PRINTtips

Direct Mail + List Management = Effective Marketing

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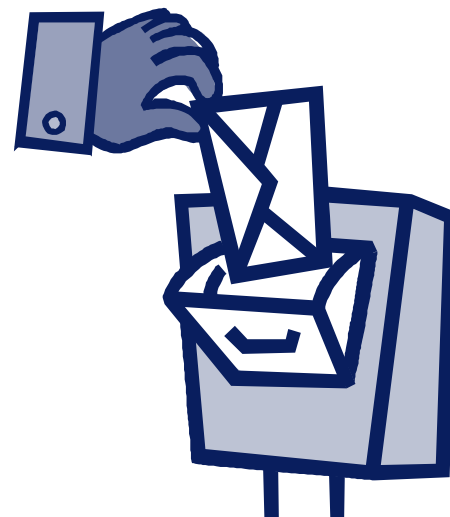**D**irect mail is a very popular way to market a company's products or services. Here at *MacMillan Graphics* we have helped many customers design and print effective direct mail marketing pieces.

But here is something you may not know – the success of any direct mail marketing campaign is more dependent on the mailing list than on any other factor. You can verify this for yourself with a simple hypothetical example. Suppose the owner of a pizza parlor mailed a post card that looked just exactly like a delicious pepperoni pizza and offered a pizza for free just for returning the card. That would seem to automatically guarantee a high response rate. But suppose the mail list used for the mailing was comprised only of vegetarians – a sure case of a great mailing to a bad list.

Characteristics of a good mail list

The mailing list is usually the least expensive part of a mailing yet, according to the Direct Marketing Association, it accounts for 60% of the success of a mailing. Despite its importance, the mail list is often the most neglected part of any mailing.

A good mailing list contains names that are correctly spelled, addresses that are accurate and conform to the United States Postal Service (USPS) standards for abbreviation and punctuation, and has no duplicates. Mailings addressed from lists that have these characteristics will be consistently and accurately delivered in a timely fashion.

If you purchase a mailing list from a reputable list broker, it will have these characteristics. However, the most important list for your business to use in direct mail marketing is your own list of customers. And unless you have exercised real care, it may be that your customer list does not have these characteristics.

Mail list standards

For any mail list to function optimally, it must be consistent and accurate. *Consistent* means that abbreviated address elements (such as *street*) are always the same (*St*) and conform to USPS standards. *Accurate* means that names and addresses are free of typos and "creative data" entry (such as entering company name in the place reserved for the names of people).

Regardless of what software program you use to maintain your customer list, it is important that

you adopt a structure for your mail list and enforce data entry standards.

Here are our recommendations:

- **Name**
  People's names consist of five basic parts – prefix (Mr., Mrs., Ms., Dr., Rev., Sen., etc.); first name; middle name or initial (optional); last name; and suffix (Jr., III, DDS, PhD, etc.). It is best to have a separate field for each of these elements.

- **Company**
  If your list includes names of businesses, create a separate field instead of entering the company name as if it were the name of a person. Also, use consistent abbreviations for frequently encountered elements such as *Inc., Corp., Co., Ltd.*

- **Street Address**
  The address is the most important part of the data entry process. An accurate address contains elements that are complete and correct. When an address is missing elements, contains incorrect elements, or fails to conform to USPS address standards, it will require additional handling to be delivered or may not be delivered at all.

  If a person or company has both a post office box and a street address, use the post office box and ignore the street address. If there is an apartment or suite number, enter it right after the street address, preceded by the number sign (#), and do not put a hyphen or space between numbers and letters (*i.e.*, #3A, not #3-A or #3 A). Be sure to include street directional (N, S, E, W) and street suffix (street, avenue, boulevard, road, drive, way, lane, etc.).

- **City, State, and Zip Code**
  The city, state, and zip code each should be in its own field. Always spell out city names – no abbreviations, even if the abbreviation is commonly understood. *Los Angeles* is a city name; *LA* is not. State abbreviations are always two characters and upper case. The USPS provides a list of state abbreviations.

- **Country**
  If your mailing list contains addresses in foreign countries, be sure to include a separate field for the country. Do not force a country name into any other field.

Personalization and data quality

A popular and effective way to increase response rate for a mailing is to personalize the mailing with the recipient's name in the body of the letter. But here is an important caveat – effective personalization is completely dependent on how accurately the data was entered. Nothing is more noticeable to the recipient than his or her name misspelled – especially if the recipient is a customer of the business that sent the mail piece. In addition, certain personalization techniques (such as using the first name in the salutation) may not be possible if there is not a separate field containing the first name in the mail list.

Merge/purge and de-duplication

Merge/purge is one method for improving the quality of a mail list. In this process, two or more different name and address files are combined (merged) into one list, and duplicate records are identified and deleted *(purged)*. *De-duplication* is the same process but involves only one list. One of the main benefits of merge/purge and de-duplication is ensuring that a single person receives only one mailing.

Your own customer list

For almost any business, the mailing list that will consistently evoke the best response rate from any direct mail campaign is also the least expensive – its list of customers. But unless a business shows loyalty to its customers by a regular regimen of direct mail, customers may lose their loyalty to the business. That's why we suggest you mail something to your customers – and perhaps a list of selected prospects – frequently.

We can assist you with determining what kind of mailing will be effective with your customers. A newsletter is always a popular item, as are post cards. Contact us at *(513) 248-2121* for ideas or to make an appointment.

> *"A popular and effective way to increase response rate for a mailing is to..."*

> *"One of the main benefits of merge/purge and de-duplication is ensuring that a single person receives only one mailing."*

Q. *What kinds of mail lists are available?*

A. In the most general terms, there are two kinds of lists: a *house list* consisting of information about your own customers and prospects; and a *rented list* consisting of information that has been gathered by others and offered for use. Here are brief descriptions:

- *House list:* a house list includes the names, addresses, and other information about customers of a business (customer list). It may also include the same information about people who have responded to marketing efforts – leads generated by advertising, trade shows, outside sales people, or responses from sweepstakes or contests (prospect list). As a general rule, a house list provides the best response rate from a direct mail campaign.

- *Response list:* mailing lists of people who have purchased products or services; includes magazine subscription lists.

- *Survey list:* a list that has been created from information provided by those who respond to surveys. A survey list often contains detailed demographic information.

- *Compiled list:* a mailing list compiled from various public records, then merged and purged. Compiled lists often contain additional demographic information such as age range, household income, and ethnicity, or behavioral information such as making purchases from catalogs.

- *Business list:* another form of a compiled list. In addition to business name and address, a business list may also contain demographic information such as annual sales volume or number of employees, and additional contact information such as telephone number.

- *Residential list:* a list of home addresses. May or may not contain names.

Cleaned list: a list that is free of duplication and unwanted names and addresses.

House list: a mailing list consisting of the customers of a business. A house list may also contain names and addresses of prospects.

List broker: an individual or company that brings together owners of lists and the direct mailers who wish to use the lists.

List compiler: an individual or company that specializes in gathering names, addresses, and information from a variety of sources to produce a new mail list.

Merge: the process of combining two or more lists into a single list using the same sequential order, then sorting them together.

Merge/purge: the technique used to combine names, addresses, and related data from various mailing lists to identify and eliminate duplicate names or to create a marketing database.

Purge: the process of eliminating duplicates or unwanted names from one or more lists.

RFM: recency/frequency/monetary. The key formula used with most databases to identify how recently and how frequently an individual purchases, and the amount of money spent by an individual.

Words

"...identify and eliminate duplicate names or to create a marketing database."

Mac Millan Graphics Ltd.

Direct Mail + List Management =

Effective Marketing
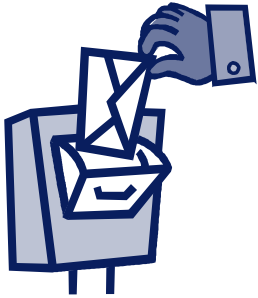
Please Route to the Printing Buyer

Keeping Your List Up-To-Date

Idea Corner

"...the postage cost for a card mailed at the first class rate is lower than a letter mailed using the standard rate."

An easy way to keep your mailing list up-to-date is to mail periodically using small post cards. Owing to an anomaly in the postage rates, the postage cost for a card (defined by the USPS as measuring no greater than $4 \frac{1}{4}$ x 6 inches) mailed at the first class rate is lower than for a letter mailed using the standard rate. (Note: *standard* mail is the current USPS term for what used to be called *third class* mail.)

A card mailed at the first class rate receives all the services associated with first class – delivery priority and notification back to the sender if the mail piece is undeliverable as addressed. To take advantage of this feature, you must have an *endorsement* – essentially an instruction – that tells the USPS what to do if the mail is not deliverable using the address you provided.

Although there are several types of endorsements, all with various levels of service, the one we recommend is *return service requested.* This will result in the mail piece being returned to you with the new address or the reason for nondelivery provided, and at no charge. Now you can update your mailing list either by changing to the new address or deleting entries.

The current rate for cards is 23 cents. If you presort the mail, the rate drops to between 21.2 cents and 17.6 cents, depending on the level of sortation. For a more detailed explanation of this technique, call us at *(513) 248-2121*