

Intelligent Mail, 4-State Barcodes, One Code Vision, and Confirm

How these new technologies impact your business.

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How these new technologies can impact your business.

If you're in the mailing business you've probably heard at least one of these terms thrown about – Intelligent Mail, One Code Vision, 4-State Barcode, Confirm, and if you are really hip, 4-CB. You probably have a sense that these are important to your business. Well they certainly could be, and you would be wise to understand what they are about and how they might make your mail more effective.

Who doesn't want their mail to be intelligent?

Intelligent Mail is probably the broadest umbrella that encompasses all of these terms. Intelligent Mail is mail that can be followed as it nears delivery and can take different actions based on how it's coded.

The key to making mail intelligent is in giving it an identity. This is accomplished with a barcode. Barcodes are nothing new in mailing – we all know and love the postnet code that carries our ZIP+4 and delivery point information, and the PLANET code used for tracking. The secret to the intelligent mail barcode is that it has a lot more digits. That's it – not very sexy but true. Intelligent mail just has a few more digits to identify it. But it's also what it does with those digits that matters.

In order to get additional digits in a comparable space, the Postal Service has developed a new barcode symbology – the **4-state barcode**. The existing postnet and PLANET barcodes are considered 2-state barcodes – they have tall bars and short bars, the two “states.” 4-state codes have tall bars and three different short bars differentiated by their relative vertical position – top justified, bottom justified, and floating in the middle. By having 4 different states, they are able to fit 31 digits in the same number of bars used for 12 digits in 2-state symbology. Unlike PLANET and postnet codes there is more to the code than a font. The naked eye cannot look at a 4-state and decipher it. The barcode is created by encoder, a small program available from the Postal Service. Also different from the 2-state codes, no check digit is required for 4-state codes. The error correction is built into the barcode by the encoder. The important thing is the number of digits available.

The Postal Service plans on using the 4-state barcode symbology for more things than mail tracking. The 4-state code used for routing and tracking mail is called the **4-CB** code. CB stands for “Customer Barcode.”

What does one do with so many digits?

How all of those digits get used is the key to intelligent mail. Currently there are two barcodes that may be used on a single piece of mail. The **postnet** code is a barcode version of the ZIP+4, delivery point (typically the last two digits of a street address number) and a check digit. The barcode is unique to the address and is used by barcode sorters at the post office to sort and route mail. The **PLANET** code is an optional barcode that identifies the mailer and mailing that allows the Postal Service to notify the subscriber when the mail piece is traveling through sorting machines. The PLANET code contains a service ID that identifies the type of mail and tracking service, a subscriber ID that tells them where to send the data, and four digits that the subscriber can use to identify a particular mailing (mailers can optionally use six digits, but this makes for a very long barcode), and a check digit. When a barcode sorter sees a PLANET code it sends the PLANET code number and postnet number of the mail piece to the subscriber. The subscriber uses this information to identify where the mail is and when to anticipate delivery. This tracking service goes under the name of **Confirm** service at USPS.

That is the current service available from the two existing barcodes – routing and tracking, with a somewhat limited tracking service due to the small number of available digits.

Intelligent mail, using the 4-CB barcode, offers a number of added services that may have great value to some mailers. It may also add some complexity, so it is important to understand the differences and decide how they meet your business requirements.

The new symbology of the 4-CB allows for 31 digits in roughly the same space as the postnet code:

- The first two digits are the application ID. This tells the reader the function of the barcode.
- The next three digits are the service ID. These tell the system what services are being requested, and the type of mail. In addition to tracking, there may be other services requested here, such as address change service.
- The next six digits are the Subscriber ID. This identifies where to send the tracking or other data, if applicable.
- The next nine digits are the unique ID digits. These are used to identify a piece of mail, or a group of mail pieces. Nine digits allow for up to one billion unique IDs.
- The last eleven digits are the Routing ZIP – generally the ZIP+4 and the delivery point.

Intelligent Mail Advantages.

There are a number of possible advantages that can be derived from all of those digits:

- One barcode can serve for both mail routing and tracking. Mailers do not need to print a separate PLANET code to track a mailing. This is the Postal Service's **One Code Vision**. Some marketers feel a single barcode provides a better response rate than using two barcodes on a mail piece.
- The additional digits will allow mailers to uniquely number each mail piece for enhanced tracking. Even when mail is forwarded, its unique identify will remain.
- Additional services will be available to subscribers through the information in the barcode. Initially, Address Correction Service subscribers, in some cases, will be able to request address corrections by using the appropriate service ID in the 4-CB code rather than the unwieldy ACS code currently used by subscriber to the service. Other services may be offered in the future, keyed by the 4-CB.

If you track your mail, and would prefer not to have a second barcode, 4-CB can meet that need. If you need to uniquely track every piece in a mailing, 4-CB can meet that need. If you are maintaining a mailing list and need to get corrections to that list, 4-CB may be able to meet that need. However, if you don't have those needs, existing barcode technologies may better meet your needs for now.

Intelligent Mail does present some challenges.

As you consider your own Intelligent Mail strategies, there are some challenges you should take into consideration.

- **The 4-CB is a new barcode – does your mailing software support it?** It is more than a font – a special encoder is required to create the code, so make sure your software vendor can support it.
- **Do you really need to uniquely track each piece?** How will you handle the data? Many marketing mailings just need a sampling tracked to get good delivery information. Are you willing to accept the cost and data management requirements of unique piece tracking? Will it enhance your business?
- **Do you want to use the 4-CB to get address corrections?** Are there better means? ACS service through the 4-CB does offer a simplified way of getting address changes, but there are potential risks, as well as other methods that may be more cost effective, such as NCOA Link® or Fast Forward®. There is a fee associated with every

“hit” on an ACS mailing. Accidentally requesting ACS service on a rented list, for example, could be a very expensive mistake.

Intelligent Mail can be a powerful tool, but make sure you have the resources and the need to use it.

You don't need to change yet...or even soon.

If the current PLANET code/postnet code arrangement is working for you, you do not need to change. There are no current plans to do away with either of these barcodes in the foreseeable future. Adapt to 4-CB as your software and needs allow it. In the meantime you are fine using the existing technologies.

Postal Service Timetable for Intelligent Mail

The Postal Service is currently planning to release 4-CB as a product in September, 2006. At this time mailers will be able to use the service for letter size mail only. Flats are not expected to be part of the initial deployment.

ACS service through the 4-CB is also scheduled for September, but only for First-Class Mail. Other classes are projected to be served approximately a year after that.

Trackmymail.com is getting ready for Intelligent Mail and the 4-CB!

As the leader in mail tracking services, trackmymail.com has been planning for Intelligent Mail services for months. We will be ready to support our users in making the most of this new technology, and to help them decide which method works best. Among the trackmymail.com products planned:

Precision Track™

Use the power of 4-CB to track every piece of mail to its unique destination, even when there are multiple recipients at a single address. This is a wonderful tool for tracking higher security items such as replacement credit cards and loyalty mailings with multiple family members, as well as business to business mailings where there are multiple recipients at a firm.

How it works: Each piece in the mailing will need its own unique ID assigned to it. You will upload a file to us that contains, at a minimum, a unique identifier for each record (this could be an account number) and the postnet code. We will

return the file with the 4-CB code attached to each record and the font tools required to print the barcode. You will print each address with the 4-CB barcode and mail it as usual.

Reports Provided: Precision Track will provide all of the reports you are accustomed to viewing with our current TrackMyMail service. The reports will provide greater detail, as each piece has a unique ID. Additionally, you will be able to generate more detailed single piece reports that will account for every piece of mail tracked individually, even where the recipients share addresses, or the postnet has been updated because the addressee has moved. You will also have additional lookup capabilities with the unique identifier. You will be able to look up a single piece by any variable in the uploaded data file.

Who It Benefits: Precision Track will benefit anyone interested in tracking individual pieces of mail for customer service or security reasons. Among those who may benefit:

- Insurance companies mailing cancellation notices
- Credit card companies mailing out new or replacement credit cards
- Loyalty mailers mailing out coupons or offers with special value
- Anyone mailing checks or other financial instruments
- Collection companies or departments

Expected Launch Date: September, 2006

Update Pro™

Update Pro uses the advanced abilities of the 4-CB barcode to manage Address Corrections electronically. The Postal Service expects to make this service available for First-Class Mail in September, 2006. This is ultimately an extension of the current ACS (Address Correction Service) Update Pro from trackmymail.com will allow users to participate through trackmymail.com's program without having to print or track special ACS codes on their mail pieces. The required information will be in the 4-CB.

How it works: Update Pro works with unique 4-CB IDs generated in Precision Track. The same upload will be required providing a unique ID that the mailer can link back to the address. Trackmymail.com will provide the 4-CB code to be printed on each mail piece. As mail with forwarding orders moves through sorting equipment, the Postal Service will send the forwarding information to trackmymail.com. Trackmymail.com will forward the new address information to the mailer with the unique ID to match it back to appropriate record.

Reports Provided: Update Pro users will have access to the full range of reports provided to TrackMyMail Unique users, with additional lookup capabilities to find and report new addresses and undeliverable addresses.

Who It Benefits: Update Pro is designed for any mailer that maintains a house file and needs to meet USPS Move Update requirements, particularly those who cannot use NCOA® link services, such as many utilities. Among those who may benefit:

- Publishers
- Utilities
- Mutual fund companies
- Membership organizations

Expected Launch Date: July/August, 2006

1Code™

1Code is simply utilizing the 4-CB barcode with a single identifier for each job, instead of providing a unique ID for each mail piece as described in Precision Track. This makes it a much simpler service to use, but with the advantage of a single barcode. The program is simple to administer – one ID code number is used for an entire mailing, just like current TrackMyMail services, but there is no need for separate postnet and PLANET bar codes – they're all in the 1Code 4-CB barcode. This is the ideal service for the mailer that wants to track a sampling of their mail without having to use a second barcode.

How it works: Mailers upload their mailing file to trackmymail.com. Trackmymail.com assigns the correct 4-CB to those pieces requiring tracking, as well as those that do not, based on rules the mailer provides – either an Nth select, a specified number of pieces per tray, or all of the pieces. We will return the file with the 4-CB code attached to each record and the font tools required to print the barcode. You will print each address with the 4-CB barcode and mail it as usual.

Reports Provided: 1Code users will have access to all of the reports available to current TrackMyMail users.

Who It Benefits: 1Code is the perfect application for marketers who want to limit the number of barcodes on the mail piece and need to know when their mail is being delivered, rather than tracking individual pieces of mail. Suggested users include:

- Retailers
- Auto retailers
- Direct marketers

- Nonprofits and fundraisers

Expected Launch Date: September, 2006

Stay Tuned as the Release Date for 4-CB Approaches

We are currently collaborating with our clients to develop these products and services to best meet their needs. In addition, we are working with leading mailing software vendors to make sure that our services integrate well with their products. Stay tuned for updates on these products and more from the leader in mail tracking.

Precision Track™- Every piece in your mailing uniquely identified and tracked.

Update Pro™ - ACS made easy through TrackMyMail and the 4-CB

1Code™ - The benefits and power of mail tracking with one simple barcode

4-CB Record Layout

Field	Digits	Position
Application ID	2	1-2
Service ID	3	3-5
Subscriber ID	6	6-11
Unique ID	9	12-20
Routing ZIP	11	21-31

Typical 4-CB code:

