

MARKET NOTE

Ricoh Takes the Next Step in Automating Mail Services

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: Ricoh Takes the Next Step in Automating Mail Services

This IDC Market Note provides an overview of Ricoh Return Mail Services, a solution designed to help businesses better manage pieces of undeliverable-as-addressed (UAA) mail. On May 7, 2018, Ricoh unveiled its Return Mail Services solution, which provides businesses with a repeatable handling process for UAA mail, automating the manual process of collecting and storing UAA mail, sorting it according to sender, and physically delivering it to the correct department.

Key Takeaways

- Return Mail Services is available through an all-in service fee (transactional fee based on the number of mail pieces) and includes reporting and analytics, technology solutions, scanning devices, and Ricoh's Consulting Services.
- Ricoh says that its Return Mail Services offering is designed to reconnect its customers with their customers.
- Ricoh is not only helping organizations drive digital transformation initiatives but also helping reposition the mail center from that of a cost center to a value-add piece of an overall business strategy.

Source: IDC, 2018

IN THIS MARKET NOTE

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Ricoh's strategy is to provide a global platform with common technology stacks to deliver consistent and repeatable outcomes for organizations around Customer Communications Management (CCM) and Mail Services. Ricoh's Return Mail Services is only the latest in a wide range of services now offered by Ricoh in this area, which includes transactional, claims, campaign response, onboarding, and correspondence (Intelligent Delivery).

Ricoh's Intelligent Delivery Services is a subscription-based services delivery platform designed to reduce physical delivery of mail wherever and whenever possible, give organizations the information and tools needed to transition to a more automated workflow, and create a hybrid mail center (see *Next-Generation Digital Mailroom*, IDC #US42223717, October 2017). This service offers a compelling value proposition, although Ricoh admits that there are certain limitations with respect to return mail, including limited analytics, no ability to locate a lost recipient, and limited ability to integrate with customer CRM systems.

To address these gaps, Ricoh has released Return Mail Services, which is designed to create a single hub for all UAA management and specifically address the following customer challenges:

- Automate several manual processes to sort and distribute mail
- Absence of analytics including incoming quantities and reason for the return; United States Postal Service (USPS) behaviors and tracking the real cost of return-to-sender (RTS) mail by line of business, PO Box, or document type
- Slow internal reaction to RTS mail and remediation of needless repeat mail attempts
- Difficulties in deploying a repeatable workflow in large organizations
- Difficulties integrating with internal IT systems and data sources

Return Mail Services is available through an all-in service fee (transactional fee based on the number of mail pieces) and includes labor to run/operate the service, reporting and analytics, technology solutions, scanning devices, and Ricoh's Consulting Services. Ricoh provides an offsite or onsite delivery model where return-to-sender mail is redirected to the desired location to be scanned, uploaded to the cloud, extracted, corrected, classified, and then sent to the customer portal where the customer can remediate and analyze. At this point, returned mail can be exported to re-mail or routed to the call center and/or CRM/ERP system. The entire process from receipt in PO Box to exportation can take only 48 hours.

Ricoh says that its Return Mail Services offering is designed to reconnect its customers with their customers. This is achieved by matching the recipient data against a number of proprietary databases that identify movers not contained on the USPS NCOA database. Return Mail Services provides collected analytics and all captured and corrected data in a cloud-based customer portal delivering real-time transparency that is accessible anywhere. Users can access key data, such as total scans,

records to be remediated, number of movers, reason for return, SLA performance, and cost savings. This type of business intelligence in the entire process can help further optimize and provide insight into ROI, as well as aiding compliance with external audit requests.

Ricoh is targeting large first-class mailers with this service, including financial services organizations, healthcare, and federal and state entities. Target customers include businesses with a minimum of 3,000-4,000 pieces of mail per month if it is sent to the customer's site. However, Ricoh says that the service can be cost effective regardless of mail quantity if return mail is redirected to Ricoh's site.

IDC'S POINT OF VIEW

Mail is a mature area, and the digital mail room is not a new concept. The decline in mail volumes is impacting the industry, and many organizations are embracing digitization of incoming paper documents. Although paper is declining, and the percentage of documents "born digital" is increasing, there is still a significant amount of correspondence conducted via paper. In addition, the amount of mail that does not make it to the recipient is quite high. According to statistics reported by the United States Postal Service for 2016, UAA mail accounts for over 6 billion pieces of mail annually across the United States.

When first-class mail cannot be forwarded to the correct address and is returned to the sender, the sender loses connection with the intended recipient. IDC views the reconnection of businesses and customers as a significant value-add provided by Ricoh's service, as the cost of customer replacement is lost revenue. In addition, IDC believes providing actionable data and analytics is critical for value-added services. There are other competitors in this space, but a few offer a transaction-based managed service such as Ricoh's Return Mail Services.

Ricoh is not only helping organizations drive digital transformation initiatives but also helping reposition the mail center from that of a cost center to a value-add piece of an overall business strategy. Traditionally, UAA mail is viewed as a burden and an undesirable yet unavoidable cost of doing business. With Ricoh Return Mail Services, businesses gain further insight, collect data, and apply analytics around returned mail to potentially reconnect with customers.

LEARN MORE

Related Research

- *Worldwide and U.S. Outsourced Document Services Forecast, 2018-2022* (IDC #US43255118, May 2018)
- *Next-Generation Digital Mailroom* (IDC #US42223717, October 2017)
- *Worldwide and U.S. Managed Print and Document Services and Basic Print Services Forecast, 2017-2021* (IDC #US41264717, May 2017)
- *Worldwide and U.S. Outsourced Document Services Forecast, 2016-2020* (IDC #US41984016, December 2016)

Synopsis

This IDC Market Note gives an overview of Ricoh's announcement on May 7, 2018, of Ricoh Return Mail Services, a solution designed to help businesses better manage pieces of undeliverable-as-addressed (UAA) mail.

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