

LMS Best Practices

LMS Helps Entertainment Resort Win BIG!

Address Correction with Business Rules Case Study

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Address Correction with Business Rules Saves Over a Quarter Million Dollars in Annual Mailing Costs

Company profile

One of LMS' clients is a hospitality corporation with multiple entertainment and resort complexes located throughout the U.S. With a roster of approximately 6.8 million registered members in their customer-loyalty program, this company uses various marketing methods to keep their clients informed of future promotions and coming back to their resorts.

Business situation

In the highly competitive tourism industry, a reduction in discretionary spending dollars has a direct negative impact on the client's operating revenue and profitability. To minimize drops in resort attendance, the client still must strategically expend marketing funds to promote their properties and time-sensitive entertainment offerings. Given the large number of customers in their database (DB) and an initiative to contain advertising costs, it was imperative to ensure that all direct mail campaigns consistently reach their targeted audiences.

Technical situation

Additional challenges were:

1. The customer loyalty database utilized older technology and data formats/fields that could not be modified to meet present-day Change-of-Address (COA) nomenclature.
2. The database input and required output formats were different.
3. The transfer of customer data had to be secure while in transit across the public Internet.

Solution

Because of the demographic profile of the client's customers, LMS recommended running COA processes on the database on a quarterly basis. This would ensure that the most recent address information was available and eliminate wasteful costs associated with misdirected or undeliverable mail pieces.

To solve database format and integrity challenges, LMS' expert data processing (DP) staff intricately examined the different DB structures, translating and mapping older COA standards to meet present USPS regulations. LMS' DP team then wrote customized software that sped up process and delivery of final data in correct DB format along with relevant reports.

LMS' network engineers guarantee data security by employing Secure FTP (SFTP) as an information transit standard. LMS tech support assisted the client in setting up encrypted FTP sessions to ensure that data would never be compromised.

Benefits

Checking for COA on a quarterly basis resulted in finding over three quarter of a million records as New Moves or Undeliverable As Addressed (UAA). Since the goal of the company was to get product announcements into the mailboxes of their loyal customers, keep marketing costs down and generate a favorable ROI, consistent attention to the accuracy and recency of the data was essential.

The probable economic benefits included:

- Saving almost \$450,000 in potentially misdirected or undeliverable mailing costs
- Reaching 425,000+ loyalty members who moved in one year. With a 1%- 3% typical response rate to a direct mail piece, this translates to a potential 13,000 customers ready to buy the clients' product offerings
- Average profit margin for each customer mentioned above is \$100. That translated into \$1,300,000 in additional profit to the client

Additionally, since LMS' automated data processes provided quick turnaround; the client's time-sensitive promotions and campaigns were easily accommodated.

Products and services used

- USPS NCOA^{Link®} (National Change of Address)
- USPS DSF^{2®} (Delivery Sequence File - Identifies Deliverable Addresses and Specific Address Attributes).
- LMS' Data GinzuTM software application

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