



Direct Marketing

Glossary

501(c)(3) charitable organizations

An I.R.S. designation for public charities and private foundations. These charities mail at the non-profit rate and contributions to these groups are fully deductible by the donor under federal income tax law. The lobbying activities of these groups are sharply restricted.

501(c)(4) charitable organizations

Like 501(c)(3) charitable organizations, these groups mail at the non-profit rate. But because they are engaged in lobbying activities, contributions to these groups are *not* tax deductible.

Alternate Delivery

Methods of delivering direct mail or sample products to households without using the United States Postal Service.

Alternate Media

Any means of reaching consumers other than by using solo direct mail and telemarketing including: cooperative mailings, card decks, package inserts and free-standing inserts (FSIs), home-shopping programs, computer online services and broadcast.

Average Contribution

The amount of money raised – usually of a specific campaign or mailing – divided by the number of contributors.

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Bar Code

The nine-digit ZIP code translated into a coding structure of vertical bars and half bars used in order to speed the sorting of mail and enabling mailers to take a discount on postage.

Batching

The gathering and organizing of incoming orders.

BRE

Business Reply Envelope. A pre-paid envelope provided for the prospect/donor to reply to the mailing. The mailer pays the postage plus a service fee to the post office.

Caging

The process of receiving, processing, and reporting the mailing results

Call Center

A site that houses a telemarketing operation.

Computer Service Bureaus

A company that will maintain lists for list owners. Services may include: updating the list, merge/purge, data overlays and preparing the list for mailing or rentals.

Continuity Program

An offer of a series of products to be received in timely intervals. Most often used on books, tapes/CDs and recipe cards.

Cooperative Manager

A person/company who sells space in the co-op for the cooperative owner.

Cooperative Broker

A person/company who recommends and takes orders for marketers who want to be part of a cooperative effort.

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Cooperative Advertising

(Co-Op) Advertising (including direct mail, inserts, stuffers, card decks) where offers from several different mailers are included.

Cooperative Owner

A company that brings different marketers together into a co-op effort. Services may include: printing the individual inserts, combining them and mailing them to pre-selected lists.

Cost to Raise a Donor/Customer

The cost of a mailing, a mailing package, or the entire campaign, divided by the number of contributing donors.

Coupons

A promotional device used by marketers to increase sales or store traffic by offering a discount when the coupon is redeemed.

Custom Publisher

Any publisher who will, for a fee, create a publication for a direct marketer that is most often used for self-promotion or as a premium.

Data Overlays

See List Services

Data Entry

The entering of names, addresses and other information into a data storage and retrieval system. Data can be entered via manual keying, electronic data transfer or by scanning.

Database

A file that is maintained on a computer comprised of pertinent information such as a company's prospects or customers. The file can serve multiple applications and be manipulated for various purposes. The following definitions apply to databases used for direct marketing purposes:

1. Database Analysis: Interpreting information within the database in order to gain customer insight and improve marketing efficiency.

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2. Commercial Database Management: Professional management of large compiled databases for list segmentation and rental.

3. Database Modeling: Using statistical techniques in order to predict future customer behavior.

Demographics

Social and economic information about human populations including age, sex, income, education, type of residence, ownership of cars, etc.

Digital Color Proofing

See Pre-Press Services

Donor Renewal Programs

Each organization *should* have an Annual Membership Renewal drive – similar to a mail campaign to renew magazine subscriptions. Usually a six-part effort, the renewal drive seeks to have the donor identify herself with the organization. Often, an organization will create a new class of non-voting membership to permit this. Other groups will choose to have an Annual *Supporter* Renewal drive. (From a fundraising viewpoint, a Member is always better than a Supporter.)

Enhancement

Any additional information that can be appended to a list to increase its value to the mailer.

Free-Standing Insert (FSI)

A promotional piece that is loosely inserted into a newspaper or magazine.

Fulfillment

All activities involved in the processing and servicing of mail, FAX and telephone orders.

1. Literature Fulfillment refers to the sorting and qualifying of leads, sending the appropriate information, and, if outsourced, forwarding leads to the marketer for follow up.

2. Subscription Fulfillment is a specialized service for periodical publishers. Services include: maintaining the subscriber list, generating invoices and

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renewals and recording payments.

3. Product Fulfillment is the storage and shipping of samples and merchandise.

Geocoding

The process of appending latitude and longitude coordinates to a database record so it can be properly placed on a geographical map.

House File

Also known as a donor file. A list of contributors to the organization. A house file is the main asset of any non-profit organization and typically includes the donor's name, address, and contribution history. Some organizations also enhance their house file with demographic data.

House File Mailings

Mailings to previous donors. Also referred to as donor mailings or project mailings.

Labels

Paper printed with a name and address that is affixed to a mailing piece and serve as the mailing address vehicle. Different types of labels include: peel off or pressure-sensitive labels, gummed labels and paper (or Cheshire) labels.

Laser Printing

Similar to a photocopy machine, the laser printer uses a laser beam, toner and fuser to "etch" the image onto a photoelectric drum.

Lettershop

A company that will assemble and insert the various printed elements of a direct mail piece, label, sort, tag and deliver the mailings to the post office for mailing. The lettershop will provide the mailer with written proof of delivery to the U.S. Postal Service.

List Services Data Overlays

The matching of two or more lists that contain the same names or addresses but where one list adds additional data such as demographics or geographics to the other.

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Delivery Sequence File

A computerized file of more than 125 million records containing all the addresses the U.S. Postal Service serves throughout the U.S. Each address record features ZIP+4, carrier route, delivery sequence, delivery type and seasonal delivery information that can help mailers maintain accurate and complete addresses on the lists they own and rent as well as code their mail for walk sequence discounts from the postal service.

List Exchange

To lower the mailing cost and avoid list rental charges, non-profits will often exchange their donor list name for name with another organization.

List Maintenance

The ongoing process of keeping a mailing list up-to-date by adding, editing and deleting data.

List Broker

A list specialist hired by a mailer to make the necessary arrangements to use other companies' lists. Brokerage services usually include: research, list selections, recommendations and logistics so that the rented lists arrive at the proper time. The standard commission to a list broker is 20 percent.

List Cleaning

The process of updating a list in order to remove any undeliverable addresses. Other cleaning activities could include removing duplicates, bad debts, names on the DMA Mail Preference Service, prison ZIPs, etc.

List Manager

Whereas a list broker works for a mailer, the list manager works for the list owner. The primary function is to promote the list to mailers and list brokers for list rental. List managers can be either an internal employee of the list owner, or part of an outside list management company paid a commission by the list owner. Management services usually include: marketing of the list, coordinating and controlling rental activity and accounting. The standard commission for a list manager is 10 percent.

Long-Term Value

The cumulative net value of a donor. To determine long-term value, an organization will total the contributions received over a period of time – the longer the better. Then

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subtract the cost of raising these contributions and divide the result by the number of donors involved in raising the sum. The result is the average long-term value of a donor.

Mail Preference Service (DMA MPS)

The Direct Marketing Association (DMA) offers a service for individuals who want their names removed from mailings lists so they will stop receiving direct mail.

National Change of Address (NCOA)

A service provided by the U.S. Postal Service, through licensed computer service bureaus, that enables mailers to make any necessary address corrections prior to their mailing being dropped. The mailer provides a magnetic tape that is run against the national change of address bank and then is returned to the mailer with all the corrections made.

Net Names

The number of names remaining after a merge-purge eliminates all duplicates.

Media

Any form of communication that reaches the general public and carries advertising. Direct response media would include: space advertising, direct mail, TV, radio, take-ones, card decks, package inserts, cooperative efforts, on-line shopping services.

Merge/Purge

The process of combining two or more lists into one while, at the same time, identifying and removing any duplicates.

Monthly Giving Clubs

A donor loyalty program which gives the individual added status and recognition by welcoming them into the inner-circle of the organization. Special recognition might include plaques, premiums and invitations to special events. The most successful Club programs usually take the form of a specially named program that reinforces the member's feeling that they belong to an elite group. Club members are the organizations best donors.

Nixies

Pieces of mail returned as "undeliverable as addressed"

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Non-Contributor File

Respondents who do not contribute to a mailing. These could be petition signers, survey respondents or contest entries. Often, this list of non-contributing respondents is an organizations best *prospect* list.

Pledge Programs

Donors commit to a specific amount each month and make their gifts in response to simple invoices, credit card charges or automatic debiting of their checking account.

Offset Printing

Using a metal or paper plate, ink is first transferred to an off-set drum and then passed to the paper.

Outsourcing

Using an outside service rather than performing the work in-house.

Outbound

Any phone calls made out of a telemarketing call center.

Package Inserts

Any promotional offer included with the shipment of a customer's order. Offers may be from the same mailer shipping the product or other vendors who pay to be included.

Personalization

Using/printing personal information, such as a first or last name, in a direct mail campaign. See Variable Imaging

Poly Bag

An outside mailing envelope made of polyethylene instead of paper.

Postage Paid Reply Service

A service allowing mailers to use a lettershop's postage paid permit and have the business-reply mail sent there instead of opening their own account with the USPS.

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Predictive Dialing

The automatic dialing by a computer of telephone numbers on a pre-selected list. The system can, with great accuracy, discern an answering machine from a human voice and will instantly connect a respondent to a TSR. If there is no answer or a busy signal, the computer will know to redial later.

Premium

A free gift offered to a prospect to induce a greater response to the main product or service that is being sold. A premium need not bear any relationship to the product being offered.

Prospecting

Searching for new donors. Prospect mailings are also referred to as recruitment or acquisition mailings.

Psychographics

The qualities or characteristics of individuals which indicate lifestyle, purchasing habits, attitudes and personal values.

Response Booster (or Involvement Technique)

Any device, token, premium or sweepstakes that will help raise the response rate.

Seeding

False or "dummy" names are added to a mailing list as a way to check delivery and to uncover any unauthorized list usage.

Mail Monitoring

Mailers track their mail in order to verify content within the direct mail package and to determine the length of delivery time.

Sorting

The computerized process of reorganizing a list from one sequence to another. For example, a file can be sorted by last name, company name, ZIP code, high donors, multi-buyers, recent buyers, etc.

Telemarketing Services Inbound

Any phone calls that come into a telemarketing call center.

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Telephone Preference Service (DMA TPS)

A service of the Direct Marketing Association for consumers who want to have their names removed from telemarketing lists.

Telephone Service Representative (TSR)

anyone who sells, or services customers over the phone either inbound or outbound.

Tokens

An action device; the purpose of which is to involve the prospect in the offer. It can be anything from a coin, peel-off stamp or a punch-out paper piece that is inserted into the order form.

White Mail

A reply to a mailing that comes in without a response form. There is no way to identify from which mailing the response originated.

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