



Navigating the World of Lists

Navigating the World of Lists

Brought to you by AccuData America

For direct marketers, success boils down to one simple word: access. You need access to the largest universe of prospects and customers. Access to information that's as complete, wide reaching and accurate as possible. And, most importantly, access to prospects and customers that deliver results.

As the direct marketing industry has grown over the years, so has the number of lists available. With all the public and private sources and different targeting methods available today, there are literally millions of different lists to select from on any given day. And the data is always changing.

A savvy direct marketer who understands the general principles of list selection can use every experience in the world of lists to his or her advantage. Learning from every experience, testing every offer, and working with a reputable and knowledgeable data provider are three ways to ensure a good track record that will only get better with time.

Have you heard of the 40-40-20 Rule? A universally acknowledged piece of conventional wisdom, the 40-40-20 Rule breaks down as follows:

- 40% of your success depends on the list quality
- 40% depends on the offer
- 20% depends on the creative

That means the quality of your list, the type of list you choose and the data you include is crucial. It doesn't matter how great your offer is or how well you present it, if you send it out to people who aren't interested.

LIST-MANIA! The who-what-how of lists

As a marketer you have probably faced the challenge of finding that perfect target audience for your message and offer. Whom to trust? What to look for? How to choose?

AccuData understands that challenge. And we're proud to offer you tips on how to navigate the world of lists. As a guidepost for learning and helping you select the right data for every project, this document will highlight the major list types, outline some general and specific applications, and examine the pros and cons of each one.

If you're looking for something specific, or have a question that is not addressed in this guide, we'd be happy to help. Call your AccuData representative directly, or call our general line anytime at 1-800-732-3440. We have the expertise and the data to help make your next campaign a huge success!

So, let's get started. There are five major list types in the direct marketing industry:

- Compiled
- Specialty
- Response/Donor
- Subscription
- Customer Files

COMPILED LISTS

Compiled lists are put together from various existing sources, all brought together to form a larger database. Compiled data is the least expensive list out there, because it is compiled from public sources including telephone directories, public records, or automobile registrations.

Managing a compiled database is no easy task. These lists are continually updated to capture the newest information available. They gobble up hundreds, if not thousands, of hours of manpower. It's a complex task to make sure compiled data is accurate and compliant with all laws and regulations.

Compiled data gets broken down into three general categories - Resident/Occupant Data (AKA res/occ data), Consumer Data and Business Data. These general categories represent the first step toward targeting. Depending on what you or your clients are selling, one or all of these list types might fit the bill.

Resident/Occupant Data

These data lists, compiled from the United States Post Office and updated quarterly from mail carriers' information, include every deliverable address available.

Resident/Occupant lists are perfect for the broadest campaigns—for those that aim to reach everyone in your town, city, state, region, or even the country. An excellent choice for saturation mailings, res/occ lists allow you to select addresses by zip code or carrier route, or within the radius of a certain location. They are also the least expensive data lists, because they don't contain names (unless otherwise requested): res/occ mailings are usually addressed to "Current Resident" or another general identifier. Without having to sort names and addresses, the postal service can simply deliver the offer to every location on the list without any other processing.

Other key points about compiled Resident/Occupant data:

- It offers maximum postal discounts!
- Res/occ lists can include business addresses as well (which may expand your customer base because even businesses order pizza, need dry cleaning services, use local banks, etc.).
- Addresses don't have to be as vague and generic as "Resident." For example, if you are promoting a local pizza shop, try "Pizza Lover." Or if you're spreading the word about an auto insurance product, you can address it to "Drivers in the House."
- You can ask for businesses to be included or to be excluded from your list.
- A res/occ mailing's lack of personalization sometimes leads it to be considered "junk mail" and tossed.

Countless industries and businesses rely on compiled res/occ data files for the bulk of their campaigns. Here's a short list of common users and reasons for choosing them:

- Churches
- Insurance Agents
- Grocery Stores
- Retailers
- Restaurants
- Businesses announcing grand openings or sending coupons and flyer

Consumer Data

Every one of us is a consumer all day long, whether as business people, parents, spouses, hobbyists or individuals. We make buying decisions constantly. And when the right marketer offers us the right campaign, we're bound to respond. Compiled consumer lists can often make that connection.

Consumer data lists, updated monthly, are compiled from a variety of sources including telephone directories, public records and others. More flexible than res/occ data, consumer data lists not only include addresses, but a vast amount of additional selections: names, phone numbers, demographic data and psychographic data, to name only a few. These choices make it one of the most flexible data solutions on the market today. Consumer data allows you to target your audience from either a broad nationwide sweep or a specific detailed search.

Other key points:

- Postal discounts are available on compiled consumer campaigns when you sort bulk mailings by zip code or carrier route.
- Personalization is available to increase open and response rates.
- Consumer data also allows you to target your mailings to specific audiences to increase response. Select your audience by gender, hobbies, family, marital status, ethnicity, interest, or nearly anything else under the sun!
- Some compiled consumer selections are inferred, which means that they are less than 100% accurate.

Common users and applications:

- Publishers use compiled consumer files to promote certain magazines.
- Financial institutions use them to target people with certain levels of income.
- Insurance agents use them to target families with teenagers to promote car insurance.
- Healthcare organizations use them to target seniors with specific health concerns.
- Retail businesses use them to promote products and stores to specific niche markets.
- Travel agencies and resorts use them to promote family-friendly and couples-only vacation spots, certain locales or timeshare properties.

Business Data

Compiled business data is collected and updated monthly from a number of sources, including Yellow Page directories, business credit reports, annual corporate reports and business/industry directories. With over 12 million business records to choose from, compiled business lists provide the most comprehensive, marketable information available.

Of course, the compiled business database is great for business-to-business offers, simply because it represents the most businesses currently available. But whether you market a business-to-business product or not, you should consider these lists as a way to reach a lucrative market. Many consumer-based businesses—everything from restaurants to dry cleaners to printers—can increase revenues by targeting people where they work.

In addition, the variety of options and selections available within the compiled business file allows you to target and identify the best potential customers in any geographical area. You can choose top contacts by title, job function, responsibility level and more. Adding specific criteria to your file is just one more way to make sure your mail piece reaches the right hands.

Common users and industries:

- Accounting and Payroll Services
- Banking Services
- Business Insurance
- Computer and Office Equipment
- Printing and Mailing
- Expand your product line by offering a line for businesses (i.e. dry cleaning pick-up at office buildings, express lunches, cell phone packages, etc.)

SPECIALTY LISTS

While a bit more expensive than compiled data, specialty lists—which are targeted toward a very specific audience—almost guarantee a bigger bang for your campaign.

Inexperienced marketers often mistakenly assume that buying a specialty list is no different than buying consumer or business data and adding certain selects, but specialty lists offer more than that. Most of these files are pulled from specific sources that are guaranteed to contain the criteria you request; and unlike compiled data nothing is inferred or assumed.

Also, specialty files are often based on specific, failsafe models: for example, certain political models developed over the years have been proven to predict the likelihood of an individual's affiliation with a certain party. These models, which act as the base for the specialty files, are incredibly tricky to discern. It naturally follows that we all pay a bit more for that intellectual capital.

Here's a sampling of some of the most common specialty files:

New Homeowner Data

A rich source of new prospects, this database is compiled from public sources including county deed records and is updated weekly. A new homeowner list enables you to target offers to the millions of Americans each year who change addresses. These "new to the neighborhood" consumers often have special needs and are eager to establish loyal relationships. With above-average incomes and specific purchasing needs, new homeowners are highly receptive to direct mail and telephone promotions.

Major applications:

- Cable/Internet services
- Catalogs
- Financial services
- Lawn/Home services
- Publications
- Retail
- Security systems

Bankruptcy Data

Compiled and updated directly from the United States Bankruptcy Court System, this is a comprehensive file of consumers who have either filed bankruptcy or had a bankruptcy discharged or dismissed. This database represents high credit-risk consumers who need help rebuilding their credit through debt consolidation, secured credit cards, home equity loans, refinancing and other financial offers.

Major applications:

- Auto loans
- Credit-card counseling
- Home-equity loans
- Insurance
- Mortgages and refinance
- Secured/Un-Secured credit cards
- Self-help organizations & publications

Automotive Data:

Updated monthly, auto data is compiled from public records. By combining targeted data with statistical modeling, the auto file has the propensity to identify what types of vehicles a certain household might own. These lists provide an excellent way to bring marketers and consumers together when it's time to buy.

Major applications:

- Auto accessories
- Car dealership promotions
- Financial services
- Gasoline credit cards
- Service center programs

RESPONSE/DONOR LISTS

Whereas compiled data lists assume certain things about a target audience, response and donor lists leave much less to the imagination. If accuracy is crucial to your campaign, response data is a great resource for you.

Response/donor lists contain individuals who have specifically expressed interest in a product or service, by filling out a survey or donating to a charity. Many associations and charities augment their fundraising by selling their lists to reputable marketers. (Respectable organizations almost always insist on approving your marketing piece before they'll sell you their extremely valuable file. But as long as your campaign doesn't bring up any ethical or competitive roadblocks, the sale normally goes through without a hitch.)

Response/donor lists don't always include every individual or family affiliated with the organization, as some people inevitably "opt-out" and remove themselves from mailing list files, but the vast majority should be available. These lists are more expensive, but they're worth it. Just think: if you speak in your targets' "language," using their jargon and terminology, and address their needs as well, your response is bound to increase.

Common users and applications:

- The American Bar Association might be a source to use to sell a new law seminar
- The American Medical Association would be a great target to speak to doctor's and nurses
- Book publishers might target financial seminar attendees to sell a new book about financial services

SUBSCRIPTION LISTS

Subscription data lists are more popular with some marketers than others. Why? Because these lists are comprised of individuals who have subscribed to a particular magazine, periodical, newspaper or journal. While they offer the potential for a great target, it's smart to keep a couple of tricks in mind.

For example, magazines that focus on golf seem to be a great target for many companies, from sporting goods retailers to high-end resorts. But did you know that sometimes as much as 60 percent of a subscription file is filled with doctor's and dentists offices? If you're seeking an audience that's solely made up of golf enthusiasts, it's good to keep in mind that—contrary to popular belief—not all doctors golf!

While subscription files can offer a great return on investment, it's best to work with an experienced professional when choosing your list. They'll help ensure that you get exactly what you want, without the unnecessary extras that can waste your time and money.

Here's a sampling of subscription list types:

- Sports Illustrated subscribers
- TV Guide subscribers
- Lillian Vernon catalog buyers
- Prevention Magazine subscribers
- Today's Home subscribers
- DoubleDay book buyers
- PC News subscribers
- Mother Earth News subscribers
- Standard and Poor's subscriber file

CUSTOMER FILES

Ask any experienced marketer, and they'll tell you that the most valuable list in the world is the one you already own. That's right—the value of your current customers and prospects is huge.

You already know your customers, but do you know how to hone your file and make it even more valuable? For cross-selling, up-selling and just plain selling, your database needs tender loving care. With a little attention, it will reap major rewards for you.

Here are just a few of the things you can do with the data you own:

- Clean up that file with **Data Hygiene**.
This process allows you to save money by keeping your data as comprehensive and up-to-date as possible, with the following services:

- Data Consolidation and Standardization
 - NCOA: The National Change of Address
 - DSF: The Delivery Sequence File
 - LACS: The Locatable Address Conversion System
 - CASS: Coding Accuracy Support System
 - Deceased Processing
- Make it more valuable with **Data Enhancement**.
Data Enhancement solutions enrich your database with data appends (additional fields of information) that allow you to learn more about your customers, and therefore, target and talk to them more effectively. By pulling information from multiple data sources, you can maximize your insights and ensure the highest quality of data available.
 - Learn more about your customers and prospects with **Data Analytics**.
Data analytics allow you to find out much more than the names and addresses in your file. Among many other uses, these solutions help you:
 - Identify people who own specific products
 - Find the demographic and psychographic makeup of your customers and prospects
 - Build a regression analysis, so that you can market to the appropriate people during a particular life event.
 - Start connecting through the web with **Email Append**.
Email append allows you to open a whole new communication channel with your customers, by adding email addresses to your database. With the appropriate targeting, email marketing is quick, cost-efficient and offers a rapid return on investment.

CHOOSING A DATA PROVIDER: Don't forget, it's all about people.

Finally and maybe most importantly, when you approach a data provider, make sure you're getting the input, feedback and insight to maximize your investment. Find a data provider with the attention to detail it takes to usher you to the next level. Make sure they are dedicated to helping you grow and have the capacity to handle any increased business you may give them.

Every provider should offer you a "data sheet" for every list available that offers some or all of the following questions.

12 Vital Questions to Ask Your Data Provider*

To make sure you are always prepared to navigate through the world of lists, here are some easy but vital questions regarding data to make sure you get what you need and expect.

Make sure to ask yourself or any data provider the following questions:

1. Who is on the list?
2. Is it a list of everyone who responded, or of actual buyers?
3. How recent is the list? When was it last updated?
4. If it is a list of actual purchasers (response list), how recently were the purchases made?
5. Can you get a "hotline" select (which offers you the names that have come onto the list within the last 30, 60 or 90 days)?

6. How often has this list been rented?
7. Has the list been tested?
8. After testing, did the renter continue to rollout?
9. Did the mailer rent the list for a follow-up mailing?
10. Where did the list come from?
11. If the list came from the company that compiled it, ask for a sample of the mailing. This may be the best way to determine relevance for your mailing.
12. Is the list clean? How often does the owner clean it? Has it been NCOA'd or CASS certified?

*Direct Mail by the numbers, USPS

About AccuData America

This report is available courtesy of AccuData America.

AccuData America, a PRIMIS company, is the largest multi-source provider of compiled data and database analysis services in the U.S., with services ranging from consulting and list rental to data analytics and campaign development. Today, with real-time access to all major marketing databases in the country, AccuData helps over 25,000 direct marketers maximize their business and marketing objectives.

A recognized leader for helping companies identify and capture new customers and retain and grow their existing databases, AccuData has the knowledge and experience to deliver innovative data resources and fresh ideas that maximize any direct marketing effort.

To learn more, contact us today at 1-866-547-8328 or info@accudata.com!