

List Owners

Understanding the Basics

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What is a List Owner?

A List Owner is an individual or company who has collected an email list of addresses.

Lists are considered valuable private property because of the time it takes to compile an opt-in (permission based) list.

Good List Owners are a rare breed; the ones that

- a) manage their Lists professionally on a regular basis *and*
- b) carefully protect their subscribers

are currently in the minority. This has resulted in good lists generally being quite expensive and too few in numbers!

Today's List Owners are 'explorers in uncharted territory', the online industry is simply too new to provide proven and tested industry guidelines. Until now, knowledge has been gained by learning from bad experiences and taking risks.

The potential is huge, the tools are new and the workload relatively high. But all the technology in the world won't get an email delivered if the lists are no good.

The Different Types of Lists

Response-generated lists are lists of individuals who have responded to some kind of direct marketing offer. Lists of magazine subscribers, mail order buyers, and even free literature requesters are all response-generated.

One of the most recent ways of generating these types of lists are through online “winning games” where people register their participation in a game and thereby provide the originator with an instant list of addresses.

Response-generated lists are really some other direct marketer's customer names. Every name has demonstrated responsiveness to some kind of direct marketing effort.

Compiled lists, in contrast, are collections of names and addressing data compiled by a third party from public records, printed directories and other information sources, usually for commercial purposes. Compiled lists frequently include considerable demographic data (job title, company size, telephone numbers, etc), but always lack that important propensity for response.

Compiled business lists can be useful for many marketers because they target specific industries, professions or business interests and often contain a large array of selectable segments. These features enable the marketer to blanket an entire market (e.g. all commercial banks in Europe) or tightly target some specific portion of it (e.g. European commercial banks with \$100 million in assets).

Compiled lists are useful when:

- There are no good response-generated lists reaching your target audience, or you've exhausted their supply.
- Your objective is brand awareness, publicity or general information, but not immediate response.
- Your target audience or market is geographically limited - a city, county or region of the country -- and response-generated lists don't offer sufficient coverage to be economically viable

All other considerations being equal, a response-generated list will out-perform a compiled list because of its demonstrated propensity for direct response. This is a particularly powerful list selection consideration for a marketer.

List Pricing

The vast majority of lists are supplied on a one-time rental basis. This means that the owner agrees to allow the renter to use the list once in return for a fee, typically expressed on a 'per thousand' address basis. A list renting for \$120/1000 is said to have a base rental rate of \$120 per thousand addresses.

Most list owners set a minimum order size or value, designed to insure that they make a profit on even the smallest order quantity. In practice, this minimum order size is often 3,000 to 5,000 records or the equivalent value in money.

Responsible owners of response-generated B2B lists usually require a purchaser of a list to submit a reasonably complete sample of the marketing content for their review. This enables them to screen out competitive, questionable or otherwise inappropriate offers.

All list owners reserve the right to set the price and terms under which they will rent their lists. Prices depend on quality, how often the list is used for advertisements and the number of selection variables, i.e. demographic, geographic, age, gender, etc. B2B lists historically attract a higher price than B2C lists and prices in general; vary greatly from country to country.

The pricing strategy of a list should be competitive as the availability of good lists increases and markets grow. Cheap bulk mailing lists, once so popular in the US and now considered spam, are slowly dying out due to the low (or non-existence of) response rates. Marketers are becoming more e-savvy as the channel matures.

List Testing

Testing a list is the process of sending a sample of it under controlled circumstances, recording its response and projecting it over the list's entire universe. This avoids wasting money by using unprofitable lists in their entirety.

A list test is carried out with a small sample of names chosen by chance from the total list universe. This sample is called a random or nth sample, Nth referring to the mathematical variable used to select the names (such as every 7th or 9th name).

All list owners should be able to provide random samples of their lists. Many can also record that sample and exclude it from subsequent list orders.

In a typical scenario, a 5,000-name random sample is selected from a list of 35,000 names and used in the test effort. The measured response rate is 25 orders or .5% (five-tenths of one percent). If .5% response is judged acceptable, the marketer asks: "Can I expect to get at least .5% response, if I rollout to the entire 35,000 universe?" A statistician would answer that the next effort could produce response ranging from .3% to .7% and that this range of results would hold true in 95 of 100 efforts. This range (.3% to .7%) is called the confidence interval.

List Hygiene

Emails that fail to reach their destination and are returned to the delivery system are known as bounces. ISP's particularly watch for mailings with a high percentage of undeliverable mail so the most important thing a List Owner can do to protect a list is to protect deliverability; in other words, by practicing good list hygiene.

a) Control Bounces

A hard bounce is an ISP's way of telling you that an email address is permanently undeliverable and no amount of resending will bring it back to life! If you continue to try and deliver to bounce addresses, all you will succeed at doing is getting your entire mailing list shut down as spam.

Hard bounce rates of no more than 5% should be your goal; remember ISP's hate bounces and they're like Big Brother, they're continually watching you.

Soft bounces are those that are temporarily undeliverable due to various reasons; swamped servers, overflowing inboxes, etc. They also need a close eye kept on them and our advice is if any address has soft-bounced three times then it is wise to remove it from the list and 'quarantine' it. But don't despair, these addresses may not be lost forever, contact them via direct mail or telephone, thank them for their support and provide advice how they can continue to get your messages.

b) Keep Lists Fresh

People move cities or even countries, change jobs, switch ISP's, forget passwords and email accounts. Put yourself in your

subscribers' shoes and think how often you have changed addresses or lost a password.

A great way to keep lists fresh is to ensure that you email everyone on your list **at least** once every 3 months.

c) Brand Identification

You have spent time and money on getting your brand recognized so that even if recipients don't remember opting-in, they are more likely to opt-out rather than report your email as spam.

Always put your brand in the "from" field and subject line and make sure that your brand name and logo are visible in the preview pane, even if the graphics are disabled.

d) Test the Deliverability

Messages can be "black holed" (disappear into cyberspace) by ISP's who suspect you of sending spam. Scary Stuff! Some reports state that ISP's routinely black-hole the equivalent of 3 times a sender's hard bounce rate, if you are suspect!

But help is available to you, delivery service providers can plant functioning email addresses into your lists and test the results of a mailing, thereby providing an accurate picture of the health of your list.

Segmenting your List

Why is it important to ‘segment’ your subscribers? Simple, so that you can understand them better. And what can this deeper understanding lead to? Better communication, more sales, less conflict in your marketing efforts.

There are four main categories used to “segment” a market, each one affects a customer’s need for different products at different prices.

They are;

Geographic (where people live or work)

Demographic (the age, gender, educational level, income, household size, etc. of the market)

Psychographic (the lifestyle category of opinions, interests, activities)

Behavioristic (behavior before, during and after buying a product)

Remember: As a List Owner you can not know **ALL** the segmentations of your customers (and their importance varies from B2B and B2C lists)...but the more information you can gather about your subscribers, the better you are able to communicate with them, the better an advertising campaign can be matched to them and the more attractive this list becomes for email marketing campaigns.

It is also important not to invade privacy and this requires a finely tuned communication approach.

Major Segmentations

Segmentation	Info Required	Description
Geographic	B2B & B2C	
Region	√	State, City, Town, Village, rural (in the country)
Country of residence	√	Australia, Germany, Sweden, England, etc.
Demographic	Mainly B2C	
Age	√	6 -11, 12 – 19, 20 – 34, 35 – 49, 50 – 64, 65 +
Sex	√	Male, Female
Family Size	?	1 – 2, 3 – 4, 5 +
Family Life Cycle	?	Young & Single; Young, married & no children; Young, married & youngest child under 6; Young, married & youngest child 6 or over; Older & married with children; Older & married with children older than 18; Older & Single
Income (Monthly) (\$/€/£/AED)	√	Under 1,000; 1,000–2,999; 3,000–4,999; 5,000–7,999; 8,000–9,999; 10,000 +
Occupation	√	Professional or Technical; Managers, Officials & Owners; Clerical; Sales; Students; Laborers; Retired; Unemployed; Homemaker
Education	?	Primary School or less; High School; College; University
Nationality	√	Country; Ethnic Group (Asian, Arab, Western)
Religion	?	Christian, Muslim, Hindu, Other
Race	?	European, African Asian, Arab, Hispanic
Psychographic	Mainly B2C	
Social Class	?	Royalty, Upper, Middle, Lower
Culture	?	European, American, Traditional Arab, Westernised Arab, Westernised Asian, etc.

Life Style	?	Family orientated; Sports orientated; Casual, Formal, Professional (High Achievers), etc.
Personality	?	Ambitious, Authoritarian, Gregarious (Outgoing), Adventurous (Risk Taker)
Behavioristic	B2C & B2B	
Purchase Occasion	?	Regular Occasion; Special Occasion
Benefits Sought	?	Quality; Service; Economy; Safety; Style; Status, etc
Usage Rate	?	Light User; Medium User; Heavy User
Loyalty Status	?	None; Medium; Strong; Absolute
Attitude to Product	?	Enthusiastic; Positive; Indifferent; Negative; Hostile

Examples:

(a) A B2B List: You have an online business selling Office Supplies. You are a B2B List Owner. Your customers place their orders via your online shop, you deliver the products and collect each customer's data and store it in a database.

You may or may not send out a regular newsletter to them (silly if you don't!). Referring to the above table, you realize that your customers are based in Germany, most come from Munich (your delivery data provides this), the average purchase time is monthly (you have this data too). You now realize that the majority are medium users, the main benefits they seek are service and economy, they have a medium loyalty (though the competition is tough) and their attitude to their product is indifferent. You also realize that the main contact person is the secretary of the company.

You are contacted by an Advertising Agency or List Broker to use your list for advertising a large networked computer system. How do you think your customers (subscribers) will react to this advertisement? Will they be open to this new product, will they delete it or worse still, will they click on the unsubscribe button?

(b) A B2C List; You have a portal for young Italians looking for online entertainment. You can download music, run "Winning Games" and offer a Chat Room. You know your main subscribers are 60% male, 40% female, from all over Italy (mainly the larger cities), young (16+) and single, with an income less than €1,000 per month, they react well to new technology and are outgoing in personality. Their main language is Italian.

You are contacted by an Advertising Agency or List Broker to use your list for advertising a holiday to China to visit the historical sites. How do you think your customers (subscribers) will react to this advertisement? Will they be open to this new product or will they click on the unsubscribe button?

Selecting Your List

Selecting is the ability to divide your subscribers into smaller groups, according to their Segmentation criteria. For example, can you sort (filter) in your database the addresses based on gender (either males or females), or regions where they live, or perhaps ages, or nationalities, or a combination of these?

Why is this so important?

The more selection you are able to provide, the more an Advertising Agency or List Broker is able to use your List for targeted email campaigns. **Multiple selections are highly desirable!!!**

If an advertiser is looking for a list of Under 30 males living in Kent, England for an auto product, could you select your List into these categories and offer it for the campaign?

To help you, we have developed an [International Data Card](#) which can either be completed online or downloaded and faxed to us. This Data Card contains the type of information we need to know, in order to promote your List. It will also give you an idea as to what categories you think are important to select your List. You can also [Contact Us](#) and we will help you with this process.

Growing your List

Did you know?

It is a lot less expensive to sell to an existing customer than it is to acquire a new one. And, your own list can yield response rates of 15%, or even higher. That makes it one of your most important assets. Make the most of every visitor and every customer by building your email list, obtaining permission and communicating on an ongoing basis.

Many companies have not yet managed to gather the email addresses of all of their customers and prospects, nor have they asked for permission to use email addresses for ongoing communication.

If this sounds like your company, then it is time you did. If you are collecting their addresses but not turning them into an asset, then you should. It is said that if you do anything six times, it becomes a pattern...

Make it a part of your routine

Train ALL your employees to collect email addresses and permission at every point of contact!

- On your company website
- Acquiring new customers
- In your guest book
- On customer service, sales and support calls
- On invoices, statements, brochures, customer surveys and feedback forms
- In conjunction with other marketing efforts like radio, print, direct mail or TV advertising
- At tradeshows or events

Place your email list sign-up in a visible place

Place your email list sign-up on your homepage and other appropriate pages of your site. Whatever you do, don't hide it! Make it easy for site visitors to find and join your email list. Same goes for your guest book. Remind your employees to ask customers if they would like to receive your newsletter, to receive special promotions, or to be notified of private sales and events.

Place a "join our mailing list" link in the email signature of your regular correspondence. The link should go to your home page or the most appropriate page of your site where your signup tag is prominently displayed.

Make it quick and painless

Just ask for limited information (e.g. first name, last name, email address) in the beginning because subscribers are more likely to complete a short form than a longer one at the start of a relationship.

Make your privacy policy clear up front. Be sure your subscribers understand how you will be using their email address and let them know what kinds of emails to expect and how often. Finally, confirm that their personal information will not be sold or traded and explain that they can decide to "opt-out" of further communications at any time.

Include a Poll on your website

It is the best way to collect instant feedback, opinions and business knowledge from your site's visitors and customers.

Create an incentive

Email list sign-up success can be achieved with discounts, special offers based on product releases, time restrictions (Buy before...), holiday promotions (Thanksgiving, New Year...) sweepstakes, drawings or the like. But, make sure your incentive is closely related to your product or service. That way, you will end up with an audience interested in you, not just the latest gadget.

And finally.....this document has been produced;

- To contribute to the existing knowledge of a List Owner, and
- To educate the general public about the role of a List Owner in today's online marketing arena.

The team at **List Owner** *Limbo* is happy to provide you with any advice you require.

Please also feel free to email us at info@listownerlimbo.com to give us feedback on this Guide.

This Guide is one of a series produced by SmartDames for the purpose of educating and guiding you through the tangled internet web of Email Marketing. We are happy for you to include it in your own promotional material, as long as an active link back to <http://www.listownerlimbo.com> is given. Please respect our ethics.

Thank you



Penny Archer

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