainment value.

  For example, you might send a calendar, restaurant guide, activity pack or useful homecare information – something that positions your brand as a trusted adviser.

- **Use physical nature**
  Advertising mail is an exciting and unusual channel in terms of both its physical nature and the way it can be experienced wherever your customer takes it.

  Consider the opportunities implicit in this: can you tell your customer where, how and when to use your advertising mail piece to its full effect?

  For example, you might send something that is useful when stuck on their fridge, in their wardrobe, displayed in their workplace, kept in their wallet, redeemed on their way to work or shared once they get there.

- **Use special offers**
  Advertising mail is very successful when it includes special offers.

  Think about including a voucher that can be redeemed in-store, or a discount code to be used online. Make your offer time-sensitive to provoke action.

- **Reward and inform**
  Customers respond very positively to advertising mail that is relevant and useful to them.

  In research, customers welcome mail that is informative (76%), rewards their loyalty (68%) or includes a special offer (75%).

  They are also particularly positive towards mail from companies they are already a customer of (61%). (Source: BMRB 2010)

- **Make your mail worth keeping**
  26% of customers sometimes keep advertising mail for future reference or action. (Source: DMA infographic From letterbox to inbox, 2013)

  This degree of longevity is virtually unique to mail – and could be a useful consideration when you are defining your goals and performance measures.

  Think about how you can make your mailer feel like something that should be kept, not thrown away.

- **Use all five senses**
  Consider the touch, smell, taste and even sound possibilities of your advertising mail piece, as well as the obvious visual opportunities.

  For example:

  - **Touch**
    Routinely engaged through the innovative use of different paper textures or media. For example, Sydney Cats Home sent out furry postcards.

  - **Taste**
    Such as mail packs that use edible paper and ink. For example, Royal Mail sent out letters made from chocolate.

  - **Smell**
    Use a scratch-and-sniff or peel-off patch to evoke memories.

  - **Sound**
    You can now include a radio frequency chip in your mailing pack to enable your customer to tune in to content relevant to them.

  - **Sight**
    You can now embed a video screen into an advertising mail piece, allowing your message to be supported by the addition of continuous video.

Consider how a more tactile, more costly but brilliantly done campaign could deliver a greater return than a cheap but less impactful printed piece.

- **Stay on brand**
  If your customer believes in your brand but receives a mailer that isn't quite in keeping with their expectations, it can damage their perception. Staying on brand is not just an important issue for the brand itself, it is also a matter of trust for your customer.

- **Always consider brand-building aspects**
  Whilst advertising mail is particularly effective at driving direct response, and you should aim to make the most of this, even a good response rate can be in single percentage figures.

  This means that you need to consider the job your mailer is going to perform for the vast majority of customers for whom your offer was not quite the right one at the right moment.

  Always ensure that your mailer helps to promote your brand positively for all customers, including non- respondents, and serves a strong longer-term role in your customer journey.

- **Test and learn**
  Never stop testing. What works for one campaign might not be as effective for the next, particularly if you are targeting the same customers.

  Only test one variant at a time to avoid clouding results.

  Test different factors over time: creative approaches, formats and other important elements.

- **Understand creative opportunities within production methods**
  Existing and emerging production methods can unlock huge creative and effectiveness opportunities.

  For example, one-piece mailers can make it equally efficient to print your envelope in full colour as it would be to use a plain white one.

  Again, always ask your mailing house what is possible.

- **Consider your mail piece as a whole**
  Do not only think of the content inside. How does the envelope support the piece? The product packaging? The address label?

- **Consult your mailing house**
  It is your mailing house's business to make advertising mail as exciting and rewarding as possible – and they also see thousands of different advertising mail ideas every year.

  Consult your mailing house early in your creative process to find out what your opportunities might be. Whilst your mailer should still be idea-led not execution-led, an unusual technique might help turn a good idea into a truly brilliant execution.

  Extra features are likely to increase the cost of your mailer – but it might not be as prohibitive as you think. Always ask before discounting – and always consider production cost against any anticipated increase in ROI that you think a more creative approach might bring, especially if you are able to target very precisely.

  For example, in 2013 Lexus achieved an ROI of 13:1 when promoting their new Lexus LS by sending 1,000 carefully selected prospects a live orchid in a presentation pack, complete with video.

- **Consult about production and postage**
  Right at concept stage, consult your mailing house for invaluable advice on how your creative decisions will affect significant cost factors such as production and postage.

  Do not leave it until your creative has already been developed and signed-off before showing it to such an important source of expertise – the sooner you understand the practical implications of your design choices, the better, so get your production supplier involved early in your creative process.

  A good mailing house will have the experience and insight to be able to help you minimise costs with the least possible creative impact – indeed, they might be able to show you new creative opportunities within possible formats or production methods, or to make your seemingly impossible creative ambitions viable.

- **Take practical limitations into account**
  Whilst your design possibilities are endless, there are certain boxes you will need to tick – machine-readable fonts, for example – in order to facilitate production, postal sorting and discounted postage rates, which can be worth a huge amount of money.

  Work with your mailing house to understand practical limitations before you finalise and artwork your design.

Copywriting for mail

The central element in your advertising mail pack is your letter. Writing letters for advertising mail is often talked of as a cross between art and science. The following guidelines are just a start.

Copy checklist:

- **Focus on relevance**
  Understand what interests your audience, what is relevant to them. Write from their perspective – not yours. Make your letter as long as it needs to be. Write as much as you need to – and then stop.

- **Put your best offer first**
  Make your main offer clear in the headline. Use the word “You”. Try not to use “we”, “our”or “us”.

- **Sell the benefits**
  Bring to life the outcomes of buying your product or service – the benefit it offers – not just the features.

- **Highlight key information**
  Use bold, italics, underlining or even fake highlighter effect to make the benefits stand out

- **Craft your call to action**
  End your letter with a call to action such as "buy online today"or "ring me now". Make very clear what your prospect needs to do now – and repeat it at appropriate points during your letter.

- **Use postscripts**
  Use a P.S. to repeat your offer, main benefit or proposition. People scanning your letter will almost always read the headline and the P.S.

- **Be conversational, relaxed**
  Use language that sounds natural. Start sentences with"And"if it works. Use abbreviations like "let's", "don't", "can't"and "shouldn't". They will make your letter seem friendlier. Speak as you would to a friend, for whom you have some good news.

- **Maintain brand tone and voice**
  Ensure that your concept and tone are consistent with those used in the other elements of your integrated campaign.

- **Critique your work thoroughly and honestly**
  Read your letter aloud. If it sounds pompous or stilted, revise it.

- **Ask other people to critique your copy**
  Listen to feedback from various sources. Remember that you are writing in order to be persuasive and correct for your customer – so the fresh perspective of others is just as important as your own.

- **Get everything sense-checked and proofread.**
  The occasional mistake is inevitable – so make sure your copy is thoroughly read by someone with understanding of the project and an impeccable eye for proofreading detail. It will save you time, embarrassment and possibly money sooner or later.

- **Develop a proven working process**
  If you are creating multiple subtle variations of your mailer, finalise one before producing the others. As changes and amends are made, it is much more time-consuming and error-prone to try to apply them across several versions. Get as much of your copy and design agreed as possible before producing iterations.

Design for mail

The most important single rule for advertising mail design is that it is there to support the copy and to encourage the recipient to read all the way through, from start to finish.

Design checklist:

- **Entice your customer to open the pack**
  Consider how you can use an unusual choice of envelope format or use of block colours, typography or graphics.

- **Make your copy easy to scan, skim and read**
  The average reader scans first, then skims, then reads.

  Make sure your design highlights key points that will encourage your customer to tackle your entire letter. Emphasise important elements, such as the call to action and response mechanisms.

- **Avoid elements that make your copy hard to read**
  Avoid confusing elements such as decorative typefaces, reversing out (for example, white on black), low- contrast colour combinations, centred type and so on.

- **Emphasis relevance**
  Above all, always remember that success is less about standing out and far more about being relevant and timely – by presenting a compelling offer at just the moment when your customer is in the right place to consider and appreciate it.

- **Consult production team**
  Make sure to develop your design in consultation with your production team so that it can be realised exactly how you wish.

  Be aware of any production pitfalls – such as scuffing of digitally printed, unvarnished envelopes. See the Production section of this guide for more detailed guidance.

- **Get feedback from others**
  Ask for an objective perspective from others – those who know your product and others who do not.

- **Always get your artwork proofed before printing**
  Get someone with fresh eyes to check your final artwork thoroughly before you send it to production.

/ Campaign creation

Environmentally responsible campaigns

Designing environmentally responsible print

Design and print

- **Target as precisely as possible**
  As well as improving the commercial performance of your campaign, excellent targeting drives environmental performance too.

  Mis-targeted mailings are inevitably a waste of materials.

  Work hard with your mailing data to ensure you keep mis-targeted mail to an absolute minimum.

- **Consult your print specialist**
  Consult with your printer and paper supplier to select the most environmentally favourable print options available for your campaign.

- **Optimise design to minimise wastage**
  Use the minimum practicable page size and pagination for your communication. Test different formats and paginations to establish optimum efficiency.

- **Avoid excess packaging**
  Avoid excessive packaging – although it is important that you still ensure that your collateral is packaged sufficiently to avoid it being damaged, spoiled and ultimately wasted.

- **Use efficient formats**
  Use formats and paginations that are efficient for printing – minimising 'trimming' waste at source.

- **Avoid ink-heavy designs**
  Design communications that are impactful but minimise the coverage and use of ink.

  Using less ink is not only more environmentally friendly in its own right – it also means less energy used.

- **Encourage customer to re-use**
  Better even than encouraging you customer to recycle is if you can create a mailer that they will pass on to others. WaterAid do this on their printed collateral, asking their supporters to share it after reading.

- **Encourage recycling**
  Ensure that your printed communications always carry a message and/or logos encouraging your customer to recycle them.

Recyclability

Paper and materials

- **Use recyclable materials**
  Select materials that can be easily recycled, from the kerbside, by the majority of UK local authorities.

- **Avoid mixing materials**
  Use materials that enable the entire item to be placed into one household recycling container.

  Mixed materials are more difficult to sort and recycle and are more likely to end up in landfill, even if the component materials would individually be recyclable.

- **Only use certified sustainable paper mills**
  Source all paper products from paper mills that operate an environmental management system that accords with the standards of BS EN ISO 14001 and/or Eco-Management and Audit Scheme (EMAS).

- **Only use non-chlorinated bleaching methods**
  Only use paper that has been produced using non-chlorinated bleaching methods. Specified for use are:

  - Elemental Chlorine Free (ECF)
  - Processed Chlorine Free (PCF)
  - Total Chlorine Free (TCF) – including oxidising and reductive bleaching

- **Use recycled paper**
  Any paper that you use – including envelopes, contents and inserts – should contain:

  - Recycled fibre from recovered waste paper AND/OR
  - Virgin fibre sourced from a forest certification scheme approved by Central Point of Expertise on Timber Procurement (CPET).

  For more information on CPET, visit:

  www.cpet.org.uk/

- **Ensure wrapping meets OPRL**
  Do not use plastic envelopes or polywraps that do not meet the requirements of the On Pack Recycling Label (OPRL) scheme (including displaying the OPRL logo).

- **Do not use rubber-based adhesives**
  Avoid using rubber-based adhesives in any part of your mailing or insert piece.

Ink and finishes

- **Avoid lamination**
  Printed pieces should not use laminate finishes.

- **Avoid UV finishes**
  Printed pieces should not use ultraviolet finishes.

Proofing and proofreading

One of the major causes of reprints is small but crucial mistakes or typos in the content of mailings.

A reprint of your whole project will obviously eat heavily into your ROI and is also extremely wasteful and environmentally irresponsible.

- **Use professional proofreading**
  Ensure that you have an internal proofer who understands the content of your mailer – and always use a professional proofreader before you go to print.

  It may seem like an additional expense but typos and factual errors inevitably happen during the pressure of campaign development – and it is a very small investment compared to the cost, delays, trouble and environmental cost of re-printing your campaign.

- **Ensure rigorous production proofing**
  Your production supplier should have rigorous proofing processes at every stage to ensure that everything is exactly as you want it to be.

  You must make sure that you have someone – preferably more than one person – who is knowledgeable, is available to proof your mailer whenever asked and who is responsible for the accuracy of the final product.

Recycling statements

- **Include a recycling statement on all printed marketing**
  All mail or insert pieces must display the 'Recycle Now' logo and/or statement on the outside to encourage your customer to recycle it.

  The following are examples of statements that could be included on printed communications:

  "Reusing is even better than recycling – please pass me on to someone else once you've read me. Thank you!"

  "I'm on a mission to spread the word about [benefit] – please pass me on to someone else once you've read me."

  "We care about the environment and work to minimise the usage and wastage of materials used for this message. We hope you found our communication useful – but if you do not plan to keep it, please recycle it."

  "Please recycle this communication when you have finished with it." "Please recycle me."

  "Read, Respond, Recycle!"

Recycling logos

- **Use a recycling logo on all printed materials**
  There are multiple campaigns to promote recycling in the United Kingdom.

  Use the familiar logos associated with these campaigns to increase the impact and success of your recycling message.

  You may use these logos on their own, without any additional message.

  - **Recycle Now**
    Recycle Now is a campaign to encourage more people to recycle more things, more often and to understand the positive benefits of these actions.
    For further information, visit:
    www.recyclenow.com

  - **Downloadable logos**
    partners.wrap.org.uk

- **Zero Waste Scotland**
  Zero Waste Scotland is a campaign to promote reduction, reuse and recycling of household waste in Scotland.
  For further information, visit:
  www.zerowastescotland.org.uk

- **Waste Awareness Wales**
  Waste Awareness Wales provides information to the public about managing resources more sustainably and reducing waste.
  For further information, visit:
  www.wasteawarenesswales.org.uk

Mailing house environmental management

Your mailing house should maintain an Environmental Management System (EMS) that broadly conforms to the standard of ISO14001, including:

- **Documentation**
  Documentation setting out your commitment to environmental management.

- **Baselines**
  Your documented baseline for environmental performance.

- **Compliance controls**
  Identification of appropriate environmental legislation and other environmental requirements. Documentation describing the controls that you have in place to ensure compliance with these.

- **Targets**
  Formulation of environmental objectives, targets and programmes.

- **Checks**
  Regular and systematic checks of conformance and achievement against targets, and implementation of appropriate corrective action.

- **Reviews**
  Review of commitments and targets by senior management of the organisation.

- **Meet all environmental responsibilities**
  Supply of services that meet all the specified requirements under the Recyclability, Procurement and use of paper products and Inks and finishes sections above.

- **Sub-contractor controls**
  Appropriate controls to ensure that sub-contractors fully meet the specifications of your scheme and provide auditable evidence that the provision of their services is fully compliant.

- **Sub-contractor compliance**
  All print preparation and mailing house activities outsourced to external suppliers should be placed with suppliers that have ISO14001 certification.

Campaign creation

Testing and analysis

The keys to delivering successful advertising mail campaigns are testing and analysis.

1. Start with an idea or a concept to test
2. Analyse the results
3. Use analysis to learn what works and what does not
4. Improve marketing execution
5. Test revised campaign, and the cycle starts again

Testing

Testing is a technique that involves comparing different marketing approaches to identify the one that generates the best return.

“Virgin tests iterative options on a continual basis – around 30 tests a month using a champion-challenger approach - to improve performance,” says Natasha Oram, Director of Acquisition Marketing, Virgin Media

Differences may be:

Large
For instance, two completely different versions of a mailing pack.

Small
For instance, two alternative mailing packs identical apart from the headline.

- **Test the big things first**
  Consider testing several different approaches at the start of a campaign, when you have little insight as to which approach will work best.

  Your biggest things to test, initially, are likely to be:

  - List
  - Offer

- **Refine treatment subsequently**
  Once you are confident that you've found the right offer for the right customers, begin to test refinements to your mailing, particularly:

  - Timing
  - Creative
  - Response mechanism

- **Use a 'control' version**
  Designate one approach as your preferred or 'control' treatment and use this as your benchmark, against which to test other iterations.

  At the start of testing, all treatments may be considered equally likely to outperform the rest. Select your control version based on which you and your team believe will perform best based on your experience and intuition.

- **The golden rule: never test more than one thing at a time**
  Only change one thing at a time – otherwise you will struggle to accurately measure the results of different alterations. Test your most important, fundamental hypotheses first.

- **Use a 'champion-challenger' approach**
  As your testing process unfolds, keep designating the treatment that is performing best (your current 'champion') as your control for the next stage – and look for other treatments ('challengers') to beat it.

- **Test rationally, not randomly**
  Do not run tests just for the sake of it – always have a strong, rational hypothesis for why you think a new treatment might improve your results and make sure that your test accurately isolates and measures the impact of this amendment.

  For example, you might wish to test the call to action in red text because you hypothesise that it will stand out and increase a sense of urgency; or you might introduce an image with a person in on the grounds that it might foster empathy and a friendlier feel.

- **Find easy wins**
  Look for easy wins by testing alternative elements within a standard pack – such as headlines or introductory paragraphs – BEFORE you decide to completely rework the pack.

- **Test against other marketing channels**
  In a multi-channel environment, assessing the impact of each channel is key to campaign performance analysis.

  Make sure you understand how your customer's journey progresses and how much of your final transaction value can be attributed to mail versus your other media channels.

  Build multivariate testing models so that you can identify customers who, for example, see your mailer then respond online.

  Use classic regression analysis to really add value to your mail.

- **Keep testing**
  Testing is most rewarding when done iteratively – constantly continuing to improve your mailers throughout campaigns and from one campaign to the next, rather than as isolated projects.

  For example, Virgin Media conducts around 30 tests a month, using a champion-challenger approach, to constantly improve its mailing performance.

The importance of robust design

- **Conduct all testing in accordance with basic statistical principles:**
  - Each cell (or sample) must be drawn RANDOMLY from your customer base: that is, every individual has an equal chance of being selected. If your selection is not random, then it will be skewed – and your results cannot be relied on
  - Each cell must be large enough to provide a meaningful result
  - Set your test cell size depending on the response level you expect – if you anticipate a lower response, then you will need a larger cell size to deliver meaningful results than if you expect a high response rate

The mechanics of response tracking and measurement

- **Devise a suitable tracking method**
  Response tracking is the process of allocating response to the marketing received.

  At its simplest, you can manage this by inserting a code on the response device that identifies:

  - The list/testing segment from which the response was obtained – this is the bare minimum for response analysis
  - A unique reference number (URN) linking the response to the individual customer. This can be a number unique to the mailing file or a number linking back to that customer's record in your database

- **Plan data capture thoroughly before test**
  Make sure that you have planned and set up how you will capture response information in order to reveal the insight you need.

- **Use appropriate data capture methods**
  - **Physical response capture**
    Response is captured by keying in the response code, together with other details such as the number and type of items ordered and the value of those items.
  - **Optical character reading**
    The response device carries a code, such as barcode or QR code, that is scanned.
  - **Matchback**
    Response is captured and matched back to your database using name and address software.
  - **Inference**
    Alternatively, you might use inference – the assumption that if a particular customer received a specific mailing campaign and subsequently bought the product promoted, then it is likely that the first event led to the second.

- **Measure in real-time**
  You no longer need to wait until a campaign is over to measure results. Use real-time data to assess and alter your campaign as it happens, just as you would with a digital medium.

- **Weigh longer-term response factors**
  Whilst your mailing might aim to drive immediate response, you should also test and measure the long-term effects of your advertising mail on your brand and business.

  Advertising mail is uniquely long-tail as well as immediately effective – your mailer might be kept by your customer for use months later.

  Measure:

  - Long-term sales impact of mail, across the purchase period of your product
  - Brand impact of mail – measure your brand before and after your campaign

Benchmarking

Benchmarking underlines the things you are doing well – and those you are doing not so well.

Benchmarking is the process of comparing your business processes and performance to best practices from your own or other industries.

- **Use benchmarking to guide your business**
  Businesses that benchmark know where they need to invest to improve results.

  The results you get from your marketing are so much more than keeping score – always use them as vital signposts to show you the way to continuous improvement and bottom-line success.

- **Benchmark against key business context**
  Use your marketing results to help you understand how your business is doing within the context in which it needs to perform to be successful, including:

  - **Other channels**
    Compare your advertising mail results with other channels that share similar objectives
  - **Competitors**
    Compare with similar products, audiences and channels
  - **Historical data**
    How your own business performed previously

- **Benchmarking methods**
  You can benchmark using a range of methods, such as:

  - Formal audit
  - Estimating how other businesses are performing
  - Marketing research to find out average and extreme performance levels for your particular product type, customer base, region, business size or other factors aligned to your business goals
  - Setting what you believe to be an achievable best practice target for each indicator in your business sector

- **Benchmarking measures**
  Key measures that you should consider benchmarking include:

  - Response rate
  - Cost per sale
  - Conversion rate

/ Campaign creation

Data

Strategy

Excellent data is the cornerstone of successful advertising mail. Your efforts and expense will be wasted if you do not send your mailing accurately to the right customers, or if you undermine your brand by getting your customer's name, address or other details wrong.

Data is also your huge opportunity. By being imaginative with your sourcing and segmentation of data, you can reach your customer at powerfully original and relevant moments with perfectly appropriate offers – and ensure that your marketing is useful and welcomed.

Data should be viewed as the process of getting to know your customer properly and know when, how and where to reach them, with what offer – without knowing these things, your campaign simply cannot be as successful.

To create the most sophisticated, accurate and productive foundation for your campaign, complete the following tasks:

- **Customer analysis**
  Your existing customers are the best resource you have as you seek to identify your best prospects – those who are most likely to respond, buy, spend more and remain your customer longer.

- **Market analysis**
  Understand how your brand and offer fit into your customer's perception of the marketplace.

  For example, your fundamental marketing strategy (and your customer's reaction to you) is likely to be heavily influenced by whether you are the market leader, local leader, challenger brand or start-up.

  When assessing competition, do not just look at other companies that produce a rival service – also consider other demands on your customer's attention and wallet. For example, if you are selling insurance then a major competitor for your customer's wallet might well be their lifestyle – their temptation to spend their disposable income on enjoying life in the here-and-now. Understanding this allows you to counteract it.

- **Research**
  Understand the opportunities for your promotion by learning to see the world from your customer's perspective.

- **Profiling**
  Create detailed profiles of your different customer types. Make these as thorough as possible, including any relevant factors such as:
  - Demographic
  - Age
  - Interests, daily routines, ambitions, life goals
  - Purchasing history and shopping behaviour
  - Marketing preferences
  - (Do they visit shops but purchase online? Or research online before heading in-store? Are they mobile-savvy? Do they prefer to be sent product information in print or directed to it online?)
  - **Lifestage**
    (Single, married, children, retired, unemployed, empty-nester?)
  - Use of technology
  - Other relevant or complementary products your customer will typically own? Or rival products?
  - **Accommodation**
    (Tenant, first-time buyer, second home owner, family house owner, downsizer)

- **Geodemographic information**
  The same profile of customer may respond differently according to where they live and work, so understand regional factors and trends.

- **Propensity modelling**
  Propensity modelling helps you to qualify prospects by scoring them across many different factors.

- **Econometric modelling**
  Econometric modelling allows you to separate the effects of multiple promotions in a multi-channel environment – for example, weighting the impact of advertising mail, email, TV and search marketing within a campaign.

- **Data acquisition and augmentation**
  Once you know the customers you want to reach, you need to ensure that you have the correct data to use – whether by gathering it yourself or sourcing it from a reputable third party – and that you augment it with the right additional information – such as your own customer analysis or insights – to make it most usable and valuable.

- **Data preparation and screening**
  Data decays at a fast rate as customers move house, move job, have children, get older, spend their disposable income, opt-out or sign up to Your Choice. A particularly fast-changing list, such as many B2B lists, could become largely incorrect within a year.

  It is vital that you conduct regular data hygiene so that you know what data you have available and what you need to source well before you begin your campaign – otherwise you risk wasting your time and money, as well as your marketing opportunity.

- **Targeting and segmentation**
  With the right customer profiling and the right data in hand, targeting and segmentation are indispensible to organise your mailing and get the right offer to the right customer, efficiently and productively.

- **Further information**
  See general guidance on all of these aspects in the DMA Data guide and the DMA GDPR resources including the Consent and Legitimate Interests guide.

  Factors specific to advertising mail are detailed below.

Sourcing relevant data

Royal Mail and other data suppliers offer various files that you can use to dramatically improve your one-to-one targeting and marketing relevance, response and ROI.

Data suppliers can also help you craft a bespoke mailing list to support to your specific goals.

Find a data supplier

You can find a list of reputable data suppliers in the DMA member directory here:
dma.org.uk/connect/connect_type/organisation/group_type/supplier/group_suppliers/data

Royal Mail data files

The files below, plus further information, can be found at:
royalmail.com/marketing-services-regular/choose-your-audience/data-management

Royal Mail's off-the-shelf data files include:

- **Postcode Address File (PAF®)**
  The UK's most complete and up to date addressing database containing 28 million residential and business addresses and 1.8 million postcodes.

  This file also contains 1.4 million business names.

- **Multiple Residence™ file**
  A single address does not always indicate one home or business. Multiple Residence™ can improve your address database by identifying separate dwellings or businesses that sit behind a single, shared delivery point.

- **Just Built™ file**
  This file lists newly constructed properties capable of receiving mail.

  Consider what offer you have that is particularly relevant in this situation – for example, it will obviously be useful if you offer white goods or furnishings.

- **Home movers file**
  This file lists addresses that have recently received new inhabitants.

  Consider using this file to make relevant, targeted offers to your customers – for example, to offer furnishings, decoration and home improvements, carpets and so on.

- **Use such files to filter out bad prospects**
  You might also wish to use such data to identify prospects who are unlikely to be in the market for your offering.

  For example, you might decide that customers who have just bought a new home are unlikely to be in a financial position to go on a luxury holiday, or that those moving into a newly-built home are unlikely customers for building services.

  Use data files in this way to save wasted resources, save money and avoid making your brand look unaware.

Data hygiene

Maintaining data hygiene is particularly crucial for your advertising mail campaigns, versus other one-to-one channels, given the additional waste of materials and money – as well as the extra risk of breach of privacy that can happen when your communication fails to reach your targeted customer.

Not surprisingly, the consequences of poor data also make advertising mail much less attractive to consumers. When consumers were asked what would make them less likely to open a piece of mail, they answered:

> If my name is spelt incorrectly 30%
> If its addressed to 'The occupier' 51%
> If I don't know who it is from 31%
> (Source: *BMRB Research 2011*, sponsored by Royal Mail)

It is in your interest, as well as that of our industry as a whole, to only send advertising mail that is high quality, relevant and welcomed by your customer – and any wrongly-addressed or poorly-targeted mail only contributes to consumer perception of the medium as 'junk mail'.

It is inevitable that your data will decay continually and require thorough hygiene processes immediately before you use it to run a campaign.

For example, there are approximately 5.9 million records registered with the Mailing Preference Service (MPS), with an average 19,000 more added each month.

(Source: mpsonline.org.uk)

For more statistics about the rate of data decay, see the Screening and suppression section of this guide.

Data compliance

- **Adhere to whole data guide**
  Before working with data, you must fully understand and comply with your legal and industry obligations.

  See the Data guide and the DMA GDPR resources including the Consent and Legitimate Interests guide for a thorough explanation of what you are required to do and how you can create, maintain and benefit from the highest quality information.

- **Follow specifics for advertising mail**
  The section below covers additional best practice advice specific to advertising mail – and is designed to help you to feed your one-to-one mail with the most efficient, effective, customer-friendly and valuable data possible.

- **Use MPS file**
  DMA members cannot send mail to consumers registered with the MPS.

  Ensure that you screen your data against the MPS file before sending your campaign. See the Mailing Preference Service section of this guide below for more information.

Data formatting

- **Be aware of different formats**
  Different data suppliers, whether they are commercial list providers or clients, will hold name and address data in a format specific to their internal processing requirements.

- **Be aware of different data quality**

Data quality – in terms of accuracy and completeness of the information – may also vary considerably depending on its origins.

- **Expect to process data**
  There is no common standard for the way organisations format their name and address data. As such, develop a process to tidy up data into your preferred format.

  For example, you might need to separate name and address lines or remove non-address text or any other erroneous data that you cannot use for matching or de-duplication purposes.

- **Re-format data for consistency**
  Re-format your data obtained across multiple sources to ensure a consistent format that can be processed by your data processor or in-house software – for example, making sure that all postcodes are entered in the same data fields.

Name and address cleaning

- **Common sense**
  Keeping your name and address data accurate is a legal necessity and good business sense – you cannot mail to your customer if you have the wrong address.

- **Check you have usable address records**
  Establish that address data is present in each record. Where no address data is available, flag the record and reject it for mailing purposes.

- **Use address for data matching**
  Creating and maintaining accurate data files will allow you to ensure that matching for whatever purpose is most effective and will ensure that mailing pieces are correctly addressed, efficiently targeted and present your brand positively.

- **Conduct data cleaning for accurate matching**
  It is essential to use clean name and address data when using these fields for effective record matching, screening and data enhancement.

- **Identify house names and numbers correctly**
  Be able to discern the various permutations of house numbers and names. Include the correct presentation of complexities such as flats and sub-premises.

- **Clean data to get postal discounts**
  Clean name and address data will also enable you to get the best possible postal discounts for mailings.

Name cleaning

- **Filter out records with missing data**
  First establish that'name' data is present and correct in the record.

  Reject the record – or assign it a default salutation such as "Dear Customer"– if name data is not present, or where your processing has been unable to separate a surname from the other name fields.

- **Use salutation reference tables**
  Data processors will usually hold a number of reference tables to assist with processing names. These are likely to include:

  - Standard abbreviations for titles
  - Correct decoration suffixes
  - Forename variants
  - Salacious and 'nonsense' names

- **Be careful when amending names**
  Always take care when making any changes to names due to the sensitivity of this information – and the difficulty of correctly holding all possible name variations.

Name parsing

- **Separate name elements**
  As no assumption can be made that the various elements of a 'name' field will be presented separately, you will need to be able to identify separate name elements and parse them into their correct fields, typically:

  - Prefix
  - Title
  - Forename/initial
  - Middle name/initial
  - Surname
  - Suffix

- **Treat double-barrelled surnames as single field**
  Care must be taken to ensure that double-barrelled surnames are treated as a single field.

Title, salutation and suffixes

- **Append correct or default salutations**
  Append the correct salutation based on name and title.

  Apply a default salutation where an accurate salutation is not possible because of ambiguous name information, such as 'Chris Jones.

  Default salutations include such options as 'Dear Customer', 'Dear Occupier' and so on.

- **Example default salutations**

Example 1:		
	Data in:	Mr John Filmer mbe
	Salutation becomes:	Dear Major Filmer
	Envelope becomes:	Major John Filmer MBE
Example 2:		
	Data in:	Avm Jack Jones Mbe
	Salutation becomes:	Dear Air Vice Marshal Jones
	Envelope becomes:	AVM J Jones MBE
Example 3		
	Data in:	Sir John Smith
	Salutation becomes:	Dear Sir John
	Envelope becomes:	Sir John Smith

Forename

- **Run process to match variable name presentations**
  Compare input data against a table of common abbreviations for forenames.

  Allow the process to identify, expand and therefore match variable presentations of a forename.

- **Take care when expanding abbreviations**
  Take care here, as the abbreviated form might be your customer's actual or preferred name.

- **Example name presentations:**

  Example 1:

Bill or Will becomes	William
Liz or Lizzie becomes	Elizabeth

Surname

- **Double-barrelled surnames**
  Capitalise both double-barrelled surnames – for example, 'Cameron-Brown' not 'Cameron-brown'.

- **Prefix surnames**
  Capitalisation also needs to be carefully considered for 'Mac', 'Mc' and 'O' surnames such as McQueen, MacDonald and O'Brien.

Salacious names

- **Check data for offensive words**
  Check all data against a comprehensive list of keywords to identify and remove records containing words likely to cause offence.

  Reject and flag a record if it contains an obscene word or phrase that could cause offence if used for mailing purposes.

- **Double-check to reinstate valid records**
  Include a stage in your data-checking process to enable you to reinstate a rejected record if it is actually a valid name, such as a known customer.

- **Check data sourced from websites and third parties**
  It is particularly advisable to have a data-checking process to screen cold rented data or any data sourced from websites for salacious names.

Gender coding

- **Use gender codes**
  In order to increase your accuracy of salutation, recognise gender codes where supplied and generate gender codes from supplied data, such as forenames and titles.

- **Use reference tables**
  Use reference tables of known forenames and titles with their associated genders.

- **Define rules**
  Have rules in place to set an 'unknown gender' flag when an assumption of gender cannot be made from a name – for example 'Lesley'.

Business data

- **Run standard data cleaning processes**
  Your principal activities involved in processing business data are the same as in processing consumer data – such as checking and correcting names and addresses by reference to PAF® and other tables.

- **Note additional complexities**
  There are added complexities with business data because of the additional information contained in a business record.

- **Typical additional fields include:**
  - **Contact name and company name**

    Records may or may not include a contact name within the company address.

    For example:

      'Fred Smith, Bloggs and Co, 1 The High Street, Maidstone ME15 1SA'

      or

      'Bloggs and Co, 1 The High Street, Maidstone ME15 1SA'

  - **Job title**
    Records may also contain job title information. Job titles may also be abbreviated, so use look-up tables to change them to full text.
  - **Departments**
    A contact's department name will almost certainly be an additional element to the PAF® supplied address.
  - **Work units, building numbers and floor numbers**
    Identify the correct details within business parks and office complexes.
- **Define business rules**
  Consider how to set business rules on whether or not to replace a company name with the version of it that appears on PAF®.

Overseas data

- **Bring in regional expertise**
  Be familiar with local idiosyncrasies specific to the data being processed to ensure successful foreign name and address data processing.

- **Run specialist processing for overseas addresses**
  Use specialist processing to incorporate non-UK postal address information.

  You should have the capability to recognise non-UK records within a data file and side file.

- **Use data processor expertise**
  Many UK data processors are able to provide overseas address management. Ask your data processor for details.

Reporting data amends

- **Report all data amends**
  Make sure you produce – or receive from your data processor – comprehensive reporting of all alterations to data records at each stage of any process, with explanations for changes being supplied.

- **Keep data auditable**
  Keep clear records of all data handling and processing in case of audit.

/ Campaign creation

Data matching

Name and address matching

- **Be sensitive to consumer attitudes**
  Receiving duplicate or incorrectly-addressed communications is a major frustration for your customers and only adds to their negative perceptions of one-to-one marketing and the brand behind the campaign.

  Consumers are also increasingly concerned about the environment, leading to extra dissatisfaction and frustration over the wastefulness of duplicate or mis-targeted mailings.

- **Match names and addresses accurately**
  Accurate matching of names and addresses in the campaign preparation process is a key element of effective one-to-one marketing.

- **Ensure one copy per recipient**
  Best practice in name and address matching can be summed up as making sure you do all that you can to ensure your intended recipient only receives one copy of your mailing.

Goals of name and address matching

Carry out name and address matching for three key purposes:

1. **De-duplication**

    - **Identify and remove duplicate records**
      Lists and databases often contain internal duplicates, usually where the same individual has been recorded twice, or where the same individual has provided details in different formats.
    - **Suppress duplicates to increase performance and efficiency**
      Match and suppress these to reduce wastage and improve the performance of your data file.

2. **Screening for validation or suppression**

    - **Use external data sources**
      Match your file against external data sources, such as the edited version of the Electoral Register, enhanced versions of the Electoral Register produced by data companies, county court judgments, deceased or Gone Away files.
    - **Only use verified data**
      Only attempt to communicate with consumers who have been verified at an address, or in your appropriate target group.
    - **Match against preference services**
      Match against the MPS file.

3. **Enhancing ('tagging') with additional data**

   - **Enhance data to improve targeting**
     Use additional data to improve your mail targeting – for example, to identify the correct individual within a household where it is not obvious, such as two people with the same name.

     Tag data such as telephone number, date of birth or lifestyle characteristics from a matched external data source.

Defining your data matching

Brief your data matching team before beginning the process, including:

- **Set accuracy level**
  For each data file or campaign, define the level of accuracy you can tolerate in matching.

- **Allow for different techniques**
  Different data processors will use different techniques, so might achieve different levels of matching. Understand how your data processor's technique will affect this accuracy and whether matches are in fact real.

- **Agree acceptable error rate**
  All software will produce a certain error rate. Agree an appropriate tolerance of this in advance between you and your data processor.

- **Be aware of challenges**
  In order to achieve correct matching, data processors need to be able to standardise addresses and identify ambiguous addresses and offer alternatives.

  Difficulties can typically arise from misspelt addresses that could be resolved into either of two places.

For example, "Boston, Lincs"and "Bolton, Lancs"are easily confused, such as these two addresses:

POSSIBLE MATCH 1:	POSSIBLE MATCH 2:
2 Church Road	2 Church Road
Bolton	Farnworth BOSTON
Lancs	BOLTON Lincolnshire
BL4 8AL	PE21 0LW

- **Assess match rate within context**
  Carefully consider different matching rules for different situations.

  For example:

  Removing a record that appears to be a duplicate but that in fact is just very similar, such as an identical surname in the same household, could lead to your customer failing to receive information to which they are entitled.

  For this reason, financial services clients will often accept a lower level of match rate.

  Equally, appending data to the wrong record might lead to inappropriate targeting of communications. Consider enforcing a higher match rate in these circumstances.

Matching levels

Where no data is to be overlaid, matching and de-duplicating a file is usually carried out with a level of overkill – suppressing even doubtful duplicates in order to reduce wastage.

Under kill is more appropriate where a data overlay is to be applied.

This not only avoids the risk of incorrect targeting as noted above, it will also minimise the cost to the client of licensing this data.

- **Match using multiple data elements**
  As a rule, matching software should not be dependent on a single data element.

  This will avoid the suppression of a record as a result of a spelling error in the source file.

- **Set hierarchy of elements**
  Set a hierarchy that weights each data element to be used in the match.

  For example:

  Postcode is a strong matching point but should not be used in isolation since a single character difference could result in a failure to match.

  The second initial in a name is a weak matching point and should be overlooked, where it differs, if all other elements are the same.

- **Consider de-dupe hierarchy**
  Consider a de-dupe hierarchy between your various files.

  For example, your hierarchy might be:

  1. **Your 'do not mail' file**
     Any record that matches against this must be removed.
  2. **Your customer file**
     You customer file is likely to be your most important contact list, as long as you keep it organised, clean and up-to-date. Match other lists against your customer list, not the other way around.
  3. **Rented lists**
     A name that appears in both your customer file and your rented list can be removed from the rented list and contacted as a customer and not as a prospect.

Consumer record matching

- **Identify possible matching levels**
  Identify the possible levels at which you can match consumer files.

  For example:
  - Matched on title, initials/forename, surname and address
  - Matched on surname and address
  - Matched on address only

- **Assess impact**
  Assess the impact of matching at each level and match at the appropriate level for your needs.

  For example, if you match at address-only level, only one record will be retained for an address even if there are multiple occupiers with different surnames.

- **Match at multiple levels if appropriate**
  A single data processing project may require matching at more than one level.

  For example:
  - Matching rented lists against each other might be at the finer, full name and address level
  - When screening against a deceased file, the match is commonly undertaken at the surname and address level

Business record matching

- **Treat business data as high-value**
  A business customer will generally have a higher value than a consumer, so it is extra important to make sure you get accurate results.

- **Identify different matching levels**
  Identify the possible levels at which you can match business files, such as:

  - Contact at company site level
  - Contact name, company and address
  - Company site level
  - Company and address
  - Site level
  - Address only
  - Company name only
  - Phone number

- **Understand additional complexities**
  Matching business data is far more complex due to the much broader variations in names, abbreviations, multiple occupancies and trading addresses versus registered addresses.

Some additional fields to consider include:

- **Job titles and departments**
  Job titles and departments add a further degree of complexity to business data matching.

  For example, two records could share exactly the same individual and company name, but have a different job title – these may or may not be the same person.

- **Similar businesses**
  Equally, several businesses with very similar names may trade at the same address but be different legal and trading entities.

- **Different address types**
  Identify between registered, site and branch offices.

- **Holding or dormant businesses**
  Ensure that you have identified any holding or dormant businesses and flagged these appropriately.

- **Abbreviations**
  Another difficulty is the ability to identify accurately all the supplied data elements. Company names and job titles are often abbreviated and presented differently across files. Data processors should hold tables or run routines to identify these as matches

  For example, you might recognise International Business Machines and IBM as the same company.

- **Similar legal entities**
  Give special attention to take into account the context of company name matching, as very similar company names can be very different legal entities.

  For example, IBM Ltd may not be the same legal entity as IBM (UK) Ltd.

- **Be careful not to compromise data quality**
  Be aware that matching data at too 'coarse' a level will have an impact on the final data accuracy and detail.

  For example, matching using address only will result in only one record being retained even where multiple companies share the same address.

- **Take great care with business data suppression**
  The introduction of business suppression files has highlighted the problems associated with matching business addresses – and incorrectly suppressing a live customer can be very expensive.

- **Identify out-of-business records**
  Use business suppression with great care, primarily as a means of identifying likely out-of-business records.

- **Use to focus research**
  Use matching as a way to identify records that require research to update or enhance.

- **Verify data processor's B2B credentials**
  Always verify your data processor's specific B2B experience and capability prior to instruction.

- **Check match levels closely**
  Clients should look closely at match levels, accuracy, name formats/spellings and matching trading names against registered details.

Non-name and address matching

Another option available in a de-duplication process is the use of non-name and address data.

- **Use personal data to confirm duplicate records**
  During a data-tagging project where precise matching is important, use personal data such as date of birth or bank account number to ensure that records to be merged are definite duplicates.

- **Choose a common data element**
  Use a data element that has a high level of population on the files being matched.

Selecting your processor

- **Set goals**
  Be clear on your match purpose – de-duplicate, screen and enhance.

- **Understand your data**
  Understand your own and external data files that are being matched.

- **Look for relevant experience**
  Select a processor based on its relevant experience and flexibility of matching.

- **Ask for fixed price**
  Do not select a processor on match volumes or price. Instead, ask for a fixed price for the job rather than price per thousand to reduce the possibility of 'overmatching'.

Working with your processor

- **Define 'a duplicate'**
  Define what'a duplicate' looks like for your specific application.

- **Choose appropriate matching routines**
  Select the match routines that will best achieve these results.

- **Use an addressing tool to standardise**
  Before matching, standardise, as far as possible, both the name and address records by using an addressing tool based on PAF and your rules for formatting key elements of the name.

- **Run tests**
  Undertake match tests, review results thoroughly and use this experience to develop the most suitable routines. Check a sample of matching results to further verify results.

- **Use matching to focus future research**
  For matched customer data (especially business suppression files) use the match as a 'trigger' to focus further research on a likely outcome of business record – don't just assume the business has closed.

- **Review results**
  Thoroughly review the finished results, or at least a reasonable sample, to ensure data has been matched correctly.

- **Establish response handling**
  In case you get a number of errors in your data, put in place a clear, easy and effective process to manage responses from consumers. Make sure to get their details corrected and entered on your database just once.

- **Set future data capture rules**
  Define a clear process and rules (including rapid addressing software) for capturing data in the right format.

Responsibilities

- **Understand responsibilities**
  To ensure that any data cleaning project is carried out to a high standard, both client and data processor must consider their individual responsibilities.

Client responsibilities:

- **Provide clear brief**
  Provide your data processor with a clear written brief covering the nature, purpose and scope of the data to be processed.

  State your broader objectives along with the type and level of matching to be used.

- **Define data**
  Define your data – including whether it is consumer, business, customer, prospect or foreign. This will help your data processor to define the most appropriate processing.

- **Provide sample if possible**
  Supply a sample of data in advance, if possible, to enable your data processor to check for any likely problems.

- **Send large data sample**
  Send as much sample data as possible to your data processor to get the most comprehensive estimate of its accuracy.

- **Provide file layout**
  Provide a file layout for your data, with separate layouts for different files where required.

  Make sure this is accurate as this layout will indicate to your data processor what is presented in each field and improve results.

- **Standardise data formats**
  Standardise name and address formats, in line with recommended best practice, to improve matching results over the long term.

- **Clearly specify business rules**
  Clearly specify any business rules that you want your data processor to work with when matching.

  For example, if you are mailing about a financial service product then you will need to define a very low margin of error in order to accurately identify individual customers.

- **Define tolerances**
  Clearly define the acceptable degree of tolerance within each of the matching levels to be used.

- **Request test**
  Request a test exercise and a review session of results.

  Use this to work with your data processor to obtain the most suitable results to suit your business purpose.

- **Provide requested information**
  Provide your supplier with full and timely information, as requested.

- **Provide as much information as possible**
  Provide as much information as possible – such as title, forename, middle name/ initial, surname, suffix, full address, postcode, telephone number, date of birth, account number, URN and so on.

- **Include collection date**
  Provide the date the data was originally collected as this will give an indication of potential decay, which will help your processor to interpret results.

  It is also your legal obligation to keep your data up to date.

- **Sign off data audit**
  Check and sign off any data audit (i.e. a sample of your file with verification of matching), if requested. Look closely at the match results and surrounding issues to ensure a satisfactory level of accuracy.

- **Accept advice**
  Take advice from your processor – they are experts and will be able to increase the value of your data.

Data processor responsibilities:

- **Keep verification tables and PAF up to date**

Ensure your external and internal verification tables, such as PAF and Royal Mail postcode changes, are accurate and up to date.

- **Agree scope of work**
  Ensure that you have agreed a clear brief with your client, highlighting any special processing requirements.

- **Work to the brief**
  Use match rules and hierarchies according to your brief.

- **Provide samples**
  Provide sample matches if required.

- **Highlight issues within data**
  Advise your client of any problems with the data received as soon as possible.

- **Raise queries promptly**
  Raise any queries with your client as soon as possible.

- **Provide audit reports**
  Provide audit reports showing the progress of records through your process, including how many records have been dropped and why.

/ Campaign creation

De-duplication and merge-purge

De-duplication

De-duplication is the process of identifying records that are repeated and removing all but the best version.

This is typically necessary when you combine data from multiple data sources – such as adding bought data to your campaign alongside your own customer database.

The process is also referred to as *merge-purge* and *de-dupe*.

Strategy

- **De-dupe to maintain high-value data**
  Good data hygiene requires accurate, de-duped records.

  Run de-duplication as an essential step in your overall data preparation process to ensure that your records remain accurate and high-value.

- **De-dupe to improve customer experience**
  De-duplication is also vital to ensure that your customer's experience is not compromised by receiving multiple copies of your communications.

- **De-dupe to improve campaign ROI**
  Run de-duplication to improve your campaign return on investment.

  Sending duplicate messages will only damage your brand, irritate potential customers and waste your money and resources.

- **Set match levels to business requirements**
  Determine your required match accuracy levels according to your business requirements and your data quality.

  See the *Data matching* section of this guide for further information.

Identifying duplicates

- **Set de-dupe levels**
  Set your de-duplication process to identify duplicates or select records at different levels within the data.

  For example, in consumer data you may opt for:

  - One record per person
  - One record per address
  - One record per household (or surname at address)

In business-to-business data additional elements can be added, including:

  - One record per job function (better than job title if it is available)
  - One record per site
  - One record per company

- **Set de-dupe options according to composition of data**
  You must understand the actual composition of your data file when setting your de-duplication options.

  For example, do not try to match records by job function if only a minority of the records on the file actually contain job functions.

- **Pitch de-duping to customer lifecycle**
  Consider different standards of de-duplication depending on the nature of your relationship with a consumer.

  For instance, you might wish to take greater care not to send a duplicate mailing to an existing customer than you would to a prospect – in which case, you might define a duplicate as anyone sharing a postal address with a customer.

- **Standardise data before de-duping**
  Standardise and format data prior to de-duplication to minimise the errors and non-standard formats that can inhibit duplication identification.

  For example, a name such as Anthony might show up with multiple variations including Antony, Tony, Ant, T or A. Identify issues such as this when deciding the level of match accuracy that you need to, or can, achieve.

Hierarchies

- **Typical matching hierarchy**
  A hierarchy of matching accuracy, from least to most precise is as follows:

  - Address
  - Address + surname
  - Address + surname + initial
  - Address + surname + initial + gender
  - Address + surname + forename (soundex) + gender
  - Address + surname (soundex) + forename (soundex) + gender

- **Construct list hierarchies**
  Construct a de-dupe hierarchy to decide which records take precedence and which should be deleted.

  For example, when merging your own customer data with rented lists, preserve the version of the record from your own customer data in preference to the rented record.

- **Common list hierarchies:**
  - **Random**
    All data sources are viewed as equally valuable.
    Consider this option when you have no experience of the data sources being used, or you are in a testing phase.
  - **Cheapest lists first**
    By eliminating more expensive records in favour of cheaper duplicates, you can produce a file with the lowest list cost and where net names rebates are all similar.
    Consider this option when you have no experience of the list.
  - **Lowest nets first**
    Prioritise lists for which you have agreed the lowest net name rebates first.
  - **Cheapest cost per response first**
    Use this when you have previous experience of the list and can use previous response rates to favour the most rewarding records and produce the most cost-effective overall list.
- **Set suppression files at top of hierarchy**
  Set suppression and screening lists at the top of your hierarchy to ensure you exclude all relevant records.

- **Consider combining hierarchies**
  Consider using a combination of hierarchies to reach the most cost-effective method of de-duplicating data for your specific purposes.

- **Set hierarchies against goals**
  Construct your hierarchy to serve your overall objectives for your marketing campaign and your available budget.

- **Take care with certain industries**
  Some industry sectors require special care.

  For instance, financial services companies often have joint customers. This can produce a single record that contains more than one individual name sharing an address. Take additional care when de-duplicating against one of these files to ensure that both of the names on the record can be used to match and suppress any duplicate.

Soundex

Soundex allows typing errors to be ignored in the identification of matches, providing the sound of the name does not fundamentally change.

Net name rebates

- **Only pay for the data you need**
  Under net name deals for mailing and telephony files, you only pay for the records that you use.

  Be sure to de-dupe rented lists so you only pay for the data you need.

  This can give you a significant saving on data costs.

- **Work with list supplier**
  Work with your list suppliers to ensure that your solution maximises names available at an acceptable cost.

- **Depend on hierarchy**
  Net name rebates are affected by where in a hierarchy the list is introduced for de-duplication.

  For example, the later in the process you de-dupe, the higher the number of duplicates you can expect to find.

- **Maintain audit trails**
  Maintain and provide complete audit trails to maintain trust between list suppliers, data processors and clients in this process.

- **Provide reports**
  Supply reports on the validity of duplicates, in the form of samples of duplicates and of the de-duplicated file.

Responsibilities

Client responsibilities:

- **Provide clear brief**
  Provide your data processor with a clear written brief covering required definition of a duplicate, the hierarchy of list preferences and any non-standard processing that is required.

- **Supply external data sources**
  Supply on schedule any external data sources to be used for de-duplication.

- **Comply with net name agreements**
  Ensure that agreements with data owners on net names are complied with in the hierarchy constructed.

Supplier responsibilities:

- **Explain identifiable duplicates**
  Your client understands fully the types of duplicates that can be identified.

- **Provide data audit**
  Provide an accurate and complete audit report showing the numbers of duplicates identified and their distribution across list sources.

- **All duplicate counts are auditable**
  Ensure all counts that you provide are auditable by printing the corresponding addresses, if required.

- **Process data as agreed**
  Carry out processing out in the order agreed with your client and in a timely manner.

Top tips

- **Create hierarchies from multiple factors**
  Do not create de-duplication hierarchies based on price alone. Also use net name rebates, previous response rates and data quality as factors.

- **Format data before de-duping**
  Always standardise and format data prior to processing.

- **Check data sample before processing**
  Always visually check a random sample of data for quality and completion levels prior to processing.

  Check duplicate samples before processing

  View samples of duplicates and of the de-duplicated file prior to processing.

- **Ensure process can be audited**
  Make sure you can confidently provide complete, compliant data audit trails to data owners if required.

/ Campaign creation

Screening and suppression

Your data will inevitably start to decay as soon as it is collected, as your customers' circumstances naturally change.

People move, get married, have children, change jobs, change their names – so if you do not screen for these changes your valuable customer and prospect data will quickly go out of date.

A few example statistics to represent the rate of data decay:

- In 2012-13, 2.3 million households had moved into their current accommodation in the previous 12 months. (Source: www.gov.uk – English Housing Survey Headline Report 2012-13)
- There were 499,331 deaths registered in England and Wales in 2012. (Source: Office of National Statistics)
- There are over 5.9 million records on the MPS suppression file – with around 19,000 new records added each month. (Source: mpsonline.org.uk)
- 102,000 new businesses were registered in 2012. (Source: Department for Business Innovation and Skills)
- There were more than 4500 UK business name changes per month in 2013. (Source: Companies House – Statistical tables on companies' registration activities 2012-13)
- In the UK, more than 20 million mailed items are incorrectly addressed every month, costing businesses an estimated £200m to £300m per year.

  (Source: DMA/Axiom whitepaper Reaching more consumers with certainty, 2011)

Why screen and suppress?

It is crucial to the success of your one-to-one marketing to screen your databases and mailing files for gone-aways, deceased persons and opted-out individuals, so that you only use accurate, effective data.

- **Be compliant**
  It is an obligation under DPA, the DMA Code and the CAP Code to screen your contact lists against the relevant preference services less than 30 days before using them for one-to-one marketing purposes.

- **Minimise reputational damage**
  Sending mail to gone-aways and deceased people will only serve to damage your brand reputation, along with our industry's reputation.

- **Screen data regularly to preserve its integrity**
  Data decay cannot be avoided, so you must check your records against suppression and screening files regularly to ensure that your data remains accurate, up-to-date and effective in your one-to-one marketing.

- **Enable effective campaign management**
  Suppression files play an important role in the effective management of CRM and one-to-one marketing.

- **Maintain data to remain competitive**
  It is now well documented and broadly accepted that organisations ignoring the issue of data decay will not be able to compete effectively against those that do keep their data up to date and accurate.

- **Safeguard your industry and ROI**
  Use suppression and data screening effectively to help protect our industry, improve your own return on investment and help present a more favourable environmental image to our marketplace.

- **Be environmentally responsible**
  Sending mail to people who are never going to respond wastes an enormous amount of energy and materials.

  At a time when consumers are increasingly vocal in their criticism of one-to-one marketing, you must support our industry's efforts to do as much as possible to minimise wastage.

Goals

- **Save costs**
  Eliminate a wide range of direct and indirect costs associated with sending advertising mail to people that cannot or will not respond.

- **Improve list quality**
  Most people or businesses either forget or choose not to notify changes in their circumstances to organisations that hold their details on file.

  Use suppression files to improve the quality of the records you use for marketing purposes.

- **Improve data quality and richness**
  Enhance the data you hold on customer files with updated information and preferences.

- **Regain contact with customers**
  Identify gone-aways in your customer list as a first step towards re-establishing contact with them.

- **Increase ROI**
  Increase the effectiveness of your advertising marketing and supporting activity, such as brand campaigns or follow-up activity, to deliver a positive return on investment.

- **Improve targeting**
  Identify significant changes, at either individual or address level, that you can use for targeting purposes.

- **Improve credit checking**
  Ensure you hold the correct name and address to make it easier to credit check your customer if necessary.

- **Identify legacy income**
  If you are a charity, use the deceased file to identify when a supporter whom you know has left you a legacy in their will has died.

Strategy

- **Market only to people who can respond**
  The core strategy of your one-to-one marketing activity must be to reach consumers who are able and willing to respond.

  Screening and suppression of invalid records will advance this goal and make your campaigns more effective, efficient and profitable.

- **Grab the benefits**
  Do as much as possible, as promptly as possible, to make sure you gain the competitive advantage of using superior-quality data.

- **Avoid false economies**
  Doing the bare minimum will only serve to minimise the benefits you gain.

- **Identify poor prospects**
  Suppression files can indicate people or businesses that have moved, changed, died or are unlikely to be creditworthy.

- **Maintain internal suppression files**
  Maintain an internal suppression file of customers and prospects who have asked your organisation not to contact them – either in any form or via mail specifically.

  You must match your mailing list against the MPS file no more than 90 days before despatch. Any matches identified must be removed from your campaign.

- **Identify records to research**
  Suppression files can also give you insight into which records or audience segments you need to research in order to enhance or recover the information held on an individual or business.

Suppression files

At a very simple level, these files contain the records of people who cannot or do not wish to respond to personalised mailings or other targeted marketing communications.

- **Suppressed records can include:**
    - Gone-aways - people who have moved address
    - Deceased persons
    - Opt-outs
    - Credit risks

- **Information contained in business suppression files can include:**
    - Businesses that have moved address
    - People whose employer has changed
    - People whose functions have changed within a business
    - People who have died
    - Businesses that have changed name
    - Businesses that have ceased to trade
    - Businesses that have requested 'no contact'
    - Businesses addresses that may be considered to be not the right address for marketing

Mailing Preference Service (MPS)

- **Advertising mail opt-out**
  The MPS Consumer File is a list of names and addresses of consumers who have expressed a wish to limit the amount of advertising mail they receive.

- **Removes consumers from 'cold' mailing lists**
  The MPS is primarily used for suppressing consumers from 'cold' unsolicited mailing lists.

- **Records remain on MPS indefinitely**
  Names remain on the file indefinitely or until the MPS is notified by the subscriber to remove them.

- **Updated monthly**
  The file is updated on a monthly basis.

- **Over 5.9 million suppressed records**
  The MPS file contains in excess of 5.9 million records with approximately 19,000 new records added each month. (Source: mpsonline.org.uk)

- **Free online registration**
  Registration has increased even further with the availability of online registration and changes to the Electoral Roll.

- **Some data processors screen against MPS without charge**
  Some data processors match clients' files against the MPS Consumer File without charge.

- **Level of suppression**
  It is important to note that historic MPS names are suppressed at a household level (same surname at an address). Since September 2007 new registrations have been at individual level.

- **Funding**
  MPS is funded through a levy on Royal Mail's Mailsort service and a fee collected from licensees who purchase the data file.

- **MPS screening compliance**
  There is no legal requirement to use MPS against your existing in-house customer files, provided that:

  1. You offered your customers the opportunity to opt-out from unsolicited advertising mail at the point of data collection.

  AND

  2. You screen your mailing list against your own in-house do not mail list before each mailing.

  However, in the opinion of the DMA and other industry bodies, screening against the MPS is now a legal requirement under The Consumer Protection from Unfair Trading Regulations 2008.

  It is important to seek your own legal advice on this specific issue.

- **DMA and ASA requirement**
  You must screen against the MPS Consumer File as a condition of the DMA Code and the CAP Code.

- **Administered by the DMA**
  The MPS is administered by the DMA on a not-for-profit basis. To find out more, find a list cleaning company or purchase the MPS suppression file, visit:

  mpsonline.org.uk/mpsr/

Your Choice

- **Opt-out for unaddressed mail**
  Your Choice is a consumer service provided by the DMA to advise and assist householders who wish to opt-out of receiving unwanted unaddressed mail.

  Click the link below for further details of the *Your Choice* service.
  dma.org.uk/sectors/d2d-choice.asp

Industry suppression files

Over the last few years, rafts of new products have entered the very busy suppression marketplace. Whilst this is positive in some respects, it has added to the confusion over the product that best serves the consumer.

- **Research suppression products**
  Most data processors have a suite of different suppression products available to end-users. Some of these files offer similar data but use different sources and methods to compile the data.

- **Be aware of different suppression matching results**
  There are substantial differences in the data processing techniques and matching routines used by different data processors.

  These differences used to 'match' identical or similar records on mailing and suppression files account for most of the variations in results amongst data processors matching on identical data sets.

- **Take data processor's advice**
  As part of any standard data hygiene or mailing preparation process, end-users can be advised by their data processor of any records on their mailing or customer files that 'match' records on these suppression files.

- **Access files through data processors**
  Specialist companies use a range of different methods and sources for compiling suppression files, which are then made available to end-users, mainly through data processing bureaux that license the data.

- **Licence files directly for high volume**
  Some high-volume mailers choose to have direct licensing arrangements with the file owner.

- **Define suppression processing with data processor**
  Once a suppression match has been identified, the end-user can make an informed choice about the way in which the record is processed by the data processor – for example, whether records are suppressed or not.

Choosing your data screening and suppression products

The perfect screening product would identify all changes immediately and 100% accurately.

Whilst in reality this is never likely to happen, how you assess your screening and suppression products should be based on how close each product gets to this ideal.

Key criteria:

The key criteria to look for in a product are market coverage, accuracy and recency.

Market coverage

- **Assess product against your needs**
  Assess the market coverage offered by each product against your business needs.

  For example, if you are looking to conduct a nationwide mailing campaign then, with 1.5 million UK households moving each year, a product collating just 0.65 million individual records annually will only ever be able to provide a part of your gone-away suppression solution.

Accuracy

- **Understand verified vs assumed data changes**
  Data for suppression files is obtained from many sources. Some of these sources are verified, with the change in circumstance known to have happened – for example, using a death registration number.

  Other changes are assumed – for example, flagging a gone-away based on an amount of returned mail.

- **Scrutinise to preserve data integrity**
  Inaccuracy in suppression files will lead to 'over-suppression' and remove records from your database or prospect file that HAVE NOT changed.

  For example, whilst some postal returns clearly have been legitimately returned by new occupiers, around 40% are sent back by the targeted consumer themselves as a way of trying to get their name taken off a database.

- **Test accuracy regularly**
  It is therefore important to test suppression files for accuracy as well as match rates.

- **Treat different data lists appropriately**
  Suppress data appropriately according to its value. For example, it might be wise to treat customer and prospect data differently due to the value of your historic relationship.

- **Be wary when confirming gone-aways**
  Postal returns sometimes do not indicate a gone-away, but rather a disgruntled customer or prospect – in 2005, the average no-mail file had around 42% of supposed gone-aways still living at the address.

Recency

- **Keep data constantly up to date**
  Timing is everything. The longer it takes for you to know that someone has died or moved, the more damage you will do to your brand and the smaller the savings will be.

- **Fit screening schedule to business needs**
  Screen as often as you run campaigns.

  For example, if you mail on a monthly basis you need a suppression solution that keeps your data accurate at this pace; similarly, if you only run annual campaigns then you might only need to screen and suppress once a year.

- **Typical screening frequency**
  Most gone-away solutions are now monthly, and deceased solutions are getting faster with one supplier now providing daily updates.

Responsibilities

Client responsibilities:

- A clear written brief is provided for the hierarchy of any suppression file to be used if this is a requirement
- Further information requested by the supplier is supplied in a timely fashion
- Where a data audit (i.e. a sample file with verification of matching) has been requested, this is signed off promptly. The client should look closely at the suppression match results and surrounding issues to ensure a satisfactory level of accuracy
- Ensure with your supplier that correct files are being used to suit their data and their marketing requirements

Supplier responsibilities:

- A clear brief has been received and understood and any special processing requirements have been clarified and agreed
- Suppression hierarchies are used according to the brief with sample matches supplied if required
- Any problems with the data received are advised to the client as soon as possible
- Audit reports are provided showing the progress of records through the process, including how many records have been suppressed and why
- Any queries are raised with the client as soon as possible
- Ensure clients are made aware of best practice together with tailoring to get best results for their data and their marketing requirements

/ Campaign creation

Postcode Address File (PAF®)

Royal Mail's Postcode Address File (PAF®) is the main external reference table used by most data processors as the basis for checking and correcting address records.

PAF® is the UK's most complete and up to date addressing database, containing all 28 million known, unique residential and business addresses within the UK. The file also contains 1.4 million business names.

- **Check records against PAF®**
  After cleaning and formatting, match your records against the PAF® file, which contains the generally accepted correct address presentation.

  This is usually a dynamic process:

  - Identify records that exactly match PAF®
  - Retain your customer's preferred address elements – such as their house name
  - Correct wrongly-formatted addresses to meet PAF® standard, or to a point where your mail is capable of being delivered

- **Get processors to correct inaccuracies**
  Processors should have the ability to correct inaccuracies in addresses to improve the chances of them matching to PAF®.

  Different processors will have different capabilities depending on their software – but the following are likely to be included:

  - **Customer's preferred address**
    Sometimes known as 'vanity addresses' or 'cherished addresses' where elements of the address do not match the address recognised by Royal Mail and held on PAF®.
  - **Postcode changes**
    Matching old postal geography to new.
    For example, 'NEWPORT, MON' should now be 'NEWPORT, GWENT'.
  - **Spelling corrections**
    Correcting common misspellings, omissions and transpositions. For example, 'BIMRINGHAM' becomes 'BIRMINGHAM'.
  - **Common edit marks**
    Recognising common edit marks.
    For example, 'STOKE ON TRENT' and 'STOKE-ON-TRENT'.
  - **Common abbreviations**
    Correcting common abbreviations and superfluous words. For example, 'BRUM' becomes 'BIRMINGHAM'.

- **Accommodate client business rules**
  PAF will often be incorporated into general address cleaning software and will normally be the benchmark against which addresses are checked and corrected.

  However, processors should also have the flexibility to incorporate client business rules if required.

- **Adopt PAF® updates promptly**
  Updates to PAF® are made on an ongoing basis by Royal Mail to accommodate new buildings or to improve delivery efficiency.

  These updates are available to processors and clients in a number of different formats.

  Adopt these changes within a 'reasonable' amount of time – ideally within three months of the changes being made.

Level of address verification to PAF®

- **Define minimum data criteria**
  All processors should have a standard minimum criterion that your records must fulfil to match PAF®.

- **Offer bespoke criteria**
  Processors should offer you a bespoke service and be able to tailor data criteria to your specific requirements.

Campaign delivery

/ Campaign delivery

Printing

Key printing decisions

- **Paper quality**
  You need to consider the type of paper you will use – its weight, finish (coated or non-coated) and overall quality and feel.

- **Paper size**
  Flat size (pre-printed) and finished size.

- **Finishing required**
  Including folding die-cuts, perforations, gluing, lamination, saddle stitching and other processes.

- **Colours**
  The number of colours you select will influence both cost and final result.

  You can select from single, two-colour, full colour and special colours such as metallic, spot or fluorescent – as well as varying colours for front and back covers of a brochure

- **Proofing**
  A small error in production can force a costly, wasteful reprint – causing delays and compromising your campaign ROI.

  Make sure that you are fully involved and available to your production team at every stage – and if something is not right, then you must change it as soon as possible.

Materials

- **Consider materials thoroughly at design stage**
  All machines will have a preferred material specification in terms of size, paper weight, tolerances, types of envelopes and so on.

  In all circumstances, check with your production suppliers before you commit to your design.

Standard paper sizes

- **Paper sheets**
  - A6 148mm x 105mm
  - A5 148mm x 210mm
  - A4 210mm x 297mm
  - A3 297mm x 420mm

Standard envelope sizes

- **Wallets**
  - C6 114mm x 162mm
  - Oversize C5 162mm x 238mm
  - C5 162mm x 229mm
  - C4 229mm x 324mm
  - Oversize DL 114mm x 229mm
  - DL 110mm x 220mm

Laser sheet sizes

- **Laser printing (standard/common specifications)**

Maximum sheet size		Min/max paper weights
Flat sheet	A4: 216mm x 355mm	
	A3: 363mm x 432mm	80gsm - 200 gsm
Continuous fanfold	355mm (drop) 457mm (width)	70/80gsm - 160gsm
Reel to reel	unlimited x 457mm wide	70/80gsm - 160gsm

Printing methods

Different projects will suit different printing methods – or may require a combination of techniques.

The key best practice point is to discuss these options with your chosen supplier at an early stage in planning so that you can optimise your campaign development and scheduling appropriately.

As with most other machine processes, different printers have a preferred range of specifications.

Apart from the obvious one of paper size, such things as direction of grain, weight of paper, surface and porosity are all important. The type of pre-print process used may also be critical, particularly if other special processes are involved, such as scratch-off panels. Some can print on the reverse of the page in the same pass and some can print in multi-colours.

Some key options are:

- **Litho**
  Lithographic (litho) printing is a high-quality printing method that is particularly efficient for higher-volume runs of 500 or more identical pieces.

- **Digital**
  Digital printing offers you the opportunity to tailor each individual printed item – for example, to include an address, add personalisation or even to dynamically tailor each printed piece with completely different content according to your customer's preferences.

- **Laser**
  Laser and similar printers create an image on the paper in a manner similar to photocopiers.

  There is a wide range of such printers available, using either flat sheet, fanfold or reels of stationery.

  Laser printers often print a full page of text at a time, irrespective of how much information the page contains. It is common for a page to contain some preprint and for laser text to fit in and be 'justified' within the preprint.

  However, this is by no means the only technique available and clients are advised to discuss their requirements with their supplier at an early stage.

- **Sheet-fed or continuous**
  Sheet-fed printers work with standard-sized individual sheets of paper, whilst continuous-feed machines print onto a roll of paper that is subsequently guillotined to size.

  Each method has its advantages of speed, economy and creative opportunity – for example, a sheet-fed printing approach might be better if you wish to produce small volumes, whilst continuous-feed machines might be better if you wish to produce one-piece mailers and non-standard-sized mailers.

  Make sure that you understand the options at planning stage so that you can define the right balance between creativity, economy, speed, potential regulatory requirements and any other aspects of your campaign.

Envelopes

There are several key considerations around your choice of envelope that can impact other aspects of your mailing.

- **Plan early**
  Plan the envelopes you wish to use alongside your creative stage so that you can seize creative opportunities and avoid production pitfalls.

- **Be creative**
  The envelope the first thing your customer will see, representing an important creative opportunity:

  - How can you make this packaging as appealing as the content within?
  - How can you increase the number of customers who open your mailer?
  - How should your brand be identified and represented?
  - Can you personalise your envelope to your customer?
  - Do not forget to leave the appropriate spaces for the address, return address, postal carrier barcodes, recycling logos, postage marks and other practical elements.

- **Avoid production issues**
  There are various production considerations that you should plan around.

  Consult with your mailing house during your design stage to ensure that you can achieve what you want, on the budget that you have.

  For example:

  - Will the envelope contain the content – including any inserts?
  - Will the envelope meet the requirements of your postage budget, discounts or scheme?
  - How will it be addressed – will you need a plain or a window envelope?
  - Is it better to use an off-the-shelf envelope or have a tailored one manufactured?
  - Will you be printing onto the envelope – and what requirements does this add?
  - How will you be enclosing the envelopes?

- **Design and production considerations**
  - Select an envelope paper stock that will stand up to the rigours of the full process, from enclosing to doormat – taking into consideration the number and weight of the contents
  - When using window envelopes, ensure that the address can be clearly seen even if the contents move up or down or to one side
  - Window envelopes bought off the shelf will have a restricted range of sizes, colour, window sizes and positions.
  - With bespoke envelopes the range is wider, but check with your mailing house and postal carrier to make sure that your bespoke envelopes do not lead to any production issues or unwanted postage costs
  - Expect to pay only for the number of envelopes you receive – but, when getting envelopes specially manufactured, allow for a tolerance of +/- 10% the quantity you order

- **Client responsibilities**
  The client is responsible for ensuring that:

  - Sufficient stocks of envelopes are ordered to meet the minimum mailing requirements – taking into account the manufacturer's tolerance, set-up and possible spoilage factors, plus a further allowance if overprinting stock envelopes
  - All dimensions of the envelopes ordered are correct and have been confirmed by the mailing house as being acceptable
  - Sufficient time is allowed in the schedule for the manufacturing process
  - Proof copies are provided and checked and to pay the costs of such proofing
  - Surface and texture of the envelopes ordered is capable of being overprinted with the process chosen, to the level of quality required and that advice is taken from the manufacturer if necessary
  - Size, shape and design of the chosen envelope is within Royal Mail's or any other postal provider's tolerance for the service to be used
  - The correct postage paid impression is printed on envelopes supplied

Should any production difficulties occur as a result of the client not observing the above, then the client should be responsible for any delays and/or additional costs that may occur as a result.

- **Envelope manufacturer responsibilities**
  The manufacturer is responsible for:

  - Providing technical advice to the client, if requested, and for advising the client of any incompatibilities, inconsistencies or other manufacturing problems that may arise as a result of the client's instructions
  - Delivering the agreed minimum quantity of finished envelopes, after taking account of industry agreed variations
  - Ensuring that all finished envelopes are boxed, or palletised if of sufficient quantity; that palletised material is secured; and that contents are identified and quantified
  - At no extra charge, making good any proven shortfall on agreed minimum quantities or on material found to be faulty during later processes

Enclosing

- **Machine enclosing**
  Machine enclosing enables huge volumes of mail to be enclosed very easily and efficiently at high speed.

  Work with your mailing house to ensure that your mail piece is designed to fit the requirements of their enclosing machinery.

- **Hand enclosing**
  Hand enclosing techniques tend to be used for items that will not go through enclosing machinery, that involve the enclosing of bulky or variable items, or for particularly small batches – such as re-makes of items that were removed from the main production run due to quality or addressing issues.

  Hand enclosing may be carried out on-site or through a managed team of homeworkers as long as there are confidentiality and process agreements in place.

- **Polywrapping**
  Most of the considerations which exist in conventional paper enclosing also apply to polythene enclosing. Frequently, the same supplier will offer both services.

  There are, however, some additional considerations where polythene is concerned, including:

  - Orientation of inserts – landscape or portrait?
  - What effect will the final fold have?
  - Will cross or reverse hoppers be required?
  - Is reverse seal required?
  - Is addressing required before or after wrapping? Is the orientation suitable?
  - What weight and type of film will be used?
  - What are the sealing requirements?
  - Is the film to be printed? If it is, then will this be through continuous print or registered print?
  - Who is supplying the film?
  - Who is supplying the origination?

  Discuss your project with your mailing house at an early stage to identify your best option.

  It is the client's responsibility to ensure that all subsequent materials conform to a technical specification agreed with the mailing house – and to accept any additional cost that may be caused by non-conformity.

  Where the client has contracted supply to the mailing house, the responsibilities obviously fall to the mailing house.

- **Addressing**
  Some mailing houses will also offer addressing facilities either from self adhesive or Cheshire labels or through the use of inkjet processes.

  For more information on addressing, see the Postage section of this guide.

One-piece mailers

One-piece mailers are printed on a single sheet of paper and then folded and glued – forming a letter and envelope in one, typically sealed using a tear-off strip.

These can offer efficiencies and creative benefits for suitable mailings:

- **Creative possibilities**
  Because the entire mailer is folded from one sheet, even the envelope is fully personalisable, tailored and full-colour.

  Used with good customer data, consider your possibilities for improving your customer's experience of your mailer, brand and customer journey.

- **Facilitates personalisation and relevance**
  Every part of a one-piece mailer can be customised to your customer – from the envelope to the specific content, offers and information within.

  Work with your mailing house to explore the possibilities to improve the relevance and ultimately the ROI of your mailing campaign.

- **Environmentally efficient**
  Without the need for separate envelopes, plastic windows, staples or other materials, one-piece mailers can be more environmentally sustainable to manufacture – and have greater recyclability after use.

- **Speed of production**
  Produced in one process, one-piece mailers can lead to more efficient production processes.

/ Campaign delivery

Production process

When planning your mailing campaign, take into account the equipment that your chosen mailing house uses – and clarify that it is capable of handling your project in the way you envisage.

Do this at an early stage, before your designs are finalised.

Your mailing house may need or wish to subcontract some processes – so make sure that you, as the client, understand and approve this during contract negotiations.

Production schedule and lead times

- **Agree schedule**
  Agree a mailing schedule with your supplier that allows sufficient time for all processes to take place consecutively and logically.

- **Allow margin for each process**
  As some processes operate faster than others, take care when using an overlapping timetable to ensure that one process is not wildly out of step with the others.

  Build some margin for error into all timings and manage stakeholder expectations – you do not want to have to rush production to meet deadlines.

- **Allow sufficient print drying time**
  Allow sufficient time in your delivery schedule for the pre-print to dry properly – and make a special note where infra-red (IR) drying is required.

  In addition to a natural +/- 5% tolerance in production quantities, make allowances when calculating your print order for materials needed for set-up, samples made ready, AB samples, seed names and other steps in your process.

- **Allow extra time for non-standard production**
  Allow plenty of additional time for special production features – such as extra finishing, unusual materials, non-standard sizes, additional pack contents and so on.

Client responsibilities

- **Agree realistic schedules**
  Ensure that all time scales in your proposed schedule are realistic and achievable. Get confirmation from your mailing house and other suppliers that they can meet your schedule.

- **Agree technical specifications**
  Agree all technical specifications for materials with your mailing house.

- **Supply documentation on time**
  Supply all necessary reports, labels and documentation, including a mailing plan/schedule, to support the mailing unless you have contracted this responsibility to your mailing house.

  Supply blank postal dockets or Royal Mail E*Pro account number information if required – or lodge sufficient funds with your mailing house to cover postage in good time.

- **Provide samples**
  Provide trim and folding guides, sample enclosing packs and any other instructions necessary for your mailing house to fulfil its obligations in good time for an evaluation to be made and advice provided.

- **Sign off production samples promptly**
  Check and sign off first samples in good time for production to continue as scheduled. Assume any costs if delays in sign off cause machine downtime.

- **Advise about treatment of overs**
  Provide prompt instructions on the disposal of overs and the costs associated with their storage or disposal, including the provision of a purchase order to cover the costs.

- **Accept appropriate costs**
  Accept any additional costs or delays that might result if you are responsible for late or incorrect deliveries of materials or mailing components.

  Accept any additional costs you might incur through using unapproved or damaged materials against best advice.

  Accept the costs associated with the recreation of spoils, including any extra postage charges that may occur on late recreations.

Mailing house responsibilities

- **Examine and approve project elements**
  Examine your client's proposed mailing components in relation to the equipment to be used and advise on their suitability.

- **Check deliveries**
  Check, as far as possible, the correctness of delivered addressed materials and advise your client of any apparent discrepancies. Ensure that supporting documentary evidence is available.

- **Support schedules**
  Maintain agreed production schedules, subject to full compliance by other parties and other contractual disclaimers.

  Endeavour to retrieve late production situations where such occurrences are due to your failings – or those of third parties.

- **Provide production samples**
  Provide samples of first-off production to your client for approval, working to examples provided by them. Ensure that production quality is maintained in accordance with such approved samples.

- **Complete mailing documentation**
  Complete and submit all necessary documentation to the chosen postal carrier. Label bags, cages and any other containers with full details of their contents.

- **Comply with project release conditions**
  Ensure that mailings are released only at times and under such conditions as stipulated by your client. Sign release instructions where required.

- **Provide reporting**
  Ensure that your client receives proper digital or paper proof of postage. Provide daily and/or periodic production statistics.

- **Process spoils promptly**
  Recreate and re-process spoils within timescales that minimise any additional costs for processing and postage.

- **Deal with overs**
  Provide your client with a count of overs within seven days of completion of the mailing.

  Deal with overs in accordance with your client's instructions, including confidential destruction if requested.

- **Transport mailing securely**
  Arrange suitable and secure transportation of the mailing to any other mailing site, sub-contractor or homeworker's residence, if required.

Quality management

Set-up, proofing and spoils all play a part in mailing house operations.

Give stock levels, timings, recreation and costs particular attention during your negotiations for mailing house services.

Set-up

- **Provide necessary documents**
  Deliver all documentation alongside the addressed material.

  Ensure that your mailing house is provided with all necessary documents – such as bag labels and Mailsort reports. These documents are the responsibility of the mailing house if they are in control of address printing.

- **Label boxes informatively**
  The mailing house should expect to receive addressed material boxed, labelled and identified correctly. Mark all boxes with first and last reference numbers and total quantity.

  It is not possible for the checking of 'in box' details, unless first and last figures indicate some anomaly.

- **Check all boxes**
  Deliveries should be checked for continuity of boxes, contiguous ranges of sequence number and total quantity.

Proofing

- **Always get proofs**
  You should always get proofs from your printer to check that the physical output is what you expect.

  Use the proofing stage to understand and fine-tune how the piece has translated from virtual design to physical product – as well as checking the production quality.

- **Allow proofing time in schedule**
  Allow for both materials and time to be used in proofing your output.

- **Expect two stages of proofing**
  Proofing will normally consist of two stages:

  - **White paper proofs or PDFs**
    For text checking and general positioning.
  - **Printed proofs on finished stationery**
    For final, exact positioning, *in situ* – and for overall correctness.

- **Get appropriate stakeholders to sign-off**
  At each proofing stage, make sure that all appropriate personnel – including the creative team – have the opportunity to thoroughly examine, adjust and approve proofs before signing off.

- **Expect amends to be charged**
  The cost of proofing is normally on a 'per page' basis – although your contract might allow some proofing and amends within the price.

  Author's corrections are usually charged as extra – but setting errors by your supplier should be corrected and re-proofed at no extra cost.

- **Submit artwork as you want it to be produced**
  Although artwork can be re-sized and altered by your printer, it is much better to submit it exactly as you intend it to be produced.

  Help your supplier to work with confidence by submitting artwork as 'copy to size', in position, on plain paper.

Samples and testing

- **Provide supplier with samples**
  It is advisable to provide your supplier with a quantity of pre-print stationery for testing purposes. This should be of the same characteristics as the stationery you wish to use for your project.

  Your supplier should then approve the material or flag up if the material is unsuitable.

- **Ensure consistency and quality**
  Once approval is given, the party responsible for ordering materials should ensure that all subsequent deliveries are of the same specification.

- **Note limitations of white paper testing**
  White paper testing does not always indicate the overall suitability of the paper – especially where moisture may be added by extensive subsequent colour printing.

- **Provide dummy mailing pack**
  Provide your printer with a dummy mailing pack in order to allow them the opportunity to test it and feed back their comments.

  If your printer raises any concerns, work with them and take their advice to find a satisfactory solution.

  If you decide to proceed with your original design against your printer's advice, be prepared to accept any financial, quality, timing or other consequences.

Sign-off and approval

- **Understand your sign-off responsibilities**
  It is usual to expect you, as the client, to sign off first samples before your printer can begin production. You may also delegate this responsibility to a mailing house representative.

  But in either case you must accept responsibility for the output as long as it has been produced in accordance with the sample.

Wastage and spoilage

- **Expect some spoils**
  It is almost inevitable that there will be a small percentage of pieces that will be 'spoiled' during production – perhaps through a fault within the materials, or a system glitch.

  Understand the acceptable failure rate to which your supplier operates – and ensure that this is agreed in your contract.

- **Decide whether to recreate spoils**
  You can have spoiled pieces recreated – or can decide that it is not worth the expense of recreating them and accept that a few of your mailers will not go out.

  If you do require the recreation of spoils, arrange this with your mailing house in advance and make sure this is covered in your contract.

  You should expect any recreation of spoils to come with additional cost – especially as recreating this small minority of pieces will be more expensive per piece to both produce and post.

- **Decide when to recreate spoils**
  The decision on when during production to recreate spoils will depend on the quantity of spoils, size of the total mailing, time scales, importance of the mailing and what will need to be done to recreate these pieces.

  It is likely to be less expensive to recreate all spoils in one batch, at the end of your main production, than to do them on, say, a daily basis.

  In any case, last spoils are unlikely to be corrected until after the completion and posting of your campaign.

  Make allowance for this – and any extra postage on those items that may occur as a consequence of them missing out on your main, discounted mailing.

Quality control and storage

- **Delivery-checking methods**
  There are various methods to check the correct delivery of materials. Choose the method that suits your needs:

  - **100% checking**
    Checking all materials thoroughly.
  - **Partial checking**
    Checking a representative selection of materials.
  - **Weight checking**
    Checking quantities delivered is a labour intensive process, so it is often more efficient to check by weight.
  - **Sign unchecked**
    Irrespective of the ultimate checking level you require, it is normal to sign for deliveries as 'unchecked' on initial receipt and carry out checking later.

- **Understand costs of different checking services**
  Expect your print supplier to charge for their time if you want them to check stock deliveries on your behalf – so budget more for 100% checking versus partial checking or weight checking.

- **Agree the level of checking you require**
  Different campaigns will allow different margins for error in material quantities or quality.

  For example, you will need to be absolutely certain of perfect materials if your campaign demands 100% accuracy – such as a financial service campaign with strict regulatory obligations – but otherwise you might find it more efficient to only have a few sample boxes checked and accept a small margin of error.

  Offset your need for perfect stock delivery against the cost and time it takes to check – and make sure you clearly define your requirements to your print supplier and agree costs for the checking service before they receive your materials.

- **Expect supplier to report**
  Expect your supplier to report back to you after checking according to your requirements – with evidence, such as photographs, of any damage.

  If your supplier has taken responsibility for 100% checking and has signed off your materials as complete, they should accept responsibility and make up any shortfall if they have missed any errors.

- **The supplier of your materials should ensure the following:**
  - All materials are printed with a unique identity code and are free from defects at time of delivery
  - All materials are labelled with the identity code and quantity and packed securely on pallets capable of being stacked two high
  - Pallets do not contain mixed materials
  - Boxes are palletised (unless very small quantities) and pallets shrink-wrapped
  - Each pallet should have a pallet card attached that shows, as a minimum:
    - Identity code
    - Description
    - Name of client
    - Number of boxes
    - Total quantity
  - Deliveries are accompanied by a delivery note that shows, as a minimum:
    - Name of client
    - Number of pallets
    - Identity of materials
    - Total quantity
    - Supplier's job number, if available
  - Where a pre-booking delivery system exists with the supplier, printers and hauliers are advised to use it
  - The goods are insured during transit

- **Have appropriate insurance**
  Establish that your goods are adequately insured whilst on your supplier's premises – whether under your policy or your supplier's.

- **Fit delivery shcedule to production schedule**
  Wherever possible, arrange material deliveries to coincide with your production requirements.

  Make sure deliveries are thoroughly scheduled where repeat deliveries are required throughout a longer campaign.

Scuffing

Mail is a physical medium and occasionally indentations or marking of mail may occur as it passes through machinery. This applies particularly with unwrapped mail that has been produced through digital print technology.

- **Protect against scuffing**
  To protect against scuffing, consider wrapping your digitally printed mail items or using an ultraviolet (UV) or water-based gloss coating applied to the non-address side of the finished piece.

  These coatings enhance wear resistance.

Ordering of materials

In cases where the client contracts with the supplier to supply stationery and/or otherwise control the project, certain client responsibilities will pass to the supplier. Such arrangements should be clearly defined and agreed at the negotiation/contract stage.

Client responsibilities:

- **Overall coordination**
  Coordinate the supply of text, data, files, stationery and other materials between printers, list owners, data processors and any other parties involved.

- **Arrangement of schedules**
  Allow sufficient time for all operations to take place sequentially and logically.

- **Obtain supplier contracts**
  Ensure all parties have agreed to your realistic timescales and have contractual arrangements in place.

- **Get supplier sign-offs**
  Obtaining your printer's approval for stationery and other materials to be used, as well as their confirmation of test file formats, proposed page layouts and all other page presentation requirements – such as fonts, page orientation and so on.

- **Hold suppliers accountable**
  Ensure that your printer meets the quality of product and service agreed in your contract.

- **Manage specification changes**
  Advise all parties immediately of any changes to specifications of files, text, stationery and so on – and obtain approval from all parties that such changes are possible within the time scale.

- **Facilitate co-operation between suppliers**
  Wherever possible, provide each party's job number to the other to improve communication and collaboration.

- **Oversee materials supply**
  Ensure that print materials are available in sufficient quantity, in the recommended manner – boxed, palletised and identified or in protected reels – and that there are enough extra materials to cover spoils and wastage.

- **Take your supplier's advice**
  Listen to your supplier's expert advice. Take responsibility for any negative consequences that result if you decide to act against it – and be prepared to cover any additional costs that may result.

- **Provide all information on-schedule**
  Provide text for setting, signatures for digitisation or pre-print, page layouts, font identities and any other information necessary for your printer to prepare the job.

- **Respond to proofs promptly**
  Check, approve, correct or sign off proofs with the minimum of delay.

  Allow sufficient time within your schedules for this to take place – particularly in the event of corrections and re-proofs being necessary.

  Return signed-off proofs using a safe method.

- **Define sample requirements**
  Define the type and quantities of live samples you wish your supplier to provide – and cover the costs of producing such samples.

- **Define post-job requirements**
  Advise your printer how they should dispose of overs and return your data – and agree their costs for fulfilling these instructions.

Supplier responsibilities:

- **Agree schedules**
  Confirm acceptance of proposed schedules, subject to adherence by other parties.

  Define options in the event of late production – and additional costs involved if this lateness is caused by another party.

- **Provide technical information and advice**
  Where requested, provide your client with information on materials, production methods, preferred layouts and any other necessary advice and information.

- **Meet timescales**
  Plan your production carefully, with a margin for error, to ensure you meet your client's deadlines.

- **Test materials**
  Test stationery for suitability and advise your client of the results.

  Accept responsibility for the live stationery performance once you have approved it – provided that it is identical in every respect to the test sample.

- **Store materials appropriately**
  Store all stationery delivered in a safe, protective environment.

  Check delivery quantities and quality to the extent specified by your client.

  Advise your client of any apparent shortages, changes to specification or other problems – and provide evidence, such as a photograph or sample, where appropriate.

- **Provide proofs and apply amends**
  Provide all required proofs on white paper and, after approval, on live stationery. Carry out any corrections requested and re-submit for approval.

  Bear the cost if re-proofing is caused by your error.

- **Use proofs in quality control**
  Use signed-off, live proofs as samples against your live-run samples during quality control checking.

- **Use identification numbers**
  Print a sequence number on each item to aid checking and identification.

- **Check pre-print**
  Check, as far as possible, the quality of pre-print and advise your client of any problems.

- **Maintain thorough quality control**
  Carry out quality control checks at frequent intervals. Correcting and replacing any items found to be faulty and document this process.

- **Ensure data security**
  Ensure the confidentiality and security of your client's files, data and other materials whilst on your premises.

- **Take responsibility for errors**
  Remedy any errors that are your responsibility or fault.

- **Pack finished output securely**
  Securely pack, box, palletise and shrink wrap all finished collateral.

- **Label finished product correctly**
  Identify each box of finished collateral that shows:

    - Name of client
    - Job name and number
    - First and last sequence numbers
    - Name of mailing house
    - Name of your organisation

- **Include appropriate documentation**
  Include despatch documentation that shows:
    - Name of client
    - Addressee
    - Number of pallets and/or boxes
    - Total quantity
    - Include any associated reports, Mailsort labels and so on
    - Completed postal dockets or Royal Mail E*Pro number

- **Dispose of project assets appropriately**
  Dispose of overs and return files, data and so on in accordance with your client's instructions. Arrange provision of a certificate of destruction if requested.

Wastage

- **Allow for inevitable wastage**
  All paper handling production processes involve a degree of spoilage due to malfunctions of one kind or another. Printers supply materials to within an industry standard margin – usually of 5% more or less than the quantity ordered. In some cases this margin might be greater – such as four-colour overprinting, which can be up to 10%.

- **Allow appropriate margins for wastage**
  Spoils are inevitable, and extra materials will be needed to re-print these items if you require it.

  The margins your suppliers work to will influence the quantities of materials you need to order to achieve your required number of mailings.

  If you must guarantee a 100% mailing, ensure you have sufficient extra material to enable any spoils to be re-printed.

  If you do not require perfection, weigh up the expense of extra materials and recreation of spoils against the potential rewards of sending out these mailers – it might cost more than you can expect to earn back.

- **Consult with your printer**
  Ask your printer for advice on wastage.

  Different factors within your production choices will affect how much wastage you can expect – and you can make choices to minimise it.

  For example:

  - Good quality materials tend to cause less spoils than cheaper materials
  - Standard materials and production methods are more efficient than non-standard ones
  - Larger runs should have a lower amount of wastage than small runs
  - Make allowance for set-up and proofing – in particular where a number of mailing 'cells' or test groups are involved

Storage

- **Understand storage provisions**
  Storage is important. Material that has been badly stored can absorb moisture, or dry out too much – making it unlikely to run well, if at all.

- **Reasonable free storage**
  It is reasonable for free storage of materials to be provided by a supplier for up to one week before the start of a project and for up to one month following the final completion of the job.

  Outside these periods, the supplier is entitled to charge storage at their usual commercial rates.

Client responsibilities

- **Arrange deliveries**
  Arrange the delivery of materials to minimise storage requirements on the part of your supplier.

- **Set policy for overs**
  Respond to your supplier's advice regarding overs following the completion of the job – and give disposal instructions as quickly as possible.

  Pay the full cost of disposal and/or transportation of overs.

  Pay any agreed storage charges.

- **Pack materials correctly**
  Ensure that materials supplied are packaged safely and are not in any way hazardous to health.

Supplier responsibilities

- **Check materials supplied**
  Report to your client, within 24 hours, with details of all materials you receive.

- **Handle overs as agreed**
  Report to your client, within seven days of the completion of a job, with a count of overs – and seek disposal or storage instructions.

  Arrange secure destruction of overs, if requested, and submit a copy of the destruction certificate to your client.

- **Agree invoicing arrangements**
  Arrange to invoice your client, at times and rates agreed, for storage and/or destruction of materials.

Ownership of production assets

- **Direct supplier owns production assets**
  Where a supplier is undertaking print on behalf of a client, the ownership of films, plates and other production materials should remain with the supplier – but be used solely for that client's purposes.

- **Contractor retains ownership**
  The ownership of such items in a subcontract situation, however, is different.

  Where the main contractor subcontracts to a secondary supplier, it is reasonable to view the secondary supplier as effectively an employee of the main contractor.

  Consequently, ownership of production assets should be retained by the main contractor.

  This makes it all the more important to ensure that the subcontract is as sound as the main contract with regard to intellectual property rights.

/ Campaign delivery

Postage

Planning

- **Plan postage early in your project**
  Postage costs will be an important part of your campaign budget – and planning these early will have a positive impact on other aspects of your campaign.

  Make decisions about mail formats and weights at an early stage in your planning process to give yourself the greatest scope for creativity and ROI.

- **Understand delivery providers**
  There are numerous mail delivery companies, each with a range of services and products.

  A good mailing house will help you to navigate the options available and find the one that is ideal for your project.

  This is a decision that is potentially worth a lot of money – as well as affecting the amount of budget available for you to invest in your preferred creative, formats, materials and other considerations.

- **Consult your mailing house**
  Use a good accredited mailing house to help your production and postage budgets go as far as possible. See the DMA members directory for a list of accredited mailing houses: dma.org.uk/connect/connect_type/organisation/group_type/supplier/group_suppliers/mailing-house

- **Use best possible data**
  Many of your opportunities to make your budget go much further and make your mailings more impactful, sustainable and effective come down to having the best possible data.

  Good data will reduce your costs and provide maximum opportunity to increase your ROI.

  Make sure that your data is accurate, clean, thorough and excellently segmented in order to deliver the most compelling, relevant message to the right customer, at the right time, with the minimum of wastage.

  Plan your data sourcing, hygiene and usage early in your project so that you can enjoy the maximum benefits – do not leave it until production stage.

Postal products and specifications

Postage options

Whilst this guide is not concerned with the precise details of Royal Mail or other postal carriers' services, you should seek to maintain an up-to-date general understanding of the major factors that will impact your planning, creative decisions and budget.

These include:

- **Timing**
  Just as much as you would specify timing for your marketing in any other channel, it is easy to specify when you want your customer to receive your mailer.

  Postal operators work to independently-verified quality standards that allow you to time your campaign with precision.

  For example:

  - 94% of First Class mail arrives next working day
  - 92% of mail through downstream access operators arrives within two working days
  - 99% of Second Class mail arrives within three working days
  - 96% of Economy class arrives within four working days

  Combined with research that shows that 97% of personally addressed mail gets opened, you can be extremely confident that your customer will receive your message within your selected timeframe – and you can craft and control your customer journey to maximise response accordingly.

  Carefully plan your mailer to arrive on the ideal day for your campaign – for example, the day before your sale begins, or to introduce your product ahead of a telemarketing campaign.

  Consider spreading your mailing across a longer timeframe to ensure you have adequate resource to handle response.

- **Size and weight**
  Larger and heavier mailers are more attention-grabbing but cost more to deliver – so make sure that you consider this during your creative, format selection and design stages to find your best combination between creativity and cost-effectiveness.

- **Machine-readable address fonts**
  Your postage costs will be less if you use an address font that can be accurately read by your chosen delivery company's machines.

  Royal Mail has a list of around 30 approved fonts that they know their machines can read and sort without error.

  If you wish to use a different font – such as your brand font – you can either ask your delivery company to test it through their machines for readability or you can choose to have your mailing manually sorted.

  Manual handling – called 'High Sort' by Royal Mail – is more labour intensive and costs more, but does allow you almost complete creative freedom.

- **Volume discounts**
  Larger mailings attract discounts based on volume – starting at 1000 items for advertising mail letters or 250 for advertising mail large letters.

  Consult with your mailing house to understand whether there are distinct price bands for your type of mailing, or whether the cost-per-volume is calculated as a straight ratio.

  Some Royal Mail discounts are now calculated to the precise number of items you are mailing. Any items that are incorrectly addressed or sorted need to be processed separately and so are likely to be deducted from the total number that qualify for discount. This makes it even more important to ensure that your data is extremely accurate.

- **Sortation**
  Royal Mail and other delivery companies offer significant discounts if your mailing is already partly sorted for delivery, saving them the time and resource of doing so.

  For example, you can pre-sort your mailing into the 86 main delivery areas to save Royal Mail doing this and gain discounts as a result – but, of course, your mailing house will likely charge for their own costs incurred to do this.

  Work with your mailing house and postal carrier to agree the most efficient arrangement.

- **Mailer categorisation**
  Royal Mail and all other operators have different pricing structures for different types of mailer – and whilst the cost differences per mailer are small, they can add up significantly over the course of a large mailing or a series of mailings.

  - **Business mail**
    This covers transactional mail – such as utility bills and bank statements.

    For further information, see:

    www.royalmailtechnical.com/rmt_docs/User_Guides_2014/Business_Mail_1st_Class_Business_Mail.pdf

- **Publishing mail**
  This covers magazines – and is defined by criteria such as size (currently C4 and above) and having one-sixth or more editorial content.

  For further information, see: royalmailtechnical.com/rmt_docs/User_Guides_2014/Publishing_Mail.pdf

- **Advertising mail**
  This category attracts the biggest discounts and includes mailers that promote a product or service or seek to raise money for a charitable cause.

  For further information, see: royalmailtechnical.com/rmt_docs/User_Guides_2014/Advertising_Mail.pdf

Consult your delivery company on the implications of the content and format decisions you make as this can affect postage costs.

For example, if you send a regular marketing mailer to a certain set of customers, it might be considered a newsletter and therefore be priced as publishing mail.

- **Sustainable Advertising Mail**
  Sustainable® Advertising Mail is Royal Mail's discount scheme for environmentally responsible mailing and rewards compliance with a number of criteria grouped into:

  - **Improved targeting**
    Better targeting means fewer mis-directed and therefore wasted mail pieces – as well as fewer redirects and returned items travelling through the system.
  - **Use of sustainable resources and materials**
    Only use materials and production techniques that meet the required environmental standards.

    For more advice on how to create sustainable campaigns, see the *Environmentally responsible campaigns* section of this guide.
  - **Recyclability of your mailer**
    Make your mailer easy to recycle in its entirety – for example, using non-chlorinated paper and avoiding certain finishing techniques such as UV varnish.

Mailmark

Mailmark™ is a service offered by Royal Mail and other operators to provide marketers with fuller insight into delivery, making it easier and more accurate to plan your follow-up activity to maximise effectiveness.

It applies a unique 2D barcode to each individual mail item, with several key benefits that support one-to-one marketing best practice:

- **Track your campaign through the system**
  Each mailer has its own unique 2D barcode, giving you batch-level tracking of your campaign through production and sortation – and item-level error reporting.

  Use this service to improve the timing and accuracy of your advertising mail campaigns – as well as aid your campaign organisation, improve planning and ensure your response handling teams are available at the right time.

- **Use as unique QR code**
  Each unique 2D barcode can also serve as a QR code that your customer could potentially scan and be taken to a specific online destination.

  Because each code is unique and identifiable, consider how you can track individual customers through your sales process and provide each with a personalised experience and customer service.

- **Further information**
  To find out more about Mailmark™, contact your operator or go to:

  www.royalmail.com/mailmark

Downstream access operators

Downstream access operators are companies that offer alternative services to Royal Mail during the delivery process.

Whilst the large majority of mail is still posted through the letterbox by Royal Mail, there are different choices available for handling the stages before this point – and it may be that these services will better suit your project needs or give you access to particular postage discounts or VAT mitigations.

The UK downstream access operators are:

- Citipost
- City Link
- Onepost
- Securemail
- Whistl
- UK Mail
- Plus a number of other smaller operators that offer you further choice

Sortation and output

Goals of sortation

- **Cost savings**
  Use the most appropriate sortation sequence to provide significant cost savings, depending on the postal carrier discount scheme you select.

- **Improve campaign results**
  Sort your data in the best way to support your campaign goals – through accurate targeting, more productive customer journeys, more efficient production and delivery processes, more effective response handling and minimised wastage.

- **Build your brand**
  Ensure that each customer receives the right message at the right time to build confidence in your brand and nurture an overall positive brand image.

Sortation for postal discount schemes

- **Sort data for postage discounts**
  Data can be sorted in ways that will allow you to take advantage of bulk-mailing discounts from postal carriers. There are a number of discount schemes that vary according to the carrier and service you want to use.

  The schemes generally provide postage discounts in return for you minimising the amount of preparation and sortation work that your postal carrier is required to do.

  Discounts are typically based on sortation into postcodes – but may also reward further sortation into zones and specific formats.

  Different discount schemes may also require additional information to be printed on your envelopes – such as a selection code and/or zone.

- **Download Royal Mail guides**
  Royal Mail has a number of guides on the following subjects, available at:

  royalmailtechnical.com/index.cfm

  - Products
  - Pricing
  - Machine readability
  - Sorting
  - Posting

- **Speak to other operators directly**
  Most other postal operators do not publish technical details of their sortation and mail presentation requirements – you will need to contact them directly.

Mail file segmentation

- **Make sure your data processor can segment**
  When carrying out a mailing, it is common that you will be sending different packs and messages to different segments of your customer base – as well as a control cell.

  It is essential that your data processor is able to segment your final mailing file based on your selection criteria – and then output this to your mailing house or printer.

Output media

- **Make sure suppliers can deliver appropriate format**
  A good data processor will ensure you meet postal discount requirements by being able to output data in various formats and via the requested file transfer method – such as SFTP.

  Give early consideration to the final output that is required – and fully discuss and agree this with your data processor and mailing house or printer.

  Supply test data to your printer to allow sign-off on a sample of print.

- **Use secure file transfer**
  Always ensure that data is sent via a secure file transfer method – using appropriate data encryption, passwords and other security measures.

  See the Sharing data section of the Data guide for details of your data transfer obligations, options and best practice.

Other sortation

- **Sort data strategically**
  You can sort your mailing data in any number of ways, not just for postal discounts – and it might be that you will find a greater benefit to sorting your mailing by geographical sales area, product type, last purchase date or another criterion instead.

  Always start with your campaign goals and work back from these to identify the most appropriate way to sort each mailing.

Client and supplier responsibilities

Client responsibilities

- **Understand sortation options**
  Investigate your data sequence sortation options before choosing a potage method.

- **Identify sortation requirements**
  Ensure that your data is correctly processed based on the requirements of your chosen scheme.

- **Supply test data**
  Provide test data to your mailing house or printer as early as possible to ensure any issues are flagged up in good time.

Supplier responsibilities

- **Process data correctly**
  Ensure that data is processed in accordance with the requirements of the chosen postage scheme. Royal Mail's mail processing guide is available from their website here:

  www.royalmailtechnical.com/rmt_docs/User_Guides_2014/Machine_Readable_Letters_and_Large_Letters.pdf

- **Segment data accurately**
  Segment final mailing based on the client's selection criteria.

- **Identify issues early**
  Identify and raise any issues early regarding your client's data or chosen sortation scheme.

Postage accounts

You can agree to make arrangements for postage through your own postage account or through your mailing house's account.

- **Put documentation in place**
  If through the client's account, ensure that sufficient postage documentation or access to the client's electronic accounting is provided to the mailing house for the purpose.

- **Ensure sufficient funds in place before mailing**
  If sending through the mailing house's account, funds to cover the gross postage required should be lodged with the mailing house in time to clear before posting date.

  In this case the mailing house should ensure that a copy of the postal documentation, authenticated by the Royal Mail or any other postal provider, is given to the client.

  In the event that such funds are late, or fail to clear, the mailing house may reserve the right to hold the mailing until the matter is resolved.

- **Settle postage difference afterwards**
  When actual charges are eventually received from Royal Mail or other postal provider, the mailing house should notify the client and refund the difference between gross and net postage, taking into account any administration charges that have been agreed.

/ Campaign delivery

VAT mitigation and compliance

What is VAT mitigation?

VAT mitigation is an effective cost-saving strategy of which both marketers and suppliers should be aware.

Printed materials such as advertising mail, door drops and inserts can potentially fall under the 'zero rate' of VAT – thus saving a 20% addition to certain campaign costs.

It is a major factor to consider as VAT exempt or 'outside the scope' businesses are unable to reclaim part or all of the VAT they are charged on goods and services they buy.

It just so happens that in our industry, these businesses account for a very significant proportion of marketing spend – including the financial services, charity and health sectors, to name a few.

VAT mitigation is legal; VAT evasion is not

VAT mitigation, also referred to as VAT avoidance, is legitimate and legal – it is the law that determines if a supply is zero rated for VAT.

'VAT evasion' is the term used to describe practices that are illegal. You must avoid VAT evasion.

This section will help you understand the complexities of VAT mitigation in order that you can approach marketing decisions or seek specialist VAT advice in an informed manner.

It is not intended to be a general guide about VAT or to assist you in day-to-day VAT administrative tasks.

This section will help you to:

- Understand when VAT may or may not be chargeable on your marketing materials and services
- Understand typical issues that you may encounter
- Get further information and support

Approach

- **Understand the general issues**
  Much guidance around VAT mitigation requires you to exercise judgement and make an informed decision.

  This inevitably leads to variations in interpretation – such that two people could read the same VAT notice and come to significantly different conclusions.

  It is extremely important that Her Majesty's Revenue & Customs (HMRC) agrees with your classification of printed items, otherwise it could result in an expensive tax bill that you had not budgeted for.

  Invest enough time to understand the general rules and issues, allowing you to identify potentially substantial efficiencies – and to identify the appropriate expert advice.

- **Seek professional advice for your situation**
  A little knowledge can be a dangerous thing – and nowhere is this more the case than when dealing with the complexities of VAT mitigation.

  This guidance must not be treated as a substitute for professional advice – which you should always seek in cases of doubt or particular complexity.

- **Ask the DMA for guidance**
  The DMA can provide you with access to professional VAT advisers to assist you further.

  Email legaladvice@dma.org.uk

VAT basics

VAT is a tax that is charged on most goods and services that VAT-registered businesses provide in the UK. Businesses that generate more than a certain turnover are obliged to register for VAT.

There are three rates of VAT:

- **Standard rated sales (20%)**
  The standard rate is the default rate of VAT.

  It applies to all supplies of goods and services in the UK – except those that fit into the carefully defined categories liable for 5% or 0% VAT.

- **Reduced rate sales (5%)**
  The reduced rate applies to a defined list of goods and services – for example, domestic fuel bills.

  There are no supplies common to the marketing and communications industry that attract the reduced rate of VAT.

- **Zero rated sales (0%)**
  Zero rated supplies are often incorrectly referred to as 'VAT exempt' or 'non-vatable' – but it is important to recognise the distinction between these terms.

  Supplies that are liable to 0% VAT must fit into one of the defined categories in order to be zero rated. There are three categories that are regularly of relevance to our industry.

  The general headings of these categories are as follows:

  - Books and similar
  - Certain advertising for charities
  - Exports of goods

Sales to which any of these rates apply are known as "taxable supplies".

The principles underlying why some goods and services are liable to 5% or 0% VAT are enshrined in EU law.

This is intended to bring some conformity throughout Europe – with each national government being granted only limited powers to change the rates.

VAT exemption

- **VAT exemption**

VAT exemption refers to supplies of commercial services that are not liable to VAT – for example, insurance. This is different from zero-rated supplies – which are liable to VAT, albeit at a rate of 0%.

- **VAT-exempt sectors**

VAT-exempt services are defined by VAT law and must fit into one of the defined categories in order to be VAT exempt. The main trade sectors whose core services are VAT exempt are as follows:

- Property development – many sales and letting of land and buildings are VAT exempt
- Insurance
- Postage – relevant Post Office services only
- Betting and gaming
- Finance
- Education
- Health and welfare
- Burial and cremation
- Trade unions and many professional bodies
- Many museums, art galleries, zoos and similar

- **Supplies outside the scope of VAT**
  'Outside the scope' is another common VAT expression.

  It identifies further supplies to which VAT does not apply:

  - Charities are often wholly or partly 'outside the scope' due to the good works that they do
  - Many transactions with overseas businesses are 'outside the scope'

- **Cost implications**
  The cost implications of paying VAT for businesses or organisations that are 'VAT exempt' or 'outside the scope' is best illustrated with an example:

Type of organisation	Telecoms provider	Insurance company	Charity
Sales/income of business or organisation are:	Taxable supplies	VAT exempt	Outside the scope
Cost of outsourcing a marketing campaign	£125,000	£125,000	£125,000
VAT @ 20%	£25,000	£25,000	£25,000
Total cost	£150,000	£150,000	£150,000
Amount of VAT reclaimed from HMRC	£25,000	£nil	£nil

This example demonstrates the cost implications. Here, VAT effectively reduces the campaign budget to £125,000 – as the VAT element is a cost that cannot be reclaimed.

But if the supply can be zero rated, the advertiser can either allocate the full £150,000 on pure marketing activity – or achieve the same level of activity for £25,000 less.

This clearly demonstrates why an advertiser who is VAT exempt or outside the scope of VAT would benefit from being able to reduce their VAT burden.

What qualifies for VAT mitigation?

There are a range of goods and services in the marketing industry that are zero rated – and that suppliers should take advantage of wherever possible to reduce the cost of VAT to marketers.

Zero-rated goods and services in marketing predominantly consist of printed matter – such as leaflets, one-to-one mail packs and catalogues.

In the case of charities, some advertising services are also included.

Printed matter

Zero rating applies to printed books, leaflets and similar.

It does not apply when the same material is sold in alternative formats – such as on CD or digital form – where the supply is standard rated unless the zero rating for exports applies.

The categories of zero-rated printed matter are as follows:

- Books, booklets, brochures, pamphlets and leaflets – covering a whole host of advertising and marketing collateral
- Newspapers, journals and periodicals
- Children's picture books and painting books
- Music – printed, duplicated or manuscript
- Maps, charts and topographical plans

- **Not included**
  Any printed matter not on this list cannot be zero rated.

  There are also numerous exceptions to the list, which are not covered here.

  Detailed information about the zero rating of printed matter is provided by HMRC in its publication *VAT Notice 701/10 (Zero rating of books and other forms of printed matter).*

Assessment criteria for VAT mitigation

Although some items of printed matter such as leaflets are quite specifically defined, others – such as pamphlets – are much more open to interpretation.

Many printed items such as this are not objectively defined for VAT purposes.

- **Be safe not sorry**
  Much as you would like your collateral to qualify for zero rating, the last thing you want is for HMRC to disagree and enforce a 20% tax bill that you had not anticipated or budgeted for.

  The bottom line is that in instances of doubt you should either:

  - Be prudent and charge VAT
  - Consult a professional VAT adviser for confirmation of the correct classification
  - Obtain clearance from HMRC

- **'Ordinary and everyday' meaning**
  Let us take the example of a letter such as might typically be included in a one-to-one mail pack.

  There is no legal definition of 'a letter' for VAT purposes.

  In the absence of any legal definition, you need to rely on the concept of the 'ordinary and everyday' meaning of the word.

  Firstly, look at the form of your item. If it looks and feels like a letter, it probably is a letter.

  Secondly, look at the function of your item. A common-sense approach would be that if your item does not have the function of a letter, it cannot be a letter.

  It is acknowledged that this test is subjective – however, it is the method that HMRC will use to assess your VAT liability.

  For example, one company produced a printed document, displaying the origins of their customers' names, in a format that had many of the characteristics of a zero-rated leaflet. However, an independent tax tribunal decided that since the printed item was intended for display it was actually a standard-rated poster.

  This type of subjectivity can occur when something looks very much like a particular printed item but is intended to be used like a different item of printed matter.

  Check that the function of your collateral fits comfortably with your classification of it.

- **The package test**
  The package test is a method for determining the VAT status of packages of printed matter.

  To be considered 'a package', the items within it must have a common link and be intended to be used together. Most advertising mail packs fall within the scope of the package test.

  When you use the package test there are a number of stages to the process depending on the pack format:

  - **Stage one: assess the individual items**
    You should assess the VAT liability of each item in the pack to determine whether it is standard or zero rated in its own right.
  - **Stage two: count the number of items**
    - If there are more zero-rated items than standard-rated items then the mail pack is zero rated
    - If there are more standard-rated items than zero-rated items then the mail pack is standard rated
    - If the number of zero-rated and standard-rated items are equal then a cost-based test must be applied – see stage three

  Note: the outer envelope/carrier in which your printed matter is enclosed should be EXCLUDED when counting the number of items – except when making certain supplies to charities.

  See the *Charity relief* section for further information.

  - **Stage three: cost based test**
    - If the cost of the zero-rated items is greater than the standard-rated items then the mail pack is zero rated
    - If the cost of the standard-rated items is greater than the zero-rated items then the mail pack is standard rated

  Note: your costs should be calculated fairly and you must be able to justify them.

  The objective of this test is to identify the relative cost of each item and then add the collective costs of the standard- and zero-rated items to determine the greater balance.

  Direct costs such as personalisation should be attributed only to the items to which they relate – for example, the covering letter.

  Note : the outer envelope/carrier in which the printed matter is enclosed should be EXCLUDED when calculating costs – except when making certain supplies to charities.

  See the *Charity relief* section for further information.

  - **Stage four: applying VAT on an item-by-item basis (optional)**
    If, according to the package test, your package is standard rated, you may choose an alternative method of assessing how much VAT to charge.

    The alternative method is to charge VAT on an item-by-item basis.

    In this way you account for VAT based on each individual item rather than the pack as a whole.

    For instance, it is advantageous to do this when the overall pack is standard rated but contains items that are zero rated – such as leaflets.

- **Circumstances when you may NOT use the package test:**
  - Your package contains only a single item
  - Your package contains a principal or significant item
  - Your package contains an item not made of paper or card
  - You are not producing the entire package

- **Single item**
  The package test is a concession offered to the printing trade when supplying multiple items together. A single item within an outer carrier does not therefore come within the scope of this concession.

  If your single item is a 'principal item', as defined below, then refer to the section below.

  Otherwise, your item and its outer carrier must be assessed separately to determine their respective VAT status.

- **Principal or significant item**
  The package test is null and void if the package contains a 'principal' item.

  A principal item is one to which all other items in the package are ancillary, integral or incidental.

  If your package contains a principal item then, for VAT purposes, you are seen to be making a 'single supply'.

  This means the entire package follows the VAT liability of the significant item – and you do not have the choice of applying VAT on an item-by-item basis (as described in stage four above).

  - In advertising mail there is not usually a significant item since all the items in the pack work together to deliver the message
  - But a fulfilment pack may well contain a significant item – for example, if you are sending your customer a gift in response to their application
  - A mail order catalogue is normally a good example of a 'principal' item.

Although the package containing the catalogue may also contain other promotional leaflets, these are usually ancillary or incidental to the delivery of the catalogue

- **Packs containing non-paper items**
  You cannot use the package test when dealing with packs that contain pens, badges or anything that is not printed matter.

  The package test is for packs consisting entirely of items printed on paper or card.

  When dealing with packs containing non-printed matter, you must apply VAT on an item-by-item basis.

- **Incomplete packs**
  You cannot use the package test when you are not supplying the entire package. Instead you must account for only the items you supply.

  Even if the finished pack would be zero rated when applying the package test, if you are only supplying standard-rated items then you must charge VAT.

Single and multiple supplies

In our industry it is common to provide a mixture of goods and services. When this happens it is very important to determine how these supplies should be treated for VAT purposes. There are three possible outcomes when bundling goods and services together:

1. The bundle is a single supply of printed matter.
2. The bundle is a single supply of advertising services
3. There are two supplies - printed matter (often zero rated) and taxable service(s)

Determining which of the above outcomes applies is a matter of applying established principles and judgement.

Single sourcing

- **Understand single sourcing**
  'Single sourcing' is the term commonly used to describe a method for extending the scope of VAT mitigation – and maximising your opportunities for zero rating certain supplies.

  This is only possible if there is a single supply that qualifies as zero rated.

  - **For example:**
    A simple example of a single supply is the printing of a leaflet.
    A leaflet might be produced using a variety of goods and services to which different rates of VAT would normally apply.
    The goods are the leaflet itself, whilst the facilitating services – such as artwork and copywriting – are necessary to prepare the leaflet for printing.
    With the proper arrangements and by applying established VAT principles correctly, the supply of the finished, printed leaflet may be treated as a single supply of goods.

The following demonstrates the effectiveness of single sourcing using the example above:

  - **Supply chain model one: multiple suppliers**
    In this model, the leaflet is procured by briefing separate elements of the job – such as design, copywriting and print – to different suppliers.
    Each supplier must charge VAT according to the element of the job that they have supplied.
    In this scenario, only the printed matter is zero rated. The artwork and copyright are separate standard rated services.

  - **Supply chain model two: single supplier**
    In this model, the entire job is briefed to a single supplier.
    That supplier is solely responsible for supplying both the preparatory work and the printing. This is the role an agency, printer or print management company might typically fulfil.
    It does not matter if these services are delivered in-house or sub-contracted to other suppliers.
    In this scenario, the single source supplier makes one supply. The supply is the required quantity of leaflets.
    Designed correctly these leaflets are zero rated.
    In this way, the advertiser does not pay VAT on preparatory work or printing.

CAUTION

You must take care to determine what scope of goods and services can be combined together as a single supply. Just because you identify something as a single job does not mean that for VAT purposes it is a single supply.

Likewise, it is not a single supply merely because a single invoice is issued.

- **For example:**
  Preparatory work can be included in the supply of a zero-rated item, such as your leaflet.
  Artworking and design costs specific to your finished leaflet may be included as part of the single supply of that leaflet.

HMRC provide guidance in VAT Notice 700/24: postage, delivery charges and direct marketing about circumstances affecting single and multiple supplies.

The situations in which single sourcing may be used to mitigate VAT are limited. For example, if you asked your supplier to come up with 10 different creative concepts for your leaflet, nine of which never saw the light of day, you cannot include the costs of that creative process as part of the supply of your finished leaflet.

The link between the discarded concepts and the finished piece is tenuous – meaning the concepts are not an integral part of the delivery of your finished leaflet.

HMRC provide guidance in VAT Notice 700/24: postage, delivery charges and direct marketing about single and multiple supplies.

This guidance clarifies HMRC policy that there is only a limited scope of services which can be treated as ancillary to the supply of print. In all other case the services would be standard rated or the combined supply of print and services would be considered a single supply of standard rated services.

This is a contentious area of VAT and professional guidance should always be sought in instances of doubt.

CAUTION

The wrong business model can result in unexpected VAT liabilities. This is due to HMRC's policy concerning businesses which supply printed matter and certain other supplies. The other supplies are as follows:

- posting or arranging the posting of customer mail such as publicity, advertising material or promotional goods to many recipients, including unaddressed mail (known as door drops)
- analysis or manipulation of data (either provided by the customer or sourced directly) for strategic or marketing reasons – for example, to target direct mail at specific groups based on geography, socio-economic factors or gender of recipients
- purchase or rental of third party mailing lists, including for amalgamation with customer's own lists
- analysis of own and customer data to produce reports on campaign results and advice on strategy.

HMRC say that "when any of the services listed (or other marketing related services) are supplied with printed matter as a single supply, then that is taxable at the standard rate, as it is a supply of direct marketing services".

This is a very contentious area of VAT and professional guidance should always be sought.

Invoice routing

It is important to recognise the difference between single sourcing and invoice routing, which describes arrangements where businesses route their invoices through one supplier to purport to be single sourcing.

- **Beware the flaws of invoice routing**
  An inherent weakness in attempting 'invoice routing' is that the supplier through whom the invoice is routed may not be the organisation entitled to reclaim the VAT concerned.

  Similarly, the organisation that pays the invoice may not be the organisation that can reclaim the VAT. The organisation entitled to reclaim VAT is the person for whom the work concerned is done.

  For example, you could do work for an organisation that for some reason is to be paid for by a third party. In order to get paid you might be required to invoice the third party and be paid by them. Nevertheless, the third party could not reclaim the VAT charged because your supply was to the other business.

HMRC advice is as follows:

> "Only the person to whom the supply was made can make a valid input tax claim. This is a fundamental principle. It overrides the question of who may have paid for the supply. It also overrides the question of who may hold the relevant invoice or other evidence."
>
> (Source: VAT Input Guidance 13300 – VAT Input Tax basics: recipient of supply)

- **CAUTION**
  Always take professional advice before entering into arrangements that could be considered as invoice routing.

Splitting of supplies

HMRC has anti-avoidance measures designed to counter schemes that attempt to mitigate VAT by splitting single supplies into two or more supplies.

For example, this law was triggered by a scheme used by a broadcaster. The broadcaster supplied television services but made its customers subscribe for a magazine, provided by an associated company, as part of the deal. By stripping out the magazine from the television services they were able to zero rate the magazine. The law now prevents this and other occasions when zero rating can be gained by separating the zero and standard rated elements of a single standard rated supply.

- **Judge whether two supplies would be considered 'connected'**
  The new law only applies when different suppliers make two separate supplies – one of printed matter and the other a service.

  If the two supplies are 'connected' the printed matter may not be zero rated.

  Whether your supply of printed matter and your services are 'connected' depends on what the VAT status would be if they were, hypothetically, to be delivered together as a single supply.

  If this single supply would be considered a standard-rated (or 5% rated) service, then the printed matter and the service are considered connected.

  If this supply would be zero rated, or be considered a supply of goods, then they would not be considered to be connected.

- **Seek professional advice**
  Always seek professional advice if you think this complicated aspect of VAT law might apply to you.

Charity relief

When dealing directly with charities, you can take advantage of a special relief that allows certain charity advertising and some types of printed matter to be zero rated.

A common misconception is that anything produced for a charity is not liable to VAT. This is not correct. Charities benefit from a narrowly defined set of concessions that extend the scope of zero-rated supplies. Except for these concessions charities must be charged and pay VAT, like any other business or organisation.

VAT Refund Scheme for certain charities

Charities offering the following services may now reclaim VAT on certain activities.

Palliative care
Air ambulances
Search and rescue Medical couriers

Further information about this is in VAT Notice 1001

Printed matter: extra-statutory concessions

There are some specific 'extra-statutory concessions' for printed matter that assist with VAT mitigation for advertising mail activity.

- **Printed matter: extra-statutory concessions**
  To assist charities with fundraising, HMRC applies a concession allowing certain narrowly defined items of printed matter to be zero rated.

  As this is an extra-statutory concession, the criteria are strictly defined by HMRC. General stationery is always standard rated.

  The only items of printed matter within the scope of this concession are as follows:

  - **Pre-printed 'appeal letters'**
    Pre-printed letters ('appeal letters') with the primary purpose to appeal for money for your charity. Your letter is not an 'appeal letter' unless its primary purpose is a 'request for donations'.
    Due to this, not all letters intended to raise money for a charity are 'appeal letters'.
    For example, a letter requesting your supporter to buy or sell lottery tickets is not an appeal letter – because its primary purpose is to encourage your supporter to participate in a lottery.

- **Appeal envelopes**

  Envelopes used to send out appeal letters and envelopes for forwarding donations to the charity – provided each type is over-printed with an appeal request related to that contained in the letter, or are distinguishable from the charity's usual stationery.

  You must add a strapline on the envelope linking it to your appeal letter – without this the envelope may not be zero rated.

  The purpose of this is to differentiate these envelopes from everyday stationery.

- **Collection envelopes**
  Collection envelopes that ask for donations of money – and stewardship and similar envelopes used by religious and other organisations in their planned giving schemes.

For VAT purposes, 'donations' are sums of money 'freely given, with nothing received in return'.

- **Other concessions**
  There is a limited range of other fundraising items that, by concession, may be zero rated when supplied to a charity. Again this is an extra-statutory concession that is strictly applied by HMRC.

  The items to which this concession applies are:

  - **Collection boxes**
    Boxes and receptacles used for collecting money and that comply with certain design criteria. Essentially, your box must clearly be a secure collection box and carry the name of your charity.

  - **Donation acknowledgement badges**

    Lapel stickers, emblems and badges that are to be given free to your supporter as an acknowledgement"for any non-specified donation or a suggested donation of up to £1".

    These must have 'no intrinsic value' and be of 'low cost' to your charity.

    See Para 8.1 What kind of lapel stickers and badges qualify? HMRC Reference Note 701/58 Charity advertising and goods connected with collecting donations.

It is vitally important to comply with the conditions of each concession.

CAUTION

If in any doubt, always seek professional advice before zero rating your supply to a charity.

For more information about these reliefs, see:

HMRC Reference Note 701/58 Charity advertising and goods connected with collecting donations

Supplier responsibilities: applying charity relief

- **Ensure conditions are met**
  As a supplier it is your responsibility to ensure the conditions for applying the relief are met.

  Check that:

  - The supply you are making comes within the scope of the relief
  - You are supplying a registered charity
  - You are dealing with and invoicing the charity directly (i.e. not via a third party)

- **Obtain charity's declaration**
  You must obtain a declaration from the charity to provide supporting evidence for applying charity relief.

  Obtain a declaration for each supply you make to a charity.

  The draft declaration is available from VAT Notice 701/58:
  HMRC Reference Note 701/58 Charity advertising and goods connected with collecting donations

It is a two-part declaration as follows:

- **PART 1: to be completed by the charity**
  This provides evidence that you are supplying a registered charity, the details of the supply that you are making to them and which category it comes within for relief purposes.
- **PART 2: to be signed by the supplier**
  This is your signed declaration that you agree the supply to the charity comes within the category indicated in Part 1.

Supplying overseas businesses

- **Check national rules**
  Different regulations apply when goods or services are supplied to businesses and other organisations outside the UK.

  The status and location of your client will also affect how VAT is applied.

- **Seek professional advice**
  Always take professional advice regarding the specific rules for the company and country that you are trading with.

Services

- **Check where client is based**
  The general rule for the export of services is that UK VAT is not chargeable when the services are supplied to a business based or belonging outside of the UK.

- **Seek advice regarding exceptions**
  There are variations to this that apply to a defined list of services. Three examples of supplies to which variations apply are:

  - Electronically supplied services
  - Telecommunication and broadcasting services
  - Transport services

  This is not a complete list and you should always seek professional advice when exporting services.

Supplies to businesses in other EU states

- **Understand special rules for certain services**
  Special rules apply to certain services supplied to business in other EU states.

  The services for which there are special rules are:

  - Electronically supplied services – such as website supply or hosting, software, information and providing databases
  - Admission to cultural, educational and entertainment activities

- **Seek professional advice**
  Always take professional advice when supplying these services.

- **Ensure correct VAT evidence**
  In order not to charge VAT it is necessary to have confirmation that you are supplying a business client. The primary evidence of this is the client's equivalent of a VAT number.

  Alternative evidence is normally commercial documentation.

  When invoicing without VAT it is best practice to endorse your invoice with the following:

  - Your client's foreign VAT number, where registered
  - The statement: "Subject to the reverse charge in the country of receipt"

- **Check your client's VAT number**
  Check your client's VAT number online at:

  http://ec.europa.eu/taxation_customs/vies

Services to businesses based or belonging outside the EU

- **Ensure correct VAT evidence**
  Again, you must provide confirmation that you are supplying your client.

  This can be your client's equivalent of a VAT number or another tax reference – otherwise you must rely on normal commercial documentation.

Servicing businesses with branches in the UK

- **VAT is chargeable for UK branches**
  The above does not apply if you are working for a UK branch of a foreign business.

  In these circumstances, VAT is chargeable because you are supplying your services to the UK branch.

Servicing clients who are not businesses

- **VAT is normally chargeable**
  You will normally be dealing with businesses but in certain circumstances this may not be the case. For example, a charity can be a non-business client depending on their activities.

  When providing services to a non-business client based in another EU state, VAT is normally chargeable – just as it would be if you provided the same service to a UK client.

- **Supplying telecommunication, broadcasting or electronically supplied services**
  When these services are supplied to a non-business customer in another EU country VAT is chargeable according the rules and regulations of the country where the customer is located. For example, UK business must charge French VAT when supplying any of these services to a non-business customer in France.

  Further advice should be sought because it will be necessary to obtain a special UK VAT number or a VAT number in the country concerned.

- **Supplying non-business, non-EU clients**
  The same general rules apply when you provide services to a non-business customer based outside the EU. However, these clients are relieved from paying VAT on the following services:

  - Transfers and assignments of copyright, patents, licences, trademarks and so on
  - Advertising services
  - Services of consultants, engineers, lawyers and so on
  - Data processing and provision of information – other than any services relating to land
  - Banking, financial and insurance services
  - Transmission or distribution of natural gas or electricity through EU systems
  - Supply of staff
  - Letting or hire of goods – other than means of transport
  - Telecommunication services
  - Radio and television broadcasting services
  - Electronically supplied services

  Further information about all these matters is provided by HMRC in its publication: VAT Notice 741A Place of supply of services

Goods

- **VAT decided by point of sale to your customer**
  Knowing the location of the goods is crucial to determining what VAT should be charged. The VAT due is decided by where the goods are when delivery to the customer begins.

  Further considerations apply if your goods are delivered to a customer in another EU member state or exported to a country outside the EU.

  Less important is where the parties to the supply might belong or by any invoicing or payment arrangements.

Zero rating goods delivered to another EU member state

Zero rating your supply is dependent on you fulfilling both of these conditions:

4. **Prepare your sales invoice correctly**
   In addition to the normal details, you must:
   - Quote your customer's VAT number

     AND

   - Endorse your invoice with the statement: "Intra-community supply subject to VAT in the country of acquisition"

   You can check your client's VAT number online at:

   http://ec.europa.eu/taxation_customs/vies

5. **Prove that your goods left the UK for another EU country**
   You must use a combination of the following documents to provide clear evidence that the goods have been removed from the UK:
   - Your customer's order – including their name, VAT number and delivery address
   - Inter-company correspondence
   - Copy sales invoice
   - Advice note and/or packing list
   - Commercial transport documents from the carrier
   - Details of insurance or freight charges
   - Bank statements as evidence of payment
   - Receipted copy of the consignment note as evidence of receipt of goods abroad
   - Any other documents relevant to the removal of the goods in question

- **Submit original documentation**
  Photocopies of certificates of shipment or other transport documents are not normally acceptable as evidence of removal – unless authenticated with an original stamp and dated by an authorised official of the issuing office.

- **Other official forms**
  Other forms to be completed when you export goods to other EU member states are:

  - EC Sales Lists (ESL) AND
  - Supplementary Statistical Declaration (SSD) or Intrastat forms – if in a calendar year the value of goods you export to EU countries is more than £250,000

- **Further information**
  Further information is provided by HMRC in its publication:
  VAT Notice 725 The single market

Goods exports to outside the EU

Exports are only zero rated if the goods physically leave the EU.

The zero rating of goods is also dependent upon proving the goods have left the EU.

1. **Prove that your goods left the EU**
   You must use a combination of the following documents to provide clear evidence that your goods have been exported to outside the EU:
   - Your customer's order – including their name, VAT number and delivery address
   - Inter-company correspondence
   - Copy sales invoice
   - Advice note and/or packing list
   - Commercial transport documents from the carrier
   - Details of insurance or freight charges
   - Bank statements as evidence of payment
   - Receipted copy of the consignment note as evidence of receipt of goods abroad
   - Any other documents relevant to the removal of the goods in question

- **Submit original documentation**
  Photocopies of certificates of shipment or other transport documents are not normally acceptable as evidence of removal – unless authenticated with an original stamp and dated by an authorised official of the issuing office.

- **Further information**
  Further information is provided by HMRC in its publication:
  VAT Notice 703 VAT: Export of goods from the United Kingdom

Administration and documentation

VAT assessment

- **Maintain full records**
  As an essential business and VAT assessment practice, maintain full, accurate records of all aspects of your work.

- **Develop VAT methodology**
  Put in place an established methodology for dealing with the VAT liability of goods and/or services you provide. Work through the lifecycle of a job to determine the VAT 'trigger points'.

  For example:

  1. **Client brief**
     Ensure your brief from your customer details the scope of work to be undertaken and demonstrates what you as a supplier are responsible for providing.
     Work to a written brief whenever possible – but it is accepted that on some occasions you will not receive a formal written brief and it may be communicated verbally.
     Even at this early stage you should consider any VAT implications.

  2. **Quotation**
     It is normally possible to determine the rate of VAT chargeable on your supply at the time you submit your quotation.
     Advise your customer at the earliest opportunity whether your supply will be standard rated or zero rated.

  3. **In-house procedure for VAT assessment**
     Your organisation should have an established procedure for determining the rate of VAT applicable to goods and/or services you supply.

     Assign clear responsibility for these decisions and make sure they are recorded in an appropriate form. Make sure you can demonstrate how you have determined the rating for your supply if asked to do so.

     These are important indicators to a VAT inspector that your organisation is competently dealing with VAT matters.

4. **Invoicing**
Show the following basic information in your VAT invoice:

- A sequential number, based on one or more series, that uniquely identifies the document
- Time of the supply
- Date of issue of the document
- Name, address and registration number of the supplier
- Name and address of the person to whom the goods or services are supplied
- Description sufficient to identify the goods or services supplied
- Quantity of the goods or the extent of the services
- Rate of VAT and the amount payable, excluding VAT, expressed in any currency
- Gross total amount payable, excluding VAT, expressed in any currency
- Rate of any cash discount offered
- Total amount of VAT chargeable, expressed in sterling
- Unit price

Two further requirements that apply when supplying businesses in other EU states are as follows:

- If supplying goods to another EU state, it is necessary to quote your client's VAT number on your invoice
- If supplying services upon which UK VAT is not chargeable, you must endorse your invoice with the declaration 'Subject to reverse charge in the country of receipt' – or a similar declaration

- **CAUTION**
When invoicing for a single supply in stages, make sure you adequately link the invoices concerned.

For example, you might invoice in two stages for the design and production of a zero-rated leaflet – firstly invoicing for production of artwork and later invoicing for the print.

As a standalone service, artwork charges are standard rated. If, in this example, your initial invoice merely stated "artwork charges"then it is not clear that these services were actually part of the production of a zero-rated leaflet.

This lack of clarity can give rise to unnecessary questions and problems during VAT inspections.

5. **Prepayments**
   Sometimes you might wish to ask your customer to pay in advance of work being done – for instance, where you are unable to obtain credit insurance. If you receive a prepayment then you must declare any output tax due on receipt of the prepayment rather than waiting until the work and invoicing is actually done.

6. **Swap arrangements**

   Sometimes two businesses enter into a reciprocal arrangement where supplies are made to one another without a charge being made.

   An example of this is the swapping of data – often referred to as 'swap orders'.

   This type of transaction is a taxable supply and you should raise a VAT invoice to the other party. Likewise, they should raise a VAT invoice to you.

   The value of VAT should be based on the market rate for the data as if it were being supplied normally.

   For instance, if you normally sell data for £100 per thousand records and you supply 10,000 names then the sale value would be £1000+VAT.

   It is necessary to raise an invoice to account for the VAT (£200).

   HMRC considers swaps like this to be a barter arrangement for VAT purposes. How to account for VAT on barter transactions is explained in VAT notice 700 The VAT Guide, paragraph 8.7 Barter and Exchange.

Dealing with HMRC

From time to time you will have direct dealings with HMRC.

This will be either in the form of a VAT inspection or you may need to correspond with them over a VAT matter.

VAT inspections

Officially VAT inspections are called ‘assurance visits’. However, ‘VAT inspection’is the term used popularly and in this guide.

- **Arranged seven days in advance**
  Appointments for routine VAT inspections are arranged in advance.

  Your business will normally be given at least seven days’ notice and every effort is made to arrange a mutually convenient date and time.

- **Conducted at you main site**
  It is normal for a VAT inspection to be carried out at your principal place of business.

  In part this is because visiting the principal place of business is an important detail of any VAT inspection.

  If your accounts and VAT records are maintained elsewhere from your principal place of business, then you must make suitable arrangements for the VAT inspector to access your records as well as visit your principal place of business.

- **Uncovering routine mistakes**
  If mistakes are uncovered and, in the opinion of the VAT officer, you need to pay more VAT, then the VAT officer can issue an assessment to recover this tax.

- **Time limit of four years retrospection**
  A time limit applies to routine mistakes. In such cases, the VAT inspector may not go back more than four years.

- **Disputing VAT decisions**
  There are options when your business wishes to dispute the decision and/or assessment of the VAT officer.

  You may first have the matter reviewed internally by HMRC. This review is undertaken by an officer unconnected with the initial VAT visit.

  If this doesn’t resolve the matter for you, then you may appeal to the independent First Tier Tax Tribunal.

Obtaining advice from HMRC

On occasion you may determine it is necessary to deal directly with HMRC for the purposes of clarification on VAT matters. These are the options available to you:

Telephone enquiries

- **VAT National Advice Helpline: 0300 200 3700 (available 8am – 6pm Monday to Friday)**
  The helpline is there to assist with common VAT queries. Such advice is unlikely to be binding on the part of HMRC.

  For peace of mind you should seek advice from a qualified adviser or obtain a clearance from HMRC.

- **Charities Helpline: 0300 123 1073 (available 8am – 5pm Monday to Friday)**
  For VAT matters specific to charities, such as advice on VAT relief, you can call this helpline.

Email enquiries

Where possible, HMRC strongly recommends that you submit your questions about VAT by secure email rather than by post. HMRC can reply to your enquiry more quickly this way.

You need to go to the relevant web page to submit your secure email as follows:

- For general enquiries: online.hmrc.gov.uk/shortforms/form/VATReg?dept-name=&sub-dept- name=&location=47&origin=http://www.hmrc.gov.uk
- If you are a charity with a VAT enquiry: https://online.hmrc.gov.uk/shortforms/form/ CHYChaEnq?dept-name=&sub-dept-name=&location=20&origin=http://www.hmrc.gov.uk
- If you are a business making supplies to charities: https://online.hmrc.gov.uk/shortforms/form/ CHYBusEnq?dept-name=&sub-dept-name=&location=20&origin=http://www.hmrc.gov.uk

Postal enquiries

Only send by post for particularly long questions or those where you need to attach something. For postal enquiries you should send correspondence to the following address:

HM Revenue & Customs
Written Enquiries Section
Alexander House
Victoria Avenue
Southend Essex
SS99 1BD

For charity-specific enquiries use the following address:

HM Revenue & Customs Charities
St Johns House
Merton Road
Liverpool
L75 1BB

Response times are variable depending on the volume of enquiries being handled.

Obtaining a clearance from HMRC

HMRC will respond to all written enquiries.

However, its answer may be limited to directing you to some already available information.

If, in its view, the answer to your question is already covered in its published guidance, then it will reject your request for further clarification or help and will refer you to its relevant guidance.

HMRC will only provide further clarification or a clearance when it can be persuaded that there is ‘material uncertainty’ about a particular issue.

Checklist

HMRC will be able to process your application for a clearance more efficiently if you submit your information correctly, including:

- Your business name, address and VAT registration number
- The reasons for undertaking the transaction
- The relevant facts about the transaction so that HMRC have all the information to provide a response – including copies of all supporting documents with all relevant parts identified
- Your view of the tax consequences of the transaction and the issue you want HMRC to consider
- The proposed date of the transaction, if it has not yet happened
- The monetary value of the transaction
- Outline the specific legislation that you think applies
- Explain why you think the application of the legislation is open to different possible interpretations, provide a summary of those interpretations and explain why the tax consequences are uncertain, including reference to HMRC's published guidance and/or to case law
- Provide copies of any legal advice you have already received (if you are content to disclose it)
- Provide details of any other relevant advice you are seeking or have previously sought from HMRC to include related clearances (statutory or otherwise)
- If there is a tax avoidance scheme that covers all or part of the transaction, then you must provide details of any disclosure made to HMRC with the allocated DOTAS scheme reference number, if applicable

Circumstances in which you can rely on a clearance

Where it can be established that HMRC has provided a clearance on the basis of accurate and complete information then you should be able to rely on that advice.

It is possible that HMRC could later determine that the advice it has provided was incorrect.

HMRC is not bound by its advice – except in circumstances where all of the following tests are met:

- The customer made it plain he or she was seeking fully considered advice and indicated what it would be used for
- The customer provided all information relevant to the query
- The advice given by HMRC was clear, unambiguous and without qualification
- The customer acted in reliance on the advice – for example, they did or did not do something as a direct consequence of the advice
- The customer would suffer detriment if the correct statutory position were applied – for example, they would be financially worse off than if the correct advice had been given in the first place
- To apply the correct statutory position would be so unfair as to constitute an abuse of power

In contrast, HMRC will not be bound if the facts were not represented correctly – so it is not sufficient merely to have a piece of paper from HMRC that appears to give a favourable ruling.

CAUTION: It is imperative that you disclose accurate and complete information when applying for a clearance.

Further advice and support

- **DMA VAT helpdesk**
  Together with Zero VAT LLP, the DMA operates a helpdesk for its members who need help on VAT issues. Please contact the DMA's legal and compliance team on 0207 291 3360 or email legaladvice@dma.org.uk.

- **Fair usage policy and extent of advice**
  The DMA and Zero VAT LLP are able to answer queries relating to VAT issues and provide non-binding guidance and support for DMA members.

  This may not include certain VAT or legal advice and/or representation that would constitute professional advice.

  You may enter into a separate commercial arrangement directly with Zero VAT LLP for paid professional advice as appropriate.

- **HMRC notices**
  The following HMRC notices contain information relevant to our industry:

  - Notice 700 – The VAT Guide
  - Notice 701/10 – Zero rating of books etc
  - Notice 701/58 – Charity advertising and goods connected with collecting donations
  - Notice 700/24 – Postage and delivery charges
  - Notice 741A – Place of supply of services
  - Notice 703 – Export of goods from the United Kingdom
  - Notice 725 – The single market

  These notices are updated from time to time – so always check that you are referring to the latest version.

Disclaimer

The information in the VAT sections in this Advertising Mail Guide has been prepared by Zero VAT to assist the user in the VAT assessment of specific goods and services. However, this information must not be treated as a substitute for professional advice, which should be sought in cases of doubt or unusual complexity. Zero VAT cannot be held liable for any errors or omissions in the VAT assessment that may result directly or indirectly from the use of this information and all such liability is hereby expressly denied.

/ Campaign delivery

Fulfilment

When you plan your mailing, consider what action you are asking your customer to take and make sure that you have the resources and processes in place to handle this response. The last thing you want is to generate a huge response from your customers only to upset them all by failing to deliver what they order.

For example, if you are expecting an uplift in sales, then you will need to ensure that you have sufficient stock to meet a surge in orders – and in a timely, efficient, high-quality manner.

- **Prepare throughout your organisation**
  Some of the key things you might need to prepare are:

  - Sufficient stock to meet your anticipated increase in demand
  - Pre-produce follow-up materials
  - Update your website content to be up to date and consistent with the look, feel, messaging and detailed content contained within your mailer
  - Set up and test analytics on your online profiles, site and specific campaign landing pages
  - Ensure that you have a robust payment processing system in place
  - Increase and brief your call centre team (or create one)
  - Increase your after-sales service capability
  - Ensure that your supply chain can continue to support increased demand

- **Provide for data handling**
  Whatever response you are asking your customer to make, whether online or offline, you will certainly have to amend your data records as a result.

  For example, you will need to promptly handle opt-out requests, changes of address and gone-aways – and update your CRM database with new interactions and purchases for each customer.

  Make sure that you have the data processing team, tools and reporting in place to handle this comfortably.

- **Consider third-party services**
  You might have the provision to handle every aspect of your campaign fulfilment in-house – but there are companies to help you handle it, from the smallest of factors through to a complete response handling service.

  For most businesses, fulfilment is a high-volume task, often complicated by a proliferation of different creative options. Unless mailing is central to the activity of your business, you should consider outsourcing this work to a specialist mailing house.

- **Ensure that you have planned complex responses**
  Be careful not to underestimate the complexity of responses you might receive – with different customers ordering different combinations of products, services and information via different channels, payment methods and with different delivery requirements.

  Brief your whole team thoroughly so that everyone knows how to act in any given situation.

Campaign response

/ Campaign response

Campaign measurement

Considerations

- **Fit measurement goals to campaign goals**
  Whilst it is possible (and tempting) to measure many aspects of your campaign, make absolutely sure that the information you gather and report clearly shows you how well your business goals are being met.

  For example, web traffic should be an important measure if you are giving people an online response mechanism – but in-store footfall naturally is much more important if you are mailing people an in-store offer for a particular day.

- **Gain insights to improve future campaigns**
  Plan ahead as much as possible to gain understanding of your advertising mail activity over the long term, not just within a particular mailing.

  Use each campaign to benchmark effectiveness and compare the success of different variables such as format, customer lifecycle and response mechanisms.

- **Direct response rates**
  Advertising mail is increasing in prominence as an important brand-building channel, but it still performs very strongly at driving direct response.

  Make sure that you are correctly set up to measure and handle this response before you send your mailing – do not invest all your efforts into getting your mailer out the door only to find out later that your website analytics were not working correctly or that your supply chain is not ready to meet an increased demand for the product you are promoting.

What you can measure

- **ROI**
  Measure the ROI of your mailing campaign as you would any other, setting campaign cost against revenue generated. Factor in other goals such as brand-building or awareness as required.

  - Cost of campaign – include response handling, supporting website work, and so on
  - Sales revenue – calculate this over a certain period of time after your campaign, or using customer lifetime value

- **Brand perception**
  There are various ways you can gain insight into the brand-building success of your mailing, including:
  - Customer survey
  - Online search terms
  - Search marketing advert performance
  - Social media monitoring
  - • Feedback from inbound calls

- **Quality of data**
  Assess the quality of the mailing list you used through measures including:
  - Royal Mail delivery reports – especially if you use Mailmark™ to track individual items
  - Number of returned mailers
  - Complaints
  - Comparison of response data against file data – where customer provides or corrects their details

- **Quality of different prospects**
  Analyse the ROI of different customer segments using measures including:
  - Response rates from different segments
  - Geographic response rates
  - Types of product sold – for example, if you are sending out a catalogue you can measure sales of men's or women's clothes against other data you hold, such as household income
  - Analysis of response against any other data you hold – for example, income groups or home movers
  - Social media activity
  - Sales records – details gathered from customers at the till
  - Follow-up call success rates
  - Different sales values between segments

- **Creative impact**
  Assess your mailer's creative success using measures including:
  - A/B testing
  - Response rates compared to benchmarks
  - Feedback from follow-up calls and inbound calls
  - Social media monitoring
  - Continued stream of responses over time – suggesting customers liked your mailer enough to keep it

- **Customer behaviour, preferences**
  Customer behaviour can be analysed using measures including:

    - Compare response rates to different calls-to-action
    - Compare different response mechanisms – for example, phone versus email versus PURL responses
    - Spread of responses over time
    - Changes in response from previous campaigns
    - Online behaviour – especially if tracked using PURLs, QR codes or dedicated URLs
    - Tracking customer journeys from response through to purchase

Measurement mechanisms

Measuring delivery

- **Carrier targets eliminate most uncertainty**
  Postal carriers must meet high, independently regulated delivery targets within certain timeframes, according to the delivery speed that you have chosen.

  For example, 94% of First Class mail will be delivered the following day.

  This means that you can be very confident that the vast majority of your customers will have received your mailing – and know to within a day or two when it will have landed.

- **Track mail through sortation using Mailmark™**
  Mailmark™ allows you to track your mailing batches through Royal Mail's sortation process, up to the point at which it is last put through a machine – although Royal Mail will not report back to you until the fourth day.

- **Returns**
  A high level of returns will suggest that either your data was not good enough or that your message was not relevant to your targeted customers.

Measuring response

There are many mechanisms you can build into your mailing campaign to give you a clear measure of response, including:

- **Include promotional code that you can track**
- **Dedicated URL**
- **Dedicated phone number**
- **Dedicated email address**
- **Web traffic spikes**
- **Sales spikes compared with your expected base rate**
- **Calculate extra sales over full campaign cycle**
- **Increased inbound calls**
- **Results from integrated digital channels – such as PURLs, dedicated URLs, QR codes, online discount codes**

Measuring brand awareness

There are many ways you can assess brand awareness generated by your mailing campaign, including:

- **Social media activity**
- **Changes in online or search marketing performance**
- **Softer measures, such as brand perception**
- **Differences in results from different geographic areas, demographic groups, customer types...**
- **Before and after research**
- **Compare advertising mail customers with a control group that didn't receive it**
- **Calculate customer value – and compare to average/base rate**

Other factors

- **Other factors to take into account**
  Whenever you report on your advertising mail performance, ensure that you take into account other factors that might have affected your results and make allowances for these.

  For example:

- Measure response over certain period of time
- How might external factors, such as the weather or major sporting events, have affected response?
- Delivery timing during the week? Month? Year?
- Timing against your customer journey
- Creative investment made
- Quality of data
- Keep in mind that response can be stretched over a long period of time

/ Glossary

/ Glossary

Batch control
Control data that describes the groups of data for the purpose of summation.

Bleed
Printing carried off the edge of the page.

Body copy
Text filling the areas below the headline.

Böwe(ing)
Finishing of continuous computer stationery by use of Böwe machinery. Böwe is a proprietary name.

BPI
Bytes per inch. A measurement of the density with which data is recorded on a computer tape.

BRC
Business reply card.

BRE
Business reply envelope.

Bursting
Act of separating continuous stationery.

Business reply licence
Licence issued by the Post Office to use business reply facilities (also see BRE + BRC).

CBC
Customer barcode that comprises elements of the recipients address. Required for certain mailsort contracts, to be printed in proximity to the address.

Cheshire label/Cheshire machine
A variety of address label that is computer impact printed on plain paper, cut and glued by a Cheshire machine onto an envelope.

Chromalin
A photographically produced colour proof.

Concertina fold
Folding that resembles a concertina.

Continuous stationery
Paper produced in a roll or fanfold presentation with sprocket guide holes for use on a computer printer.

Copy
The generic term used to describe the text contained in marketing materials.

Cross
Folds that are at right angles to the direction of the feed.

CTP
Computer to plate, digital artwork transferred straight to the printing plate.

Data processing
The execution of a series of systematic operations performed on data by a computer.

Demand feed
Variable multiple sheets enclosed as required per record.

De-duplication/de-dupe
The matching and elimination of identified or near identical names and addresses from a single computer file.

Digital proofs
A proof produced by a digital printer representing the image to be produced.

Dummy
A preliminary stage in print design to show in advance the size, shape, form and general style of a piece of printing.

Duplex enclosure
Laser printing both sides of the sheet item in a advertising mail package.

End fold
A folded or saddle stitched booklet that has an additional folded edge on the short side.

Fan fold
A fold that gives the same effect as a fan.

Folding guide
Printed marks on stationery indicating the fold lines to the clerical staff or folding machine operator.

Gatefold
A fold that turns in on itself from both edges towards the centre.

GSM
Grammes per square metre. The metric term to evaluate paper weights.

Gutter
A gap between two printed sections on the same sheet.

Homeworker
Production employee who undertakes work at home. Often used for work that is non-machinable.

Household distribution
A type of service, where literature is delivered to the target recipients by hand rather than being stamped or franked and sent through the post. Also known as door-to-door or house-to-house.

Impact printing
Printing characters in the manner of a typewriter using a hammer system.

Inkjet
A type of printing process using a jet stream of ink droplets. Commonly used for addressing plain (as opposed to window) envelopes.

Inner/inner envelope
An envelope included in a mailing for use by the recipient.

Insert
A promotional piece that is placed loose or bound-in to each edition of a magazine issue, or other publication.

Key coding
Where a reference code of either numbers, letters, colours or other markings are printed onto a response device in order to identify the source of enquiry.

Kurt Rudy
A type of automatic labelling machine similar to a Cheshire.

Laser (printing)
The main technique used for the production of personalised letters. It relies on a laser beam ionising the paper to attract carbon molecules.

Leading edge/lay edge
The edge of a sheet or folded sheet or booklet that goes first into the processing machine.

Litho (lithographic printing)
A printing process during which an image is transferred from plate to paper via an intermediate cylinder.

Machinable envelopes
Envelopes with suitable specification and design to be able to run on an automatic enclosing machine.

Mailsort (1,2,3)
Generic name for pre-sorted mailings for which Royal Mail offers discounts to wholesale customers.

Make ready
The preparation time in setting up a machine before actual production can commence.

Merge-purge
The de-duplication process, often undertaken by a data processor, that is aimed at matching name and address records in order to find and remove duplicates.

Merger
Attachment to a finishing machine, such as a continuous stationery burster or guillotine, that merges two separate forms (sheets) together to make one entity.

Multi-mailer/mini-mailer
A mailing that contains a number of loose single-page promotional sheets.

OCR
Optical character reading recognition. The interpretation of characters by a computer, which scans the text and translates this into electronic data.

OCR fonts are needed for addresses for some Mailsort contracts.

Offset (offset litho)
A method of printing from etched plates using ink and water in which the image is transferred from plate to blanket to paper.

OMR
Optical mark reading. Use of marks such as dots or bars that, when positioned on a sheet of paper, break a light contact and indicate a certain function to the machine.

Outer
The container for a mailing piece – for example, an outer envelope, polybag or wrapper.

Outworker
See *Homeworker.*

Overs
The material that is left over unused once a production job is completed.

PAF®
Postcode Address File. A Royal Mail product that lists all domestic and business addresses known to the Post Office.

Pantone
International colour matching system embracing a range of printing and Graphic art products.

Peel-offs
Self adhesive address labels of various sizes.

Perforation
The punctuation of paper by dots or strip holes arranged in continuous lines at close intervals to facilitate the tearing-off of a part of the sheet – for example, for a voucher or response slip.

Picking line
An arrangement of picking bins/shelves into a continuous line, either straight or curved, in code or product reference sequence.

Plate in
Lithographic printing an image is etched onto metal (or sometimes plastic) 'plates'.

PPI
Printed postage impression. An indicia printed in the top right hand corner of mailing envelopes, to indicate who the postage carrier is, and the type of service used. Only for use by mailers who have credit contracts with carriers. Obviates the need to frank or apply postage stamps.

Pocket
Normally applied to envelopes and indicates that the flap is on the short edge.

Polylope
A polythene mailing bag sealed by a gummed flap.

Polywrap
Items enclosed and wrapped in polythene on a machine.

Postcode
The code provided by the Post Office to describe a small group of addresses (typically 12) that are usually in the same street.

The first part is called the outward code, describing the broader location, and the second the inward code.

Postcode sort
The mailing and bagging in post code sequence.

Premise code
The last two digits of the Royal Mail barcode indication house number or name.

Pressteam
A Royal Mail product offering a range of services for large volume periodical posting contracts by wholesale customers.

Proof
A printed sample of work, to be checked for errors in reproduction that need to be corrected prior to printing.

Reel
Fed machines that accept reels of paper or polythene, rather than flat sheet or fan fold.

ROI
Return on investment – the amount of money you get back from your campaign minus the amount you spent on it.

RPE
Reply-paid envelope.

Scamp
An idea that had been drawn up roughly. Also known as a ‘rough’ or ‘scats’.

Selectivity
The selection of variable inserts on an enclosing machine to match the appropriate record.

SEP
Sample envelope pack provided for approval prior to enclosing job.

Sheet fed
If paper or other material is cut into flat sheets, the subsequent processing is carried out by feeding these sheets individually.

Spot gumming
The application of a spot of glue/gum that only lightly attaches one piece of material to another, often to facilitate removal.

Station
Points on an enclosing or filling machine that can accept material.

Stuffer
A promotional piece of literature normally supplementary to the bulk of the promotional package.

Visual
As layout, indicating the position of illustrations, headlines and so on, only usually in colour.

Wallet/wallet envelope
A type of envelope whose flap lies on the long edge.

Window envelope
Envelope that has a portion cut-out to reveal the name and address (or other information) printed on the enclosed material.

Z-fold
A two-way fold that looks like the letter ‘Z’. Also known as a zig-zag fold.

Zip envelopes
Envelopes opened by perforated flap mechanism.