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How to Beat the Next Postal Rate Increase (and the one after that)

A Performance Cooperative delivers profit improvements even when costs go up.

By JoAnne Monfradi Dunn
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YET ANOTHER POSTAL RATE INCREASE is slated for May and marketers of every stripe are feeling the burn. Circulation pros, acquisition specialists and their brokers are scrambling to boost their return from every campaign dollar.

A lot of smart marketers are driving increased ROI with a new consumer targeting tool — the Performance Cooperative. The detailed performance information in these databases is a powerful predictor of response and payment, and marketers are moving aggressively to leverage these resources across every type of effort, with impressive results.

- A national magazine publisher uses cooperative performance data to target outbound mail with dramatic results — a net profit increase per subscription of 49%.
- A brand-name household goods marketer uses a coop to screen its post-merge mail files. Dropping 10% of the names that aren't likely to respond reduces postage and print costs by \$250,000 per effort.
- A major newsletter publisher uses cooperative RFM data to identify recent DM purchasers in its expired subscriber files. Response from ex-customers with recency runs 30% higher — with no drop-off in payment.

Once you have acquired rights to promote to a consumer, cooperative performance information can help you make better decisions about when, where and how to

What's the secret? A Performance Coop pools the complete buying histories of individual consumers across multiple direct marketers — response, payment, product, channel and transaction details. Marketers use the resulting "bank" of performance information to predict which names will respond and pay, making their promotions more profitable.

Performance Coops are a new take on an old idea. Club and continuity marketers have used "derogatory files" for years to eliminate consumers who churn "bill me later" offers. The typical list sales cooperative offers names of catalog buyers, but many are beginning to believe this crowded field contributes to over-mailing of many names.

Performance Coops are a logical next step. They offer many of the benefits of these older models and few of the risks for marketers who cringe at the thought of sharing their hard-won consumer data.

There are no list sales, so list fatigue isn't a problem. Positive performance information makes these files a great way to pinpoint profitable names, even from lists that were only marginal performers in past efforts. Performance coops predict an individual's likely behavior as viewed across multiple DM relationships. So once you have acquired or established rights to market to a given consumer, the multi-enterprise cooperative information can be used to make better decisions about when, where and how to reach them.

This is a tough environment — and it's only going to get tougher. The new postal rates could add as much as \$30 per thousand to mail costs. Performance coops charge less than half of that for insight that can dramatically increase the overall response and pay-up in your mailing. So instead of cutting back at the next rate increase, innovate! Performance data can help you market smarter, and earn more from every marketing dollar you invest.

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About Alliant Cooperative Data Solutions, LLC

Alliant is a leading developer of cooperative databases that help marketers predict profitable consumer behaviors. Alliant's cooperative data represents the industry's most comprehensive effort to date to provide a multi-enterprise view of direct marketing consumers, enabling campaign-specific insight on more than 116 million direct marketing customers. Alliant offers solutions from two distinct data resources: DecisionBase360™ allows marketers to target consumers based on performance histories, channel and affinity information. TransactionBase® is a credit decisioning database that offers a powerful but cost-effective alternative to traditional credit scores.