

EYE ON PRIVACY



By Lou Mastria

List Hygiene: Your Smartest Move

Can there be targeted marketing without accurate information? I say no.

From e-mail to direct mail, the need for sound list hygiene practices is not only ever-present, but ever-increasing.

Why? For me, it comes down to the belief that a global list hygiene strategy is part and parcel of increasing relevance for the consumer, reducing costs for the marketer and demonstrating corporate responsibility. A win-win-win!

With the increasing costs of postage, printing and paper (on the mail side), and the heightened level of scrutiny that bad e-mail addresses get from ISPs (on the e-mail side), it's no wonder that marketers with an eye on all of their bottom lines are looking with renewed interest at the art and science of hygiene.

On the mail side of the equation, my company has seen several examples of significant increases in addressable households when clients adopt better hygiene habits. Last year, we began doubling the frequency of our database hygiene and have shown (to some really incredulous clients) gains of 5 percent to 10 percent in addressable households on housefiles. In this economy, who wouldn't want to re-engage with 5 percent to 10 percent more of their customers?

Then there's the not-so-inconsequential benefit of qualifying for the

fullest USPS discounts. The USPS is clearly sending the message with its pricing structures that if marketers want to communicate economically with consumers, they'll leverage the latest address correction and standardization systems. And, of course, there is the concomitant benefit that good list hygiene also reduces total postal costs by eliminating bad or old addresses. The USPS has reported that 9 billion pieces are undeliverable each year.

In this economy, another reason to look anew at list hygiene is the costs often can be self-funding. For an average cataloger, the postage savings alone easily can reach five figures.

When it comes to e-mail, the DMA recommends a complaint rate of no more than .1 percent. It's also widely recognized that ISPs use abandoned e-mail addresses as spam traps. So, unless you want to spend precious amounts of time and money convincing ISPs you're not a spammer, list hygiene is a nearly cost-free way to increase e-mail deliverability.

All of the cost-savings arguments for good list hygiene practices don't even take into account the shrinking tolerance consumers have for irrelevant marketing. Whether online or off, the trip from inbox to recycle bin is getting shorter as attention-starved consumers look to simplify their lives. They do not have the time nor the

inclination to deduce why marketers would waste resources to send the proverbial vinyl-sided ad to the apartment resident.

Then there are brand costs to consider. Think about the reputational, privacy and environmental costs that your organization suffers from poor list hygiene practices.

The reality is that poor list hygiene can telegraph to your current and prospective customers that your offer is not valuable, or that you do not respect them or the environment—none of these are desired outcomes.

So, use all of the suppression and hygiene tools available to you. For example, use DMA's Mail Preference Service. Don't overlook the importance of in-house suppress. Leverage NCOA and other address hygiene systems. Begin to explore the operational benefits and costs of opt-down—not just opt-out.

Again, can there be targeted marketing without accurate information? I say no. But the information necessary to achieve clean lists does exist. Leverage it to go for that triple win.

Lou Mastria, CIPP, is chief privacy officer and vice president of public affairs at NextAction Corp., a Westminster, Colo.-based provider of cooperative data solutions for multichannel retailers. He can be reached at (908) 363-0983, or by e-mail at lou.mastria@nextaction.net.

MARK THE DATE

MAY

May 6-8 ♦ **Response Expo 2008.** Manchester Grand Hyatt, San Diego. (800) 829-3400, www.responseexpo.com

May 7 ♦ **Using New Media—The Link Between DM & Brand.** Online Seminar 1 p.m.-2 p.m. ET. (212) 790-1500, www.the-dma.org

May 9-10 ♦ **Multicultural Marketing Class.** New York University's Center for Marketing, New York. (212) 998-7171, www.scps.nyu.edu

May 12-15 ♦ **Community 2.0 Conference.** Red Rock Casino, Resort & Spa, Las Vegas. (888) 670-8200, www.iirusa.com

May 19-22 ♦ **ACCM.** Gaylord Palms Resort, Orlando, Fla. (212) 768-7277, www.accmshow.com

May 20-23 ♦ **Forrester's IT Forum 2008.** The Palazzo at The Venetian, Las Vegas. (888) 343-6786, www.forrester.com

JUNE

June 10-12 ♦ **Direct Marketing Days New York.** Jacob K. Javits Convention Center, New York. (212) 790-1500, www.dmdays.org

For more events, visit: www.targetmarketingmag.com/#eventscal