

How to Read an Email List Rental Datacard

Match the number on the datacard sample below to the explanation on the following pages.

1 Business 2.0 E-mail File		9425	
	2 92,836 Active Magazine Subscribers	Base	3 Selects
	61,360 Active Male Subscribers	\$300.00/M	\$45.00/M
	15,388 Active Female subscribers	\$300.00/M	\$55.00/M
	<i>Net Name 100%</i>		Total
			\$ 345.00/M
			\$ 355.00/M
			\$ 355.00/M
4	Reach Business 2.0 readers via their e-mail address! Business 2.0 is the essential tool for navigating today's relentlessly changing marketplace, particularly as it's driven by the internet and other technologies. Business 2.0 discovers and reports on the smartest, most innovative business practices and the people behind them. It delivers useful insights, and explains how to put them to work.		
5	Minimum Order 15,000	6	Update Schedule Weekly
9	General Comments **All e-mails are sent "Third Party Blind" and not endorsed by Time Inc. or Business 2.0. Soft Endorsed (+\$25/M) and Fully Endorsed (+\$50/M) e-mail campaigns may be requested and must be pre-cleared for approval. All e-mail campaigns must identify the advertiser in the FROM: line.		
10	**Full creative is required for each offer and must be sent in HTML and Text formats. NOTE: Creative changes will result in additional charges (\$400/L minimum) and/or delay in deployment.		
11	**Personalization is available for \$15/M. Please inquire.		
12	**Please inquire about sending a postal campaign with your e-mail campaign to the same audience.		
4	Market Affinity Great prospects for banking/financial services, business magazine, personal finance, seminar, fundraising, health, women's/men's magazine, newspaper, book, automobile, literature, history, travel, regional, insurance, and credit card offers.		
13	Pricing Policy: Unknown 0% Terms: 20% commission to all recognized brokers. Full charges are incurred on orders cancelled after test deployment. Processing charges may be incurred on orders cancelled before the Test Deployment and these charges will be calculated per each order.	7	Turnaround Time 5 days
14	Currency: U.S. Dollars	8	Charges
	Broker	30 Day	\$16.00 /M
	Commission: 20 %	6 Month	\$10.00 /M
		90 Day	\$13.00 /M
		Deployment Charge	\$45.00 /M
		Fully Endorsed	\$50.00 /M
		Gender	\$10.00 /M
		House File Suppression	\$300.00 /L
		Personalization	\$15.00 /M
		Soft Endorsed	\$25.00 /M
		Source	\$10.00 /M
		State/Zip/SCF	\$10.00 /M
		Zip Set Up	\$50.00 /L
15	Usage		
	American Management Assoc	Test	
	Canadian Tourism Comm		
	Cornell University		
	Diamond Trading Company	Test	
	Harvard Business Review		
	New York Times The	Test	
	Nuance	Test	
	Reader's Digest Magazine	Test	
	Webex.com	Test	
16	List Manager Contacts: Millard Group		
	Marc Patterson	Account Manager	603-924-9262
	Valerie Brusso	Order/Count Contact	603-924-9262
	Donna Clark	Order/Count Contact Backup	603-924-9262
	Kerry Bergeron	Shipping Contact	603-924-9262

Explanations:

#1. List name

Confusingly, the list name on the datacard is not always the name that actual email names on the list may think of it by. For example, many brokers offer “Masterfile” lists which are combinations of several email opt-in lists. So always ask, “What’s the name of the email or brand that opt-ins signed up for?”

List names are also often unclear as to the state of the customer relationship between the opt-in and the branded list.

For example, are these names paid subscription magazine buyers who handed over email with permission when they bought their subscriptions? Did they buy online or via a printed, postal mailed form? Or are they Business 2.0 Web site visitors who signed up for a free email service? These three different types of customer relationship would result in lists with **extremely** different response rates to particular offers. For example, you don’t know if postal mail orderers respond to email offers, nor if free online opt-ins respond to purchase offers.

Your best performing email lists are nearly always chosen on past exhibited behaviors. So, be sure you truly understand what those behaviors are. Don’t assume anything based on the name of the list alone.

#2. Total counts

The first time you rent a list, you should always test it rather than rolling out to the entire list (unless the total is the minimum.) Smaller lists can perform just as well -- or often better due to specificity -- as bigger, often broader lists. However, if you do a lot of email rentals and your margins are fairly tight, sometimes a smaller list is not worth testing, simply because you can’t roll out to enough names later on to make the administrative work and minimum costs of cutting a list rental order worth it. B-to-B marketers are more likely to jump at small files than consumer marketers.

That’s why larger lists are often more frequently rented. And, in turn, another reason why a smaller list might be worth testing, simply because it’s not been pounded to death.

#3. Selects

If you’d like to rent a special slice of the file, such as women only or people in a particular geographic region, you’ll pay an additional select fee, which is determined per thousand. “/M” means per thousand names.

#4. Promotional copy

This is often-hypey sales copy written by the list manager who may or may not know much about the list itself. Big list management firms handle literally thousands of lists, cranking out copy for all of these blurbs. Often it's not as detailed as you'd like, so you may need to ask more questions before making final list decisions. Sometimes you'll need to bypass the list manager (the company that's in charge of rentals) and go directly to the owner for clarity.

MarketingSherpa strongly recommends that in addition to this you go online to personally view the source of the opt-ins to determine if the list is truly permission based. No matter how famous the brand name, never assume the opt-in form was

- (a) clearly asking for permission to email vs. merely "What's your email address?"
- (b) overtly stating emailed offers would be about third parties
- (c) not forced as an absolute requirement for another offer such as a sweeps entry
- (d) not pre-checked

#5. Minimum order

This is the smallest number of names you can order. Minimums can range from a low of 5,000 names to 15,000 names or more. Don't blindly order the minimum for your initial list test -- first do the math.

What's the total number of incoming clicks you need from a particular test cell to determine conversion rate (final value to you) with a predictability of 95% or better? Generally that's at the very least 100 incoming clicks. How many names do you need to mail to get that number of incoming clicks if the list performs at least half decently? (Note: for a rental file, "half decently" will always be below the typical performance of your own house list.)

Also worth noting: mailing the minimum will always cost you more per name than rolling out to the whole list. Why? Because you'll need to cover certain flat fees for the mailing no matter how many or few names you rent. These might include deployment charges, suppression charges, possible zip-sort set-up, and any fees associated with creative.

#6. Update schedule

This can vary widely, we've seen updates as infrequent as quarterly, and some as frequent as daily. Generally updates mean that hard bounces have been scrubbed off and new opt-ins have been added. It does not generally mean that non-responders are eliminated. This is something most mailers do with their house lists but not their rental files.

If the update schedule is less than monthly, you should be concerned about delivery. According to MarketingSherpa data, 3% or more of a typical list goes bad (hard bounce) each and every month. If email clients, such as AOL, Yahoo, Hotmail and others, receive a very high number of hard bounces from a particular sender, they're more likely to filter that send as possible spam or junk mail. So your lovely promotion may never reach intended recipients.

#7. Turnaround time

Marketers who think of email marketing as close to instantaneous are often surprised to see the turnaround time listed on rental cards. The five days listed here is actually pretty speedy -- we've seen data cards with two weeks or longer timeframes. The clock starts ticking once the list manager receives your complete order, including creative (both HTML and text-only versions) with working landing page hotlinks.

#8. Charges

Charges break down into two categories

a. Fees generally required for a list rental to happen

Deployment (aka "transmission") - cost per thousand (/M) of sending the message. Note: If a list owner offers to hand over the email addresses to you so you can broadcast to the names directly, **do not** rent that list. It's not permission-based and almost assuredly junk.

Suppression - cost of removing the names on the list that are already on a list you own (aka your house file.) Generally overlap is low enough that you don't need to worry about emailing your own names. However, suppression is **required** to oblige CAN-SPAM laws. You must make sure every person who has asked to be added to your house Do Not Email (DNE) list is removed from this third party list prior to mailing.

Lastly, if you've rented the list recently in the past, you should ask if suppressing already-mailed names will increase costs. It can be worth doing.

b. Optional fees:

These include any selections (slices) you request such as New to File Names (here seen as 30 day, 90 day and six month options, with the newest invariably being the most expensive), demographics, regions, name source, and message body personalization with the recipient's name. Not every option is available from every file, it all depends on how much data the list owner collected at the time of opt-in and in turn what was passed along to the manager with the rental file. (Generally the two lists are kept in separate databases and broadcast via separate email servers or IPs.)

Optional fees can drive up your rental costs precipitously. Sometimes you'll find that although a specific segment of the list is a much higher performer, it's cheaper to rent the entire file including less-responding names. Rental success is all about math in the end.

#9. Endorsement (“From”)

According to CAN SPAM laws, the “from” must name the “initiator” of the broadcast. Experts are still at odds over what that means. Is the initiator the rental client who paid for the broadcast to go out? Or is the initiator the list owner who is the one actually sending the message and also the brand to whom the opt-in has given permission?

Many in the list rental industry believe the former. As you can see from this data card, Time Inc and Business 2.0 are decidedly among them. However, some in the email marketing world believe the latter - mainly because spam is in the eye of the beholder. If you receive email “From” someone you never gave permission to, that seems like junk, doesn’t it?

The more important factor, as you can see from this card, is the fact that “From” as well as other list owner mentions (endorsements), can be valuable enough to pay extra for. Research shows consumers make open-versus-delete decisions based on “from” (not just subject line alone.) And decades of marketing tests prove brand -- or celebrity -- endorsements can make a critical difference in response rates across all media.

Some list owners will allow endorsement -- which could be as simple as putting their brand in a subject line or as a preface to body copy (“Special offer for Business 2.0 Readers”.)

If you’re also advertising on other media the list owner owns -- such as a magazine space ad and/or Web banners -- you can often negotiate to get “As seen in” type endorsement allowed on your creative for free. However, you’ll need to go direct to the list owner for this, the list manager often has no commission or vested interest in the other advertising you’re doing with that owner.

Some media buyers renting multiple lists for large campaigns will not consider doing separate creative for each list that an endorsement in the body copy (and perhaps also on the landing page) requires. The small extra creative cost and admin work may not be worth it. Our advice? Test before you make a firm decision.

#10. Creative

Your creative must be ready -- including landing page -- before you place a list rental order because the owner will need to review it in order to make a go/no go decision. Any reputable owner will require this review. If it’s not required, the list may be less than reputable. It may also have been mailed many non-relevant messages in the past -- which in turn would reduce that list’s response rates (even to highly relevant offers) due to reputation-based filters.

That’s why many heavy email renters set up seed email accounts at a variety of email clients (Hotmail, Yahoo, etc). They sign up that seed name on the list owner’s opt-in form, and then watch the seed email box to see what sorts of mail comes from that owner. Are the other renters relevant? Is the list being pounded? Are their own sends getting in?

#11. Split creative (aka creative tests)

The list manager has to do extra work to run a test for you. So, you'll pay extra for this service. Be sure to ask how the list will be split -- is it an a/b split with every other name seeing a different creative? Is an Nth name split with names chosen at a numbered point (ie., every third, every fifteenth, etc) to get the test creative? It is a random split? Or is the split chosen by slicing the new-to-file names off the top? The latter is to be avoided for creative tests because newness will change results independent of creative tests.

By the way: no, generally you can't use split creative for two completely different offerings as a way to beat list rental minimums when using the same list for multiple campaigns.

#12. Postal mailing

Increasing numbers of list owners offer this -- especially if they are in the direct response business such as magazines, financial services, and catalogers/ecommerce sites. Be sure to check if the names are truly identical people. Sometimes the postal mailing list is very independent of the email rental file, so you may be sending to the same "list" but different individuals on that list.

Does postal mailing work? We've heard encouraging results from many mailers. However, don't blindly copy your creative or offer and expect it to work in both media. Email tends to work better for last minute or extremely timely offers. Plus, some mailers send different type of information in different media -- such as hotlinks to video in email versus printed reading materials via postal.

#13. Policy/Net Name

You'll only have to pay for total names mailed, not for names that were eliminated from mailing due to suppression files, selections and merge/purge.

#14. Terms

List brokers are able to offer their services free of charge to you the renter because, like real estate agents, they are paid by commission from the owner selling the list. 20% is a standard commission.

By the way: you'll almost certainly be turned down if you ask to get that commission as a discount by purchasing directly from the list owner or manager. One way around this is to establish an in-house agency that orders lists on behalf of your marketers. But you'll have to convince the manager your agency is "real", mainly by ordering a lot.

If you cancel your list order just before the send -- or cancel a pre-scheduled roll out on the basis of test results -- you'll end up paying in part or full for the rental anyway.

Makes sense. The manager already did a lot of work for you and may have also turned away other business for that send date.

#15. Usage

Absolutely critical information. You'll want to see who else has rented the list and if that rental was for a test only, if they rolled out to the whole file, or if they've repeatedly rented the file. Don't be fooled, just because your competitor rented the list doesn't mean it worked for them. Also, remember the list manager is trying to sell you on renting, so they may leave famous-name-users' brand names on this card for years after the actual test took place.

Ask when the test took place, ask what the offer was, ask if it was rolled out.

#16. List manager

List rentals are a lot like real estate. The list manager is the listing agent - the company that manages all rentals on behalf of the list owner. They are paid on commission. This company may or may not be the same as the owner (always ask who the owner is if it's not clear.)

As with real estate, you can shop for list rentals using the service of any broker you please. When you have questions or purchase, that broker is your point of contact with the manager. Yes, you can go direct to the list manager, but that doesn't reduce your costs. Generally that just means they pocket two sets of fees - the management and broker commissions. Since both are paid by the list owner, this should not concern you.

Why then go through a broker instead of direct to manager? Just like an ad agency that media buys on your behalf, a list broker will present lists to you regardless of who manages them. You can buy a full spectrum of lists. If you tend to buy many lists this is a big relief because they can take a lot of admin off your shoulders (cutting orders, etc). Also, your broker will over time get to know your history and typical results, as well as having invaluable perspective into what's working for other clients. They can become a valuable part of your marketing team.

CREDITS: MarketingSherpa would like to thank Bethesda List Center for the idea behind this tool, which is based in part on their "How to read a postal mail list datacard" report. We'd also like to thank Millard Group for donating a real-life datacard to be used in this exercise.