

**BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001**

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**RATE AND SERVICE CHANGES TO  
IMPLEMENT FUNCTIONALLY EQUIVALENT  
NEGOTIATED SERVICE AGREEMENT WITH  
THE BRADFORD GROUP**

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**DOCKET NO. MC2007-4**

**RESPONSE OF WITNESS RING TO INTERROGATORY OF THE OFFICE OF  
THE CONSUMER ADVOCATE (OCA/BG-T2-1)**

**(September 10, 2007)**

The Bradford Group hereby presents the response of witness Ring to the  
interrogatory of the Office of the Consumer Advocate, OCA/BG-T2-1, filed August 24,  
2007.

Respectfully submitted,

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THE OFFICE OF THE CONSUMER ADVOCATE

**OCA/BG-T2-1.** Please refer to your testimony at page 8, lines 2-5, where it states:

While the Postal Service may project its future mail volumes based on its historic experience, THE BRADFORD GROUP cannot forecast total numbers of mailpieces independently from its planning of other direct market campaigns. Its decision with respect to the operation of its campaigns dictates that it cannot offer a mail volume forecast with great precision more than a few months in advance.

- a. Please identify and describe the “other direct marketing campaigns” used by the Bradford Group.
- b. Please identify and explain possible factors and events that might affect the “planning of other direct marketing campaigns.”
- c. Please explain how the “other direct marketing campaigns” might affect the “forecast total numbers of mailpieces.”
- d. Given the operation of its campaigns, please explain why the Bradford Group cannot “forecast with great precision more than a few months in advance.”

**Response:**

a. The other marketing channels used by the Bradford Group include space advertising in magazines, Sunday supplements, co-op Free Standing Inserts, other free standing inserts and insert media, and package inserts in a variety of sources.

b. There are many different things that impact our planning of campaigns. Factors include how the product is performing compared to other products, if a particular product performs better in certain media than others, changes in cost structure for either the product itself or the advertising placement, if a stronger product is subsequently identified, and what we see our competition advertising. There is no algebraic formula that identifies exactly what the strategy should be at any one point in time. All of these factors are considered to maximize overall expected contribution from our mailings and placements based on the best information we have at that time.

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c. We do not have unlimited financial resources and have a finite advertising budget that is set annually. What we choose to advertise and where depends on what products are available and what the return on investment is expected to be in the various advertising venues available. Each placement must be evaluated based on that specific return it will generate compared to others in order to maximize total return. Therefore, changes in product response, or changes in the cost of advertising could directly change the most profitable places to invest to generate sales.

d. Please see the explanations above. The information for decision making is not available more than a few months in advance.

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