



Phantom Prospects, Real Costs: Improving Mail Efficiency

The whole point of direct mail is reaching rich concentrations of most likely-to-buy prospects. The richer your concentrations, the higher your response. It's as simple as that.

However, there's no prospect *less* likely to buy than one who doesn't exist.

Yet, every list you buy – and many of your current customer files – is littered with these “phantom prospects.” That is, people who have moved from their last known address and are missed by National Change of Address (NCOA) applications.

Put into a literal context, that means every one of your mailings is under-performing by as much as 10% before it ever leaves the post office. On a 500,000 piece mailings, that's like paying for 50,000 pieces of mail just to dump them in the ocean. Not a good plan, especially in today's environment.

Found You!

Fortunately, there are new applications, such as DirectMAX™ from DMG, that rescue those phantom prospects and return them to real profitability.

DirectMAX™ relies on a multi-step process to recapture almost all of the 30%-40% of new and recent movers who never show up on the NCOA radar.

To hit the high points, we start with transactional databases of responsive direct mail buyers from a variety of “cooperative” sources. This gives us address information that is more reliable than NCOA, because it's based on actual and recent purchases, not just filling out the USPS change-of-address form from which NCOA data is derived.

Next, we apply robust hygiene processes to enhance the address information. For example, even though it's based on purchase data, many single files still contain incomplete information. In addition to transaction information, we are able to effectively cull out the most recent address data through utilities, cell phones, and magazine subscription databases.

Finally, we use advanced modeling to synthesize new “true address” information for those files that are still incomplete. All of these steps result in both higher deliverability and improved response among the DirectMAX™ segments.



Benefits You Can Measure

Increasing deliverability can be almost the equivalent of developing a new control package. Some compelling data:

- Deliverability ratios increase from the 90% range to almost 100%
- True new movers are identified precisely and early
- The universe of profitable prospects is expanded
- Overall profitability of your mailings increases by 6% and more

Improving deliverability means increasing profitability in every segment of your mailings. In some cases, it can even take poorly performing segments and make them profitable.

Beyond NCOA

If you rely just on NCOA for list and data hygiene, it's like carrying a 10lb. penalty. In the world of thoroughbred horse racing, that's the weight penalty that can be assigned to a winning horse to narrow the field. It's a killer.

So, like each of our major clients, DirectMAX™ or a reasonable equivalent should be used every time you mail. Because your objective isn't to be an also-ran, it's to take the lead early and stay there.