

Steve's Rule of Mailing Lists

Category: Execution

Over the years I have done a large number of direct mail campaigns followed up by telemarketing. The big question has always been where to buy the list to be mailed, and I have always felt that the quality of the list was much more important than the price I paid for it. This really is one of those areas where the more you pay the more it's worth.

The reason for this is that the cost per name is considerably less than the cost of the mail piece, and if you buy a cheap list that has a high return rate or where the people you are mailing to died five years ago then it is a false economy.

When I do a mailing these days, it costs me about \$1.25 a piece mailed and then I pay about \$2 per name for telemarketing. I pay about \$.20 a name for the list and so every bad address or unqualified name costs me about \$3.50. If I have 5% more mail returned from a bad list than I would from a good list then on a 2500 piece mailing it costs me almost as much as I paid for the list in the first place and I am not getting the coverage I want from my campaign.

It makes sense to engage a list broker to vet and recommend responsive lists for your offer. You might pay more but you will get lists that have been assiduously updated by the list manager. You should ask your vendor questions about the expected rate of bad addresses from the list and track what your actual experience is. If you get more than 5% returns there is a problem with the list.

If your target market is based primarily on geographic and demographic selections, it may make sense to buy a compiled list. Alternatively, direct response lists can access psychographic segments and are from one source only (for example, the subscriber list of a publication or catalog buyers). In either case, a list broker can access multiple lists, master files and compiled databases to target your market more effectively.

For example, let's suppose that you wanted people who were interested in gardening but who also had an interest in model railways (I'm not sure why you would but it's a good example). Your list broker could select from a compiled database a list of subscribers to a gardening magazine that were also subscribers to a model railway enthusiast magazine.

A more practical example for somebody who wants to find high-end consumers might be to buy a list from a credit card provider of people who spend more than \$1000 per month on restaurants.

It will cost you more... but see above.