

Direct Marketing Lists

A Simple Guide to Understanding How Direct Marketers Use Information

Today, more than ever before, most of us count time as one of our most valuable assets. Direct marketing is unique in that it is a marketing method that allows consumers to gather information about goods and services, to make educated buying decisions, and to acquire the necessities and pleasures of life when and where WE decide to do so – even from our kitchen tables at 3 a.m.

In order for us to acquire the information necessary to make those buying decisions, most frequently, direct marketers reach us by mail. We receive letters, catalogs and advertisements that describe a variety of products, services, special deals and charitable causes. Sometimes we receive this advertising as a result of answering an ad in a magazine, on television, or by computer. Or sometimes, the mail arrives because our names have appeared on lists that the direct marketer has chosen in the belief that the list category represents a large number of people who are likely to be interested in his/her offering.

The goal of marketers is to reach those of us who are the most likely to be interested in the offers that they make.

HOW DID THEY GET MY NAME?

Lists of names and addresses are routinely compiled by marketers from countless sources. If you have a landline telephone (unless you have an unlisted number), your name and address are available to anyone with a pencil and a piece of paper. Indeed, one of the largest mailing lists in existence is simply a compilation of all the telephone-owning households listed in the nation's more than 4,000 phone books.

In most states, if you own a house, car, boat or land, your name and address are available from public records. So are such publicly-recorded events as marriages, births and divorces. All are available to anyone who wants to compile a mailing list from the source material.

Your high school and college directories may list your name, address, and class. If you are a doctor, lawyer, dentist, engineer or teacher, you probably belong to one or more professional societies or associations whose membership lists show your name and address. Do you practice a profession for which the state has granted a license? Have you joined any business organizations such as a local Chamber of Commerce or Rotary Club? Many of these membership lists, while they are not strictly-speaking public records, are widely available to the public.

It is just as likely that you have subscribed to a magazine, made a donation to a charity, and answered a survey that came with an appliance warranty, sent some money to a political party, or bought a gadget or a gift from a catalog. Your name, address and purchase (or donation) information is automatically recorded on the company's computerized list, and it is very likely that you will hear from the marketers again — their goal is to build long-term relationships with their customers (or donors). It is also possible that, from time to time, they will rent or exchange your name and address with other direct marketers. If the company or nonprofit organization is a member of the Direct Marketing Association (DMA), they must comply with DMA's Guidelines for Ethical Business Practice and Commitment to Consumer Choice (CCC) program. This means that marketers must notify you — in every commercial mail piece they send — about how you can exercise your right to stop receiving future solicitations from them. They must also honor your request not to have your information shared. To learn more about DMA's rigorous ethical membership standards, principles and ethics committees, please visit www.dmaresponsibility.org.

WHAT IS ON A MAILING LIST?

Mailing lists that are supplied to renters contain names and full addresses. And lists commonly contain hundreds of thousands of names. When marketers rent a list they have no interest in individual information — only in the characteristics that put all those people on a particular list. For example, a list of subscribers to a ski magazine might represent a potential market for a sports clothing catalog.

The names on a list become individuals only when they reply to an offer and become customers. Then, good marketers want to serve you just as personally as small town merchants did long ago. They keep accurate records of your purchases and preferences in order to serve you as well as they can. For example, one direct marketing company uses its computerized records to remind busy customers of birthdays for which they have sent presents in previous years. The records of hundreds, even thousands, of customers help them, for instance, to avoid being out-of-stock on popular items or to spot buying trends, to meet the needs of the large numbers of customers necessary to create a profitable business.

WHY DO DIRECT MARKETERS RENT AND EXCHANGE LISTS?

Clearly, it makes no economic sense to send out thousands of letters to people who have no interest in your product, service or cause. Nor does it make environmental sense.

Lists are nothing more than a way to identify a market for products and services. Direct marketing businesses succeed or fail by their ability to determine who is most likely to buy what they offer. So they rent or exchange lists of consumers whose interests have been narrowed by their earlier purchase behavior and other characteristics that might reasonably be assumed to make them likely prospects.

For the direct marketing business person, lists of hundreds of thousands of names are the instruments that can create thriving business by filling consumer needs. The by-product is the creation of jobs and healthy contributions to the American economy. More than 3.5 million Americans have jobs that directly or indirectly depend on advertising mail. For example, did you know that more than 300,000 American small businesses rely on advertising mail to reach consumers in their neighborhood? These are your local mom and pop shops, your neighborhood florist, and the small coffee shop on the corner. Advertising mail is the most affordable, effective advertising tool for these small businesses. Not surprisingly then, in the last year alone, advertising mail contributed more than \$702 billion in increased sales to the U.S. economy.

CONTROLLING THE DIRECT MAIL YOU RECEIVE

Many people enjoy and value advertising mail. However, direct marketing companies recognize that some customers just don't like the idea of having their names and addresses shared with other companies. There are still other consumers who simply do not shop direct. Today, both preferences can be satisfied.

Many businesses (and the number keeps growing) that rent or exchange customer lists will gladly remove a customer's name from their lists and stop sending direct mail; and, in fact, the DMA requires its members — both for-profit and nonprofit organizations — to do exactly that. Most companies clearly announce this service on their websites, and in addition, DMA members are required to include a notification -- in every commercial mail piece they send -- explaining how you can modify or eliminate future mail pieces from them. The wording is different from one company to another, but the meaning is clear: they will abide by your wishes as a valued customer.

The wording that follows is fairly typical:

“Occasionally we make a portion of our mailing list available to carefully screened companies whose products or services we think might be of interest to you. If you prefer not to receive such mailings, please copy your mailing label exactly as it appears on the back of this catalog and send it to us at the address below.”

Reputable direct marketing companies carefully screen the companies that they allow to use their lists. Nearly every direct marketer wants to protect its customers — a company's most valuable asset — from receiving something that might be annoying, offensive or ethically questionable. That's why reputable companies that rent their customer lists always require that the renter first submit a sample of the offer for prior approval.

If you would like to receive less advertising mail, then you can contact the companies with whom you wish to continue doing business and ask them not to rent or exchange your name with other companies. In addition, you may also use DMAchoice, a free, online service offered by the Direct Marketing Association (DMA) to help consumers manage their mail. Formerly called the Mail Preference Service, DMAchoice has been helping consumers limit the national advertising mail they receive since 1971. To learn more or register, please visit www.dmachoice.org.

To learn more about DMA members' commitment to environmental stewardship and protecting your privacy, please visit:

- DMA's Corporate & Social Responsibility (CSR) Center at www.dmaresponsibility.org
- DMA's Environmental Resource Center at www.the-dma.org/environment