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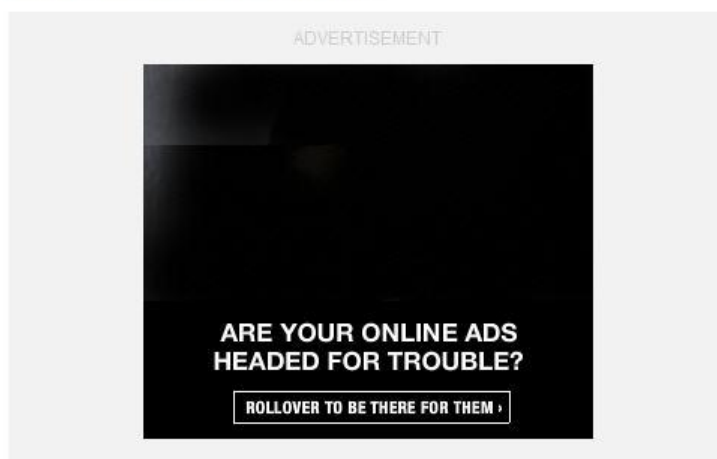


## Unopened direct mail rates fall in 2008

by Robert McLuhan, *Marketing* 01-Oct-08, 11:50

LONDON - It has taken years, but direct marketers seem to be getting the message about the need to target consumers accurately. The number of mailings that were disposed of unopened in the past 12 months was less than 15%, down from 21% in 2006-07, according to the latest consumer data from Nielsen Media Research.

Firms are also getting to grips with data hygiene: naming errors were down from 4% to 2.7% and address errors halved from 1% to 0.5%. As before, about two-thirds of these errors are accounted for by prospect mailings.



Mailings from financial-services brands again top the 'unopened' list, accounting for 36% of the total. This is a significant increase from last year, when the sector's figure was 19.5%, behind charities and mail-order companies. While the past 12 months have become tougher for finance brands, this shift also partly reflects the fact that the other two sectors have raised their game - mail order has cut its unopened rate from 30% to 24%; that for charities fell from 34% to 22%.

Other sectors have also shown striking improvements. Online retail brands were at 38% last year but have fallen to less than 11%, gardening is down from 34% to 11%, and leisure brands from 28% to 15%.

Pressure on the industry to avoid unnecessary communication is unrelenting, and it has some way to go before it loses its 'junk mail' tag. If 15% of 3bn envelopes are being discarded unopened, that adds up to a lot of wasted print and postage costs.



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Irrelevance remains a major problem, as the rising number of Mailing Preference Service registrations and Electoral Roll opt-outs attests. 'Consumer feedback is plain: "Send me something I'm interested in, or shut up," says Alan Thorpe, commercial and operations director at G2 Data Dynamics.

Obvious errors are a turn-off to consumers and can damage a brand. In a recent survey conducted by Mortascreen, three-quarters of respondents said they would not open a piece of direct mail that had an incorrect salutation and mistakes in the name and address field.

'Imagine getting a birthday card that arrives late with your name spelled wrong, and a message wishing you good luck in your new job. You would wonder if that person cares about you at all,' says Nick Tusler, data group director at insighttmw, the data and planning arm of Tullo Marshall Warren.

So why is so much mail still badly targeted or wrongly addressed? Experts believe that some marketers still do not understand what degree of targeting is possible, or the levels of accuracy that can be achieved through clever data-cleaning. Incredibly, many companies still seem to think that keeping the mailing volume high is the best approach.

A perception also persists that it is too expensive to clean and segment data. 'Some people know that they have poor data, but decide to mail and be damned,' says Pamela Bath, director at market planning and CRM consultancy Blueberry Wave.

Such firms are wrong to imagine they will end up better off. Campaigns that invest up front in the use of suppression files and analysis deliver significantly better returns. 'You need to pay attention to these things, as well as creative, or offer controls, or you can't learn from a campaign or make improvements for the next one,' points out Bath.

Suppression products are constantly being improved, and specialists test them against each other to identify the best. 'Gone-away' files have long been used to stop communications being sent to people who have moved house. Now marketers can benefit from 'reconnection' products such as Equifax's Reconnect, which provide their new address, and thus help to maintain the relationship with the consumer.

Suppression screening is especially vital when it comes to the deceased. Few things rile consumers more than firms continuing to send offers to late relatives. Mark Dobson, client services director at The Software Bureau, says: 'If cost is the reason for not screening for deceased records, then something is very wrong - it's insignificant compared with the damage done when mailing a dead person. For a mailing that costs 50p, paying anything up to 40p to flag a record makes perfect economic sense.'

Dobson is among those calling for stronger measures, such as asking the Direct Marketing Association to oblige its members to carry out deceased suppression, rather than issue guidelines. 'The consequences for our industry if we don't improve are more bad press and bother from anti-direct mail lobbyists and politicians,' he says.

