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Why don't some mailers want to use suppression? James Lawson discusses why this is still the case and how the DMA's latest campaign aims to change the industry's views.

Blind Stupidity

You've heard it all before. Suppressing gone-aways and deceased individuals saves money, protects your brand and is generally a good thing. If you don't use suppression on a regular basis, then you'll lower your response rate, waste money on print, packaging and postage, and help blacken the name of both your own company and the direct mail medium. Seemingly a convincing argument, but it is one that has so far failed to impress a significant proportion of the direct marketing community.

Distrust and confusion

Bureaux are amongst the leading advocates of suppression – it's their business after all – and are well placed to hear why some mailers still don't want to use them. One of the chief concerns is a continuing feeling that much of the data within suppression files is inaccurate, that is, the individuals named still reside at that address.

“There is a reluctant acceptance of the need to use suppression rather than any genuine enthusiasm for the cost and quality benefits that it can generate,” says David Laybourne, technical director at DPS Direct Mail. DPS recently found that 71 per cent of the mailers it surveyed have doubts about the accuracy of goneaway files.

Just 24 per cent apply suppression to house files, inferring greater confidence in the accuracy of their database over third party sources. The DMA's own research backs this up. Over a quarter (27 per cent) of businesses choosing not to use any form of third party suppression do so because they believe that the quality of their data is already adequate. Only 14 per cent of those surveyed said cost was the key factor in not using external suppression sources, helping to explain why the ROI argument isn't getting through.

“There is a lot of cynicism out there about suppression files, it comes up a lot,” agrees Jonathan Russell,

sales and marketing director at Adare Intellidata, who adds that one client even claims to have mailed customers flagged as goneaways and achieved a better response from that selection than from the rest of the campaign.

"I'd take that with a pinch of salt though, and you don't know whether the original individuals have responded or whether it was the new occupants. Our analysis shows the integrity of the files to be good but that's not the perception out there. We do need to show clearly that the files are reputable."

"Major mail order players quite often ignore mortality," says Martin Smith, managing director of Millennium. "Customers do sometimes still purchase where one of them is still dead. Some goneaway suppression records are clearly inaccurate for whatever reason, maybe the postie can't be bothered going to the 11th floor, so you have got to have some scepticism."

So is there really a problem here? No file of customer names and addresses is ever going to be perfect and completely up to date. Whatever its provenance or application, there are always going to be some errors. Deceased files are considered highly reliable by 96 per cent of mailers, it's goneaways in general and assumed data in particular that causes much of the trouble: incorrect notification by consumers was the primary reason for lack of confidence from 44 per cent of those interviewed.

Good bureaux minimise the effects of erroneous deceased or goneaway records by running client files against multiple reference sources to see how many times a particular address is matched, and hence to give an indication of confidence. "We only classify them

as goneaways if there are multiple matches against files like GAS, Absolute Movers and Universal Suppression Service (USS)," says Russell. "We'll see records have matches against all three and output the cheapest one."

This helps but is not foolproof; if an address is particularly hard to find or the occupant is given to returning all direct mail to the sender rather than registering with the MPS, then it is going to crop up on multiple goneaway files anyway. A single goneaway suppression file will contain records taken from multiple sources, with many contributed by large mailers who record returns from their own campaigns.



Changing attitudes takes time and we support any initiative to really do something about decarbonisation

Mark Roy, managing director, The REaD Group.

But some are better than others at checking that the customer they log as a goneaway isn't actually still an active buyer on their operational database. It's the wide variation in confidence level across a single suppression file that is at the heart of the problem. For example, records in the Royal Mail's USS file sourced from the National Change of Address service are accepted as more reliable than data taken from returns that are assumed to be goneaways – but are at least identified as such to allow appropriate application. Many files are not.

Scoring Suppressions

To provide a benchmark for comparison of different suppression files, an active client file of 25,000 names and addresses was name and address validated against the rolling ER and OSIS by UKChanges. The data was then screened against the NCOA, seen as the industry standard suppression file, as well as the "confirmed mover" elements of the USS to flag up goneaways. 130 goneaways were identified.

Three criteria were used: market coverage, data quality and accuracy. Marks were awarded for the first one on the basis of how close the various suppression files got to the number of matches achieved by the NCOA. Both under and over-suppression were penalised, with over-suppression seen as slightly more damaging. Points were also awarded for the number of correct matches (accuracy) and for the percentage of correctly addressed records as compared against the PAF in order to make up a possible maximum score of 100. Results varied surprisingly widely. The NCOA and GAS files scored 93

and 91.5 with the National Suppression File (Confirmed) and USS files reaching 86 and 66.5 respectively. The complete NSF scored 61.3 and Absolute Movers 44.

The bottom three files scored lower mostly because they matched to test file records not found in the benchmark file, and hence were penalised for over-suppression. Though this test is as thorough as it can be, the first two parts cannot be completely accurate as no absolute benchmark file of movers exists to compare against; according to UKChanges, the combined Royal Mail data will at most cover around 75 per cent of the UK's annual total of around 3.5m movers. As ever, marketers should work closely with their bureaux and think carefully about how they want to use different elements of each suppression file, Running against multiple files before choosing which records to suppress and even test mailing samples of records matched as goneaways to estimate the accuracy of different files is advisable.

The wide range of files now available contributes to the confusion. Bold claims are made for their effectiveness but the difficulty in verifying their accuracy adds weight to the argument to further clarify goneaway data sources to increase the effectiveness of file selection. The DPS research reports 93 per cent of those with low confidence about accuracy pointed to unclear validation processes or undisclosed data sources from list owners as a key issue.

Difficult choices

“We have started to provide clarity but many of our supplier contracts are governed by non-disclosure agreements,” explains Mark Roy, managing director of the REaD Group. Competition is certainly intensifying as more suppliers enter the market – Laybourne describes it as “cut throat” – and price remains the chief criterion, in that the cheapest per-hit file tends to come higher in the suppression hierarchy. The suspicion amongst many end users that the aim is then to get as many hits as possible, whether correct or not, to generate maximum income for the owner and bureau.

On the plus side, more and more products are using confidence scores to help indicate the reliability of each record, and hence where each one should be applied. Historically these scores are based on the number of postal returns gathered from each address, but in the case of Millennium’s Halo file, it also marks the addition of data collected online and elsewhere to add to its standard (extremely reliable) probate data in Mortascreen. If low scoring data such as Royal Mail returns is not confirmed from another source within a short period of time, it is removed from the file.



They are out for themselves and will not be stopped by the threat of enforcement of the DMA’s code of practice

Chris Cuffe, managing director, helpIT Systems.

“We felt obliged to make it more transparent when using different sources,” says Smith. “You should indicate sources to users so they can make an informed decision. You could find live people putting themselves on this file as a way to stop direct mail if they are ignorant of the MPS, though finding live people on a deceased file is a rarity.”

Recent research carried out by UKChanges might provide some indication of the level of accuracy of goneaway and deceased files (see boxout “Scoring suppressions”) but the lack of any true reference file for goneaways makes absolute comparison impossible. The obvious solution is a standard single national file, but

this is a pipe dream when the market is so competitive.

“There is high crossover between files and their formats are incompatible,” says Laybourne. “The DMA should bash some heads together to make the files work better together.”

This difficulty in comparing like with like is a real turn-off for many mailers and again highlights the need for skilled in-house operators or, more likely, an experienced bureau to carry out the process. Over ten per cent of mailers surveyed rely upon their bureaux to choose whether to use suppression and only 39 per cent take any active role in the selection of which suppression files are used or how they are applied

Even if we accept that there are more false positives in some goneaway files than perhaps there should be, the case is still far stronger for using them than not where care is applied in processing, particularly given the extra accuracy allowed by matching to multiple files as described above. Anyone constantly returning direct mail is unlikely to be a receptive prospect. Extra care is needed with house files, but with a good net name deal for mailings to an older list, it does pay to be harsh on knocking out suspect names; you can always send them back to the supplier for a refund. Yet many remain indifferent.

Use it or lose it

The third phase of the DMA’s environmental campaign, launched at the IDMF last month, moves beyond recycling and pays particular attention to the need for suppression and cleansing. Tying up with woodland conservation charity Woodland Trust, the DMA is offering to plant trees to offset the carbon cost of mailing. With a target of 10,000 native trees to be planted in the UK in 2005, the programme links the use of suppression on a mailing file or running the MPS directly to the tree-planting target.

“The use of data and suppression will be a key element within the next phase,” says David Robottom, the DMA’s director of Postal Affairs and Industry Development. “We want behavioural change in the industry. Depending on the volume of a mailing, we will reward environmentally friendly behaviour by planting a certain number of trees.”

Other suppliers such as The REaD Group are pursuing their own “carbon neutral” initiatives by working with pressure group Future Forests. “Changing attitudes takes time and we support any initiative to really do something about decarbonisation,” says Roy. “It obviously doesn’t address long term environmental issues but this provides us with a defence as an industry, we are tangibly doing something.”

The DMA has already written to the UK’s top 50 mailers asking them to pledge their support by signing the DMA’s Environmental Charter, but no figures are yet available on how many have committed themselves. Robottom describes industry response so far as



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“extremely positive” and also makes the point that DMA members should be using suppression anyway. “If they don’t comply with the code of practice then we can take action based on that too. It’s not a veiled threat, we have expelled people in the past.”

Despite the attraction of this tough self-regulation, it’s as well to remember that only two companies have ever been expelled from the DMA, it only has a limited number of members and these are predominantly suppliers. So the majority of those senior marketers that set policy and foot the bill for mailings will not be bound by its code of practice.

“There’s a whole lot of companies out there that don’t see themselves as part of the industry,” says Chris Cuffe, managing director of data processing specialist helpIT Systems. “They are out for themselves and will not be stopped by the threat of enforcement of the DMA’s code of practice.”

An educational approach may help overcome some of the other barriers to use, much of which stems from continuing ignorance of the whole cleansing process, but if some mailers continue to hold out, is there anything short of legislation that can persuade them to change their ways?

“The government will legislate against us if we don’t get our act together,” states Roy, who sees the imposition of a 12 per cent purchase tax on white goods manufacturers to cover the cost of recycling as a taste of what might happen. “If you do get a levy like this, it will hammer direct marketing. The industry is becoming more aware but apathy has prevailed again and if it continues, this “it won’t happen to me” attitude will really get us into trouble. Look at what happened with the ER. Perhaps the DMA can bring in more bodies like the ASA and IPA to help with self-regulation.”

The ASA’s British Code of Advertising, Sales Promotion and Direct Marketing, last updated in March 2003, does require marketers to ensure that: “databases are accurate and up-to-date and, if rented, bought, etc, have been run against the most relevant suppression file operated by the relevant Preference Service.” The code also advises that “anyone who has been notified as dead is not mailed again and the notifier is referred to the relevant Preference Service”.

But, though the ASA does follow up complaints from those registered on the MPS and others that object to being mailed, it can currently go no further than requiring offenders to delete records or obtain a promise to suppress against the MPS in future. “We can only follow up customer complaints by writing to offenders and I don’t know of an instance where someone hasn’t responded to us,” says ASA press officer Donna Mitchell.

As well as distrust and confusion, ignorance still causes problems. Suppression simply isn’t on the map for many companies. In conventional mailing processes

that are repeated year after year, little happens beyond knocking out matches from the MPS, if that. Budgets for postage frequently reside in another part of the company – the corporate postage account may be paid with no attention to wastage, rather than being taken out of marketing’s production spend. So there is no pressure to curtail spending on postage, while any extra expenditure on suppression during data processing will hit marketing directly.



There is a reluctant acceptance of the need to use suppression

David Laybourne, technical director, DPS Direct Mail.

“In our research, agencies said that they didn’t have the budgets to do suppression processing,” says Laybourne. “Or that it was too late to cut volumes as they had already bought the envelopes. It’s another variable in a complex process and there’s a can’t-be-bothered attitude. I’ve heard people say, ‘I don’t care, it doesn’t come off my budget.’”

And why not?

The licence structure for suppression files may also put off all but the largest mailers and bureaux. Cuffe certainly sees this as a barrier to wider use, particularly at companies that “drip feed” outbound mailings rather than running large individual campaigns.

“We see good take-up of our suppressIT software but then a significant fallout at the end of the first or second year,” he says. “Because of the high cost of the suppression annual fee, only the larger bureaux hold licences. A per-hit only licence option is what we need.”

“We would never put together a licence deal that would cost SMEs money,” counters Roy. “We do need to look at alternative routes to market but per-hit can be very expensive indeed if you do it online for example. We need to look at ways to get the cost of online down to the cost of normal processing. We also need to protect our data. We don’t want it abused or the brand damaged by misuse.”

Other options for increasing suppression use include making the use of the MPS mandatory, just like the TPS, or to enforce the use of bereavement registers – but this immediately admits defeat on self-regulation. With lack of trust in suppression data combined with apathy and systemic ignorance, there is a suspicion that some direct marketers will only clean up their act when the government comes knocking on the door. “The DMA environmental initiative should be a wakeup call but I fear it will be a passing phase,” concludes Cuffe. “It will take legal action to really make a difference.” ■