

Case Study 4: Promotional Products

Membership of the B2B Exchange data pool allows companies to **anonymously** contribute their B2B customer information and in return, acquire data with better ROI and rental rates than traditional lists.

This case study examines the **reported results from a B2B Exchange member's** mailing activity. As anonymity is a benefit of membership we cannot divulge who the member is, but the results speak for themselves.

Profile

This member company markets B2B merchandise products for promotional, advertising or trade show needs.

This marketer's direct mail strategy and business plan in Australia centres on testing different data selections and their performance against breakeven ROI's for control and test mail pieces.

Over the last two years of **B2B Exchange** involvement, this mailer has achieved an impressive range of results across different transactional, compiled and Soho (Small Office Home Office) B2B cooperative segments.

Business Objectives

- Re-test potential roll out cells in the B2B Exchange based on previous results
- Re-mail several segments to evaluate effects on response rate fatigue
- Test a range of additional B2B Exchange cells against compiled lists to determine 2011 opportunities and 2012 budgets.

Solution

This company contributes their last 5 years of transactional history and customers to B2B Exchange as a member.

List Factory profiled their house file to identify strong segments to test, and excluded their contributed data from list rentals.

Recent Campaign – Four Takeaways From The Results

The following results are from an early 2011 campaign in Australia. The mailer wanted to test a range of transactional and compiled data using various selection techniques.

List Factory selected 30 different cells:

- 6 pairs (12) of transactional vs compiled data
- 7 different transactional selections
- 8 compiled test segments
- 3 “re-mail” data selections from a previous campaign.

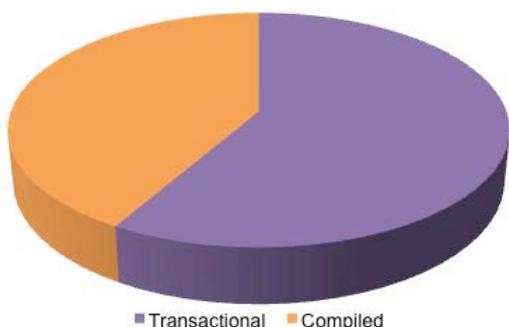
Four “takeaways” from the results were:

- Transactional data outperformed compiled data significantly.
- Soho segments performed 70% above breakeven.
- Transactional selections only (without firmographics) performed strongly.
- Re-mailed test segments performed up to 91% above breakeven.

Firmographic Transactional vs Firmographic Compiled Data

When comparing similar selections to each other (transactional vs compiled data), **transactional data provided more uplift in 4 out of 5 split tests** versus comparable compiled data segments.

Each of these transactional selections outperformed the breakeven by over 2 to 1.



Furthermore, the above graph identifies that the **average transactional response rate was 1.4 times larger** than the compiled data response rates for the data selections using similar firmographic selections.

Strong Soho Performers

Soho's (Small Office Home Office) make up a large volume of Australian businesses – and represent an under-marketed source of data in B2B direct marketing in Australia.

Despite their small company size, the "Soho" selections in this campaign were strong performers from an ROI perspective.

Over **40,000 Soho records were mailed, with a response rate of more than 70% above the required breakeven.** Given the large numbers of Sohos in the **B2B Exchange**, this represents great ROI and roll out potential.

Transactional selections only (without firmographics) performed strongly

The mailer also rolled out a number of list segments that relied solely on using only transactional data variables.

Firmographics like ANZSICs or company size information are not readily available on a large percentage of records in many B2B lists or customer files – it is not always collected.

Even so, using RFM and Affinity characteristics to select records resulted in strong response rates of around 1.7 – 2.4 times the required breakeven.

Selection Type	Response Rate Vs Break Even	% Above Break Even
Affinity & Recency	1.71	71%
Frequency & Recency	2.43	143%
Frequency & Recency	2.15	115%
Spend	2.39	139%
Frequency	1.93	93%

Three of the above five selections were in the top 10 performers, and all 5 selections were within the top half of cell performances, without using firmographic information.

Re-Mail segments were tested

List cells used in the last 6 months were re-mailed to test if there would be a reduction in the response rate.

Two out of three re-mailed segments were above the breakeven required by 74% and 91%. These results warrant further testing of re-mailing in the future.

Find new data sources and better targeting. Become a member of the B2B Exchange

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