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Deluxe Postal Select

Find your best customers

Combine the economics of carrier route campaigns with the targeted intelligence of household mailings to dramatically improve your B2C targeting.



Overview

- 01 Understanding Carrier Route vs Household Targeting
- 02 The Benefits of a Hybrid Approach
- 03 The Deluxe Difference

Carrier route and household based targeting are two powerful strategies in any marketer's toolkit.

However, it's important to truly understand the nuances of each strategy to fully appreciate why the hybrid approach can be such a compelling tool for marketers to use.

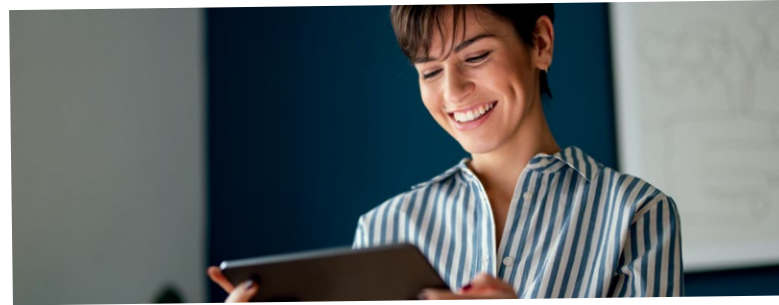
Carrier route-based targeting

Used for decades, carrier route has been primarily selected for the postal efficiencies it offers. Since it follows the postal carrier's delivery route, it allows marketers to send mailers to a wide swath of households at a lower postage cost.



Marketing considerations:

Since everyone in a carrier route must be targeted, minus some limited suppressions, marketers are inevitably wasting marketing spend on many households that are very unlikely to respond or aren't even viable customers. Also, most marketers address their mailers to "dear neighbor" to save on data costs, losing out on the personalization aspect that household marketing offers.



Household-based targeting

Vastly improved in the last two decades due to increased data collection and improved modeling techniques, household targeting is used to find households with a higher propensity to respond than their neighbors.



Marketing considerations:

In terms of outward per piece spend, household marketing can look more expensive due to higher postal and data costs. However, with smart targeting and the use of AI/ML modeling techniques, the return on investment can exceed that of carrier route targeting to such an extent that the price differentials become irrelevant.



Carrier route + household targeting: Better together

Until now, marketers have always viewed these two strategies as separate. But, Deluxe realized there was no reason these two strategies had to remain independent.

Our Postal Select product blends the best of both products to yield the lowest possible acquisition costs for our clients.

How Postal Select works:

- 1** Deluxe strategists use previous campaign insights and customer profiles to understand geographical and regional response patterns and purchase behaviors.
- 2** AI/ML models are built, using both customer data and Deluxe proprietary response models, to predict BOTH carrier route response and household level response.
- 3** Campaign volumes are right-sized (between carrier route and household level) to obtain the greatest postal efficiencies.
- 4** The top carrier routes are selected first from the best performing model deciles taking into consideration BOTH carrier route and household level response.
- 5** After removing the selected carrier routes from the eligible population, Deluxe backfills the remaining mail volume with household leads based on the household level response model.

With this hybrid approach, Deluxe is able to select the best leads from both strategies, allowing our customers to achieve exceptionable results at lower acquisition costs.

The Deluxe difference

Our consumer data lakes contain over 1,000 attributes that we can use for modeling on both our household level data and on our carrier route level data. This immense breadth and data provides us with tremendous insights to build custom response models, make informed business decisions and tailor product recommendations.

We also are never satisfied that we have the best data, so our data lakes are never static. Our in-house team of data scientists, product managers and client strategists are constantly seeking out new data partners to ensure we haven't missed any unique attributes or better, more accurate data types.

This continues to ensure that Deluxe has the most up-to-date and relevant data in the marketplace.

Our Deluxe Postal Select solution also takes advantage of our industry leading, proprietary postage optimization tool that allows our strategists to gain additional postage efficiencies. This unique tool helps us identify and leverage potentially overly saturated postal areas within our marketing campaigns to find additional postage savings for our clients.

Data types used:



Wealth & spending habits



Behavioral analytics



Life event monitoring



Property data



Next best product propensities

We don't promise results, we deliver them.

Postal Select works regardless of your current strategy

1 Household Targeting to Postal Select

A large regional bank went from using just household targeting to using Deluxe's Postal Select solution and started incorporating carrier route data in their targeting. In the year since switching to this solution, they saw their campaign response rates increase 38% and their net of control cost per checking account decrease by 39%.

2 Carrier Route Targeting to Postal Select

A midsize regional bank went from using just carrier route targeting to using Deluxe's Postal Select solution and started incorporating household level targeting. In the year since switching, they saw their cost per checking account decrease 14%.



Records that were found in both the carrier route and household models generated 36% higher response than carrier route only records.

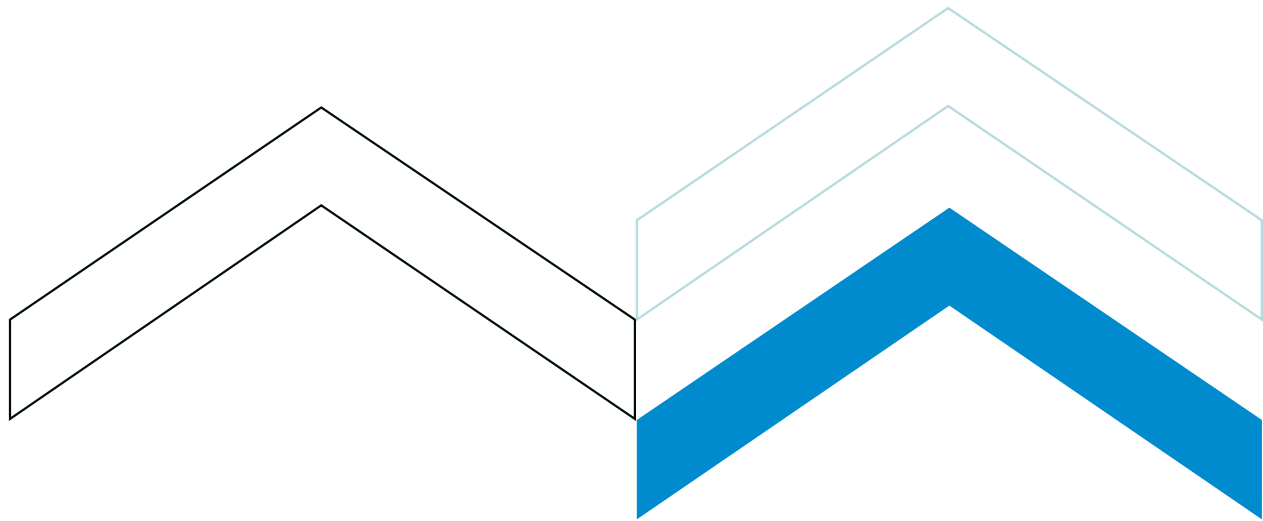


Carrier routes that had at least 1 household model selection generated 81% higher response than the remaining carrier route population.

Create stronger segments to drive campaign performance.

Deluxe's solutions are customizable to meet your business needs. We offer an array of delivery models, from data-only solutions to bespoke, full-service solutions with best-in-class campaign strategy, creative development, multi-channel deployment and performance tracking.

The future is smarter and more innovative marketing designed for your brand. To learn more, contact a Deluxe strategist today or visit deluxe.com/ddm.



About Deluxe

Deluxe, a Trusted Payments and Data Company, champions business so communities thrive. Our solutions help businesses pay, get paid, and grow. For more than 100 years, Deluxe customers have relied on our solutions and platforms at all stages of their lifecycle, from start-up to maturity. Our powerful scale supports millions of small businesses, thousands of vital financial institutions and hundreds of the world's largest consumer brands, while processing approximately \$3 trillion in annual payment volume. Our reach, scale and distribution channels position Deluxe to be our customers' most trusted business partner.

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