### DIRECT MARKETING TERMINOLOGY

**Append demographic data/information** - To add information like industry type, annual sales, number of employees, and more to existing records in a database to make those records more robust and useful. If your leads only contain company name and phone number information, you can append demographic detail to learn more about your leads and determine if they're in your target markets, whether or not they're worth contacting, and what messages are relevant to them. Also referred to as "enhancing."

**Bangtail** - Commonly attached to credit card envelopes that are included with your monthly invoice, it's the removable, perforated segment of paper on the back of the envelope that provides an opportunity to get your advertising message seen.

**BCS** - Short for "barcode sorter," this is a mail-processing machine that reads barcodes on mail and automatically sorts the pieces.

**BRC** - Short for "business reply card," this is the mail piece that the addressee returns to the mailer to indicate interest in or acceptance of an offer.

**BRE** - Short for "business reply envelope," this mail piece contains the correspondence (e.g. business reply card) being returned to the sender.

**BRM** - Short for "business reply mail," this service enables mailers to receive First-Class$^{TM}$ Mail from customers by paying postage only on the mail actually returned.

**Break-even point** - This is the minimum number of sales a campaign must generate to recover associated costs (e.g. printing, postage, etc.).

**Buckslip** - Typically used to deliver another offer within the package, this is a single sheet of paper inserted in a direct mail piece.

**Business demographic information** - Detailed information about businesses, like their addresses, phone numbers, the industries they're in, their annual sales, number of employees, geographic data, ownership information (like public or private), and more. Also referred to as "firmographic" or "demographic" information.

**Business-to-business marketing** - Advertising or promotion intended to influence corporate purchasing and awareness, as opposed to influencing individual consumers.

**COD** - Short for "collect on delivery," this form of payment for a purchase is collected by the goods deliverer, who in turn pays the sender.

**Campaign** - A series of marketing or sales programs, used together to foster awareness of your company or products and to incent prospects to buy.

**Cleaned list** - A list that has been purged of duplicate names and other undesirable name/address information.

**Cloning customers** - Acquiring new customers that have the same characteristics as your existing customers (characteristics like industry type, annual sales, number of employees, etc.)

**Coding** - Attaching a unique code or identifier to a marketing or sales program so you can track how many responses came from that program and decide whether to repeat this program, modify it, or never run it again.

**Collateral** — All of the material which supports or reinforces a direct marketing message, collateral encompasses such aspects as a letter, brochure and business reply card enclosed in an envelope, a postcard, a folder with contents, perhaps even a sample. See also creative.

**Compiled list -** Information *compiled* from directories, newspapers, public records, retail sales slips, trade show registrations, etc. (as opposed to a "response list" which are names and addresses of individuals who have responded to an offer of some kind).

**Control** - Refers to the direct mail package that's performed best (i.e. yielded greatest response).

**Creative** — The combination of concepts, words and physical presentation (including the writing, design and production) of a direct marketing piece make up the creative. See also [collateral](collateral).

**Customer loyalty** - Keeping your customers serviced and happy so that they keep buying from you.

**Database marketing** - A marketing and sales system that continually gathers, refines, and utilizes information and data that then drives relevant communications and programs (like sales calls, direct mail pieces, advertising, and more) to selected companies in order to acquire new customers, retain customers, generate more business from existing customers, and create long-term loyalty.

**Demographics** - These are the characteristics that define a particular group of people, for example, income, age, level of education, family size, hobbies, etc.

**Direct mail** - A marketing or sales piece mailed to a specific audience with the goal of eliciting a response.

**Direct marketing** - Marketing and sales programs designed to elicit a response from prospects and customers.

**Enhance** - See "append."

**Flat** - A flat is a piece of mail that exceeds the dimensions for letter-size mail, but falls below certain specified maximum dimensions.

**Fulfillment house** - A company that specializes in responding to and tracking orders sold via direct mail is often referred to as a fulfillment house.

**HHI** - Short for the demographic of "household income," HHI is often a significant factor in determining the appropriate audience for a direct mail campaign.

**House list** - When a company compiles a list of its customers' names, addresses, phone numbers and any other identifying information, the compilation is known as a house list.

**Indicia** - This is a postal marking often imprinted directly on mail or on labels to be affixed, indicating payment of postage by the sender.

**Insert** - An insert is any item, such as a brochure, letter or sample placed in a direct mail package.

**Layout** - Layout refers to the arrangement of text, headlines and graphics on a page. The layout of a direct mail piece can greatly affect readership.

**Lettershop** - A lettershop is a company that personalizes, labels, sorts and stuffs envelopes in preparation for a mailing. Direct marketing campaigns often require the organization and efficiency of a lettershop.

**Lift note** - This smaller folded note is a last chance kind of effort to deliver an advertising message. Often written by a person other than the main letter writer, it's an appropriate place to highlight testimonials.

**Lifetime value (LTV)** - The amount of money that the average customer spends with you over their lifetime.

**List broker** - A broker brings together owners of lists and the direct mailers who use them. The Walter Karl Company is a list broker.

**List compiler** - A list compiler specializes in gathering names, addresses and information from a variety of sources to produce a customized list of prospective customers. For example, a list compiler may use the Yellow Pages to create a list of all chiropractors in the state of Indiana.

**Market** - The universe of potential buyers.

**Market potential** - The number of customers or amount of revenue that you could possibly gain by selling to an entire market segment.

**Market segment** - A subset of the entire market.

**Market penetration** - A measure of marketing effectiveness expressed in terms of the number of customers or revenue you have in a particular market segment, divided by the total number of companies or possible revenue in that market.

**Marketing** - Creating product, company, and brand awareness, with the eventual goal of driving sales.

**Merge** - Merging is the process of creating a single database by combining the names, addresses and related data from two or more lists.

**OCR** - Short for "optical character reader," this computerized mail processing machine scans addresses on mail and applies the proper barcode.

**OE** - Short for "outer envelope," it's the envelope in which your package will be delivered. Typically printed with a teaser line on front, the OE should entice the recipient to open the letter.

**Perf** - Short for "perforation." Planning a mail piece with a perforation makes it easy for people to detach, a business reply card, for example.

**Premium** - When a free gift is sent to a potential customer either with the mail piece (referred to as the "front-end") or after the prospect has responded (the "back-end"), that incentive is known as a premium.

**Prioritizing** - Ranking prospects or leads according to which ones are most likely to buy. Prospects or leads that have the characteristics of your target markets are probably more likely to buy and should therefore be contacted first.

**Profiling** - To look at a group of customers, leads, or prospects and analyze them to see what characteristics (like industry, annual sales, number of employees, etc.) they have in common. You can use profiling information to better direct your future sales and marketing programs.

**Psychographics** - These are characteristics, habits, attitudes, lifestyle and behavior patterns that can help a mailer identify the appropriate audience, or similarly, eliminate those who are not likely prospects.

**Purge** - Purging is the process of eliminating duplicates and/or other unwanted names from one or more lists, resulting in a "clean" list.

**RFM** - Short for "recency/frequency/monetary," this is a key formula used in conjunction with most databases. Every time any customer makes a purchase, the transaction registers. In this way direct marketers come to know how often people buy, how long it's been since the last purchase, and how much each spends, on average.

**ROI** - Short for "return-on-investment" this is the anticipated profit above costs incurred.

**Response list -** Names and addresses of individuals who have *responded* to an offer of some kind (as opposed to a "compiled list" which is information *compiled* from directories, newspapers, public records, retail sales slips, trade show registrations, etc.)

**Segment** - A subset of the entire market, customer base, or other group.

**Segmentation** - Dividing the total heterogenous market into smaller, more homogeneous segments based on geographic, demographic, or other variables so that you can analyze them, direct specific marketing or sales programs to them, market to them in the same way, and more.

**Service bureau** - A direct mail campaign often employs the one-stop services of a service bureau, a company specializing in such computer services as mail list management and merge/purge operations.

**Shelf life** - Direct mail items such as brochures and catalogs have a certain length of time, or shelf life, before they become obsolete.

**Sorting** - This is an important aspect of a direct marketing campaign wherein mail pieces are arranged by ZIP Code$^{®}$ to facilitate processing and more reliable delivery.

**Standard Mail A$^{®}$** - The term refers to mail formerly known as Third Class or bulk.

**Suppress** - Suppression is the process of using information on one or more lists to remove duplicate or other undesirable prospect names prior to mailing.

**Target marketing** — This is a process whereby an audience of potential customers is focused upon, based on specific identifiers, such as demographic, psychographic or geographic descriptors (e.g. age, income, education, hobbies, city/state of residence, etc.).

**Tracking** - Tracking is the very important aspect of the direct marketing process wherein records regarding mailing date, respondents geographic location, response rate, etc. are maintained with the purpose of determining the success of the current mailing and also the planning of future campaigns.

**Web press** - A web press prints on rolls (or webs) of paper instead of on single sheets. A web press enables the printing of larger quantities at a single printing, as well as larger paper sizes than a single-sheet press.