



**The List Industry**

## The List Industry

The Direct Marketing Association (DMA) is the single voice for the direct marketing industry in the UK. With over 700 corporate members it represents 80% of the suppliers to the industry. The Councils of the DMA represent industry sectors and activities in direct marketing from training and development to lobbying and business services.

The DMA has nearly 900 organisations in membership who supply lists and/or data consultancy services. From those companies nearly 500 individual representatives are members of the DMA's Data Council. This guide is designed to help you make the right choice when selecting lists and data services companies.

The Direct Marketing Association (DMA) produces listings of its members who provide particular products or services. Using DMA members offers the added protection of adherence to a strict Code of Practice and, in the case of lists, the List Warranty Register.

## Types of List Industry Companies

**List Owners** - are generators of mailing lists, either specifically for rental or as a by-product of their main business. Their aim will be to sell you their list if it fits the profile you are seeking.

**List Managers** - take on the job of selling mailing lists on behalf of a list owner. They are paid a negotiated management fee by the list owner for all business emanating from the marketing of the lists they manage. This is separate from the commission which all list brokers command for their services.

**List Brokers** - buy lists on behalf of clients much like other media buyers and are the source of free and impartial advice - offering services that may include most or all of the following: research, recommendation, administration and subsequent results evaluation. The broker's income is derived from commission based on basic list rental and paid for by list owners.

**Computer Bureaux** - are companies that provide computer-processing services for third parties.

These services may include:

- Address Enhancement - inc. postcode and data quality
- List Suppression - e.g. MPS, deceased, goneaways
- Merge/Purge Processing - for deduplicating lists
- Production of personalised promotional literature e.g. laser letters
- Data Tagging - appending demographic information to enhance value

## List Types

### Consumer

Consumer mailing lists fall into three main groupings:

**Compiled** - specifically for rental, often from public sources e.g. share registers, Electoral Roll data - much of which is enhanced by Census data, Companies House data for directors at home.

**Response** - generated in response to advertising or direct marketing. Including subscribers to magazines, mail order buyers, competition entrants, visitors to events.

**Questionnaires** - these are distributed in vast quantities to gather lifestyle information in return for a chance to enter a prize draw. Lifestyle databases offer information about hobbies and interests as well as demographic detail.

### Business

Business lists fall into two main groupings:

**Compiled** - again often from public sources e.g. Companies House, directories and trade/professional memberships plus those researched, mainly by telemarketing, targeting businesses and offering selection by industry type, company size, job title etc.

**Response** - including magazine controlled circulation or subscription lists, exhibition attendees, buyers of business equipment or services or customer lists of any sort.

## What next?

You know what types of list are available and where you can obtain information about them - so what to do next?

Select a list source - be it owner, manager, broker, or bureaux - discuss your direct mail requirements with them and be prepared to take advice about how to make selections from the list(s) to reach your target audience. You should expect to receive a high level of service from your selected company - this is a service industry - and they would require as much information about past activities, budget, and timing as is possible in order to respond accurately and efficiently.

A proposal will be put together detailing the list source and description, quantities of names available, costs for rental, minimum order size, selections, and delivery (all costs subject to VAT).

Good advice will not only cover details of cold lists to be rented but will also concentrate on what detail is available from you the client e.g. if you have your own file of customers - how many are there? Who are they? What are they like? Are there enough of them to be profiled by a 'lifestyle' company?

A general guide would be a minimum of 5,000 for consumers and 1,000 for businesses. This profiling will tell you who your customers are and could help in targeting 'look-a-likes' either from the databases used for the profiling or from other cold files - with a view to improving responsive rates and value for money from your direct marketing.

## Conditions of Use

Most lists are made available for one time mailing use only. Additional uses including telephone follow up have to be agreed in advance. Some files can either be bought outright or leased for an agreed period. With the development of new media there is fax and e-mail information on some lists. In all cases the list owner retains the copyright of the list and is the legal owner of the data. Even if data is supplied in magnetic formats you will require permission to load it on to your database. All lists include 'seed names' which are dummy records addressed to the owner or his agent. Unauthorised usage will be detected and this may lead to legal action being taken.

What is/isn't allowed will be covered by the individual list owners/managers/brokers in their terms and conditions of business.

## Warranties/Code of Practice

List suppliers should have a warranty which states that the list has been fairly obtained under data protection legislation, makes clear the period of updating, and that files are updated against required suppression files. The DMA runs two consumer protection schemes which allow consumer to "opt-out" of receiving direct marketing approaches, they are the Mailing Preference Service and the Telephone Preference Service. All DMA members are bound by a Code of Practice to use preference service lists to clean their files. Anyone considering using a consumer list without cleaning against preference service lists should seriously consider the impact of their advertising material on consumer who have expressly stated that they do not wish to receive direct mail or telemarketing calls.

List users should also have a warranty which states that that they adhere to data protection legislation and that they will act promptly following requests for suppression and requests for access to data and that they ensure adequate data security. The warranty should also include an assurance that the mailing will take place within six months of supply of names unless a new agreement is reached. The DMA runs a List Warranty Register, which acts as a standard guarantee for both the list owner and the list user.

Further information on data protection legislation can be obtained directly from the Office of the Data Protection Registrar, on 01625 545 745. Information about the DMA's List Warranty Register (LWR), can be obtained by phoning 020 7766 4450.

The DMA Code of Practice contains rules which have to be adhered to by list processors and users who are members of the Association. You need to be aware of your responsibilities as a user under the Code as well as those of owners, brokers and managers. Copies of the Code of Practice are available from the DMA (£10 including p&p).

## List Supply/Format

Having had your proposal and selected the file(s) you wish to rent - what next? Samples of the proposed mailing piece, or telemarketing script, need to be provided to your list supplier on request so that rental approval can be obtained from the list owner. The piece needs to conform to the British Codes of Advertising and Sales Promotion Practice (copies available from the DMA) and must be legal. You may only mail the approved piece and the list owner does have the right to refuse rental. This usually only happens when it is considered to be inappropriate for the customers on the file but rental is always at the owner's discretion.

In addition to rental/lease it is increasingly common to swap data between two compatible companies. This enables the participating companies to target good prospects for no rental cost. Brokers are usually happy to set up such arrangements - but will charge a small fee for doing so.

It must be understood that even though no rental fee changes hands the same standards need to be adhered to - especially the offering of the 'opt-out' to the names on the files being swapped.

Data can be provided on self-adhesive/cheshire labels, magnetic tape, diskette and increasingly direct by modem or e-mail. You need to ensure that your mailing house can deal with whichever format is supplied.

## **Expectations - Results**

No list will be 100% accurate and some returns/goneaways should be expected. The DMA Code requires that all goneaways should be normally returned to list owners promptly. List owners operate different schemes to incentivise the return of goneaways, with some offering a credit for returns over a certain percentage.

It is a requirement of the DMA code that owners should inform potential users if returns are likely to exceed 3% for a responder list or 6% for a compiled list. In reality, returns rarely exceed half of these percentages but if they do, without prior notification, the list owner should have in place a policy of reimbursement.

When you receive responses to your mailing you can record the details in your own files and may re-use the names for further campaigns without restriction. Non responders remain the property of the list owner and may only be re-used with permission.

It is impossible to predict response rates accurately on any list/for any campaign - as there are so many variables in the mailing e.g. timing, offer, creative. You will not receive guarantees of response from the list suppliers although they will be able to tell you in broad terms if the list has worked for similar offers in the past.

It is only by testing types of lists with offers, timing etc. that a good picture of what you can expect from your campaigns will be produced.

## **Summary**

This industry is full of jargon, such as goneaways, dedupe, nett names etc., do not be afraid to ask what they mean - your supplier should be only too happy to help. DMA members are ready to give you expert, free, advice on how, when and where to proceed with your direct marketing. Use their expertise in order to maximise the potential of the products or service you have to offer.

The DMA produces lists of it's members according to industry sector, including list brokers, for further information and/or a full DMA publications please call 020 7321 2525, or visit our Web site [www.dma.org.uk](http://www.dma.org.uk)