



Spoilt for choice

Danielle Green discusses the increasing range of consumer suppression files available and the options available to companies that want to use them.

Mailers that run suppression files against their databases face a burgeoning array of products as companies rush to market to add increasing numbers of goneaways into an already seething suppression pot. But with a wide range of prices and sources now on offer, does this increased choice risk confusing both bureaux and end users who simply want to get the greatest benefit for the lowest per-record cost?

Difficult selection

It is an industry given that the use of suppression files is not only best practice but also makes sound commercial sense. Bearing in mind the average per-record suppression fee is 20p, that your average direct mail pack costs around 45p and that larger mailers' DM programmes run into the millions, there are obvious savings to be made.

To put things in perspective, according to research by the Read Group, £95 million is wasted each year on mailings to consumers who have either moved house or passed away. But as the number of suppression lists on the market swells increasingly complex

judgement calls are required as to which lists to use.

"The market is being flooded," offers Jason Batten, managing director of bureau Absolute Data Solutions. "It's getting very confusing for mailers who are having to pay for loads of different licences. At the end of the day there are only so many movers and so many dead people. There will come a stage where the overlap is such that there will be no commercial benefit to using some of these incremental files."



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Clive Mollett, direct marketing manager, PDSA.

With so many lists around, the logical time-honoured suppression methodology is to start with the cheapest files, then as mailing lists reduce in size work through other carefully chosen registers, leaving the

priciest until last, when there will be fewer matches. As for choosing which selection of lists to work through, businesses appear to take a two parts common sense to one part blind faith approach.

Obviously, the greater the number of goneaways on a file that are verified from multiple or more trustworthy sources, the better; for example, the Royal Mail redirection service as opposed to “not known at this address” data, or probate records rather than single online deceased notifications. Companies can also then factor in which data is exclusive to which file to better gauge potential overlaps.



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Gareth Fearn, marketing manager, helpIT Systems.

But when it comes to non-verified information, the onus is on individual companies to decide what they are comfortable suppressing. For instance, the Royal Mail's Universal Suppression Service and the DMA's National Suppression File highlight how many times direct mail items have been returned from any given address, enabling mailers to set their own reliability benchmarks for what is a notoriously unstable indication.

“Where files have the number of occurrences of a returned piece of mail on them we screen out anything with fewer than five returns,” notes Batten, who adds that for internal lists the bureau recommends exclusive use of confirmed goneaways. “We only suggest use of assumed data on cold lists,” he advises.

Users may also want to check how regularly files are updated, as goneaways may just be temporary – the retired couple that spends winter in the Algarve, the student back in the parental home for the summer vacation. With this in mind, Experian is poised to launch its Absolute Movers file, which takes all these factors into account and uses multiple-source data on a month-by-month basis to ensure people are still where they were during the previous month.

Struggling with the overwhelming choice of suppression files is registered charity The Peoples' Dispensary for Sick Animals, which is currently testing various packages, including the Read Group's Bereavement Register. The organisation says it stands to significantly reduce wastage by screening against goneaways. Averaging 20 million mail pieces per year, and factoring in an estimated 3.5 per cent “inappropriate” mailings rate, the charity says in theory it could save over £300,000 per year (not taking into

account suppression costs) by using the files.

But direct marketing manager Clive Mollett expresses concern over how to maximise usage. “How confident can you be of quality without testing?” he ventures. “If you buy a licence that is a significant sum of money up front, just on the expectation that it does what it says on the tin. Also, it's hard to know when to stop because you can go with umpteen different files. Meanwhile costs escalate out of control.”

Elsewhere, though, Mark Mason, data manager at Royal & SunAlliance, which screens against TPS, Mortascreen and the Deceased Register for MORE THAN, takes a more relaxed approach, highlighting the benefits of using even non-verifiable suppression files to bolster in-house goneaways.

“Along with the verifiable data, Mortascreen includes non-verifiable data,” he says. “We also apply our own proprietary non-verified goneaways and deceaseds as a double measure. We recognise the limitations of that data, but you just have to make an informed judgement.”

Trust your bureau

Such divergent attitudes highlight the nervousness with which many end users still approach suppression, suggesting bureaux need not worry about being made redundant any time soon. Vouching for this is Gareth Fearn, marketing manager of helpIT Systems, whose suppressIT module – part of the matchIT suite – which enables companies to cleanse lists against a raft of established suppression files while also carrying out deduplication, has largely been adopted by bureaux rather than end user companies.

“Fifty companies use the product – bureaux and end users,” he says. “But the in-house customers are a



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With potential annual savings of £300,000 the PDSA knows it should be maximising its use of suppression files. But the increasing choice of consumer suppression files makes testing a lengthy and costly business.

lot fewer than they could be. It's still hard to go into a company that isn't a data specialist and say, 'give us £1000 and we'll save you £2000'. There's a lot of mystique around it and a lack of legislation enforcing use. People don't see it as the most important data cleansing process."

Of course it was hoped the DMA's National Suppression File would go some way towards diminishing customer confusion by pulling a number of sources together into one trusted reference file. But while the vast majority of bureaux license it, it is debatable how frequently it is used.



It is important for us to respond to market demand

Mark Roy, chief executive, The Read Group.

"Most people have it because it is a DMA brand and customers always want to know if you have it. But I think you'll find usage of it is pretty low," hazards Batten, who suggests that apart from Read Group and National Change of Address data, which bureaux tend to hold anyway, the file relies too heavily on non-confirmed postal returns.

When it debuted at the start of this year, Royal Mail's Universal Suppression Service (USS) also presented itself as the potential gold standard in suppression files that would possibly see off some established goneaway files. That said, it has been criticised for failing to attract sufficient numbers of contributions from heavyweight mailers.

It is a charge disputed by Royal Mail's head of business development Richard Roche, who asserts that the 14 million-record-strong file is fed data from seven or eight "major players", including banks, building societies and utilities firms. Further, claims Roche, the organisation is looking to attract an additional six or seven heavyweight mailers with national coverage in the near future, and expects to double the number of records over the next two years.

And while through its redirection service Royal Mail claims to catch just short of 50 per cent of the six per cent of people who move house each year, it promises to boost that proportion in future by exploring new, verifiable routes. "Obviously our primary source [of verifiable records] is the redirections data. But we are looking to add to that source of movers' data that we will apply to that pool too although I can't at this stage say which sources we will use," says Roche.

Is the price right?

Roche adds that the industry consensus that the USS's licensing contract is overly complex has also caused the group to consider a new approach. While conceding that the end-user licence contract may be a little "cumbersome", Roche says Royal Mail is looking at ways to ameliorate the situation. "The contract does take a bit of time to wade through. That's partly because of who we are and the broader competition issues. But that is being looked at in terms of creating an easier-to-use contract."

Charging structures vary from supplier to supplier. Where agreements are on a per match basis, prices tend to shake out at around 20p per record suppressed. However, where things get more complicated – and less transparent – is in licensing arrangements, which depend on the type and size of the mailer and its volumes and occasionally boil down to "gentlemen's agreements".

In the case of The Read Group, bureaux license its 2.4 million-record Bereavement Register for £1000 per annum and are paid a royalty for every record suppressed. For end users, licence fees start at £5000 per year, rising to £40,000 for a permanent flag. With USS, Royal Mail charges 20p per individual hit (40p for a permanent flag) and offers negotiable volume-related discounts and special rates for data contributors.

In the case of Millennium's 4.2-million-record Mortascreen deceased file, bureaux pay 15p per suppression (which Millennium recommends they pass on as 20p to end users) and 30p (50p for end users) per permanent flag. End users who want to license the product pay between £6000 per year and £80,000, again according to mailing volumes, and suppressed records can be used indefinitely. The group also offers special rates for charities.

Costs, while largely accepted by companies that have taken the decision to suppress, can conspire to deter many potential users who balk at such high up-front fees. The best example of this is the voluntary sector – traditionally heavy users of DM – where budget constraints make charities notoriously bad at employing suppression techniques, according to Read Group research.

And the problem is that, as greater proportions of the potentially available data on movers and the deceased are gathered, what's left is likely to come at a premium. "It gets more expensive the closer to 100 per cent you get," warns Martin Smith, managing director of Millennium, which markets Mortascreen.

"When Mortascreen was 50 per cent of market data, capture costs were quite modest. We are about 85 per cent complete now, yet that extra 15 per cent would cost us a hell of a lot of money because it becomes progressively more expensive to mop up those last bits of data."



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Smith adds that Millennium's latest strategy to increase the register's breadth to 100 per cent of the UK's 600,000 annual bereavements lies in forging alliances with the regional press to gain access to obituaries. The group is also poised to launch a website on which consumers can register deaths for entry to the smaller Deceased Register (gathered by Active Media and brokered by Millennium) and through which it hopes to collect 20,000 names per year.

But with file pricing, the key bone of contention lies in some suppression companies failing to provide a permanent flagging option, meaning a known suppression must be paid for repeatedly on each mailing. "If someone's died they are still dead next time you mail them," asserts Batten. "We have serious problems trying to explain that to clients."

However, the Read Group, which has been criticised in the past for failing to offer this option on a per match basis where others do, says it has taken market feedback on board. According to chief executive Mark Roy: "The market is asking that we consider allowing them for a fixed price to put a permanent flag on records. We will probably go down this route because it is important for us to respond to market demand." Roy adds that the fee will probably be 45p.

Stay secure

It is not just costs that are being revised. Time is of

the essence when it comes to suppression, meaning online delivery is an attractive proposition. But where many bureaux are already providing this for end users on change of address information, for perhaps the most time-sensitive information of all – deceased updates – suppliers are understandably hesitant on how to move forward.

"We've certainly been looking at online delivery. But one of our fears is security. We go to consumers with the Bereavement Register and request some of the most sensitive data they have ever given in their life. As custodians of that data we take that responsibility very seriously," maintains Roy. But, he adds, where current 128bit encryption may not be deemed satisfactorily secure, its 256bit equivalent may cut it. "We'd consider it. But we're erring on the side of caution."

With so many new and overlapping suppression options now on the market, it is easy to see how bureaux and mailers may feel exasperated. But as the market matures, consolidation will inevitably take place, hopefully making purchasing and prioritisation choices less of a headache. And as the likes of Royal Mail and Read Group have shown with recent demonstrations of flexibility, there is an willingness out there amongst data owners to respond to user feedback, proving that – in this market at least – the customer is king. ■



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