



Greening up the “junk”

How focusing on data can help the environment and direct mail's image *By Emma Warrillow*

This is the green issue of *Direct Marketing* and for some, the very notion of “green direct marketing” is an oxymoron. Their arguments are sound — direct mail does indeed create large volumes of waste, results in the need to log thousands of trees, and its products are perceived by many as “junk”. But can direct marketers improve the environmental impact of this medium and perhaps clean up the “junk mail” perception at the same time?

Many marketers are adding the environment to their marketing strategy. As you have no doubt read about in the pages of this paper, much of today's direct mail is being printed on recycled and/or FSC certified paper, reducing the impact considerably over days gone by. And, of course, agencies and their clients are getting creative and finding ways to produce impressions that have less of an environmental impact.

But green planning should be considerably broader. Direct marketers can have an environmental impact long before they think about what paper to print on or which envelopes to use. Marketing

waste” by considerable amounts.

Consider a B2B client of ours who recently hosted an event and wanted to invite all their clients across the country to it. This entailed going to hundreds of data stores held across the organization — all in different formats and created for different purposes. The resulting mailing meant that many invitees received the invitation three or four times (likely more in some cases) despite efforts to avoid duplication. Naturally, this resulted in considerable waste—both in perception and reality. I suspect that the second, third and fourth invites were viewed by clients as increasingly wasteful (not exactly what the company was trying to convey with its invitation).

Most mail services providers can de-duplicate mailing lists as part of the mailing process, based on name and address matching. Even when you are sending mail to external lists, taking the time to “de-dupe” between them and your customer lists can reduce your mailing counts considerably and avoid your mailing to those who are already customers.

In the longer term, by building a complete view of the customer and linking

Bowes research, each piece of returned mail costs companies \$3.00 in operational expense (including printing, postage, handling, analysis and re-mailing); and that doesn't include the opportunity cost of missed marketing touches.

At a minimum, any mailing list should be SERP-certified to ensure it meets Canada Post standards; this will ensure the addresses you are using are valid. In addition, Canada Post also offers a National Change of Address (NCOA) file (compiled from the mail forwarding requests that customers submit) to allow companies to keep their databases up to date.

Forward thinking organizations have a significant investment in their data management strategies. These organizations focus on the consistency, completeness and accuracy of data so it can be used effectively to target the right customers. Information is stored in a way that it can be easily accessed, and effectively used. Address fields are correctly parsed, duplicate entries are identified and rationalized, and a variety of techniques are used to fill missing information.

Know thy customer

Having a holistic view of the customer can also help a company further reduce its environmental impact. Using analysis techniques such as predictive modelling and segmentation, communications can be targeted — maximizing the impact of every piece of mail. Response modelling, for example, ensures that only those most likely to respond will receive a piece of direct mail.

With good targeting, you can send far fewer pieces to achieve the same or better results. When response rates are only one percent, it is hard not to think of some portion of the other ninety-nine as waste. Effective targeting and customization can yield much higher rates of response and much more favourable customer reaction.

Finally, central data stores have another positive benefit; they allow marketers to track the preferences of customers. Customers who do not want to receive mail can be tagged, as can those who actually prefer the mail channel—further reducing wasted contacts and ensuring maximum economic benefit from the direct mail we do send.

And when customers receive relevant

mail for products they are interested in, they are far less likely to perceive it as junk — and far less likely to toss it in the landfill unread.

The death knoll tolls

However, there is no denying that environmental impacts—along with the availability of alternate marketing channels—are forever changing the appeal of direct mail. I suspect that any talk of the “death of direct mail” makes most readers of this publication a little queasy. Fortunately, I think reports of direct mail's death have been greatly exaggerated and certainly greatly accelerated.

E-mail marketing, telemarketing, SMS messaging, and now, social networking, have all been described as alternates to direct mail. However, permission marketing guidelines, SPAM filters and the recent changes to the Do Not Call registry mean that it is not always possible to even reach prospects, let alone get their attention using these alternate channels.

Since its invention, e-mail has been touted as the low-cost replacement to direct mail. However, millions of pieces of direct mail are still sent annually in Canada. Canada Post actually reported direct marketing volumes rose by 0.9% in 2008. Marketers have yet to prove e-mail trumps all.

Testing has long shown that the look and feel of a piece has a significant impact on response. Today, marketers still have limited control of how the message will look using e-mail. The small screens and limited display functionality of PDAs, along with the e-mail viewers that block picture downloads, mean that messages are often far less effective or missed completely.

So for now, direct mail is often still the best medium.

In summary, in addition to making more environmentally smart choices about their paper, direct marketers should consider their data strategy as another way to green things up. Rationalizing duplicates, reducing undeliverables and effective



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departments need to think about the environmental footprint of their data.

Reducing your data footprint

I am not talking about how much energy the server housing the database uses or what happens to technology when it becomes obsolete — but about the data itself. The way marketers maintain and use customer information can also have an impact on waste.

Today, many companies still house customer information in disparate databases throughout the organization. This alone can increase their “direct mail

disparate databases, companies can reduce duplicate mailings and control the flow of communication to their customers. This complete view is one of the fundamental goals of Customer Relationship Management (CRM) strategies today.

Going nowhere

While mailing someone the same piece three or four times is clearly a waste, the mail that never reaches them is even more wasteful. Reducing the amount of mail that is returned as undeliverable is a simple task, yet many look at up front costs and fail to account for the costs of not doing it. According to Pitney

targeting are all ways to leverage data to reduce the impact on the planet.

And, in addition to feeling good, marketers will find that relevant, correctly customized and personalized direct mail is much less likely to be perceived as “junk”. And perception is everything. Pitney Bowes reported that US respondents to a survey estimated 53 percent of municipal waste is attributable to advertising. Yet, according to the American Direct Marketing Association, the real number is actually only 2.4 percent. Customers who believe the first number are far more likely to advocate for stiff regulation and limitations to direct mail — something most marketers would like to avoid. **DM**

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