



# A Guide to List Buying

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## Introduction

This guide is designed with the new or nearly new user of direct mail in mind. We have tried to keep it simple, informative and easy to read. By necessity it cannot be comprehensive. We have tried here to distil the essence of our 30 years mailing list experience into one easy to use guide for new comers.

Dudley Jenkins List Broking is part of the Dudley Jenkins Group Plc, which employs over 450 people across 10 companies, all involved in direct marketing services in the UK. We “eat, breathe and sleep” direct marketing and direct mail. There is little, which we haven’t done or haven’t come across in the direct marketing arena. The wealth of our expertise is only a telephone call away. Whatever the objectives of your direct mail campaign I’m sure we can help you achieve them.

In 1999 we became part of the Wegener Group of companies with direct marketing operations also in the Netherlands, Belgium, Germany, France, the Czech Republic, Hungary, North Africa, Switzerland and Scandinavia. SO if you need help sourcing D.M. services internationally, once again we can help you.

I hope you enjoy reading this guide. Direct mail is a tremendously exciting medium. If our little book helps you increase the return from your advertising budget then it will have done its job.

P Wilson

Managing Director

Dudley Jenkins Group Plc.



Mailing lists are central to every direct mail promotion. They represent the market you are selling into and it is vital to target the right individuals for your campaign. Dudley Jenkins will help you locate the right list, ensuring that your promotion is accurately targeted and professionally executed. As list brokers with over 30 years experience, there is more to our service than simply supplying the right names and addresses. We like to work closely with our clients, forming a strong and lasting partnership. **ADDED VALUE, WITHOUT ADDED COST.** Call us today for expert list advice, innovative ideas, results analysis or a free proposal and discover the advantages that we can bring to your business.

To be able to do this effectively, we will need to know a certain amount about your product, previous experience with direct mail and what you are trying to achieve. Armed with this information, we will be able to search for the relevant lists and present you with a comprehensive proposal. All the work connected with our research and list proposals is FREE. You only pay for the lists you decide to use when you use them.

**THERE ARE MANY BENEFITS OF USING A REPUTABLE LIST BROKER LIKE DUDLEY JENKINS:**

- Access to the widest possible choice of lists. They are only list supplier who offer details on all lists and selections. They have the added benefit of being able to comment on current best performing lists available.
- Brokers account for around 40% of all data sold in the UK. Owners regularly communicate with brokers to keep them abreast of new list developments. A close relationship, formed through meetings, mailings and daily contact ensure brokers are kept-up-to-date with new developments.
- Brokers have a unique insight into the list market because of the extensive client relationships they have. They can cut through the sales blurb that list owners rely on, and tell you what lists work most often, what selections are currently pulling in good responses and where roll out opportunities lie.
- A broker lives and dies by their client's results. If your mailing doesn't work; they don't get a repeat order. So you can be confident that when you listen to an established broker handling a large volume of business, they speak with insight and list knowledge second to none.
- The more information you can share with your broker the better the list recommendations.
- Brokers also have the insight of past results for their other clients. Whilst confidential results cannot be shared, the brokers knowledge of where data has worked for a similar promotion gives them confidence in recommending a list.
- A good list broker will handle administration. The placing of orders, the checking of complex, selection criteria, not to mention the checking of delivery dates and output medium can all be managed on your behalf by the broker. Simple fast and effective, your broker will have the knowledge to anticipate problems before they occur and know exactly how best to resolve them.
- Brokers offer advice on all data processing issues, from de-duplication, MPS list clearing and data protection issues to mailing & lasering services.



## Who Sells Lists?

### **List brokers work for their clients.**

A good broker is capable of taking an independent view of the list market, working as a list consultant or in-house resource. They will take away the burden of administration from you and make impartial list recommendations.

### **List Managers promote on behalf of list owners.**

List managers sell a limited range of data from a specific portfolio of lists that are managed exclusively by the list manager. They sometimes hold data on behalf of a list owner but more often act as a selling agent and liaise with the list owner's computer bureau.

### **List owners sell only their own lists.**

Generally, data is collected as a by product of a different activity such as publishing, exhibition, organizing, mail order companies or web site traffic. Sometimes list owners exist only to compile data from desk/telephone research.

### **What's the difference?**

- **List Broker**
- **List Manager**
- **List Owner**

A list broker is working on behalf of you - the client.

A list manager is working on behalf of their client—the list owner

A list owner is working on behalf of—themselves.

If you need clear, impartial advice on a list, trust a broker who works for you.



## Sourcing an external mailing list.

The more we know about your target market and your requirements, the more considered a proposal we can present. Below is the kind of information (not all may be relevant) that will help us to present the best options. Any information divulged will remain confidential.

- **Client Name:** A well known product, service or brand will communicate a number of values.
- **Campaign Objective:** Is the promotion objective to launch a major new product or player? Or is a more cautious approach required? Is it vital to test a broad range of data sources, or are you seeking to roll out to the best performing lists from last time?
- **What characteristics does your ideal customer/prospect have?** Do you want business or consumer names? Are you targeting a specific geographic area, organisation, age or income?
- **Can you pass on any knowledge of the marketplace?** Is competitive activity significant?
- **Can you share previous mailing list history and results?** If not, can you tell us which advertising works best? Maybe a magazine insert you have used can supply a list that offers a relevant selection by purchase influence? The more we know, the better we can help.
- **Are there any planned tests that should be incorporated in the list matrix?** For example, must you test two offers and a range of lists?
- **When is the planned date for the campaign?** If data has to be delivered immediately, some list sources may not be appropriate. Some list owners temporarily take data off the market if they are mailing it themselves.

### To re-cap; here are the key criteria to consider:

- Who do you want to target?
- What is the product/service you are promoting?
- Have you used direct mail lists before?
- Do you intent to mail/phone/fax or e-mail?
- Do you want repeat use of the data? It will generally be assumed that the data is for a once off mailing.
- What results did you have?
- What is your mailing volume?
- When do you wish to mail?

All these should be taken into consideration when trying to source appropriate lists, as they can be incorporated into the list proposal. However in a commercial environment it is not always possible to adhere to this "ideal".

Finally, remember that list suggestions, proposals and list counts are FREE. So there is no harm in asking for a wide range of information.



## What information can be provided about a list?

If you want to find out about a particular list, you will often be given a datasheet (or datacard). The datacards summarise information about a list, explaining how data is sourced, what selections can be made, how data is updated and kept recent. They can also tell you the profile of the list and where past users have enjoyed success when renting the data. The datacard also details costs for using the list for a single mailing. Sometimes telephone, fax and e-mail use is also available. Often you have to ask for more costs about this level of use.

The information on datacards is provided by the list owners but a commentary by a list broker could be provide you with insight that is not on the datacard.

You can use information on the datacard to establish what selections the list can offer to establish what selections the list can offer. It is possible to search for a particular list criteria and provide a count of the relevant selection on a list.

## Other than datacards what information can I get?

### List broker offer

- FREE proposals by e-mails, fax or post summarizing EVERY list option in your chosen sector. This is particularly useful for agencies that may need to know as much as their clients about the list market for their client's sector.
- Summary reports with initial list ideas for the BEST list in you sector.
- A good list broker will recommend specific selections and give a RATIONALE about why the list and selection should work best for you.
- You may be asked if you want a COUNT. Counts tell you how many records on the list match your criteria. Counts are usually FREE and require 24-48 hours to run, although overseas lists or counts requiring exclusions or previous orders might take longer. Allowing time or counts is worthwhile as you can then give accurate quantities to your printer.
- All good brokers will confirm costs including selections and volumes of data available.
- Delivery on most lists takes 5 to 10 days throughout the UK and 7 to 14 days overseas.
- A broker will handle administration and chase up data on your behalf once ordered.
- Good brokers offer help with results analysis, pitch documents and arranging meetings. They will give you strategic insight into the use of data.



## What makes a good list?

- Recency of data and the method of updating. An older list will generally have more 'gone-aways' (wasted, undeliverable items) and a poorer response from prospects.
- Selectivity. Being able to refine the selections to target by purchasing influence, recency of data, age group and other criteria, enables the target market to be refined. Therefore response to your campaigns should improve.
- The affinity to the promotion, or how closely the list matches the target market.
- Sources of data. If the list is compiled through desk research, it is unlikely to be as effective as files already held on existing direct mail responsive consumers and prospects.
- The size of lists and its potential suitability for rollout in future campaigns.
- The format in which data is available. Are labels the only option for supply?
- Past users. If your competitors keep renting the data it is likely the list will work for you. Sometimes only general information on past users is available as the list owners seek to protect the confidentiality of their clients.
- Any restrictions on use? If the list owner rents to all and sundry, the names on the lists can become fatigued and cease to respond as well as less frequently mailed names.



## Costs

**Commonly, there are several costs associated with list rental:**

- Base rental charged by the thousand, i.e. 100 pounds per 1000 so 75,000 records costs 750 pounds.
- Selection charges per the thousand (selections mean better targeting which generally costs more but should lead to better response results).
- Flat fee for output medium (sometimes this is also charged by the thousand, for example labels).
- Flat fee for delivery (often data has to be sent from a computer bureau to the list owner or manager for checking, then onto the broker or client).
- Allow extra phone/fax follow up, usually double the quoted single mailing cost, confirm before you order.
- Lease. Typically this will cost four times the single mailing cost.
- Outright use. This is rarely permitted unless the list has been desk researched. If permitted, expect to pay significant premiums.
- E-mail broadcast charges. There is generally a separate charge for this service. E-mail list users are charged for this service. E-mail list users are charged rental of the use of the addresses, but there is often additional charge for the e-mail broadcast. Many list owners seeking to protect integrity of their e-mail addresses refuse to release data to third parties and send out the emails on your behalf.
- Minimum orders usually 600 pounds or 5,000 records.
- Volume discounts are often only available if ordering 50,000 or more records.
- Net name credits can be claimed for proven duplicates. The standard industry terms permit that up to 15% of duplicate data can be claimed back when ordering over 20,000 records from any one list/ Sometimes clients can get higher nets but usually for larger order volumes. All net name credits must be claimed back within 3 months of receipt of data.
- If in doubt, as to exact costs involved in renting a list as for final costs in writing before you order. They will be happy to provide them.



## Output Mediums

**Commonly, lists can be produced in the following formats:**

- Self adhesive labels (called pressure-sensitive in the USA).
- Cheshire labels (special equipment is necessary to cut and stick these labels).
- Magnetic tapes (better for large volumes and normally used in larger computer bureau).
- Diskettes (Usually CSV or ASCII Comma Delimited and used mainly for lasering and mail merge).
- Line listing (a print out on paper. Due to copyright protection not many people will provide these)
- CD Rom or Data Cartridges (Less Vulnerable to corruption in transit, these are good for large volumes & becoming common).
- E-mail (increasingly common and quick but unreliable if computer systems fail, vulnerable to corruption).



## Data Security, Minimum Orders, Delivery Times

### Why can't I have the data in-house?

A large proportion of business list owners and some consumer list owners insist that their data is handled at all times by a 3rd party bureau or mailing house.

They will not allow the list user to handle their data as this leaves them vulnerable to illegal copying of the data.

By insisting on only recognized Direct Marketing Association members handling the data, the list owner is protected by industry codes of practice from misuse of data.

Always check if you plan to handle data in-house as it may not be permitted.

E-mail lists are often not released even to computer bureau, and list owners will send out the broadcast on your behalf. They can then control how many e-mails are sent to names on the list, to reduce the negative impact of spamming.

### Minimum orders

Most lists have a minimum order quantity or value. Minimum order levels are generally not negotiable as list owners have fixed computer bureau charges they must cover. Datasheets show individual list owner minimums to help you plan, but most commonly the minimum is 5,000 names or approximately 600 pounds.

### Delivery times

Standard terms and conditions generally offer delivery of data in around 5-10 working days for UK based lists and 7-14 working days for international lists. Prepayment on overseas lists in particular can extend lead times.

In reality most UK list owners offer delivery within 5 days or less.

It is sometimes possible for a list owner to improve upon their advertised delivery turnaround but this depends on production schedules. Please always check before assuming that a faster delivery will be possible.

Allow time for unforeseen delays. Will the best will in the world things can go wrong. The disk might get corrupted by exposure to a magnetic source, or e-mailed data might fail to pass through the server! Don't let your whole mailing schedule be subject to delay because one delivery date could not be met.



## Main Sources of Data

**Public Data:** These are known as compiled files. Many suppliers offer similar data as names are taken away from public sources such as the electoral roll or share registers. No proven responsiveness to direct mail. Roll out potential good as data volumes are high. Relatively cheap. Phone/fax/outright use often permitted. Higher gone-away rates—the DMA advise 6%. Selections tend to be accurate since legally binding forms demand honest answers.

**Geodemographic data:** A method of selecting consumers based on modeling public data. Household classification are created from postcode clusters, enhanced with census data, retail credit applications and other additional sources. Good responses are possible if the correct geodemographic selection is used. Sometimes client's own data is profiled to create a model used in selections.

**Directories:** Compiled business addresses with good selectivity and large quantities of data. Outright use of phone and fax is often possible. Gone aways 6%. Data difficult to keep clean due to the number of records. Response rates relatively low as a result.

**Exhibition:** Responses generated lists named with good selectivity and large quantities of data. Outright use of phone and fax is often possible. Gone aways around 6%. Data difficult to keep clean due to the number of records. Response rates relatively low as a result.

**Publisher date:** Based on magazine or newspaper readerships. Can result in relatively good response rates providing there is affinity with the promotion. Paid for subscriber lists offer limited selections but there is proven spend and hence interest. Controlled free circulation lists are for magazines given free to qualifying readers. Such lists tend to offer many selects to improve targeting. Publishers tend to refuse phone, fax and outright use. Allow 3% or less for gone aways.

**Internet data:** Created from data collected from websites. Some lists contain email addresses only, but some have full postal address. Often highly selective due to information provided by the websites visitor e.g. age, purchase intentions, interests/hobbies.

**Lifestyle Databases:** These consumer lists exist only because direct marketers need them and as such they tend to be designed without needs in mind. These lists offer unrivalled target ability and can get high response rates if the right selections are used.

Individuals fill in lengthy questionnaires giving details of their homes, family, finances etc. Use these selections to target the type of consumer preferred. Phone/outright/in-house used often as possible. Data of 0-24 month recency generates around 3% gone aways. Vulnerable to aspirational responses—lots of us would love to buy a new car in six months but how many of us can afford to do so? Possible commission specific questions (sponsorship). Your list is profiled against lifestyle data and matched record can be used to identify predominant characteristics of individuals on your list.



## E-mail Marketing

The use of e-mail lists is increasing. In the UK we now have a wide choice of e-mail address lists. There are even companies specializing in collecting data on websites for direct marketing purposes.

### **So what do you need to know about the use of email for direct marketing?**

Whatever you decide to do, remember that this is a relatively new media and so we will have a grey area of law where we cannot be sure what legislation will exist in the near future. Keep informed so that you do not breach the law codes of practice. Be cautious and avoid upsetting consumers and jeopardising this new method of direct marketing.

E-mail marketing law thus far seems to be following the same principals as traditional direct mail. In the UK, our liberal policy means that a list is generally available so long as the list owner offered individuals the opportunity to opt out of receiving messages. In Europe, lists are often not allowed to be used unless the individual has opted in.

But the growth in permission based marketing means that we need to also consider more than the letter of the law.

In the UK, most consumers at home have to pay telephone charges to download e-mails. It is worth considering this when designing your e-mail message. Keep it short, relevant and think twice about including images and sound files. They may take a long time to download and not all software supports the application you may be using.

Another major issue worth considering is spamming. Spam is the common term for unsolicited or junk e-mail.

Spamming is a term derived from the Monty Python nonsense song. Spam. An unsolicited, irrelevant e-mail message can be compared to this song. After prolonged exposure, this silly song is very annoying and even the relevance of the lyrics cannot be understood.

Sending an e-mail out to the wrong people can be inexpensive in terms of production costs, but in terms of your reputation and subsequent appeal to that consumer, it can be very costly indeed.

We recommend you use a professional e-mail broadcast service. Sending out an e-mail simultaneously to thousands of people can tie up your own server and prevent valuable business e-mails being sent or received. Also there is a very real possibility that your own computer systems can be affected by revenge attacks, made on your organisation as a result of accusations of spam. A specialist company can send out an e-mail broadcast on your behalf, creating HTML and text versions so that the most appropriate message is received by recipients. The e-mail will look as if it is from you, but your system will be protected.

The most important issue for you to check before using an e-mail list is the source of the data.



**Has the consumer been given the chance to opt out of receiving e-mails from third parties?** Using a list where information has been supplied in the knowledge that it will be used by third parties, avoids accusations of spam and keeps you on the right side of the law.

**Was the data captured on the website?** Where data is applied on line by the individual themselves, the list will contain more reliable addresses than those captured from paper forms. Handwriting and human error can lead to mistakes in data capture.

**Does the list owner release the e-mail addresses for use in house by third parties?** If they do, how can you know the list is repeatedly copied and not e-mail excessively?

Be reassured is a list owner refuses to give you a copy of the list and insists on sending out e-mails on your behalf. It means they are taking a responsible attitude and policing the use of their own list. This ensures it has long term viability and that it continues to respond well.

**What selections are possible?** A list of 2 million e-mail addresses is useless if you cannot identify particular interests and characteristics. Use of such a list is likely to be perceived as spam. A car insurance offer e-mailed to a list of enquirers taken from a second hand car sales website is far more likely to generate responses and avoid accusations of spam. Ask if you can select age, gender, income and intention to purchase.

**What percentage of bounce backs (undeliverable e-mails) is normal for the list?** E-mail addresses fall into disuse more frequently than postal addresses, and inaccurate data capture means that e-mails fail, or servers, or technological incompatibility can also cause an e-mail to be non-deliverable.

Always give the recipients of your e-mail message the option to opt out of receiving any future correspondence.

Keep your e-mail message short, relevant and informative. It is a good idea to include a click through web site address for responders and also a telephone contact number.

Ensure there is a system in place to handle replies quickly and efficiently.

Use only reputable suppliers of data when sourcing an e-mail list. A list broker will be able to advise you on the pitfalls and opportunities of e-mail marketing and will know of all the latest sources of data and suppliers of e-mail broadcast services.



## Rules & Regulations

### Data Protection Act

This law protects personal information and defines what can and cannot be done with lists. All list owners must be registered with the Data Protection Registrar in order to pass onto other companies.

### Self Regulation

Internal rules which the direct marketing industry follow. Initiatives include the use of warranties by both list owners and list users. These ensure that the data has been collected in a fair manner and that it will be used according to the rules.

### Mailing Preference Service

A system whereby consumers can place their details on a suppression file. List owners ensure that names on the MPS do not appear on their rental lists. Relates only to consumer addresses. There is now also a Telephone Preference Service, Fax Preference Service and E-mail Preference Service.

### Advertising Standards

All mailing pieces must comply with advertising standards. List brokers and owners will normally check mailing samples with DMARC or ASA.

### Sample Mailing Piece

List owners will always need to see a sample of the mailing piece or telemarketing script. This is to make sure that list owners are not renting to any competitors or competitive products.

### Copyright

Copyright of the list remains at all times with the list owner. This means that you may not copy or pass the list to any other person without the list owner's expressed permission. Names only become 'yours' when they have responded positively to your promotion.

### Gone Aways/Nixies

List users are obliged by the industry code of practice to make sure that any amendments, suppressions or changes to the list are passed back to the list owner. It is part of the Data Protection Laws and Warranties that unhappy mail recipients have their names removed from databases.



## Glossary of Terms

**Counts:** Choosing specific criteria on the list and taking only those people that fall into this category. Multiple selections can be made.

**Cheshire Labels:** A form which required a special machine to cut, gum and attach it to an envelope, carrier sheet or catalogue.

**Keycode:** A code on label or record to indicate from which list the name has come. Useful for identifying responders by list.

**Lease:** Use of list owner's data for a pre-agreed time frame or number of uses.

**NTH:** A random selection—on an N.

**Nett Names:** A system of compensating list users for duplicate names between lists when merging several data sources. Generally available only on orders in excess of 20,000 records.

**Magnetic Tape:** A computer tape that cannot be run on a PC.

**Mail Sort:** A way of sorting names in order to take advantage of post office discounts.

**Minimum Order:** The minimum order size or value that the list owner will accept on their list. This will be charged whether the full quote of records is required or not.

**Rental:** One use only of the names taken for a pre-agreed purpose.

**Seed Names:** Names included in the list by the list owner to enable them to monitor the use of their data.