

What to Ask Before You Test

By Mindy Drucker

Boardroom Inc.'s Brian Kurtz reveals his list research secret: a simple worksheet of questions to be answered before any list is tested.

Which lists should you test? It's always a gamble. But you can tilt the odds in your favor—and you don't even need a computer to do it, says Brian Kurtz, executive vice president of Boardroom Inc. Of course, if you have the ability to have a list computerized, it certainly helps—especially when developing your house usage and being able to cross lists over.

The key to knowing which lists to test, says Kurtz, is research—something he has been dedicated to for more than a decade, ever since he first heard direct marketing guru Dick Benson (now deceased) tell a crowd, "No one spends enough time on lists." Kurtz decided then and there to take up the challenge. As part of his efforts, he formalized the list selection process by developing a worksheet that Boardroom uses in deciding which lists to test.

Here Kurtz recaps major questions from the worksheet and explains how you can use those questions to learn more about the lists you're thinking of testing. You won't, of course, be able to answer all the questions for every list; in fact, for many lists Boardroom tests, the information just isn't available. However, the exercise is still well worth it because it gets you thinking and keeps you disciplined. And just by the fact that you're actively seeking information, you're more likely to find something that can help you.

But is a worksheet too simple in this age of computers? Kurtz recalls asking himself that question once when Dick Benson sent a client to see him who wanted to learn more about list research. Kurtz decided to let the client see his worksheet for a particular list: "On the one hand, I was embarrassed to show him this paper I'd been scribbling on for the past two weeks. On the other hand, it was just the kind of research that's key to our business. There's no substitute for good research."

Kurtz stresses that "insuring a list makes sense to test is crucial to building a business. He adds that the worksheet also serves as a checklist for continuations. For instance, you can go back to the worksheet and review, say, whether the 100,000 names you're about to roll out to look like the 10,000 names you tested; it makes you think about all the factors that can quickly change a list—volume, seasonality, source, product mix.

The worksheet has helped Kurtz in two other areas: First, since he believes data cards are "guilty until proven innocent"—because too many list managers use them as sales tools— it gives him a more unbiased snapshot of a list.

Second, it has allowed him to test lists new to the market. When he first came to Boardroom, his superiors didn't want him to test a list unless he could show someone else had used it successfully. But Kurtz subscribes to the thinking of Michael Manzari, president of New York list brokerage and management firm The Kleid Co., who told him, "If a list is going to be good, it will never be more responsive than when it first comes on the market." The worksheet helps prove a new list's

potential: You can't fill out all the sections, but you can often generate enough "evidence" to make your case.

Note that not only do Boardroom's product managers fill out parts of the worksheet; they require their brokers to complete some sections, as well. As you review the questions, keep in mind that the overall worksheet is "greater than the sum of its parts." No single question will tell you to test or not to test.

You can create your own worksheet using the following 14 categories—with lines or spaces to be filled in under each heading.

1. List Manager and Owner

Who are the list's manager and owner?

These factors have subtle significance. Usually, a mailer won't care who the manager is, says Kurtz, but Boardroom always asks the broker. Why? For one thing, if you aren't familiar with a list at all, knowing it is managed by a reputable manager might be a factor in its favor. Knowing the owner can tell you the promotional techniques used to generate the names; for example, if the names are from a Reader's Digest publication, they are more likely to be sweepstakes sold. Also, a reminder of who the owner is helps in planning if you have a corporate exchange with a multi-title/product list owner.

2. Selects

What two selects—in priority order—does the broker recommend, and what are their Total Estimated Annual Universes (TEAUs)? Specificity is the key here—what selects should be made, and are there more than one that makes sense? It also forces brokers to rank their suggestions. And knowing the TEAUs tells you the rollout potential of a list.

3. Pricing

Is tier pricing available? What about select charges?

If you're considering testing a list outside your core market, ask for a discounted price up front. And don't pay extra for selects—the whole point should be to give the list its best shot. For instance, say you're a publisher and you get a tier price on a catalog list, but you pay select charges. By the time you're done, the cost of the selects will drive the list price back up.

4. Source

What is the source breakdown?

Find out what's hidden behind such ambiguous wording as "direct mail sold" or "direct response generated." Was it through space ads, statement stuffers, infomercials, agents, surveys? Are the names inquiries? Expires?

5. Recency, Frequency Update

How often is the list updated?

Consumer lists go out of date at the rate of 2 percent a month. Business lists age 1 percent a week (or about 50 percent a year). If the update system is not spelled out, you could find yourself mailing an old list.

6. Seasonality

What is the advertising or promotion schedule of the list owner? A lot of mailers mail big mailings twice a year to prospect. Considering when a list owner mails and for what purpose can enable you to time your rental of their list to get the freshest, hotline names.

7. Sample Attached

What does the mailing piece that generated the names look like? This may be the most crucial factor—especially for a new list or when the list owner sells multiple products, says Kurtz. Boardroom always asks brokers to attach a sample mailing piece to the worksheet. Kurtz follows a rule he attributes to the late Annette Brodsky: "If you are unfamiliar with the source of a list, ask to see the promotional material that got the name." He believes archives, like the Direct Mail Archive subscribers to Who's Mailing What!, have access to, can be valuable to mailers for list selection.

Boardroom product managers check to see if the sample tells them "something special." For instance, it might look very similar to mailings Boardroom sends out. Or it might be just like the package from another list that performed well. Or, the offer might be structured the same way as a Boardroom offer.

What's the promotion mix?

It's also important to ask about product mix here. Does it change? For instance, say you decide to test names from an infomercial company that sells "wear-proof windshield wipers" but soon plans to start hocking "miracle irons" instead. You need to know because it will alter the list—and it's something you probably wouldn't find out unless you ask.

8. Category

What categories do the lists fit into?

This keeps the mailer from getting overwhelmed when list recommendations start rolling in. If you get a "reco" of 100 lists, you need to put them into such general categories as "catalogs," "cars," "health" or "computer magazines." Take computer magazines. You can't test the whole category, so ask your broker to rank, say the top six in priority order. Then "test the tip of the category," say, the top two lists, and put the others into a "tickler" file until you see the results of the first two tests. If the results are good, you might go back to the other lists.

One caveat here: Make sure the lists within the categories you're considering have "meaningful connections" to what you're marketing, Kurtz says. For instance, if you're looking at software lists, make sure you take into consideration the numerous subcategories. There are lots of kinds of software out there with very different types of buyers.

9. House Usage

Has the list been used for any of my company's other products? If you have multiple products, this is crucial for "crossing over big winners," says Kurtz. At Boardroom, as many as 15 products mail regularly at any one time. Having house results is a good first step. Then you look at outside usage.

10. Usage on Boardroom Lists

Has the list owner ever rented a list from our company?

Alone, it's not a reason to test someone's list. However, it can show affinity and potential for list exchanges.

11. Outside Usage

Who has rolled out to this list?

Your broker can get you this information, but try to research it yourself. It can be difficult to find out if someone just tested a list or actually rolled out to it. Here, the importance of being "well networked in the industry" comes in, notes Kurtz: "We can often call someone at a company a broker said was using a list, verify that they continued with it and ask how it did on, say, a scale of one to 10."

This can expose any lack of credibility and help you weed out the big losers."

Watch out for short cuts here. Just because you're selling software doesn't mean another software buyer file will necessarily work for you. Again, you need to make sure the other mailers have "meaningful connections" to your best prospects.

12. Comments/Notes

What are the best reasons to test this list?

Boardroom insists brokers write something here. "It's our chance to find out what their thinking was in recommending a list," says Kurtz. A helpful comment might be that the list "looks like" another list that worked well for the company.

13. Final Recommendation

Should the list be tested and why?

Boardroom product managers give their input and also ask their brokers. Some brokers resist, notes Kurtz; they say they wouldn't recommend a list that wasn't an "A." He asks them to be critical and to rank lists according to his personal system: 5-You'd be crazy not to test it. 4-You have multiple reasons to test it. 3-Better than even money it will work. 2-One little (or big) reason to test it. 1-Gut feeling.

He notes that "ones" do get tested, especially because of the worksheet, which can help ferret out the reasoning behind a "gut feel."

14. Reason Not Approved

Why wasn't the list selected?

This goes back to the "tickler" file Boardroom creates with extra lists in a category. If possible, product managers try to share the information with their brokers, and even give them a chance to "fight back" one more time. Using the worksheet makes recommending a list more time consuming, but Kurtz notes that he "feels no guilt" about asking brokers to fill it out. "It's not busy work," he says. "It helps them and us clarify our thinking on which lists to test—and continue with."