

What's in a Name? Using Direct and E-mail Lists

*May 15, 2007*

From the *Management Advisor* Newsletter

By Mark Kolier, President, CGSM Inc.

An often-cited set of statistics says the success of a direct mail campaign depends 40 percent on the list of names used, 40 percent on the product offer and 20 percent on the creative presentation of your mailer. While opinions vary slightly on the breakdown, the importance of a highly responsive mailing list cannot be underestimated. As e-mail marketing has taken hold in recent years, many of the same rules apply. And if anything, your list selection is even more critical.

### **Direct Mail Lists**

There are many qualified list managers who represent the ultimate owners of the lists you might look to rent. List brokers are consultants who will help you find lists of mail responders—people who have responded to some type of mailing and have requested to receive information—matching your customer demographic profile. Knowing your ultimate customer or decision maker gives you—or your list broker—additional selection criteria to hone your list down to a set of the most likely responders.

Of course you will want to reach customers that respond to mail offers, but list "selects" enable you to target demographic, geographic and even psychographic information to create a mailing list that will foster even higher response rates. Remember, lists are rented—normally for one time use only—and each time you wish to send out a mailing you must "rent" that name anew. Discounts for multiple uses are standard industry practice.

### **E-mail Lists**

A major reason e-mail lists are popular is the time frames are significantly shorter from promotion distribution to response. Couple that with the fact that there are no hard copies to mail and you quickly realize the low cost of e-mail marketing. But the downsides are well heralded. Spam filters choke many e-mail promotions. Even if you are sending your promotion to a frequent e-mail responder, chances are strong that some of your e-mails will never reach your intended recipient. And as security increases, it's only becoming more difficult.

E-mail open rates continue to decline. And many recipients receive so many e-mails that they simply press delete without reading your offer. However, e-mail marketing can still be an effective tool in helping determine the effectiveness of a new campaign. E-mail response results can be quickly analyzed and leveraged to increase your ability to go to market with offers to other e-mail lists or other marketing channels (direct mail, on-page, inserts, broadcast and web marketing).

So, how do you get the most bang for your buck? Here are five tips for choosing the best postal and e-mail lists for your campaign.

**1. Never waver from looking at RFM.**

Recent purchase history, frequency, and monetary value (RFM) tracks your customer's last purchase from you, how often he or she purchases a competitor's product, and the total value of an average order. Do your research and you'll be sure to target the best potential targets.

**2. Don't be fooled.**

A list might "say" it is for a certain targeted buyer, but there may be an invisible person in the mix. For example if you are trying to reach doctors, you'll find plenty of physicians lists. But remember that many doctors don't open their own mail—their nurses or office managers act as gatekeepers. You'll need to find a way to get the doctor to open your package himself (sending express mail or even overnight service can often bypass the gatekeeper) or target the person who is opening the mail.

**3. You get what you pay for.**

A key to remember when buying lists is the more recent the responder, the more expensive the name. "Hotline" names are coveted by all since a recent mail responder is many times more likely to respond to another offer than a dusty old name. Even names 18 months old begin to turn stale. Make sure to ask how recent the list you're considering renting is before you purchase the "deal."

**4. Get older and better.**

When it comes to mail names, those 35 and older respond better than younger people. They tend to take the time to fill out response cards and read the materials that are sent to them.

**5. Timing is everything.**

January mailings remain popular because they work. People are still on a buying high from the holiday season and are still looking to spend. Mailing in July isn't as effective for most products. Make sure you know your market, its buying trends and when it's best to reach the most likely responders.