

the Envelope & Label



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Winter 2013-2014

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Postal Update for Early 2014

By Steve Brocker

As I write this update in mid-December, we are seeing a few monkey wrenches thrown into the Postal Reform engine. We know this “engine” has been sputtering along for about 3 years with little or no movement.

Senate Committee Wants to Raise Rates Higher Than CPI

The Senate Committee on Homeland Security and Governmental Affairs is poised for a mark-up of the Postal Reform Bill (S.1486) this month. The printing and mailing community strongly supports an amendment to the Bill stripping out section 301 that would eliminate the CPI-based price cap on postage rates. The amendment is sponsored by Senator Tammy Baldwin of Wisconsin.

The co-sponsors of the Senate Bill, Sen. Tom Carper (DE) and Sen. Tom Coburn (OK), have drafted their price cap modification formulas: CPI+2% followed by CPI+1%. They also want to diminish or eliminate Postal Regulatory Commission (PRC) oversight of USPS pricing. This is not a good Bill for the mailing community as it stands right now in draft form. Stakeholders from the mailing industry are now actively pushing for the Baldwin amendment and a strong PRC to maintain CPI price-cap rate increases.

Full-Service Intelligent Mail Implementation Delayed—Seen as Price-Cap Violation

Speaking of the PRC, they recently ruled the January 26, 2014 implementation of Full-Service would be an effective price increase of 4.1% to mailers. This came as quite a surprise to both mailers and the USPS. Shortly after the ruling, the USPS announced the delay for Full-Service and called the PRC ruling an “ill-

conceived decision.” In the same ruling, the PRC okayed a 1.6% CPI rate increase which will be implemented on January 26.

In the meantime, USPS has not stated its new implementation date for Full-Service, but assume they intend to get this done as soon as possible. I encourage everyone to continue the ramp up of Full-Service as if there was a deadline. This is not the time to relax on that point.

The PRC has yet to rule on the Exigent Price increase USPS asked for in September. The printing and mailing industry has strongly weighed in against its validity and necessity. Adding another 4.3% to postage rates will certainly hurt mail volume. We would all like to see the PRC stand fast on the CPI. Exigency price increase authority was never meant to be used, except in extraordinary circumstances. Sen. Susan Collins (ME) co-sponsored the Postal Accountability and Enhancement Act of 2006. She has stated publicly in a press release that USPS has not met the threshold for exigency as originally intended.

2014 USPS Promotions Approved

Our Fall newsletter summarized the promotions now approved by the PRC for 2014. Registration for the Earned Value Promotion starts on February 15, 2014. Mailers can save up to \$.03 per piece on returned BRM and CRM, if they exceed last year's reply mail total. That's a \$30.00M savings. That should more than pay for your reply envelopes! To view summaries for all 2014 USPS promotions shown in our last newsletter, go to www.wsel.com/2014-postal-promotions.

President's Perspective

Are you ready for the new year? What plans have you made toward helping your customers grow their business (as well as your own)? What kind of strategy have you put in place? Which tactics will you employ? Too many questions? Sorry, but 2014 is upon us, ready or not, and it's best not to leave things up to chance.



If you're still formulating your 2014 plan, please remember to include us as one of your trusted resources. We know we have the products and ideas that can drive your growth this year. One of the greatest tools for customer acquisition and retention is still direct mail. Promote the use of direct mail with your customers. Use it yourself. Direct mail provides a tactile “touch” that connects with recipients like no other medium.

The Target Marketing 6th Annual Media Usage Forecast indicated that direct mail clearly delivered the strongest return on investment for business-to-consumer customer acquisition (34% for direct mail vs 25% for e-mail). Customer retention R.O.I. was also stronger (37% for direct mail vs 31% for e-mail). In terms of absolute response rates, direct mail outperforms e-mail by a 34 to 1 margin. Consider combining the natural power of direct mail with one of our exciting and unique new products like the Peel 'n View® envelope and watch things start to happen.

Get going and get growing in 2014 with Western States Envelope & Label as your partner. Call your Western States representative and put us to work for you today!

Thankfully Yours,
Mark
Mark Lemberger
President/CEO



At the recent Envelope Manufacturers Association Fall meeting held in Minneapolis, MN, our own Sr. V.P. of Sales and Marketing, Steve Brocker was

presented with the John Heinrich Nelson Award for Excellence in Postal Affairs.

This prestigious award is presented once a year by the EMA to a person who has distinguished themselves in service in postal affairs. Steve is the current chairman of the EMA Postal and Government Affairs Committee and he also serves as the envelope industry's representative on MTAC, (Mailable Technical Advisory Committee). MTAC is an important

committee which represents and protects the interests of the printing and mailing community to the United States Postal Service.

Throughout Steve's nearly 40-year career with Western States, he has been our very own valuable treasure. It is wonderful to see members of our entire industry recognize Steve for his awesome talent and contributions.

Congratulations Steve—well done!

To Test is Best

Do an Internet search and you'll discover that envelope and label providers are a dime a dozen. So why choose Western States Envelope & Label? Test. This simple, four-letter word sets us apart.

It's why we create award-winning labels that withstand unique applications like we did for Van Holten's pickles. Or why we manufacture ecoEnvelopes™ that reduce mailing materials inventory by 50% and save up to \$3.00 per 1,000 on inserting costs by eliminating a reply envelope.

How do we create envelopes and labels that truly help your customers do more with less?

We start by asking lots of questions to help determine the right materials for your needs. For example, we offer envelope ideas that yield better response rates and save on inserting and postage costs.

With materials selected, we test various combinations of envelope styles and sizes, or label adhesives and substrates until we find the one that works. Testing delivers performance. It guarantees you'll get the right envelope and label every time.

Let us test to find your best envelope and label—"Contact Us" at www.wsel.com for more information.



OPEN NOW: How to Use Direct Mail Envelopes Effectively

When it comes to marketing, go ahead and use all those digital tricks up your sleeve. But traditional direct mail is still a reigning heavy-hitter for generating leads and sales.

In fact, companies still spend big money on amazingly designed direct mail packages. Big money that goes unopened and into the recycling bin because one crucial element was overlooked—the envelope.

The average person would say an envelope's job is to hold a mailing's contents together. Correct, but to a savvy marketer an envelope's job is to be noticed and opened immediately by the recipient.

Western States wants to help you give customers more than envelopes; we want to help you craft marketing solutions. Think of envelopes as the medium that delivers a powerful first impression. An impression that attracts and motivates recipients. An impression that gets results.

There are many ways you can boost an envelope's baiting power, like using unique ink colors, copy messages, designs, images, stocks

or even adding special-edition stamps. You can also explore some of the unique envelope products we offer:



- **Tear-ific® Envelopes** have a unique perforated design that increases response rates and eliminates the need for a letter opener.
- **Peel 'n View® Envelopes** deliver a removable, self-stick note and hidden surprise window without requiring additional postage costs.
- **ecoEnvelopes™** combine an outer envelope with a return envelope that reduces mailing material inventories by 50%.
- **Augmented Reality:** See our latest development that brings printed envelopes and other collateral to life! This technology not only bridges print with digital mediums; it's thoroughly trackable using Google analytics. To learn more, watch our video at www.wsel.com/augmented-reality-envelope.

- **The Convertible Mailer™** is an envelope, postcard and business card all in one that uses up to 35% less paper than a traditional mailing.

For more about effective envelopes for your customers, call us at 800-558-0514 or "Contact Us" at www.wsel.com.

The Benefits of Blogging

There are plenty of blogs out there, so why should you or your customers create one? A blog with a purpose can add many benefits to businesses, such as:

- **Connect with customers.** Blogs are simple, powerful ways to reach and communicate with your customers and get in touch with their needs.
- **Establish authority.** A blog is the place where you offer insights and share your expertise.
- **Build traffic.** A well-planned and consistent blog with the right keywords will show up in more search engines and drive traffic to your landing page.
- **Give your business a voice.** Think of a blog as your podium and microphone—that online space where you speak for your business. It's where you set the tone for how you want to communicate and position yourself in the marketplace.
- **Inspire and exchange ideas.** Blogs should create conversations between you and your online followers. Don't be afraid to be bold yet professional; honesty and integrity will do wonders for building your online community.

- **Grow your database.** While your blog gets professionals interested in your business, you'll build your email list and can reach them with other mediums like an online newsletter or email promotions and updates.

Now that you know why blogging is good for business, the next step is to make your blog effective. Think of a blog as a publication with its own strategy, format and elements that should be consistent in every post. A blog is a more informal communication medium than a newsletter, but it still has its own set of attributes that make it successful. Here are a few tips to consider to maximize your posting potential:

1. Plan ahead and post like you mean it.

As mentioned earlier, a blog is a publication that should have its own strategy, editorial calendar and topic list. Determine how often you want to post and stay on schedule. Remember, some posts can be as short as a few sentences; just be sure to deliver substance rather than smoke and mirrors.

- ### 2. Think *learn* instead of *lecture*.
- Though you may be an expert, remember to teach and not preach to your audience. You want to create an environment where no one is intimidated, but rather enlightened by what you have to offer.

- ### 3. Add attractive features.
- In addition to text, add other eye-catching and interactive elements to your posts such as graphics, links, call-to-action banners and social sharing buttons.

- ### 4. Promote your blog.
- Write teasers for your content on social networks and other online mediums. For example, you could tweet: Want to save 50% mailing costs? Read our latest blog post. . .

- ### 5. Actions speak the loudest.
- Always include a call-to-action that guides your readers and motivates them to stay in touch, request a free sample, contact you to learn more, etc.

Make Our Blog Better!

Help us put these tips to work: For a better blog experience, what content do you crave?

www.wsel.com/blog

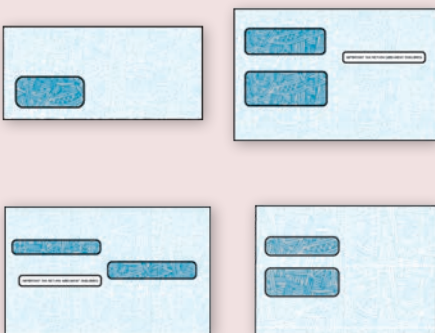
Follow our blog, give us a few ideas and we'll give you a **FREE GIFT!**

Go to this link to get started today—thanks!
www.wsel.com/contact

Tax Time Products

Since tax time is just around the corner, did you know that Western States Envelope & Label offers products for all your tax needs? From W-2 and 1099 envelopes to "Important Document" sleeves and laser label sheets, we have everything businesses and accountants need for every tax season.

For specific products, call us at 800-558-0514 or see our extensive Envelope Catalog (especially pp. 13 & 14) and Label Resource Guide at www.wsel.com/labels/labels-101/templates/laser-labels.



A Look at Labels

Tasty Ideas for Food Products

What we eat has a lot to do with what we see, especially when it comes to food labels. Your customer may have a sinfully delicious product, but no one will taste it if they don't see it first.

Food labels need to help that product jump off the shelves or out of the refrigerator or freezer sections. Here are a few ways to make the outside label as tantalizing as what's inside:

Dare to be different: Give your label a unique design that stands out. Think of ways that label can enhance the package or product itself.

Less is best: Keep your label's look simple, specific to the product and easy to read. An overly designed label with too many graphics and microscopic copy takes away from promoting the actual product.

Add flair: An effective, stylish label makes smart use of colors, themes, seasonal accents, and space for important data like nutritional information.

Make it scentsational!

What better way to showcase your food product than with a scented label. It adds another sense to the customer's sensory experience that's also an alluring way to boost sales. Western States can encase an exact fragrance or smell onto a printed label. See, scratch and smell the enclosed "Toasty Warm Wishes" sample for yourself and learn more at www.wsel.com/scented-labels/4.

Combine fun and function: Your label shouldn't just look amazing; it should be amazing. This means it should withstand the rigors of its environment, whether that's a store shelf or a freezer.

Let Western States help you create the perfect food label for any customer application. Learn more at www.wsel.com/labels/capabilities or call 800-558-0514.



A Peel 'n View® Success...

Eddie, a Western States customer and printer from TN, had a customer who needed a unique approach for sending tax notices to residents this season. They decided that our Peel 'n View® envelopes were ideal since they wanted recipients to 1) pay taxes early and 2) have a handy reminder to peel off and use.

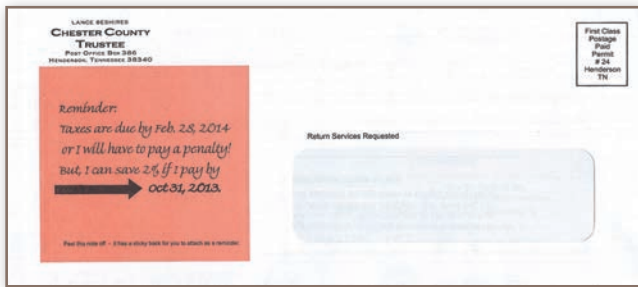
This printed customer sample needed further tweaking after its first run. Thanks to quick thinking, Eddie easily modified the envelope's peel-off note without reprinting and saved his customer about \$450. "The envelope went back

through the press, laid flat and inserted very well," Eddie noted.

Not only did the final product create more visual appeal, the envelope is improving his customer's response rate. "They hope to see a 2-3% increase in early returns on taxes," he added.

Let Peel 'n View® envelopes drive better response rates for your customers. This distinctive envelope has a self-stick, easily removable reminder note that can be placed on any surface. It also has a hidden "surprise" window with a personalized message to encourage the envelope is opened and reveals unique offers. Even better is the cost savings—these effective note-and-window combination envelopes do not require additional postage.

Learn more about our Peel 'n View® products at: www.wsel.com/peel-n-view.



Your Challenge. Our Solution.

We continue to share innovative ways we can help your customers...

Client: Automotive technologies manufacturer

Product:

- Employee Parking Permits (3" x 4.75" 35PT Plastic Hanging Permit, printed and consecutively numbered)
- Annual Parking Stickers (.75" x 2": Bright 50# Silver Polyolefin with Permanent adhesive, printed 1-color)

Challenge: To create a durable, visible product that could withstand yearlong environmental demands of being on a car window and hanging from a rearview mirror.

Solution: Beyond envelopes and labels, Western States also creates solutions as this case study exemplifies. Our Prepress Department created a permit design that this customer didn't realize was possible. We explored many options with this project and

crafted the best possible product for their application. Thanks to innovative thinking, this project enabled us to provide other products for this customer.

Client: Winemaker

Product:

- Product labels

Challenge: This customer needed a front and back label for their bottles, but didn't want to incur the added expense of purchasing a die for each different label.

Solution: We printed the labels digitally and used our laser die cutter to create a special die shape that allowed a different size front and back label. Since the customer recently purchased a label applicator, we now supply the labels alternating front and back on a roll so they can machine apply them in one pass. This has greatly increased production; they now order all their labels this way.

Less is More

A column dedicated to helping you be more efficient and environmental in your business...

No Wasted Ink

Curt Becker, Print Department Manager at our home office, and his team developed a new process to completely eliminate waste ink disposal.

In the past, all water-based flexo ink from completed orders on our folding machines went into the same bucket as the cleaning solution. The ink was then dumped into a 55-gallon drum. This created 100s of drums of ink waste each year, which cost us \$12,500 in disposal charges. "Now we turn all used ink into recycled black," said Curt. Recycled black is made by following a specific process and formula, and mixing your used colors together to create black. For the past two years, Curt reported that we do not waste a single drum of ink.

Before this process was perfected, Curt also noted that we paid a vendor \$.99 a pound to create recycled black ink. "We were purchasing about 14,000 pounds which is \$14,000 in charges each year. Now we make all of our own recycled ink, so we have no costs on our end in this process," he noted.

Curt wanted to thank our Ink Technician Mary Lynn Ellis for her efforts to make this recycled ink effort a reality. "We're happy to see our other locations implementing it too," he added.

Curt has a great tip for customers like you: "Remember that any water-based ink is recyclable. We use a fine mesh screen to strain out any paper scraps or other debris that may get in it during printing."

Have a "less is more" tip to share? Go to www.wsel.com/contact to tell us about it!

Customers' Corner

Thanks for your feedback from our last issue! We received 352 responses, 71 requests for samples, 99 Label Pocket Guide Requests, updates for online ordering and email addresses, and valuable comments.

Please help us keep your newsletter going strong. Send your latest contact info with any comments or suggestions. There's no deadline because we're always looking for your input. Plus we'll reward you with a free gift! Contact:

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