

Data Cards: Guilty Until Proven Innocent

By Hallie Mummert

List research begins with this indispensable tool. But consider the data card a starting point only—and one that you should question

When researching lists to rent, all marketers and brokers depend on the same tool: the data card. The promotion vehicle of choice, this "paper salesman" is used by list owners and managers to market the vital statistics on the lists they represent—size, price, profile, selects, minimum order, address options, etc. However, since the list manager's primary goal is to generate revenue for the list owner, the information on the data card is bound to be presented in the most picture-perfect light.

For this reason, Brian Kurtz, executive vice president of Greenwich, CT-based Boardroom Inc., a publisher of newsletters and books, has made the startling pronouncement that all data cards are "guilty until proven innocent."

But, you ask, how do you determine what is fact, shaded fact and outright fiction on a data card? According to direct marketing legend the late Dick Benson, there are only three ways to pick lists: research, research, research. In fact, Benson's religious approach to list research—and the success it brought him—inspired Kurtz to also devote more time to lists.

Kurtz explains that while the data card is not your only source of information, it gives you an idea of what other questions you can ask the list broker or manager—even other users—to get a clearer picture of the list.

Counts

Data cards offering exact counts on lists can be misleading, Kurtz says. By the time a list manager puts a count on a data card and mails the list promotion, the numbers on that list have almost certainly changed, Kurtz explains. A more accurate reading of a list size is the average count per month.

Also, most cards offer information on how often the list gets updated, such as weekly or quarterly. However, list expert James Johnson explains that data cards rarely describe what a list update really means.

According to Johnson: "If the list is drawn from an active mail order/catalog customer list, update usually means that new names have been added to the file. If the list is an assembly from primary source information, it is near impossible to determine if names have been a) added, b) changed, c) deleted. Further, it is often difficult to ascertain from the data card presentation of information the extent of the file maintenance activity. NCOA, Address Standardization, etc. are all good, but these procedures are limited in their effectiveness."

In order to get accurate numbers, Kurtz says, good brokers will call for an immediate count from the manager. Also important is the type of count you're given; the data card sometimes depicts an entire file or breaks the file into most recent buyers (called hotlines) or into buyers vs. inquirers. Obviously, the more recent the name, the better chance you have of catching a responsive buyer—hence the word "hot"—while a person who made a purchase is more desirable than one who

merely expressed interest. If the make-up of the list is not differentiated, you've got your first research question.

Profile

A profile describes the characteristics of the names on the list, such as the level of education, interests, ages, if they have children, their method of payment, their business affiliation, gender, etc. Also, the company whose goods and services were purchased is described. This information should help researchers find synergism between their companies' products and the list owners' products. However, the profile allows lots of room for self-serving copy. In fact, Kurtz hates to see a description that is really sales copy, full of exclamation points and other promotion devices that make the information less believable.

Some list managers include the information source of the profile, such as a recent customer survey, giving researchers the date and type of polling done, which adds credibility.

Source

The prime area of suspicion, says Kurtz, is the reported source of the list. A data card that registers the source as "direct mail sold" may not be giving you all the facts. To decide if any affinity exists between your product/offer and the list, you need to know if the names came from a space ad, direct mail package, DRTV spot, package/newspaper insert, etc.

For example, if the direct mail sold customers came in as the result of a sweepstakes, you had better know that. Sweeps buyers are a breed apart—often more interested in winning \$10 million than owning or subscribing to the product. If your mailing is not a sweeps—or doesn't look like a sweeps or does not have some kind of game-like involvement device—be prepared to bomb. Does that mean you do not rent the list in question? Not necessarily. But you should test sweeps-sold names vs. non-sweeps-sold names to see what happens.

According to "The Complete Direct Mail List Handbook," by Ed Burnett, if the list is compiled, the data card should tell you what directories, public records, etc., were utilized.

Kurtz's research goes one step further. "I like a data card that gives you percentages. To me, that smells of credibility," he says. For example, if you know that 20 percent of the names came from a space ad, 70 percent came from solo direct mail and the remaining 10 percent from package inserts, you can surmise what medium drives response.

Sometimes a sample catalog or magazine accompanies the data card; others send out photocopies of the space ad or insert. Always, always get a sample of the mailing piece—or pieces—used to draw the names currently on the list. You can analyze offer, creative, price, etc., from which to draw parallels to your own marketing techniques and to other lists that you've used. If your package bears no resemblance to what these people responded to, you may want to reallocate your test dollars.

And since what goes around comes around, be prepared to provide list managers with samples of the mailing you intend to send to their list; managers try not to rent the same list to the same type of mailers for the same mail dates. Also, unenlightened list owners may be hesitant to rent their list to mailers with similar products/services to their own.

And, Kurtz warns, be aware that changes in the product mix, creative, offer, etc., will affect the names on the list.

Selects

When evaluating a list, selects can help you target only those names that match your customer profile. On most lists you can select by recency-frequency-monetary value (RFM), title, SIC code, states/sectional center facility and gender. One caveat: Gender is usually determined by first name and cannot be 100-percent reliable. For example, consultant and copywriter Denny Hatch used to receive offers to join The Literary Guild "for all the women" he is!

While selects help customize the list, they also add to the cost per thousand. However, keep Kurtz' advice in mind: The data card is the starting point, so anything on the card can at least be discussed with the broker or manager. Kurtz tries to work out a more favorable cost per thousand depending on the amount of names he plans to rent, or he will negotiate for selects at no charge to give a marginal list the best shot possible.

Don't, however, ask for more than what you absolutely need, Kurtz warns. If you ask for a specific count, be prepared to show your numbers and defend your reasoning.

Net Names

Some data cards list net-name arrangements, where you pay a pre-arranged price for the names actually used after merge/purge eliminates duplicates against your housefile. The standard allowance for duplication is 15 percent with running charges under \$10/M for names supplied.

Usage

The last and most ambiguous area of the data card is supposed to answer the question: "Who's using this list?" Or, more to the point: "Who has tested and rolled out to this list?"

Not all list managers publish usage on the data card. Kurtz feels usage information should be customized for each mailer's individual needs. For example, many managers can list American Express as having rented their lists. So what? American Express has rented everybody's list at some time or other for one or more of its many products. For usage information to be truly valuable, you must know the mail dates, offers and selects. Alas, this is the most highly prized and secret information in the business, Kurtz says.

Kurtz adds: "I'm suspicious when there's usage on a list I've never heard of before, especially if they [mailers] are big or obscure."

This suspicion stems from the fact that even if indicated on the data card, it's hard to tell who's just testing and who's continuing and what those situations really mean.

Kurtz says: "Today's test may not be tomorrow's continuation, and today's continuation might not be tomorrow's test."

Johnson puts a different spin on the question. "The title of the list is seldom the most important component of the list use question. Usually it is a selection from the various data available on a list that make 'the list' work."

However, there are times where usage information can be beneficial. David Todd Waldman, a former list manager at 21st Century Marketing, says: "This [direct marketing] is a copycat industry. However, when you have three lists that look the same, usage can help you find which of the three has the proven track record."

The key to interpreting usage, Kurtz says, is feedback as to who is having success with certain lists—from list brokers, managers and, most importantly, users. Boardroom calls users of lists it is researching and asks them to rate the lists on a scale of one to 10, Kurtz explains. For marketers who are cautious of the information they give out, rating lists is less invasive than asking pointed questions about offer and selects used.

Kurtz adds that to get feedback from users, it helps to establish a name for yourself in the industry and foster tight contacts with brokers, as well as other marketers. By creating a network of contemporaries you can give and receive more information on lists than you get from the typical data card.

Burnett also attributes good list research to the brokers and—indirectly—mailers who are willing to share information on every test and roll-out so the responsiveness of lists can be evaluated accurately.

You have to look at the entire data card and then to what's missing from the data card that will give you the full picture. Each element you research does not by itself create a case to throw out a list, Kurtz says.

But taken as a whole, he adds, you come up with an unbiased "snapshot" of the list.