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As suppression adoption rises, the choice of files is on the up too. James Lawson discusses the new entrants and the difficult task of file evaluation.

## A CONFUSING CHOICE

**T**he profile and usage of goneaway and deceased suppression in consumer mailings continues to increase, which can only be good news for marketers and consumers alike. As demand grows, suppliers are bringing more new suppression files onto the market – tens of millions of extra goneaway records have arrived this year alone. But as these will inevitably overlap with existing products, confusion is growing over which ones to use and how best to choose between them.

### A longer list

“In the last 12 months, the usage of the GAS file has risen 24 per cent,” states Mark Roy, managing director of The REaD Group. Long-time suppression market leader, the company states that 69 per cent of consumer direct mail is screened against one or other of its products. “I attribute the rise partly to the DMA’s environmental initiative plus the other new entrants to the market have undoubtedly raised awareness. Intelligence about how to assess products is also growing.”

That’s just as well because, never ones to leave a growing market alone, a variety of data owners have launched suppression products over the last year. These additions have clearly brought extra good data into the mix, but choosing which ones to use where and at what point in the suppression hierarchy is not

always easy. Add to that the individual foibles of each file, such as not splitting out which goneaway elements are derived from postal returns or refusing to reveal the sources, and some fairly complex and time-consuming research is needed to base file choice on.

“From our point of view, it’s not a particularly good thing having a lot of files that do similar jobs,” says Richard Drummond, customer data manager for John Lewis and in charge of a five million-strong customer database. “I’d like to hit one file that contains the most accurate and up-to-date information. The more fragmented it gets, the harder it is to understand all the sources of information and how up-to-date the information going into them is. Some of the goneaway files lack transparency – we try not to use postal returns unless they have come directly back to us.”

Axiom’s Purity is the most recent arrival, a 13m file of customer records produced from years of gathering and updating lifestyle surveys. Majoring on the clarity of its sources, the file is a byproduct of the recent merging work done to bring together what were the Claritas and Consodata lifestyle databases. So far, around 14 bureaux have signed up for it.

“When we built Infobase Lifestyle Universe, we ended up with a non-mailable as well as a mailable file,” says Axiom’s data group leader Dawn Orr. “We were already building it and using it ourselves as a suppression file, and thought, we have it so let’s take it

to market. There are absolutely no postal returns in our file.”

Orr emphasises that the transparency of the data’s source is key. “We have so much data coming in and talk about our data all the time,” she says. “When people shop for suppression products, it’s so difficult to benchmark them. Why are the sources a grey area?”

Drummond says that he spent time talking to suppression data owners and now relies on his bureau to keep him up to date with changes. “We did the initial investigation, then handed over to DPS to do the bulk of the physical suppression,” he relates. “They advise us on whether one new list may be better than another. They try to give us a confidence level but it’s not easy.”

The other recent new entrant, Equifax’s disConnect file, debuted at the Direct Marketing Fair in February and contains a massive 25m records going back over six years. The monthly updates alone cover in excess of 500,000 individuals.

Reports on its coverage and accuracy are encouraging: Celerity’s Andrew Sawyer describes it as, “one of the top performing files, it’s in our top four for goneaways along with Purity”. But no-one at Equifax will say where it comes from. The line from various bureaux is that the data is contributed by Equifax’s credit pool members, for example utility disconnection data, but contractual terms prevent this being disclosed.

“We’re not trying to hide anything but we don’t want to mislead people,” says David Arrowsmith, market development director at Equifax Marketing Services, who is bullish about the accuracy and freshness of the file’s contents. “It’s data we gather through our processes. I’ve been given specific instructions not to discuss the source.”

Though Orr comments that, “You would never go to market as a list owner with a list whose source is a secret,” keeping your file’s provenance to yourself is not so unusual in the suppression industry. For example, which companies contribute to the long-established GAS file has always been a closed book at the REaD Group, which pleads commercial confidentiality.

“Six years ago, we said nothing about sources,” says Roy. “Now the only part we don’t talk about is the commercial organisations that provide us with data and whom we have non-disclosure agreements with. Releasing the details might tell their competitors the amount of customer churn they have. If we made our sources public then our competitors would be going to them to try to offer them a better deal.”

**How do you test?**

The Royal Mail’s NCOA is well established as the most reliable confirmed source of goneaways, while most marketers cite the BT OSIS file as a top benchmark for accuracy and recency of updates to confirm residency;

the former is well established close to the top of most suppression hierarchies. Many bureaux match these benchmark files to a test list to flag residents and goneaways and then compare the number of gone-away hits found when the same test list is run against other suppression files. Matches made by other suppression files against the test file that are not seen by NCOA or OSIS files are assumed to be false goneaways.

“OSIS is the best thing to benchmark against,” confirms Orr. But though some tests are in the public domain, how the results are interpreted by the different parties involved varies considerably. For example, the NCOA will at best cover around 75 per cent of the annual UK movers so there is certainly plenty of room for error when checking against it. Arrowsmith volunteers that any suspected false matches found when checking disConnect against OSIS are because his own file is actually more recent than the BT file.

“We did find that some records matched to OSIS, which looks bad,” he says. “But we called to check them and found that those households had all actually moved.”

Prior to the release of the most recent files, UKChanges ran a 25,000 record test sample against the NCOA and other reference files earlier this year. 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.



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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.

But though it performed badly in that test, Experian’s Absolute Movers, launched last year, now has a large number of users (Experian claims 1400) that includes direct marketing giant Norwich Union –



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Dawn Orr, data group leader, Acxiom.

which presumably has thoroughly tested the file. The file also has no assumed data within it. "We welcome the uplift that Absolute Movers provides in the identification of genuine home movers," says Jon Holmes, database manager at Norwich Union.

"We're more concerned about what clients say and would invite anyone to test it," comments Sophie Sail, head of product management at Experian's marketing services division, who describes the file as built from, "a number of public and private data sources". These include local residency data, customer-informed moves, lifestyle data, the Electoral Roll and updates via the Rolling Register. "The goneaways are all validated against a number of sources before being put onto the file," she says.

All this contradictory evidence can be very confusing for those not directly involved with the testing and drives home that gaining a rigorous and satisfactory measure of suppression accuracy, including the number of possible false goneaways, will mean working closely with a bureau for all but the very largest companies.

"The end user clients do find the market confusing and they often don't have the time to go through the testing process," says Roy. "It's a challenge for them to do it in-house and it's down to us to help them with the process."

Work has to be regular too as reference files struggle to keep track of the thousands of people who move every day. Monitoring this will involve a substantial investment of time, if not money. Andrew Sawyer, managing director of Celerity, explains that post-mailing response analysis in conjunction with clients as well as matching to files like the NCOA is an essential part of his evaluation process.

"Many clients tell us that they don't have time to do the investigation," he says. "We cross-reference against the Electoral Roll and OSIS, and then look at mailing files and who has responded. First we flag who we would have knocked out as a goneaway using the suppression file, then we look for responses coming from flagged records. This indicates which files have the highest percentage of true goneaways."

Sawyer says that his tests are based on files of over half a million records in conjunction with a mail order client. "We grade all the files in the marketplace, but we can't share the results," he says.

### Deceased co-op

Sawyer also emphasises that effective suppression covers more than just the source data. "It's also about using appropriate matching techniques and using the files correctly," he says. "We would use the ones with more postal returns in them to knock out non-responders from prospect mailings. You should always cross-reference against other files if you are using assumed data."

Increasing supplier competition in suppression may have some benefit in raising the game when it comes to inaccurate postal returns. For example, Royal Mail recently undertook a major revision of the Universal Suppression Service to remove those not confirmed as goneaways, pulling out a reported eight per cent of all records.

"Eight per cent is no small number," says Sawyer. "Equifax and Purity have shaken up the industry. People are thinking harder about sources and some mystery has been taken away from these files."

However, David Laybourne, technical director of DPS Direct Mail, thinks that in this instance, the Royal Mail may have gone too far in relying on OSIS and the Electoral Roll to benchmark against. "If you look at that eight per cent, you will see that NCOA data is part of it. My guess is that they will take out some genuine goneaways. You could segment it before and not use the assumed data if you didn't want to. It would have been better to keep it like that."

Pricing is the other perennial bone of contention amongst suppression data users. Though stronger competition between data owners has seen prices come down over the last few years, campaign suppression hits at 20p will still cost more than the original prospect record while buying a permanent flag for your customer record will cost 40p or so – though the latter's availability represents a major advance.

"If your annual mailing only costs 35p, then there's a lot of smaller companies that simply won't do it," says Drummond.

The disConnect file breaks new ground by discarding annual licence fees altogether, moving to per-record charges only in line with those above. "The market said that it didn't have an appetite for paying a licence fee," says Arrowsmith. "We wanted to make sure that our file was taken up rapidly by bureaux."

Motivated by the desire to reduce costs, one current initiative aims to create a profit-free co-op file for deceased suppression. Initially floated at the IDMF more than two years ago, the Stop Dead file was relaunched last month. It is spearheaded by Emma Reid, previously head of Customer Information at Saga and who now runs the Grey Cells consultancy.

"It has been hard to find the right person in an organisation to make the decision to get involved and to provide the data," she says. "There is also the question of companies that don't collect death suppressions themselves even though they want to use the data. But we are now reaching a critical mass and I hope to have a going concern by Christmas."

The costs are estimated at £2500 per contributing company. Bureaux would also pay this fee to hold the file and would be allowed to add a limited processing charge. So far, the jewel in the crown of the nascent Stop Dead file is the commitment by Saga to provide its own considerable file of deceased data. Reid also



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Sophie Sail, head of product management, Experian



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intends to lobby the government to release centrally-held mortality data.

"Saga is continuing to support us as are the Royal Mail," continues Reid. "About four million records are commercially available and, having matched Saga's records against these files, 500,000 names have been identified that are unique. So the commercial files do not have complete coverage and are preclusively expensive. We were paying £80,000 annually for Mortascreen and The Bereavement Register at Saga."

Reid describes Stop Dead as currently "small fry" compared to the commercial files, but adds that they already have around 800,000 records in the bag. "We would be at the top of the suppression hierarchy," she says. "The more members, the better the coverage."

"It's something that I have strongly advocated in the past and should be backed by the DMA," comments Laybourne. "It'll save the mailers money and have an impact on the income of the suppression owners. It's a confused and crowded marketplace and is crying out for a merged file."

Given the two-year gestation period so far, Stop Dead's eventual success remains open to question. "Anyone can get a historical deceased file," argues Roy. "The real challenge is getting the updates quickly."

**Cutting the cost**

Direct marketing is about business, not altruism, and although not cheap, suppression is cost-effective.

Suppliers are in it to make money, imposing terms and charging what the competition and market demand will permit. If things were otherwise, lifestyle and other prospect lists would be goneaway suppressed at source, for example.

It's also clear that suppliers are offering bureaux a big slice of the hit charge as they can stomach in order to encourage them to offer their files to clients. Some suggest that this might influence file selection and their position in the suppression hierarchy, so increasing the volume of hits and therefore income. Might it pay to inspect your supplier's processing report carefully to whether their file selection is really cost-effective?

"I don't think clients are that daft," says Laybourne. "They will always look at the report and ask if the cheapest files are at the top."

"To choose files based on those with the highest margin would make that client relationship short and unprofitable," agrees Roy. "We're up front about the 20p charge that includes a 20 to 30 per cent margin. In many major projects, the bureau will hand the royalty back to the client in order to reduce the client's costs."

Beyond keeping a watching brief on file choice, most marketers will simply have to trust their bureau to do the right thing. In that spirit, perhaps you might ask your bureau to hand back some of that margin it's making on your processing as a bonus for your continued loyal custom. If you're not already doing so, that is. ■

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