

Why prospect pools are still making a splash

It's no surprise that direct marketers are drifting away from mass mailings. With the ongoing environmental debate and the increasing participation in the Mailing Preference Service, the move toward higher-value and more-responsive customers is more important than ever.

As a result, more mailers are investing in sophisticated analysis and insight techniques to identify and coordinate the most targeted solutions available. And increasingly, that means direct marketers are turning to prospect pools—aka prospect databases—to optimise their contact strategies.

Until recently, prospect pools were often used as little more than crude data repositories. Little wonder, then, that they earned a reputation as expensive, often inefficient luxuries. To identify real value, direct marketers need to understand how to unlock the undoubted value held within these pools. For those who have mastered it, the benefits are considerable.

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Take the case of a marketer with multiple brands in its portfolio: The development of a pool became crucial in enabling the company to control mailing frequency to its prospects. Previously each brand was treated separately, so a prospect could have received mailings from more than one brand in the same campaign period. Admittedly this could have provided an uplift in sales, but without the means to track activity, all the brands were in the dark, and in fact, overall response rates were declining. There was also a lack of understanding on how to flag prospects who appeared on multiple rented lists so that they could be prioritised, since as proven multibuyers, they were more likely to make a purchase than one-time mail order buyers.

The marketer's pool now centralises all this information, which sits at the centre of its cross-brand contact strategy and testing plans, maximising the value



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of every single piece of information on each prospect at both the individual and the household level.

Certainly, the data pool renaissance that we're seeing also has a lot to do with the significant decline in technology costs, for both build and analysis, during the past few years. Data pools are now viable even for lower-budget mailers. Moreover, data owners have become more comfortable in participating in pooling arrangements.

Data pools are no substitute for third-party lists. By using pools in conjunction with rented lists, however, a business can maximise the benefits of each. Third-party data can be used to enhance the base data sets within pools, can identify unique triggers and, most important, can be incorporated alongside base pool data to enable complete start-to-finish campaign and contact tracking.

The greatest—and most often overlooked—opportunities to extract maximum benefits from prospect pools come with the development and deployment of a long-term data and communications strategy. In essence, that means relying on the four key elements that make a prospect pool truly successful: build, population, analysis and strategy. Too often, direct marketers will concentrate on just one or two of these elements. But for those that effectively combine all four elements, the ability to enhance data and increase their relevance is considerable. ■

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