

The list market under pressure

DAMIAN COVERDALE says market consolidation and downward pricing should force list managers into a more strategic role.

Anyone who has glimpsed a recent list survey will know the volume of names traded last year remained fairly flat.

With further consolidation and increased downward pressure on prices, list managers need to work harder and smarter if they are to remain competitive in this challenging market.

Some of the impact has undoubtedly been the result of marketing budgets shifting from traditional methods of DM to online. Yet, clients continue to recognise the value of offline channels helping to drive online activity and are using integrated strategies to maximise their marketing effectiveness.

The result is we are seeing a much more targeted approach to customer acquisition and this is certain to impact on volumes.

The question is, how do list managers adapt to this shift?

Add value

In a demanding environment, the list management proposition must become more sophisticated if it is to deliver real results.

A good list manager will constantly look at ways to add value to data to increase its value for their clients and to improve its effectiveness for advertisers. Consider data cleansing and suppression, validation services, segmentation, profiling and credit screening. These all enhance the standard data offering and can provide a real point of differentiation for the list manager operating in a crowded sector.

For example, think about advising on sources of data-matching that will increase

marketable value; explore ways of appending the data to increase the number of selections available, validate the data to increase the number of 0-12 month buyers available and even advise on data capture strategy to ensure opt-in/opt-out statements encourage more subscriptions.

We recently took a leading catalogue retailer's 12-24 data and validated the current mail order shoppers; this gave the client an increased pool of people to contact for their own marketing purposes and boosted the volumes of data for sale.

These sorts of exercises can be undertaken on a risk/reward basis, so the client can't lose - if it works they make more money, if it doesn't, it costs them nothing.

Proven methodology

Buyer retention is tough today. It is not sufficient to have a sales team that has a reactive approach and simply processes orders. List managers must have it all: strong sales skills; a proven structured marketing approach; and an insight driven strategy to prioritise their initiatives. Only then can they create strong marketing programmes that really showcase their client's programme USPs. Smart list managers will practise what they preach, and apply true direct marketing principles - using a fully integrated multi-channel approach.

Another critical and often forgotten factor in achieving campaign success is the

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operational aspect of data delivery. Accurate and timely data is essential to enable marketers to turn around campaigns as quickly as possible. Get a reputation for inaccurate, poor or late delivery of data and brokers are likely to avoid using your client's lists. No amount of added value will compensate for a client's campaign failing to meet deadline.

The ideal situation for list managers is to host the database wherever possible. There are many obvious benefits to hosting, such as running quick counts and having immediate access to the data.

However, the biggest pay-off is that the list manager can develop a much deeper understanding of the data. This knowledge can help the sales team identify opportunities for maximising its value; uncovering pots of gold like niche selections that are highly sellable.

Where hosting is not possible, it helps to have a fully automated order process to check and validate data orders. This will reduce errors and highlight any issues early in the process which will help to minimise the impact on an advertiser's campaign, should the data arrive incorrectly.

The devil is in the detail

Data quality is critical. There is an age-old debate about whose responsibility cleansing should be - the list manager (before data is sold), or the client prior to mailing. The answer will always be a balance between the two.

Some cleansing will always have to take place upon extract as every advertiser's requirements for suppression

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will differ, but in a marketplace where reputation is everything, it is important to provide quality.

Reputable list managers will advise clients on data quality requirements, such as checking the relevant mail and telephone preference service in their region, and agencies that have their own bureau can offer advanced services: reformatting poor addresses, analysing key variables to ascertain levels of population of key fields and recency and connecting goneaway addresses so loss of data is kept to a minimum.

Advertiser retention

A good list broker's job doesn't end when they have made a data sale - it begins. It is important to follow up after the campaign to understand what has and hasn't worked.

So, your advertiser's campaign hasn't achieved the desired response? It's time to get proactive - not just lose a sale. In this tough market, list managers often need to wear their planning cap.

It is about working closely with the broker, analysing results, calculating expected response rates, considering alternative selections and, where possible, presenting the broker with a solution that will produce the required ROI for their client.

And always ensure you retain the relationships you've already worked hard to establish. We all know that it's harder and more expensive to recruit new advertisers than to retain existing ones.

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