

MAKING THE MOST OF YOUR DIRECT MARKETING ASSETS



Part of The **REaD** Group plc

Setting the scene - 2011

If you have dedicated considerable time and effort into building a customer database you should consider turning your data into revenue.

By making your customer data available to third parties and by accepting inserts in your own existing mailings, you could find substantial additional revenue at your fingertips. The good news doesn't stop there, either. Enabling your customers to benefit from special offers can be a winning opportunity for them, too.

Top Tips' for making the most of these opportunities (and avoiding the pitfalls along the way):

1. Do not pass 'Go' before...

Making a few checks. If you want to make your data available to others through list rentals, you need to:

- Obtain the necessary permissions from your customers to pass on their information to third parties (if not, you will need to change your published data usage terms and conditions).

If you plan to generate revenue through accepting inserts in your own mailings you will need to ensure you have:

- Enough space in your mailing to accommodate extra inserts without incurring additional postage costs; and
- A fulfilment house with the handling capacity to place inserts in your mailings.

These are no small considerations. Being certain of your cost-base is essential to increasing profitability, whilst ensuring that you have the necessary permissions means you won't fall foul of the likes of the Data Protection Act (1998) or Consumer Protection from Unfair Trading Regulations (2008).

2. Deal or no deal?

A few key considerations will help make your data and insert space more attractive to others. Aspects to carefully consider include:

- **Caring for your customers**
Is the name and address information accurately captured, kept up-to-date and secure? Good data management - which includes cleaning your data regularly - is crucial, regardless of whether or not you plan to make your data available to others.
- **Knowing your customers**
Are you collecting relevant information about your customers? For example, capturing date of birth from your customers will enable potential list buyers to select by age or birthday, potentially making your data more suitable for their campaign. But be discrete – ask too much and your customers may feel uncomfortable.

- **Reaching your customers**
Don't forget that direct mail loves digital: If you have e-mail addresses, consider making these available also. Whilst DM remains the most cost-effective and responsive channel, generating on average £14 for every £1 spent (Source: DMIS), when used together, DM and digital can increase response rates by upwards of 25%.

3. Creating Boundaries

Your core business, and with that your customers, must remain at the forefront of your mind. Flooding their mailbox with irrelevant offers will irritate them, and sending them competitor advertising may push them away. So a little bit of planning can go a long way.

- **Decide which advertisers you are willing to work with and those that are 'no-go's'.** Ideally, you should be looking to 'match' your product/service with offerings that will enhance the value your company affords its customers as opposed to cannibalising your own carefully developed and maintained market in order to simply earn additional, short-term revenue;
- **Frequency and Quantity:** Determine how often your customers should be mailed by third parties and how many inserts you'll permit per mailing. If in doubt, remember – less is sometimes more;
- **What size and weight of inserts will you accept?**

4. Choosing a media manager?

If you have the capacity to maintain and update your data in-house, as well as the resources to market your lists or insert space externally and process counts and output data yourself, then go for it.

But if all of that sounds like too much of a distraction from your core business focus, you might like to consider appointing a list or insert manager to generate sales on your behalf. A good manager will do everything in their power to make the whole process as easy as possible for you, from answering your initial questions and dealing with any concerns you may have to making sure you get the revenue you are after.

As a general rule of thumb, begin by looking for a manager who will take the time to understand your business from all perspectives, including:

- Your desired revenue targets
- Customer geo-banding and demographics
- Your data holdings/segmentation
- Mail fulfilment logistics

Signing with a manager who is a member of the Direct Marketing Association (DMA) is also advisable, as this commits them to standards of ethical conduct and best practice.

Next do a scoping exercise. Look at other clients in the manager's portfolio and assess if they'll have the time and resources to properly promote your offering. Talk to them about how they work. Are their methods in keeping with your brand image?

And if in any doubt... Seek testimonials from some of their existing clients.

5. On with the show!

With your manager appointed, it will be a case of on with the show. Be sure to brief your manager fully and clearly by articulating where and how you'd like your data/list promotional campaign to be implemented.

Communication and sharing knowledge are the keys to every successful partnership, so on behalf of everyone at Scientia, I hope that my 'Top Tips' can help ensure your long-term insert space and list sales success.

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