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GIVE THEM WHAT THEY WANT

Mastering multichannel gift registries By Jim Tierney

Boy meets girl. Boy proposes to girl. Boy and girl head down to the local department store and register for home items, such as place settings, stemware, and linens.

Okay, maybe gift registries were never quite that simple. But they're a whole lot more complicated now.

Never mind the fact that consumers can set up a gift registry for just about any occasion, from baby show-

ers and housewarmings to birthdays and retirement parties. Merchants selling in multiple channels now have to manage multichannel registries.

Single-channel gift registries are almost obsolete, says Sven Tarantik, wedding and gift registry director for gifts and tabletop items cataloger/retailer Fortunoff. "Without that Internet piece, and offering brides the opportunity to register online, the bottom line is we'd lose them,"

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WEB CHANNEL

Great expectations

By Ken Magill

Attention online merchants: Your customers' patience for technical foul-ups getting in the way of their purchases is wearing dangerously thin.

The reason: As e-commerce site experiences continue to improve, customer expectations improve right along with them.

The good news is that online shopping-cart-abandonment rates have decreased dramatically in 2007, to 52% on average from 60% in 2006, according to MarketingSherpa's latest E-commerce Benchmark Guide.

One reason for this pleasant drop in abandonment rates is that marketers have increasingly taken control of closing the deal, MarketingSherpa finds. "In the past, carts were more a function of the tech team than of marketing," said the report. "Marketing and merchandising got the shopper all the way to the cart and then tech took over. However, over the past two years, we've seen a surge in marketers tweaking cart design."

The bad news is that online shopping still has some glitches, and customers are less and less inclined to put up with it. Nine out of 10 consumers have experienced problems completing transactions online, according to a recent survey conducted by Harris Interactive on behalf of Tealeaf Technology.

Forty-two percent of those who experienced problems when conducting transactions have switched to a competitor

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CROSS CHANNEL

Listing forward

The role of list brokers in the Web 2.0 world

By Tim Parry

Is the list business dead? Or, to put it more politely, is it still serving the needs of multichannel merchants? Some list firms have added modeling services. Many have embraced the Internet. At least one is working in direct response TV. But critics imply that they have not kept up with their clients.

Some even wonder if list companies can survive. Several have been swallowed by infoUSA, and the small independents seem to be struggling. All this may not be good for merchants.

It depends on whom you ask. Two things have hurt the list business

over the past 15 years, says John Lenser, president of catalog consultancy Lenser: The Internet and the rise of cooperative databases.

Brokers have learned to live with the co-ops, and a few list firms have started their own. But some merchants are going straight to Abacus or NextAction.

One is Brookstone. Instead of renting the usual 200 lists for its 2006 holiday drop, the gift marketer did all of its prospecting through Abacus (now known as Epsilon's Abacus Cooperative). The result? It saw high response rates and better ROI.

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LIST & DATA
STRATEGIES

Listing forward

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Then there's apparel merchant Horny Toad, which plans to mail its first catalog in February. The company plans to bypass rented lists in favor of prospecting via Abacus.

Why did it choose to go this route? Because list rentals are not a good option for so small a niche, says Horny Toad president Gordon Seabury. He feels that it's better to get a prospect model from a co-op than to pursue unsuccessful tests.

And Bill LaPierre, vice president of catalog brokerage for Millard Group, says he understands this point of view.

"If you go to the list company and rent a few gift catalog lists and select names that are three-month buyers who spent \$1,000, the costs of the lists and the services add up," LaPierre says. "Why spend \$232 per thousand through the list company when you can get the same number of names from Abacus for \$50 per thousand?"

Indeed, Abacus has from 40 to 50 members who use it for all of their prospecting, claims Epsilon spokesperson Heather Wilkerson.

Of course, that's not the only reason that rental volume is flat for some firms. Another is the cost to mail a catalog.

Then there's the Internet. Buyers are coming in through search, Website ads and affiliate marketing.

"Catalogers can acquire prospects online more effectively than they did seven years ago, and they can do it at lower cost than renting lists and mailing catalogs," Lenser says.

One company that thinks this way is J.C. Whitney. The automotive merchant conducts affiliate marketing and search inhouse "at a lower cost and making a higher profit than if we were strictly renting lists," says senior circula-

tion manager Todd Brage. "I'm sure that over time, the value of the pure catalog customer will go down, so pure catalog buyers may not be as valuable as they are today."

Brage concedes that catalog buyers are better from a retention standpoint. But he adds: "We're doing fine even though we're not renting many names anymore."

That, of course, raises a whole other question. Jim Coogan, president of Catalog Marketing Economics, argues that pure Web buyers are non-responsive to catalogs.

And strong online response doesn't always equate to

sulting services. That means helping catalogers with page counts, square-inch analysis, data mining, and media planning, LaPierre continues.

Yes, that would entail a different business model. But there's no choice. "The list industry, the one that many of us grew up with in the '70s, '80s and '90s, is dead," ALC's Fran Green said when accepting the DMA's List Leader award last summer. "It's changing and adapting. We're data integrators and aggregators, statisticians, multichannel marketers, information strategists. We don't just peddle lists."

Still, catalog consultants don't like the idea of list brokers stepping onto their turf. And some challenge their ability to do so. "Many list firms don't have the staff in place that is knowledgeable enough to consult catalogers on circulation and paper weights," Lenser says.

That's not to say there aren't any great firms offering consulting services, Lenser adds. "ALC has done an excellent job, and Millard, too. But overall, there aren't many bright spots."

Lenser even alleges that brokerages are offering free circulation management as a lure to get a merchant's business.

Not true, counters Geoff Batrouney, executive vice president of list firm Estee Marketing Group. The list broker still gets a 20% commission from the client, and can add incremental charges for services such as circulation planning, merge/purge, and modeling.

"Are there instances when a list broker will get less than a 20% commission?" asks Batrouney. "Yes, there's a sliding scale tied to the value of the services provided."

In any event, consulting is not a new activity for list compa-

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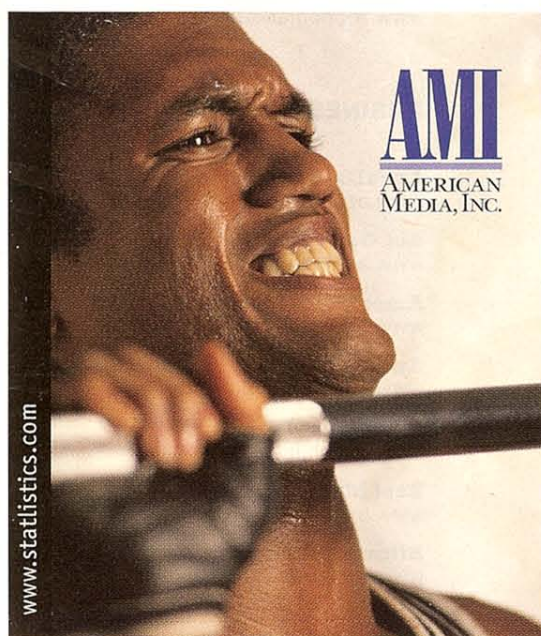
CATALOG CONSULTANTS DON'T LIKE THE IDEA OF LIST BROKERS STEPPING ONTO THEIR TURF

great lifetime value, adds Jim Calhoun, cofounder of database marketer Daystar Wheaton Group.

DECLINING HEALTH

Then there's the institutional health of the list business. "The boutiques are small for a reason, because they handle a particular niche," LaPierre says. "But the large ones need to diversify. For them, the traditional list business isn't going to be enough to survive."

What can they do? For one thing, they can offer con-



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STATLISTICS

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nies. AccuList USA, for one, has been doing it since 1990.

"One reason we've been able to be effective is that we've hired all our people from the client side," says president David Kanter. "They've been working with print checks and circulation management, so we know what it's like to take ownership of a project."

What's more, AccuList USA has been helping clients with search, and with mobile marketing. The company has even hired an expert in this field: Katherine Sharma, who had worked on online and mobile campaigns in the retail and financial sectors.

MokrynskiDirect, which merged with Millard this summer, has been doing something even more daring: Helping catalog clients with their direct response TV campaigns. Once considered a low-brow vehicle, short TV spots can drive consumers to a Website to get additional information or to place an order.

LaPierre of Millard Group adds that buying time for a two week DRTV test is equivalent to mailing catalogs to a list of prospects. The difference: You'll know what kind of response you'll have in just a few weeks. But there's one wrinkle.

"It's well proven that people who respond to DRTV are different than mail order

customers," LaPierre says. "The problem though is this: Can those customers convert well as responders to catalogs?"

PAYING THE RENTAL

All well and good. But there's one thing list firms can provide that nobody else can:

Rental money. J.C. Whitney may be using fewer names. But it still needs a list manager to market its own list. And so does Highlights for Children, which decided this

J.C. Whitney conducts affiliate marketing and search inhouse at a lower cost and higher profit than if it strictly rented lists.



A SAMPLING OF LIST SERVICE PROVIDERS

BUSINESS TO CONSUMER

A. Caldwell List Co.

www.caldwell-list.com

AccuList

www.acculistusa.com

Adrea Rubin Marketing

www.adrearubin.com

Aldata

www.aldata.com

AllMedia

www.allmediainc.com

Altair Data Resources

www.altairdata.com

American List Counsel

www.alc.com

American Name Services

www.americannameservices.com

American Student List

www.studentlist.com

AmeriList

www.amerilist.com

Beach List Direct

www.beachlistdirect.com

Belardi/Ostroy ALC

www.belardiostroyalc.com

Best Mailing Lists

www.bestmailing.com

Boutique List Services

www.boutiquelistservices.com

Carney Direct Marketing

www.carneydirect.com

CAS

www.cas-online.com

Certified Lists

www.certified-lists.com

Chessie Lists

www.chessielists.com

Chilcutt Direct Marketing

www.cdmlist.com

Contact Marketing

www.contactmarketing.com

DataProducts USA

www.dataproductsusa.com

Direct Media

www.directmedia.com

Direct Partner Solutions

www.directpartnersolutions.com

DJ Associates

www.djassoc.com

DMG Lists

www.dmglists.com

Dunhill International List Co.

www.dunhills.com

Eclipse Direct Marketing

www.eclipsedm.com

Edith Roman

www.edithroman.com

Estee Marketing Group

www.esteemarketing.com

Ethnic Technologies

www.ethnictechnologies.com

Fasano and Associates

www.fasano-assoc.com

Focus USA

www.focus-usa-1.com

Frontline Direct

www.frontlinedirectinc.com

Gnames Media Group

www.gnames.com

Great Mailing Lists

www.GreatMailingLists.com

Great Lakes Fulfillment

www.greatlakeslists.com

HomeData Corp.

www.homedata.com

Hugo Dunhill Mailing Lists

www.hdml.com

I-Behavior

www.i-behavior.com

ICOM Information & Communications

www.i-com.com

Infinite Media

www.infinite-media.com

Infocore

www.infocore.com

infoUSA

www.infousa.com

Integrated Direct Marketing

www.integrated-dm.com

Kroll Direct Marketing

www.krolldirect.com

Lake Group Media

www.lakegroupmedia.com

Leon Henry

www.leonhenryinc.com

List Process Co.

www.listprocesscompany.com

List Services Corp.

www.listservices.com

Mal Dunn Associates

www.maldunn.com

Market Approach Consulting

www.marketapproach.net

McCarthy Media Group

www.mccarthymediagroup.com

Media Source Solutions

www.mediasourcesolutions.com

MeritDirect

www.meritdirect.com

Midwest Direct Marketing

www.midwestdm.com

Millard Group

www.millard.com

MKTG Services

www.mktgservices.com

Name-Finders Lists

www.namefinders.com

Names and Addresses

www.nai.biz

NCRI List Management

www.ncrilists.com

Net 60

www.net60.com

PepperMill Marketing

www.peppermillmktg.com

Practical Marketing

www.practicalmarketing.net

Premier Data Group

www.premierdatagroup.com

Rickard List Marketing

www.rickardlist.com

RMI Direct Marketing

www.rmidirect.com

Specialists Marketing Services

www.specialistsms.com

Statlistics

www.statlistics.com

Teramedia Corp.

www.teramedia.com

TMA List Brokerage & Management

www.tmalist.com

Walter Karl

www.walterkarl.com

Worldata

www.worldata.com

Zed Marketing Group

www.zedmarketinggroup.com

Zeppo Marketing

www.zeppomarketing.com

BUSINESS TO BUSINESS

AccuData Integrated Marketing

www.accudata.com

Act One Lists

www.actonelists.com

American List Counsel

www.alc.com

AmeriList

www.amerilist.com

Beach List Direct

www.beachlistdirect.com

Best Mailing Lists

www.bestmailing.com

Biltmore Direct

www.biltmoredirect.com

year to have an outside company handle its file. The educational gifts merchant selected ALC after narrowing the field to three choices. And ALC will also provide brokerage services.

"A good list company is up on all the issues in the industry, and can help a cataloger with best practices and list hygiene, and help reduce inefficient marketing," says Highlights CEO Kent Johnson.

"We wanted a company that could effectively get us the names of people who would ultimately be interested in what we have to sell, and be able to work objectively with our outside vendors," he says. ■

COOPERATIVE DATABASES

American List Exchange
exchangelists.org

Epsilon Abacus Co-op
www.epsilon.com/dataservices

I-Behavior
www.i-behavior.com

NextAction
www.nextaction.net

Prefer Network
www.prefernetwork.com

Wiland Direct
www.wilanddirect.com

Experian Z-24
www.experian.com/products/z24_catalog_database.html

CAS
www.cas-online.com

Certified Lists
www.certified-lists.com

Chessie Lists
www.chessielists.com

DataProducts USA
www.dataproductsusa.com

Direct Media
www.directmedia.com

DMG Lists
www.dmglists.com

Dunhill International List Co.
www.dunhills.com

Eclipse Direct Marketing
www.eclipsedm.com

Edith Roman
www.edithroman.com

Fasano and Associates
www.fasano-assoc.com

Focus USA
www.focus-usa-1.com

Hugo Dunhill Mailing Lists
www.hdml.com

Infinite Media
www.infinite-media.com

Infocore
www.infocore.com

infoUSA
www.infousa.com

Integrated Direct Marketing
www.integrated-dm.com

Kroll Direct Marketing
www.krolldirect.com

Leon Henry
www.leonhenryinc.com

List Process Co.
www.listprocesscompany.com

List Services Corp.
www.listservices.com

Mal Dunn Associates
www.maldunn.com

Market Approach Consulting
www.marketapproach.net

MeritDirect
www.meritdirect.com

Name-Finders Lists
www.namefinders.com

Names and Addresses
www.nai.biz

Practical Marketing
www.practicalmarketing.net

Specialists Marketing Services
www.specialistsms.com

Statlistics
www.statlistics.com

Teramedia Corp.
www.teramedia.com

Worldata
www.worldata.com

CATALOG CONSULTANTS

Altman Dedicated Direct
www.altmandedicatiddirect.com

The Catalog Consultancy
www.catalogconsultant.com

Catalog Marketing Economics
www.catalogeconomics.com

Hemisphere Marketing
www.hemispheremarketing.com

J Schmid & Associates
www.jschmid.com

Lenser
www.lenser.com

Michael I. Grant Direct
www.michaelgrantdirect.com

Lett Direct
www.lettdirect.com

ParadyszMatera
www.paradyszmatera.com ■

New lists

National Arbor Day Foundation Give-a-Tree Donors

This list of greeting-card buyers had trees planted in national forests in honor of card recipients. More than 67,000 donors who gave \$15 to \$100 in the past 12 months are listed.

Selects: Gender, source, state/SCF/ZIP
Cost: \$90/M

Contact: RMI Direct Marketing, 203-825-4634 or www.rmidirect.com

FTD

More than 3 million floral buyers from the past 12 months are available on this list. The average phone and Internet order was \$50 for flowers and other gifts.

Selects: Last purchase, hotlines, multibuyers, business address, new-to-file, occasion, enhancements, presence of children, SIC code, title, phone number, cumulative dollar amount (ranges), state/SCF/ZIP

Cost: \$110/M

Contact: Walter Karl, 845-732-7074 or www.walterkarl.com

Medical Alert Service Buyers

750,000 health-conscious consumer buyers, including 200,000 from the past 12 months, purchased a medical identification card with contact information and an online medical profile. The unit of sale was \$180 for individuals or \$255 for a family covering up to six persons. Direct mail and telemarketing are the sources.

Selects: Monthly hotline, state/SCF/ZIP
Cost: \$100/M (last-12-month buyers)

Contact: VentureDirect Worldwide, 212-655-5110 or www.ven.com

Bits and Pieces Enhanced

More than 450,000 12-month buyers are named on this enhanced file from cataloger Bits and Pieces. Order sizes range from \$10 to \$150; the average sale is \$47, and 70% of the customers are women.

Selects: Gender, demographics, psychographics, presence of children by age ranges, adult's age, lifestyle/interest, state/SCF/ZIP

Cost: \$95/M

Contact: Walter Karl, 847-273-5714 or www.walterkarl.com

In the Navy

This database contains five million names of active military personnel and veterans. Besides the Navy, it includes those in the Army, Air Force and Marines. Direct mail and the Internet are the sources.

Selects: Monthly hotline, branch of service, active military, veterans, age, credit card, income, interests, phone number, state/SCF/ZIP

Cost: \$150/M

Contact: Lighthouse List, 800-684-2180 or www.lighthouselist.com

Consumer Packaged Goods Executives

ZoomInfo has released a list of 127,866 professionals who work in the consumer packaging industry. People on the file include individuals who work in sales, account management, direct store delivery, field and trade management, as well as other marketing positions involving packaging. The source is the ZoomInfo Internet search engine.

Selects: Number of employees, recency, SIC code, job title/function, one per company, phone numbers

Cost: \$150/M

Contact: Worldata, 561-393-8200 or www.worldata.com

Subscriber Passion index

More than 1.5 million subscribers to various magazines are listed. Interest categories include aviation, equestrian, parenting, electronics, farming and travel. Three-quarters of these individuals subscribe to multiple publications. The average sale was \$25. Agent field sales are the source.

Selects: Hotlines, category, state/SCF/ZIP

Cost: \$95/M

Contact: Mal Dunn Associates, 845-278-1357 or www.maldunn.com

New management

Mosaico Book Club/Circulo de Lectores

Specialists Marketing Services recently assumed management of two Spanish-language book club files for Doubleday Entertainment. Mosaico has 264,753 members and Circulo de Lectores 37,140. The sources are direct mail, print advertising, and the Internet.

Selects (depending on file): Dollar, paid, gender, product book buyers, credit plus, adult's/child's age, presence of children, change of address, Internet, hotlines, paid premium, state/SCF/ZIP

Cost: \$100/M

Contact: Specialists Marketing Services, 201-865-5800 or www.specialistsms.com

Manufacturer's News

Direct Media has been named list manager for Manufacturer's News. More than 1 million names are available from the MNI master file, which is comprised of professionals at manufacturing companies. The list is from MNI's state directories and databases, compiled from public records, trade journals, newspapers, financial reports, chamber of commerce, and Yellow Pages.

Selects: Business/industry type, gender, number of employees, SIC code, job function/title, state/SCF/ZIP

Cost: \$110/M

Contact: Direct Media, 203-532-2450 or www.directmedia.com ■