

Merge/Purge: A Tool For Marketers

By Roy Schwedelson

Merge/purge is an important part of a marketer's direct mail efforts. Its extensive reporting structure and intermediary and finalized output files can provide insightful information about the dynamics of your customers and prospects.

However, the excellent marketing benefits can easily be dwarfed by incorrectly "over-analyzing" the data (through the eyes of an analyst vs. a savvy direct marketer).

From the outset, overall merge/purge has two main benefits. It saves money in postage and printing by reducing the amount of duplicate pieces going to an individual. It also generates the necessary reporting structures and output files for taking advantage of the postal discounts offered by the U.S. Postal Service. Although these two benefits take the highest priority on a direct marketer's agenda, a variety of ancillary benefits can be gained with a better understanding of the steps involved.

Pre-merge list conversion is needed to bring the house file and the external files into a common data format. Today's better info centers will apply industry-standard conversion software and custom-written applications to scrub the data.

This includes the parsing of an individual's name (separating first, middle and last), removal of extra and unwanted characters, identification of invalid records, address line standardization, etc. As a marketer who understands the importance of his or her own house file, you might consider obtaining the customer ID numbers (you should have unique numbers assigned internally) of those records that were invalid either to repair the records or remove them.

The addition of ZIP+12 (ZIP, ZIP+4 and delivery point) and carrier-route data ensures a robust record that can take advantage of postal discounts. After the application of ZIP+12 data, a National Deliverability Index report is generated to provide base information on the success of the ZIP+12 encoding. Reviewing this number can provide you with a generalized sense, before the merge/purge, on the condition of your house file. Obviously, the greater percentage of records that are enhanced with ZIP+12 indicates a more deliverable file. Application of the Change of Address file is typically the next phase, which will update the addresses of individuals and companies who have moved within the last six months. It is good marketing intelligence to see the "mobility" of your customers as indicated by the number of records that were freshened with new address data.

Once again, you should consider obtaining the customer ID numbers in addition to the revised address data for purposes of updating your internal house file.

The merge/purge generates a series of reports that provide valuable marketing intelligence. Probably the single most important one is the match analysis report, which is a detailed matrix showing the percentage of common names between each and every list. Review of this report can provide you with a sense of market affinity to your house file, which is a positive indicator in regards to externally rented lists. External lists that show a high marketing affinity with your house file have a good chance of proving themselves profitable in your test mailing.

Another report will provide you with a frequency count of multibuyers by list. Typically shown as two-times to more than nine times multibuyers, this report will give you an overall sense of how 'hot' the prospects are in a particular file. For example, an individual who is flagged as a four-times multibuyer has appeared on four individual lists in that particular merge/purge – obviously an active product buyer.

One of the post-merge reports is the postal qualification summary, which shows how the final list product qualifies for postal discounts. Analyzing this report could prompt you to make future changes in the size and weight of your prospecting piece to fine-tune your in-the-mail costs. In addition, this report will provide a geographic breakout by SCF. You may notice concentrations in highly specific SCF regions, which could prompt the exploration of a ZIP model to glean the very best names, by geography, from a file.

Overall, merge/purge can provide a wealth of marketing intelligence that can guide your direct mail campaigns. However, it is important to understand that merge/purge is a marketing tool, not an accounting tool. Although the process can come through at 99 percent with excellent results, to stop processing and analyze the 1 percent would destroy the productivity and cost-effectiveness of the operation. Throughout the merge/purge, marketers can take advantage of the process at every step. However, the processes must be allowed to continue.

You can't be anal-retentive with the final output - if "Bill Smith" at 123 Any Street is the output with "Bill Smith" at P.O. Box 456, it would not be considered a duplicate by the merge/purge process. But these are the basics. Additional techniques and overlay processes could be deployed to enhance the overall processes that advanced shop use.

Merge/purge is not an exacting process but, in consideration of the numerous variables, it is a very efficient one. If you use the data as a guide without over-analysis, the intelligence provided will be an invaluable tool for increasing your profitability in the mail.