

75 things every mailer should know about mailing lists . . . and increase their response

Introduction

Every successful direct mailer who has put pen to paper and written on the subject from Bob Stone to Ted Nicholas agree that the list you mail is by far the most important element in your mailing campaign. However, as a list broker I am often frustrated when I see mailers agonise for weeks over which colour envelope they should use only to insist that we email them 50,000 top names tomorrow little or no list planning.

This little booklet – quick to read and easy to understand – will help you see how valuable a little planning can be and should provide you with some tips, tricks and ideas that should help you lift your response and decrease your costs. Whilst originally written for the beginner I'm convinced that even the most experienced mailer will find a dozen ideas or more that are worth revisiting.

I have split this booklet into seven sections, allowing you to find the information and ideas you need quickly. Some points will also show references to other ideas that will help you fully understand your area of interest.

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A What is a list

Quite simply this is a collection of names and addresses you can mail that have something in common to suggest that they may be interested in your products or services.

The Data Sheet

This is the standard information sheet that list owners and managers use to promote their lists. Most data sheets are similar in layout and include:

List name

List quantity
 List profile information
 When updated
 Selections available – with prices
 Delivery formats – with prices
 Delivery times
 Details of restrictions

It should be remembered that these data sheets are essentially advertisements and should only be used for an indication of the files you may be interested in testing. Some list owners invent appealing names for their files, this is no guarantee of quality. It's the background on the list that the broker will tell you that is often more revealing than the data sheet – similar to the information you find out about a prospective employee over the phone rather than in writing.

When researching a list it is worth getting a copy of the promotion used to generate the names – if this can't be supplied, be suspicious

If the payment method used by the list owner matches yours (ie direct debit) you stand a chance of making that list work.

Some data sheets will indicate the socio-economic profile of the list which will give you an indication as to the prospects education/wealth. We have shown below the accepted definitions from the DMA:

What are the socio-economic groupings, for example A, C1, C2, etc?			
Social Grade	Social Status	Occupation of Household Head	Percentage of Adults
A	Upper middle class	Higher managerial Administrative Professional	3
B	Middle class	Middle managerial Administrative Professional	10
C1	Lower middle class	Supervisory Clerical Junior managerial Administrative Professional	23
C2	Skilled working class	Skilled manual workers	33
D	Working class	Semi and unskilled manual workers	22
E	Subsistence level	Pensioners Widows Casual Lowest paid workers	9

(National Readership Survey Social Grade Definitions)

While this offers a useful indicator it is often only guessed at by the list owner and is not normally selectable.

Here at Hilite we do have various financial overlays that we can apply to any list. This service is very useful in filtering out the suspected poorer responsive groups. Please ask for details of our profiling service if you are interested as this programme is tailor-made to the mailers requirements.

House lists

Often neglected your house list is the most responsive you will ever use. Most companies falsely assume that all the customers are fully aware of all the products and services they marketed – in nearly every case they are not. You should be mailing your house list at least once a month – remember it's FREE.

Responsive names

One very useful exercise to do when looking at new lists is to discover what the people have had to do to get on the list. Were they simply listed on a public record – did they fill in a Free Prize draw entry to win a world cruise, or have they parted with real money to buy a product or service similar or complimentary to your own. In consumer mailings you will find it difficult, if not impossible to beat responsive buyer lists, especially those generated themselves by direct mail.

Buyers Lists

Always the best option when it comes to consumer lists. The only problem tends to be that the best buyers lists are your competitors – whilst they might not rent they may well swap names with you – where you have access to their names for a one time mailing in return for letting them do the same with an equal number of your names.

Lifestyle lists

These lists are compiled by one of ten or more separate companies who use one excuse or another to persuade prospects to complete a massive questionnaire. You can therefore select men 25-30 who drive a Ford, holiday abroad twice a year or

more and enjoy Golf. However as they are not proven mail order buyers these lists are nearly always beaten by the good response lists. Another problem is that the data is expensive to accumulate so the temptation is for the data owner to rent it beyond its shelf life.

Enquirers

Regrettably these lists rarely work. As you would expect these are people who have enquired about a product or service but have never bought. They are only to be tested when no buyers lists are left.

Business to Business Lists

There are far fewer responsive business to business lists available and the majority of business to business mailing lists come from compiled (directory listings or public records) list or trade and technical magazine circulation lists.

Publishers Lists

These lists have many advantages – they are mailed regularly so should be very clean. They have a known area of interest – unless you are publishing a rival title so you are unlikely to be refused.

Controlled Circulation

In business to business area controlled (FREE) circulation lists offer detailed information about the prospects you can select on. For example a farmers magazine may be able to offer a list of all arable farmers who farm more than fifty acres in the South West. An industrial title may be able to offer all chief buyers in motor manufacturing employing over fifty people. However, the more selective you get the fewer the names you will end up with. Paid subscribers are better still and those recruited by direct mail (newsletters)are the top of the pile.

Compiled Lists

These lists come from directories or public records (electoral roll or shareholder registers). With a strong mailing piece these lists offer very large numbers at a reasonable price when compared with a response list.

Your Own Research

While managers/brokers rarely handle a list of less than 3,000, it is often the small highly specialised lists that give you the best response. Take some time out to get on other people's lists, look for ads in the relevant trade press and speak to your competition.

List Sources

Apart from your favourite list broker, there are two major resources where you can look for lists:

- a LADS Lists and Data Sources
This twice yearly directory lists over 4,000 UK mailing lists. £90 an issue. Contact Details:
- b List Link – A web based searchable list of lists £125 for three months. www.list-link.co.uk for details.

Reasons for being on a list

When considering a list it can be useful to ask “what have these people done to get on the list”? The more effort they have made to get on the list the better the list will be.

A business book buyer is better than

An exhibition attendee who is better than....

A controlled circulation responder is better than....

A company director from a Companies House record who is better than

.Someone listed in a phone directory etc etc

B Who are the players

List Brokers

Quite simply the brokers introduce lists to mailers. They make their money from the commission they get from the list owners. No qualifications are needed to become a broker and there are some dubious operators on the fringes of the industry. Membership of the Direct Marketing Association should be a minimum requirement for any new mailer when choosing a broker. Their job is to offer the very best advice to the mailer as without profitable mailers the whole business would collapse.

List managers

Often also list brokers as well. List managers agree to manage and market the data for list owners. They look after, maintain the data and run all the list orders for approved renters (sometimes this function is retained by the list owner for security purposes). They also market the list, collect the money and account to the list owner on a regular basis. List owners pay the managers between 20 and 30% on revenue.

List owners

Quite simply the people who own the list. Before they can rent out this data they will have to be seen to have collected it fairly by the Data Protection Registrar (i.e. offering an opt out box on the reply device for people to tick if they do not want their names rented on to other companies). They should also get data passed against the MPS suppression file. A good new consumer buyer name and address could generate between £1 and £4 in clear profit in the first 12 months. With these names being a by-product of the main business, and with the very high margins list rental can be a highly successful profit centre in any mail order company.

Choosing a broker

While all brokers handle the admin side of the operation you really need them for the advice they offer in helping you find the best lists and avoid the poor ones. You pay no more for a list than if you go direct to the list owner as the broker takes a commission from them rather than you. Any broker worth using

will take great care in collecting as much information from you before they start making recommendations. You need to make sure that they have your interests at heart and I have known some mailers call brokers with very dubious offers to test them – the ones that get very excited and promise a great response from the proposed half a million mailing are then avoided like the plague. Respect the opinion of a broker who encourages you to be cautious. In general you should seek out the broker with the most experience in your marketplace. Whilst they may be working for your competitors, they are best placed to see you find the best lists quickest.

List Selection

Whilst it's possible to do your own list selection, most novices are drawn towards the lists with fancy names. Use a DMA list broker and you'll pay no more money and get admin help as well as the use of their knowledge and experience.

Computer bureau

These days all lists are held on computer somewhere. Some keep their data in house – others leave it with a specialised bureau. While the costs are higher the specialists can often perform tasks not viable in house and should give renters of the file a better service and increase revenue that way. Computer bureaux also provide pre mailing services like merge purge, mailsort sortation and list personalisation. Hilite Data Services offer full bureau services at affordable prices.

DMA – IDM

The Direct Marketing Association (DMA) is the UK's leading trade association aimed at promoting honest business practices and protecting members interests. The Institute of Direct Marketing is more concerned with the training aspect of Direct Marketing – they run many useful courses as well as the widely acclaimed Diploma of Direct Marketing.

Institute of Direct Marketing

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C Where to start

List brokers brief

“We need names of business opportunity seekers” is really not the best brief to give a broker. If you did a good broker will insist on a minimum of this:

- A sample mailing piece – essential as this will be needed for list owner approval as no list owner will release their most valuable asset to help someone who will mail something that’s not in his/her interest.
- Details of past results – if any.
- An indication of any bias geographically, by sex or any other factor.
- A profiling information you may already have.
- An indication of your initial test budget and your medium term objectives.

From this information you can expect a good list proposal.

The List proposal

Your list broker should provide you with details of all the lists they recommend, along with a brief note as to why they felt these lists are suitable for your mailing piece.

How to order lists

Be very clear about what you want and leave nothing to chance.

Work through these questions and you won’t go far wrong:

List name

Quantity

Selections – Geographical-Sex-Status(buyer etc)

Exclusions – all past orders or just the last one?

Flagging – always specify that you want the records flagged for possible future suppression.

Format Disc, tape or e-mail

Layout – do you need title, initials/forename and surname on separate fields (always worth specifying along with postcode and country names on separate identifiable fields.

Delivery date – most list owners need 5 days

Delivery address

Agreed price
Net names deal if any (see note on Net Names)
Payment terms if more than 30 days are required.

Day of the week to mail

Many people claim that you should aim to mail people so they receive the mail at home on a Saturday. I have seen many tests conducted all of which have been inconclusive. There may be specific offers – like gardening or DIY product mailings aimed at increasing store traffic that may favour Saturday delivery but most offers aren't so time sensitive.

Months of the year to mail

Here are my best guesses of how each month might perform for a non seasonal product:

January	100%
February	90%
March	90% see note on Easter
April	90% see note on Easter
May	85%
June	80%
July	80%
August	75%
September	95%
October	90%
November	75%
December	60% unless in the Christmas gift market.

Where 100% is the best response you hope to get.

Always avoid the week before and the week after Easter and the six weeks before Christmas – why risk a 60% response when you will get 100% by waiting a few weeks. Many mailers now claim the week between Christmas and the New Year is the very best time to mail.

Where possible try to avoid extremes in the weather (blizzards and heatwaves – not that common in the UK) and major news events (stock market crashes and Princess Diana's death).

In the past most mailers avoided the summer holiday period, however, with people getting longer holidays from work they can

spread their holidays more and with less competition on the doormat response goes up from the people who are at home.

Hot names

This term is more widely used in the US because they have big files generating tens of thousands of monthly hot line names. There is little doubt that the best names on any list tend to be the most recent buyers hence the interest in the hot names. Be careful of anyone offering you hotline if they don't specify their definition of how hot they are. Normally three months is the oldest any hotline name should be. When you are testing a concept new to cold direct mail many mailers keep their risk to a minimum by using hotline names only. However, you then need to be careful not to roll out without testing an Nth selection from the balance of the files that worked.

Recency selections

While there aren't too many files in the UK that can offer true hotline names, most can offer a recency selection. It is obvious that a 2001 buyer will be more responsive than a 1999 buyer, even if he still lives at the same address. You can often take an Nth selection linked with a 0-12 months recency selection. This gives you a greater chance of success and should give you some roll-out to go for if the first test is successful.

Multi buyer selections

Many mailers claim that a multi-buyer is three times more likely to buy from you again than a single buyer. This also holds true for mailers mailing other peoples multibuyers. Usually worth paying a premium for this selection

Selections in General

A careful use of selections not only reduces your up front risk but may enable you to mail a special selection of a list that was not quite good enough on the initial Nth test. Testing the most recent multibuyers should give you the very best section of the lists.

Geographical selections

As most tests I have seen show little regional variation a geographical selection is usually only used for very logical reasons. For example an exhibition in Glasgow might only want to mail invitations en masse to people in Scotland.

Sex selection

Worth selecting men or women where the sex is a factor in their likelihood to buy from you. However, women buying business opportunity manuals can be a great segment to mail if they have already bought a similar manual elsewhere. As most lists are 90% men you may be tempted to pay for the male selection – in this case it would be a mistake.

Warning of Selections

If your target is to mail as many people within certain guidelines on cost, you may be doing yourself a disservice by only taking the very best names from a list. Perhaps a 2% response from a 100,000 list is far better than the 3% response from the best 10,000?

Key coding

The keycode is a unique code used on any mailing, or part of a mailing to correctly allocate the response so you can monitor the exact responses. As some list owners/managers charge £2 per thousand (for 30 seconds work) it is best done by you or your bureau before you print the final addresses.

Results monitoring

This is vital to the ongoing success of your mail marketing. You must know which lists worked best and then share this information with your broker. The keycode allocated on the response will tell you which list it came from – then you calculate the percentage response for a simple measure, or a more detailed cost per new customer, allowing for the different prices of the lists and even the returns you receive. Any two stage enquiry mailing will also need to track the percentage conversion from lead to sale.

When a list stops working don't give up

A responsive list rarely stops working for no reason, so try and find out why the latest list has bombed – get the selections and exclusions checked, find out if the list owner has changed their products or media, did your mailing house code correctly. It's worth spending some time to investigate and most list managers/owners should cooperate in the interests of their future list rental revenue.

Response rates

“How much response will I get from this list” is a common question the novice list user asks a list owner or manager. Imagine you got a 5% response when mailing your first test list – the most recent multi buyers from a list of a near competitor. That is NOT your response rate, it's the very best you can hope to achieve. If it was your response rate you would be able to mail the electoral role and not bother with list brokers at all.

Your true response rate is the level at which you would still continue to mail. If you could make money with a 1.5% response you would continue all the time you got more and stop when your response rate fell to 1.4%. By working closely with your broker they will help you find as many lists (or selections from lists) that will enable you to profitably mail as many names as possible.

Response comparison – ads – inserts – mailings

“Which media is best direct mail, inserts or ads?” The results of over twenty test results I have seen over the years have been pretty consistent – If you get one reply to every one thousand subscribers to a particular magazine you would get 3 replies to a loose insert and 10 replies if you mailed them. To work out what's best you will need to analyse the costs and be aware that "putting all your eggs in one basket" may be right in the short term but in the long term it's best to vary the medium. Like most answers to direct marketing questions – TEST, TEST, TEST.

Working with your broker

The better the relationship you have with your broker the better the service you will get and the better response you will achieve. Share your results, share your plans and you will be rewarded with better proposals, help with your strategy and a bigger response. If you ask for a price deal after a successful test, most list owners will know the list worked for you and you won't get much of a discount. Ask your broker to negotiate the roll discount before the test.

Will cold lists work for you

The Royal Mail would have you believe direct mail works for every one . . . as a list broker it pains me to tell you it doesn't. Your list broker is your best person to offer advice – are there lists available worth testing. For a rough rule of thumb, ask the following questions:

- a Is the offer time crucial – a removals firm cold mailing a list of home owners would be useless if people only move an average of every seven years.
- b Are the margins available? If you're only looking to make £10 or less on any sale before marketing costs, you are going to struggle to make any money.

First test small – two or three top selections from top lists.

When that works expand the tests out slowly.

Testing

As location is the key to success in property, TEST, TEST, TEST is the key to success in direct mail.

Test your proposition, test your price and test your lists. **And** test them every time you mail.

D What are the technical terms

Test Sample size

While there is a formulae for calculating the minimum test quantity you need for a statistically valid test you can replace the formulae with a target of 50 responses per cell. If you are testing the males against the females (2 cells are being tested) for response on a certain list and you expect a 1% response you would need to mail 5,000 of each sex to get the 50 replies. If you got 70 replies from the men and only 50 from the ladies the test would be valid. However, if both test cells only gave you 15 replies the test would be invalid. Although if you needed 1% response you could safely say that both tests failed.

Roll out

This is the term for taking extra names after a successful test mailing.

Roll out increase

When rolling out to a large list it is important not to roll out too quickly. If you restrict your roll out a maximum of 5 times the test you won't go far wrong. A successful test of 5,000 from a 155,000 list would indicate a limited rollout to 25,000 next time, followed, if the 25,000 works to the next mailing of 125,000. Other companies have a policy of only rolling out three times the size of the last test.

Nth selection

This denotes a random selection that's needed to test a list before risking mailing the full quantity. The term comes from 1 in N – if you want to test 5,000 from a 100,000 list you would be given 1 name in every 20.

Salutations

When requesting a file it is always best to ask for a minimum of Title (Mr, Mrs, etc), Initials/Forename, Surname, Postcode, and country (if international) in separate identifiable fields. This makes for a more accurate merge purge and gives you the opportunity to include salutations in your letters – Dear Mr Chantry, or Dear Mike etc. Regrettably most UK lists only include initials rather than first names. Hilite Data Services can now append first names on around 60% of any file

Net names – when to use

When you merge two or more lists together you will find people who appear on one or more than lists – therefore you drop the second and subsequent mentions and save costs. However on big merge purges you could lose thousands of names that you don't want to pay for. Most list owners will offer you an 85% net names deal on lists where you order 20,000 names or more (Hilite offer net names from 10,000 names). The 85% means that list owner/manager will only charge you for the names you use as long as you guarantee to pay for at least 85%. You will have to prove the number of names you used by producing a merge purge report and a nominal run charge (£10 per thousand) for those you don't use.

Net names when not to use

When your list orders are small you will have to pay for the names you don't mail. However, these are the names and addresses of Multibuyers (they bought from at least two firms) – the very best prospects. These people are often worth a remail in 3 – 4 weeks time and if you can vary the look of your mailing you could find that the remail segment is the most profitable. While you are doing nothing illegal here it is best to check with your broker before doing this.

Gone Aways (Nixies)

These are the returns that are sent back to you after your mailing. Most come from the Royal mail as undeliverable – mainly addressee moved away but some maybe from the recipient “don't mail me this rubbish again”. The industry knows these as Gone aways or in the US as nixies. Even an up to date subscription list will generate 1.5% Gone aways and a well maintained buyers list around 3%. Some poorly maintained lists are as high as 10% which is totally unacceptable. Most list owners give 20p refund for every gone away returned over 4% but may only count the official Royal Mail returns as gone aways.

Data delivery

Lists now are transferred by electronic means (some small list orders may be supplied on self adhesive labels) either on 1” Magnetic Tape or the more popular PC 3.5”disc or no ever

increasingly via e-mail. Despite the low costs of this media list owners often look to improve their margins by charging anything between £20 and £60 for disc/delivery or email.

Mailsort

This is the discount (15-20%) that the Royal Mail give you for pre sorting the post for them. Really only worth it for quantities over 10,000 this is best left to a mailing house.

Flagging

After you have tested a list successfully, you will want to return and take the rest of the file. To do this properly the list owner must 'Flag' the names you used so they can be excluded next time. While all good list brokers will flag automatically, it is always best to specifically request it on every order.

Suppression Files

When you run a merge purge there are names you do not want to mail:

- 1 Your customers
- 2 A list of past gone aways
- 3 The Mail Preference Service file
- 4 Some mailers also suppress names mailed over last 3/6 months

E Things to avoid or note carefully

Avoiding dishonest list owners

Some unscrupulous list owners have been known to supply 5,000 names from their very best, most recent multi-buyers pretending it to be a random selection. Then when the mailer rolls out 25,000 the response rate shrinks dramatically losing them masses of money. If you have reason to worry about this I suggest you select by random postcodes over the country – while this is not strictly random at least you should be sure that the test has not been doctored other renters select by letter of the alphabet by surname B, D and R should be each approx 5% of the full file..

Although luckily this is not a common problem it is one that can be very expensive.

Sleepers – why you never mail a list a second time without permission.

List owners protect their valuable assets by hiding unique “sleeper names and addresses” in the lists they rent you. A second use, by you or someone you pass the file to (or even a misuse – mailing a piece that was not the one the list owner approved) is soon spotted and expensive legal action nearly always follows. Don’t do it. Most mailers realise this and in a small industry the word soon gets around barring the list stealer from future rentals.

F Taking it a stage further

When you should rent a list again for a second use

You can make a second approved use of the same list work again. This happens when the first test pulls considerably more response than targeted or a new more successful mailing piece has been found. Most list owners/managers are prepared to offer one third off if you take the same names again to promote the same product within a three month period. Best to phone and negotiate the option to do this before the first list rental. You may be expected to use the data already supplied and supply a disc containing all the records you re-mail if you are claiming to mail a smaller quantity than the first rental.

Profiling

This is the best way of making use of the lifestyle lists. Here you supply the lifestyle company with between 10 and 20 thousand of your buyers. They then run this data past their 3,000,000 plus names and find a proportion on both lists. On the say, 3,498 matches they have masses of data and from this they can find the profile of your list and rank the other names on their file by the similarity they are to your clients. Then working your way down you might be able to mail between 20 and 300 thousand names that will make money for you. Whilst these are never the best lists you will ever use they do offer the opportunity to mail larger numbers that you would be able to do without it. However, very

careful testing is advised and is only worth considering once you have mailed 250,000 to conventional response lists.

Data overlays

It is possible to overlay extra information over certain lists to select – certain housing types (Mosaic, Acorn, etc.) investors, those with county court judgements (possible to include or exclude). Not widely available but may be worth looking at for refining big lists that don't quite work in it's present form.

National Change of Address file

A new file from the Royal Mail consists of people who have requested a redirection service. While it can be used to improve deliverability the mail advantage is to ensure that the no name on the in-house list is lost so you can keep in touch with your past customers.

Mortality file

A list of dead people, taken in the main from published wills is available to ensure you do not cause distress to the relatives of the deceased. While the speed the data takes to come on stream is improving the cost of finding a tiny number of people means that this option is not currently widely used.

When poor data can be worth mailing

While they are getting fewer and fewer there are still direct marketers who are very poor at entering data. While the appearance of their list may look bad these lists can still be stars when it comes to response. An electoral role can be perfect in layout and content but the response top a blanket mailing like this would be appalling. Some bureaus (including Hilite Data Services) offer data enhancement services to tidy up poor data capture.

PAF file

This is the Postal Address file which can be kept on your computer to allow speedy and accurate addressing. When you phone and order goods over the telephone you may have been

impressed when from you postcode the operator quickly confirms the bulk of your address and asks for the house number to complete their input. The PAF file has been responsible for the vast improvement of residential data over the past 5 years.

Making money from your list

You will see from your own activities that renting names can be costly. If you have a buyers file you could be making good money to renting it to other approved mailers. Anything from £1 to £4 per recent name can be generated in a twelve month period. While you can handle this yourself a good manager (for a 20% - 30% fee) should be able to generate far more orders than you can do for yourself. They will also be able to guide you through the legal regulations and help monitor and protect against unauthorised use. You also need to be aware that some mailers might offer something very attractive just to get the response from your list that they can legitimately add to their own.

Price negotiation

Most list owners don't give discounts on orders of less than 20,000 and only then begrudgingly. The best time to negotiate is before your first test. Agree to test a list only if you can get an agreement for a 20% discount on all future orders over say 20,000. This will only work on the larger lists and allow yourself some time, you won't get any good deals if you are also insisting on the names tomorrow!

Sometimes a good net names deal is better than a lower price. If you hit a problem getting the price of the list or the net names deal, try and get them to throw the selection in for free.

Irish names

Many UK mailers ask for any Irish names to be excluded from any list selection. As long as you can bank Irish punts, or profitably handle the replies you would be advised to leave the Irish names in the list – they are more than often more responsive than the UK – the theory being they receive less cold direct mail.

International names

The same is often said of international names. Some mailers don't select countries with fewer than say 100 names. However, as long as they are proven international responders there is a good cases for mailing all the countries you can.

Endorsed mailings

This involves negotiating a special deal with the list owner where they allow you to insert a letter from them in your promotion. The letter endorses your product or services and nearly always lifts response considerably – although it does depend on the relationship the list owner has with their customer list. The price charged for this service is around £50 per thousand, a share in the profits or a reciprocal deal. Care needs to be taken on the amount of times the list has been exposed to this kind of endorsement.

Data Enhancement

Your broker should be able to recommend a computer bureau who can tidy the data you have been supplied as well as merge purge the two or more lists you are mailing.

Another form of data enhancement is applying financial and employment overlays although this is normally only considered by the larger mailers.

Merge Purge – the economics

If you are mailing over 20,000 names you must make money by merge purging the lists.

For example suppose you rent five lists of 10,000 and four of the five lists give you an 85% net names deal.

No merge purge – you mail 50,000 at a total cost of say £420 per 1,000 = £21,000

Merge Purge – Extra cost £15/K x 50,000 = £750. Savings are to be made if only 2,500 names are lost on the merge purge. You also gain the advantage of not annoying your best prospects by mailing them twice.

On average you would lose around 7,500 on a 50,000 mailing saving you £2,400 even after paying for the merge purge.

Merge Purge – pecking order

Although merge purges can be done in a random way (if two names were both on two different lists you would lose one of the addresses on list A and the other name lost on list B) most cases a pecking order. For example, every name on list 1 would remain in place with all the duplicates with list 2 being removed from list 2. The result is then compared with list 3 . . . and so on. The mailers customer list if used would be placed above list 1 and any name on that list would be surprised.

If you have net names deals on some but not all rented in lists, you are advised to put the lists with the best net names deals at the bottom of the pecking order, then really saving money. The only exception here would be on test lists (often no net names anyway) to give them the best chance of working you should put them at the top of the list.

Merge Purge – the information you get

At the end of a merge purge the bureau will supply you with a report showing you the number of names that have been dropped and their reason.

Bad addresses dropped should be credited in full although some list owners/managers resist this. A high number of matches against your client list indicates a better response than a low number of matches which suggests a weaker response.

Some mailers can even spot some mistakes in supply. If 15% of the first test matched with their list they would expect a similar response on roll out – when one came in at 3% they knew something was wrong – and they were right.

Swaps

Some direct marketers only rent their names if they get a similar number of names back in return. This can be administered in several ways.

Swaps 1 for 1 – You supply your list for free as does the other mailer. You pay approximately £20/K to the broker for arranging the deal.

- a Ongoing Swap – As above but you keep an account where one mailer might build a sizeable debit balance. This can be hard to untangle later.
- b Reciprocal Rentals – As a swap but money changes hands to help balance the books when one party rents in more than they rent out.

See the warning on soft offers in “making money from your list”.

Matrix Test Analysis

When testing two or more factors it is possible to tabulate the results to give you more information.

Suppose you are testing list A against list B and a £50 price against £70 your results matrix may look like this:

Qty/Price Offer	2,500/List A Qty/Response/Rev	2,500/List B Qty/Response/Rev	Total Qty/Response/Rev
2,500 / £50	1,250 /60 / £3,000	1,250 /70 / £3,500	2,500 / 130 / £6,500
2,500 / £70	1,250 /50 / £3,500	1,250 /30 / £2,100	2,500 /80 / £5,600
	2,500 /110 / £6,500	2,500 /100 / 5,600	

From this we can read that: list A works better than list B. £50 price produces the most orders and most revenue.

List B is very price sensitive so the next test might well be at a lower price.

list A produced a higher revenue at the £70 price so the higher price can't be discounted just because it didn't work on list B.

Your broker should be able to help you analyse your results.

G Legal and Other

List Warranty scheme

A simple scheme that allows List owners and mailers to specify how they operate. Widely used by list owners/managers most. However list users won't be made to supply one unless they need certain lists where the list owner insists on one.

MPS

The Mail Preference Scheme was set up in the eighties to allow people to register their dislike of cold direct mail and have their name excluded from list rentals in the future. All recognised list owners and managers will run this MPS file against their data at regular intervals to exclude MPS people. Most computer bureau when running a merge purge will double check the mailing against the MPS file as a back-stop.

There is an MPS of people who want to receive mail but this is rarely used as it tends to be a list of mailing industry people keen to see what others are doing.

ASA – CAP

The Advertising Standards Authority rule on advertisements and mailshots that may be in breach of the British Code of Advertising practice. The CAP committee offers advice to mailers and advertisers if required. While no law is broken if you do not comply, some list owners and managers will not rent if you do not.

Data Protection Registrar

Everyone holding name and address data needs to be registered with the DPT – their details are:

Data Protection Registrar

Wycliffe House, Water Lane, Wilmslow, Cheshire SK9
5AF

Tel: 01625 545700

Fax: 01625 524510

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Minimum List order 3000
