

Modeling Is the New, New List Thing

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In the past year, list professionals have grown more willing to engage in “model-speak.” List brokers are broaching the subject of modeling with their mailers, and list managers are suggesting that their list owners offer modeling on their files. Mailers, too, are asking their brokers whether they should consider testing modeling. Here are several good reasons for the buzz about modeling:

Removes the risk. Most important, when conducted properly, models take much of the risk out of prospecting. Models scientifically match the transactional, demographic and lifestyle characteristics of a mailer’s best customer group with those of

another list owner’s customer file. Based on a precise scoring formula, the resulting model lets direct marketers invest confidently in mailing to a well-defined group of prospects who share the same behavioral traits as those of the mailers.

Finds the why. List brokers and managers have become smarter marketers by becoming versed in modeling. Formerly the bastion of service bureau data technicians, modeling is now the expertise of a growing number of list professionals, who can look beyond the “what” to discover the “why” behind empirical data trends. Where list owners once were

handed reports to analyze, it’s now the job of the list professional, not the data processor, to walk mailers through the process of interpreting data and acting upon it.

Speeds the process. Rapid developments in technology mean that models can be built, tested and processed in a matter of weeks and even days. Mailers can modify campaigns on the fly based on results of modeled data.

Spreads the success. Modeling successes have led to a major increase in the number of modeling programs now offered. Today, every smart list owner with more than 1 million

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records offers modeling. These same list owners also want to use modeling data on the customer acquisition side of their business.

Expands the universe. Modeling expands prospect universes by delivering a large supplemental bank of strong prospects to use alongside small straight niche lists and selections. It can lift responses when a dropoff occurs from a straight select segment. Modeling also creates opportunities to profitably mail secondary and tertiary markets. And it helps mailers reactivate a list that used to work but stopped performing.

Knows the customer. On top of acquiring more customers at affordable costs, modeling becomes a key asset over the long haul. It’s more than a smart way to select names. It provides a dynamic, ongoing customer profile for the mailer who uses modeling. Such mailers can be the first to see developing patterns in their own customers’ behavior. This data can help develop products and services with greater appeal to maintain customer retention.

Tighter budgets mean that mailers must work smarter, and there’s no smarter way to work than to invest prospecting

dollars in modeling. This leads to the final reason so many industry professionals are looking to modeling. There is generally no charge to build a model. Mailers pay only for a specified number of model names to be tested once the model is built, along with a scoring fee.

Achieving success with modeling programs depends mainly on the professionals who conduct them. Not only do you need skilled data technicians to crunch the data, but also experienced direct marketers to help you interpret and act on it. With more mailers reaping returns with modeling programs, modelspeak is sure to become a regular part of every mailer and marketer’s vocabulary. ■

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