

Case Study

Using Logistics to Drive Postage Rates Down.

Background:

A credit card company who markets cards to the subprime credit market was scaling back on mail volume because of the rise in postage costs. The company was mailing approximately 5,000,000 Standard A direct mail solicitations per month and used the mail as the backbone of its marketing efforts.

Challenge:

With competitive offers from other banks constantly reaching their ideal customers, staying in the mail at consistent volumes was critical to the success of the card company. Scaling back mail efforts would hurt the banks cost per account and could diminish overall profitability.

Having the mail produced by a lettershop and picked up by a freight consolidator the customer had little say in how low the minimums were being driven to the postal facilities (BMC/SCF).

Solution:

Providing both production and logistics services ICS was able to analyze the mail file each month and drive smaller quantities to the SCF level at no additional charge. Because ICS could oversee the entire process (from production to delivery) we were able to customize a solution that allowed for maximum sectional facility penetration.

Results:

By taking smaller quantities of mail across the country ICS was able to save the client .05 cents per mail package in postage. This allowed the client to maintain mail volumes and effectively negate the postal rate increases.

As an added bonus the client was able to track their mail from the production floor to the delivery to the sectional facility. This helped them better predict and prepare for responses.