

Quad announces new postal optimization program for mailers impacted by USPS postage rate hikes

Innovative Household Fusion™ solution is a first-ever co-mailing option that combines multiple pieces from different marketing or periodical mailers, reducing escalating postage costs

SUSSEX, WI, March 27, 2024 – Quad/Graphics, Inc. (NYSE: QUAD) (“Quad”), a global marketing experience company, announced a first-of-its-kind, dynamic, postal optimization program that outpaces current industry offerings.

The new Household Fusion mail-packaging solution was created to offset continued U.S. Postal Service rate hikes by combining into one recyclable polybag various catalogs or marketing mail from different brands or various magazines from different publishers that are destined for a single household. The solution, which exemplifies the company’s commitment to relentless innovation, is powered by proprietary software created by Quad. Household Fusion mail optimization also includes separately printed direct mail pieces as well as onserts that can be placed on top for maximum visibility.

“Quad has always helped brands make more direct consumer connections, and that has made us a leading expert in mailing to households across the country. We also have innovation in our DNA. Our Household Fusion offering combines these powerful dimensions of Quad’s expertise and underscores them with our unmatched technology, production and delivery capabilities,” said Don McKenna, Chief Administrative Officer for Quad. “This new mail optimization service is the latest example of Quad’s robust capability for bringing brands closer to their target audiences – efficiently and effectively.”

“We signed up as one of the first users of the Household Fusion solution because we could immediately see the benefit in terms of potential savings on postal costs,” said Brittany Rose, Distribution Project Manager of PWX Solutions, a full-service direct response and publishing services organization. “Another key component of our decision to start offering Quad’s latest mail-optimization program to our publishers was our long-term relationship with the company. We know Quad is always looking out for everyone’s best interests. The trust we have and the significant savings have made it easier for us to bring on publishers who might otherwise be reluctant to co-mail with their competitors. The Household Fusion program is really paying off.”

Quad

Quad products reach up to 89% of households in any given United States ZIP code through direct mail, catalog and periodical print and logistics solutions. The company's print production volume and operational scale create efficiencies, such as revealing address commonalities, that can be leveraged through Household Fusion optimization.

Quad's proprietary mail optimization software, which is the technological engine behind its Household Fusion offering, uncovers co-mailing possibilities regardless of mail types. Quad specifically built the software for its clients to accurately divide postage, ensuring precise execution and providing savings for publishers, marketers and retailers.

"Our Household Fusion program was engineered to counteract industry-wide impacts from continuous USPS postage rate hikes, which force mailers to allocate 60-70% of their total production budgets just for postage. In the last three years alone, some of our clients have experienced up to a 60% increase in postage costs," McKenna continued. "We always have our eyes on the market, and we innovate solutions to address the obstacles that get in the way of our clients' success. Household Fusion mail optimization not only removes friction from the marketing process and reduces costs from one of a marketer's biggest budget lines, but it also charts a path for the future of all kinds of mail – which we are confident is here to stay."

The Household Fusion solution, which will be rolled out in phases through early 2025, is Quad's latest postal optimization innovation for clients. Quad uses factors such as mail type, volume and geographic delivery region to determine which solution will create the greatest end-to-end efficiencies and savings for clients.

The most recent USPS rate hike took place in January 2024 with another one planned for July 2024.

About Quad

Quad (NYSE: QUAD) is a global marketing experience company that helps brands make direct consumer connections, from household to in-store to online. Supported by state-of-the-art technology and data-driven intelligence, Quad uses its suite of media, creative and production solutions to streamline the complexities of marketing and remove friction from wherever it occurs in the marketing journey. Quad tailors its uniquely flexible, scalable and connected solutions to clients' objectives, driving cost efficiencies, improving speed to market, strengthening marketing effectiveness, and delivering value on client investments.

Quad employs approximately 13,000 people in 14 countries and serves approximately 2,700 clients including industry leading blue-chip companies that serve both businesses and consumers in multiple industry verticals, with a particular focus on commerce, including retail, consumer packaged goods, and direct-to-consumer; financial services; and health. Quad is ranked as the 14th largest agency company in the U.S. by Ad Age (2023), and the second-largest commercial printer in North America, according to Printing Impressions (2023).

For more information about Quad, including its commitment to ongoing innovation, culture and sustainable impact, visit quad.com.

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