Address Accuracy Program

ADDRESS ACCURACY

What is an address and what makes it accurate?

An address is the information required to identify the specific location of a residence/business and/or the destination where a recipient receives mail. An address is deemed accurate when all components are present, correct and match information on Canada Post's database.

Who determines a mail recipient's address?

Street numbers and names, usually referred to as civic addresses, are determined by municipal authorities. Canada Post records street numbers and names, as supplied by city or town officials.

What is Address Accuracy and why is it important?

Address Accuracy is a Canada Post program designed to improve delivery by encouraging mailers to accurately address mail. Address Accuracy also enables Canada Post customers to benefit from incentive postage rates.

Consistent and accurate addressing:

- Reduces costs and improves return on investment – Clean mailing lists will result in fewer undeliverable and returned mail pieces and reduce costs associated with printing, preparing and sending mail that can't be delivered.

- Increases response rates – Through proper and frequent data cleansing, mail items will get to the desired audience and increase the likelihood that it will be read and responded to.

- Improves receivable cycles – Invoices that are returned have a longer cycle for receivables.

- Improves subscriber satisfaction – Subscriptions that can't be filled and ordered result in remail costs or loss of subscribers.

- Decreases environmental impact – Proper data-cleansing practices can reduce the number of items that are wasted, which is good for the environment.

For customers, this translates into a more efficient service and lower costs. Accurate addressing helps ensure the mail is delivered on time, the first time, every time.

What is the Address Accuracy Program?

Address Accuracy is a program designed to improve delivery by encouraging customers to accurately address mail. Every item must be addressed to a specific individual or company, or to a non-personalized descriptor, such as "OCCUPANT" or similar wording. Every item must display a complete mailing address, including any required suite or unit information, as well as the valid postal code for that address. If the mailing address is not complete, the mail may be delayed or deemed undeliverable and possibly returned.

The Address Accuracy Program improves mail processing and delivery service by increasing the percentage of mail that is properly addressed. Using special Address Accuracy software, mailing lists and/or databases are compared against Canada Post's address database before the mail is inducted. This process validates and corrects mailing lists, helps customers determine how accurate their mailing list is, and allows them to produce a Statement of Accuracy (SOA).

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The Address Accuracy Program includes the following four requirements:

- Address Accuracy standard level of 95% (Refer to Q&A #7).
- Adjustment to the cost of the mailing based on the difference between the mailer's score and 95% (Refer to Q&A #8/9).
- SOA is required at a minimum of once a year (Refer to Q&A 12-20).
- Recognized software must be used for validation and correction and for generating a SOA (Refer to Q&A 21-28).

Who should participate in the Address Accuracy Program?

Customers who utilize Incentive Lettermail, Personalized Mail™ and/or Publications Mail™ must meet the Address Accuracy Program requirements.

What impact does Address Accuracy have on the service a customer selects?

A customer who selects **Incentive Lettermail** services is often mailing invoices. Reaching the target audience can be critical to the mailer's cash flow or financial projections. Customer satisfaction can also be affected as fees may apply to late payments regardless of the fact the delay may have been caused by an incorrect address.

A customer who selects **Personalized Mail** is often promoting merchandise or services, announcing a sales event or trying to produce consumer interest. This customer generally invests in the advertisement with the expectation that this will result in future sales. Reaching the target audience can have a significant effect on the expected return on investment.

Customers who select **Publications Mail** have an interest in reaching their customers within a selected time frame. Customers who receive their publication late will be dissatisfied. This can lead to the loss of future sales for the mailer.

What is the Address Accuracy standard?

The standard level for Address Accuracy is 95%, which means that 95% of the urban and rural addresses on the customer's database or mailing list are determined to be accurate when compared to the Canada Post database. This percentage is always calculated to one decimal place.

If the percentage on the Statement of Accuracy produced by Canada Post-recognized software is less than 95%, an adjustment will be applied to the cost of the mailing at the time the order (statement of mailing) is completed.

What is the penalty if the 95% Address Accuracy standard is not achieved and how is it calculated?

If the percentage on the Statement of Accuracy produced by Canada Post-recognized software is less than 95%, an adjustment will be applied to the cost of the mailing at the time the order (statement of mailing) is completed.

Failure to record the Address Accuracy percentage and expiry date on the order (statement of mailing) will result in the application of an adjustment to the cost of the mailing using the national average address accuracy percentage of 56%.

Incentive Lettermail

The adjustment rate for Incentive Lettermail customers varies due to the progressive rating of mail categories within the product. The maximum is $0.05 per item.

Adjustments are calculated as follows:
Volume of mail x (95% minus customer's actual address accuracy %) x maximum* $0.05 = Total adjustment

* Adjustment rate, when added to the incentive price, cannot exceed current Lettermail full price.

Personalized Mail and Publications Mail

The adjustment rate for Personalized Mail and Publications Mail is $0.05 per item.

Adjustments are calculated as follows:
Volume of mail x (95% minus customer's actual address accuracy %) x $0.05 = Total adjustment

What is the Point of Call Address Data product and how does it differ from Postal Code Address Data?

Postal Code Address Data is a series of ranges defined by postal codes.

- K1A 1A1 = 1-99 Main Street, Ottawa, ON

- All addresses within the range are considered valid.

Point of Call Address Data is a series of ranges defined by specific addresses within a postal code.

- e.g. K1A 1A1 = 1-43 and 47-99 Main Street, Ottawa, ON

- Recognizes that 45 Main Street does not exist, and is thus invalid.

This additional level of granularity makes the Point of Call Address Data product a more accurate database against which to cleanse mailing lists.

How is a Statement of Accuracy (SOA) obtained?

An SOA can be obtained by comparing a database or mailing list to Canada Post's address data and generating a report. This is done by processing the database or mailing list through Canada Post Address Accuracy recognized software or by using a mail service provider who offers this service. A list of recognized software providers can be consulted here.

What information is found on a Statement of Accuracy (SOA)?

A SOA is used to report the percentage of accurate addresses in a database or on a mailing list. The SOA must be produced a minimum of once per year but customers are encouraged to run the SOA more frequently to help reduce the number of undeliverable mail items.

An SOA includes the following information:

1. Customer name and address

- The customer's company name and mailing address.

2. Canada Post customer number

- The customer's seven-digit number found on their Canada Post contract.

3. Total number of records processed

- The total number of records (or addresses) included in the evaluation, which must be equal to or greater than the number of items being deposited.

4. Address Accuracy level

- The Address Accuracy level indicates the percentage of accurate urban and rural addresses. This percentage is always calculated to one decimal place.

4.1 Questionable apartment addresses

- If a mailing address does not have a unit number and there are no unit numbers available in the Canada Post database, the address is recognized as valid but reported as questionable.

4.2 Questionable rural addresses

- If the mailing address is recognized as valid based solely on the postal code, the address is reported as questionable. In order to be complete, rural addresses must include delivery mode (e.g. RR) or civic/street range or PO Box.

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5. Address Accuracy expiry date: yyyy/mm/dd

- The expiry date of the Address Accuracy percentage is always one year from the date the SOA was produced.

6. Software company name and software version

- The name of the software company used to evaluate the database and the software version are required. Only current versions produced by recognized software are accepted.

7. Canada Post Address Data used: yyyy/mm/dd

- The effective date of the Address Data used (current version required).

Why should an Statement of Accuracy (SOA) be produced?

An SOA is used to report the percentage of accurate addresses in a database or on a mailing list. Both urban and rural addresses are included in the calculation. An SOA is one of the required elements of the Address Accuracy Program. Customers are requested to keep a valid copy on file in the event that Canada Post requests a copy.

How often must an Statement of Accuracy (SOA) be produced?

An SOA must be produced a minimum of once per year for each database and/or mailing list, but it is encouraged to run the SOA more frequently to help reduce the number of undeliverable mail items. If databases and/or mailing lists are updated, it would be beneficial to run a new SOA to prevent mailing to addresses that are undeliverable.

Customers are requested to keep a valid copy of the SOA on file in the event that Canada Post requests a copy.

If an address remains static for over one year, is there really any need to run Address Accuracy more frequently?

Yes. Due to municipal amalgamations, 911 initiatives (civic addressing), urban growth, etc., addresses do not remain static.

How should the Address Accuracy percentage for a database or mailing list be reported?

Customers must record their Address Accuracy percentage and expiry date obtained from their SOA on their order (statement of mailing).

Failure to record the Address Accuracy percentage and expiry date on the order (statement of mailing) will result in the application of an adjustment to the cost of the mailing using the national average address accuracy percentage of 56%.

What constitutes a "questionable" address?

A "questionable" address is one which is not complete or fully accurate, but in some instances may still be deliverable. A multi-unit residential apartment address is questionable if the mailing address is missing a unit number and there are no unit numbers available in the Canada Post database. A rural address is questionable if it cannot be validated based on all of the civic address components present and is therefore validated based on the postal code only.

By flagging these addresses as "questionable", mailers will recognize that they may need to verify or update them.

Are rural addresses affected by Point of Call Address Accuracy?

The Point of Call Address Data product does not contain all rural delivery points. However, as long as the postal code is valid, rural addresses are not considered incomplete or invalid. Where Canada Post has civic addresses for rural delivery areas, the address is flagged as "questionable".

What is the SOA blended level method?

If a mailer has more than one existing Statement of Accuracy (SOA) for various separate databases or mailing lists, the mailer may combine the accuracy rates of each to obtain a blended level average.

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For example, a mailer has an SOA of 95% for a database of 11,000 records and also has another SOA at 90% for 12,000 records. The following calculation would take place:

$$11,000 \times 95.0\% = 10,450$$
$$12,000 \times 90.0\% = 10,800$$

Total 23,000 21,250

Therefore, 21,250 divided by the total 23,000 = 92.4% Address Accuracy blended level. This percentage may be used when combining the records of all databases for a single mailing. The earliest expiry date (from the various SOAs) must be used on the order (statement of mailing).

ADDRESS ACCURACY SOFTWARE

What is the Software Evaluation and Recognition Program?

The Software Evaluation and Recognition Program (SERP) is a Canada Post testing program to evaluate and recognize software packages that:

- validate an address against Canada Post's Point of Call (range-based) Address Database (POCAD);

- perform accurate address correction on those addresses for which correction is attempted;

- reject non-correctable addresses without attempting correction;

- produce a standard Statement of Accuracy.

For a software to be recognized as part of SERP, POCAD must be licensed from Canada Post strictly for producing and preparing a mailing list or database and SOA for the purposes of preparing mail for delivery by Canada Post.

SERP recognition indicates that Canada Post has evaluated the software and found it to meet the criteria referred to above. The program does not evaluate any subjective criteria such a speed of operation or customer support.

Once recognized, the list of recognized software of services is updated and published on the Canada Post website to assist mailers in selecting Address Accuracy software products or services. The list of Canada Post-recognized software providers can be consulted here.

Companies interested in having their software recognized can contact:
SERP EVALUATOR
Canada Post CORPORATION
N1080-03, 2701 RIVERSIDE DR
OTTAWA ON K1A 0B1
E-MAIL ADDRESS: diane.randall@canadapost.ca

What is the best software available?

Customers can follow these steps to determine the best software for them:

- Talk to people in the industry to try to obtain the best software program.

- Test at least 1,000 to 3,000 addresses to ensure the software is compatible.

- Use the software program to correct the list to the system's capability.

- Make whatever manual corrections that are necessary.

- Run another validation check on the updated list to obtain a new level of accuracy and produce a Statement of Accuracy.

Where can a list of Address Accuracy recognized software providers be found?

A complete listing of Canada Post-recognized software providers can be consulted here.

Why does the Address Accuracy Software updates files monthly when a Statement of Accuracy is only required once a year?

All software providers have to update their software to meet all of their customers' needs. The most current data has to be available to those customers who run Address Accuracy on every mailing. It should be noted that Canada Post's data is constantly changing as new addresses are created or removed as a result of new housing developments, people moving and/or businesses relocating.

What is the definition of a valid address?

Where a software package is able to detect all address components, the address should be categorized as valid. Unidentifiable address components may be retained as part of the address as additional delivery information.

What is the definition of a non-correctable address?

Depending on the type of address, certain address components provide a uniqueness that cannot be corrected (e.g. civic number for a range address). The address is determined to be non-correctable, if these components are:

- missing;
- inconsistent with other components;
- outside the range found in Canada Post's Point of Call Address Data.

Do invalid addresses impact the deliverability of the mail?

It is important for customers to validate, correct and update their mailing lists or databases to fully realize the benefits in terms of mail deliverability and return on investment. Canada Post will continue to deliver mail items with invalid addresses if there is sufficient correct address information to ensure a high confidence of accurate delivery.

SUPPORT AVAILABLE

To whom should questions or concerns be raised on how software is validating or correcting addresses?

A customer's agreement is with the software provider and not Canada Post. A customer should first raise their concerns with the provider. Canada Post will become involved only upon evidence that the customer has made every effort to work with the provider.

How can an individual address be verified when the software identifies it as invalid?

Addresses with missing or incorrect information, such as suite or unit numbers, are considered invalid and non-correctable by Address Accuracy software. To correct these addresses customers will need to contact the mail recipients directly to obtain the information to correct these addresses.

It should be noted that Canada Post's postal code lookup tool should not be used to verify and correct suite or unit numbers. This tool uses postal code range data and was designed for consumer purposes only in order to provide postal codes.

How should Canada Post be notified of an address that is verified by the mail recipient to be correct but is still considered invalid by Address Accuracy software?

Customers should send an email to the Data Solutions Centre (DSC) at data.solutionscentre@canadapost.ca, to report any anomalies on Canada Post's database.

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