



December 2005

PRINTtips

Your Company's Mail List... You Can't Market Without It



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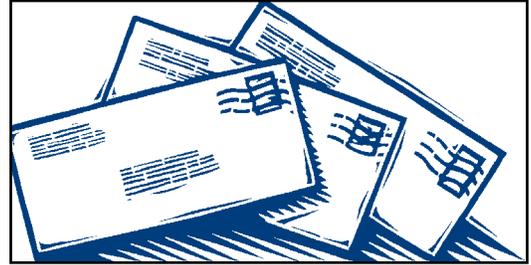
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As we've mentioned in previous issues of *Printips*, the success of any direct mail marketing campaign depends primarily on the mail list. Studies have shown that 60% of the response rate can be attributed to the mail list, while only 20% each is attributable to the offer and the appearance of the mail piece. Given the importance of a mailing list, we recommend that all our customers understand the basics in order to make the best use of any list – internally-generated or purchased.

Types of mail lists

Mail lists can be divided into two basic categories: house lists and rented lists. A house list is one you compile yourself and consists of customers and prospects. The customer portion of a house list might include both current customers and those who haven't purchased in a while (and therefore would be considered inactive). Prospects are those whose demographic characteristics match those of your customers, but who haven't yet purchased anything from you.

Rented lists consist of compiled lists containing names and addresses that have been gathered from secondary sources; response lists, composed of people who have made purchases or responded to offers; and specialty lists, containing names and addresses of a specific nature (such as a mailing list covering education, healthcare, religion, or government listings). Compiled lists are further subdivided into residential or consumer lists and business lists. Finally, a residential list may include names or may contain a generic descriptor such as resident or occupant instead of the name.



Sources for mail lists

Individual businesses or organizations are the source for house lists. If you know the owner of a non-competing business in your area whose customers have the same demographic profile as yours, you may be able to exchange mailing lists to the benefit of both companies.

List brokers represent a variety of business and consumer lists and often have working relationships with list compilers that allow the broker access to the compiler's databases. Some list brokers now offer their customers the ability to obtain online counts of consumers or businesses meeting specific criteria.

Three large list compilers in the United States are R.R. Donnelley (consumer lists); Dun & Bradstreet (business lists); and InfoUSA (consumer and business lists). The compilers work with list brokers and also have developed mail list products to be sold directly to individuals and businesses.

Specialty lists are available from Dunhill International List Company (both consumer and business). Though not a direct provider of specialty lists, Standard Rates and Data Service (SRDS) is a reference for obtaining specialty lists. Their comprehensive database has over

Your Company's Mail List (continued)

55,000 list rental opportunities in 230 business and consumer market classifications.

Mail list quality

The goal of a direct mail marketing campaign is to motivate people to take action. Toward that end, a good house list will outperform (meaning, will generate more response) than any other list. Since it is unlikely that every one of your customers already is using all your products or services, and since you already have an established relationship with them, you can predict that your customers will read and respond to information or offers you send them.

Unless, that is, your mailing list has errors that either prevent delivery or negatively impress your customers or prospects. Errors that could prevent delivery include incomplete or incorrect address information (street address, city, state and ZIP code), while errors that might leave a bad impression on customers include misspelled or incomplete names.

There are several ways errors can be introduced into a mail list:

- *Data entry.* According to a report by the research firm The EDI Group, the average error rate for data entry is 10.1%. This means that on average, if a mailing list has 1000 records, 100 of them will have errors introduced during data entry.
- *Customer relocation.* The United States Postal Service reports that every year, about 17% of Americans move, thus introducing errors to the mailing list of incorrect addresses. Even though a smaller percentage of businesses move each year, a business list can also be adversely affected by business failures.
- *Differences in mail list structures.* If your mailing list is assembled from various sources whose structures vary, error may be introduced. Structural deviations can be both the amount and type of information collected (one source may capture a spouse name while a second source does not) and the space allocated for the data. For example,

one source may allocate 20 characters for the street address while another allocates 35. A lengthy address may not fit into 20 characters, leading to truncated data or data entered into fields intended for another purpose.

Improving mail list quality

The more complete and accurate the address information in the mail list, the faster the mail will be delivered to the right person. Use these tips to improve the quality of your mail list:

- Institute and enforce standards for data entry, including standardizing individual address elements. For more information on data entry standards, see The Idea Corner in this issue of *Printips*. Verify and validate the information in the mail list. You may be able to verify and validate by using an Internet search engine and visiting the web sites of customers and prospects. For those without web sites, telephoning to verify is the best approach.
- Identify and remove duplicates. Duplicates may be exact (meaning all elements of the name and address are identical) or near (some elements are similar but not exact – a first name of Bob versus a first name of Robert is an example). Identifying duplicates can be difficult without specialized software for the task.
- Be sure the mail list structure will accommodate all the data. Just as there are standards for preparing documents you give us to print, there are standards for the structure of a mailing list. The standards define the fields in each record and the field lengths – in other words, the amount of information that will fit into each field. In general, field lengths should be set to accommodate the longest character string that is possible in the mail list. However, this general rule may conflict with the amount of space available in the mail panel or the window of an envelope for the address elements.

“The goal of a direct mail marketing campaign is to motivate people to take action.”

“... about 17% of Americans move, thus introducing errors to the mailing list of incorrect addresses.”

Your Company's Mail List (continued)

When is a mailing list a database

When additional information besides the name and address fields is added to a mail list, then it becomes a database. Now data entry standards as well as verification and validation of the data assume even greater importance. Whereas inaccurate address information may prevent a mail piece from being delivered to the intended person, inaccurate or incorrect ancillary information may make a negative impression or even anger the mail piece recipient.

Your mail list: a valuable business asset

We hope you'll agree that your mail list is a valuable business asset that is worth some time and effort to maintain and improve. It is the basis for a successful direct mail marketing campaign as well as effective communication with your customers and prospects.

"... incorrect ancillary information may make a negative impression..."

Data Entry Standards

Consistency and accuracy are important attributes of a good mail list, and establishing and enforcing data entry standards is an excellent way to promote both.

Data entry standards are the rules for how the individual data elements in a mailing list appear. Data entry standards dictate how words are abbreviated, how to shorten data elements that are too long for the allowed field size, and what to do with data elements for which no field exists in the record.

Data entry standards should be developed, then written and published to ensure that everyone who is working on the mailing list understands what they are and why they are important. Appoint someone in your organization to monitor and ascertain that the standards are being followed, and provide training to anyone who may be violating the standards.

For more information about data entry standards, give us a call at 513-248-2121.



"Data entry standards are the rules for how the individual data elements in a mailing list appear."



What is SRDS?

A. SRDS is an acronym for Standard Rate and Data Service, a database of information on advertising rates, closing dates, and contact information for more than 100,000 United States and international media sources (magazines, newspapers, television, direct marketing, radio).

SRDS also acts as a clearinghouse for mailing list rental. Through its Direct Marketing List source service, SRDS provides information on list sources, selects, costs, and other information to help find an effective mail list. With over 55,000 list rental opportunities in 230 business and consumer market classifications, SRDS claims to be the most comprehensive reference for locating specialty lists.

SRDS is a good source for list rental opportunities for response and specialty lists. Access to the SRDS database is via annual subscription.



"SRDS is an acronym for Standard Rate and Data Service..."

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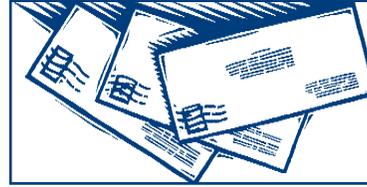
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Marketing Tricks & Tips

A useful tool for marketing to customers and prospects is to develop an audience profile – a detailed description of each customer's characteristics, attitudes, and behaviors. The profile can be either demographic or psychographic.

Psychographic information predicts why customers act the way they do. Demographic information describes characteristics of each customer in measurable terms. Typical demographic characteristics for a consumer profile are age, gender, occupation, marital status, household income, education level, ethnicity, etc. Typical business list demographic information is size (stated in number of employees or sales volume), SIC or NAICS code, years in business, etc.

Profiles can be used for current customers to help refine the marketing message so it is more effective for a specific customer segment. And knowing the profile



of current customers will help define a target audience for prospecting.

Profile information should come from more than one source; typical sources include what your marketing and customer service staff know about their customers, interviews with customers, and third party research. Profiles should be refined and updated often.

When gathering the profile information, it is all right to make an educated guess. In this case, state the information as a range (“between 25 and 30” rather than “27”), which will help identify the uncertainty about the information.