



Optimizing Your Merge Purge Operations

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Dear Reader:

Having spent decades managing the merge purge operations for a multitude of clients, I consider the merge purge decision-making process to be fairly straightforward. However, because it can seem like Greek to people relatively new to the field, I've written this eBook to demystify the merge purge techniques you should utilize.

The first step in preparing for a new mailing is to ensure that all addresses are standardized and deliverable. Should you need a refresher, our first eBook, "[How to Use Data Hygiene to Maximize Your Direct Mail's ROI](#)", explains exactly how to accomplish this.

This eBook begins by outlining what you should take into account as you choose match criteria to dedupe your list. For each set of duplicates you find, I then explain how to choose the best record to keep. Once you have a deduped list, there are several exciting options you should consider, such as marketing again to multi-buyers and using modeling to further optimize the records on your list and choose the best ask strings.

Finally, I explain how to read the reports you get from your list management software or consultants.

And because it is sometimes easier to follow an example versus general rules, I've included a case study that walks you through the merge purge processes a hypothetical company, Environmental Stewards, might take in preparation for their next mailing.

I hope you find this eBook helpful in understanding merge purge operations. However, if you feel a bit overwhelmed and would prefer to rely on experts to optimize your prospecting efforts, the last chapter outlines what you can expect from a partnership with MMI Direct.

Thanks for your interest, and good luck with your prospecting!

Marvin Dawson, Vice President
MMI Direct - April, 2016

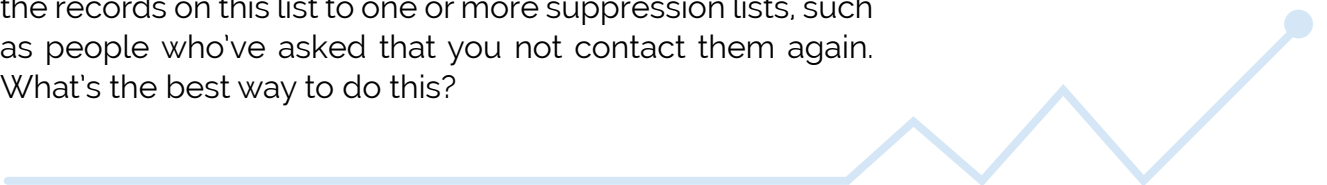
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Identifying Potential Duplicates

If you've collected names from a number of sources, there are likely to be quite a number of duplicate records on your combined list. You will also undoubtedly want to compare the records on this list to one or more suppression lists, such as people who've asked that you not contact them again. What's the best way to do this?



Choosing the Appropriate Deduping Level

The first decision you need to make for each dedupe process is what level of deduping best meets your organization's needs. Do you want to send separate pieces of mail to two different individuals at the same address? How about two different families at the same address? The way you answer these questions will help you determine which of the following consumer-focused matching levels would be best for your organization:

INDIVIDUAL: Avoid sending duplicate mailings to a particular individual by flagging records where the first name, last name and address all match.

HOUSEHOLD: If you don't want to send more than one mailing to a particular household, this type of matching flags records that share the same last name and address as duplicates.

RESIDENT: If you want to avoid sending more than one mailing to a particular address, use resident matching to flag all records with the same address.

Selecting Match Tightness Criteria

The second major decision you need to make is how tight you want your match criteria to be.

Because people's names get on lists in a variety of ways, misspellings, nicknames and abbreviations are rampant. While the data hygiene process does a good job of standardizing addresses, first and last names can vary widely. For example, is "John Martin Cook, Jr." the same person as "Johnny Cook"? How about "Martin Cook" or "John Cooke"?

Fortunately, matching software knows how to take common nicknames into account, and will mark "Bob" as equivalent to "Robert".

But after nicknames are taken into account, imagine giving each set of two records a score between 1 and 100 based on how similar the two names are. If every character of the two records is identical, it would score a 100; if no character is the same, it gets a 0. You can then choose which of the following levels of matching you want to use based upon the two records' matching score:

Exact:	100
Tight:	90 - 99
Medium:	75 - 89
Loose:	60 - 74

To make things even more complicated, you can set different levels of matching for different elements of the two records. For example, if you want to err on the side of not dropping individuals who have donated before from your list, even if they live at the same address, you might require the name to be a tight match, the address a medium match, and the zip code to be exact in order for two records to be flagged as duplicates.

As you choose the appropriate matching level and match criteria for two lists, think through the consequences of eliminating a record inappropriately or of not eliminating a record that is a match, and adjust accordingly.

Multiple Merge Purge

One thing important to note is that different match analyses do not need to be run sequentially. You can set up a multiple merge process that simultaneously tests lists for a variety of different matches, specifying different match criteria for each step.

Case Study: Identifying Duplicates

Environmental Stewards, a hypothetical nonprofit whose mission is to protect the environment, is getting ready to send a solicitation to 75,000 environmentally-conscious individuals, a significant number of whom they hope will become new donors to their organization.

Their preliminary list combines records of donors who have given to one of three similar environmental organizations during the last two years. They have purchased the rights to mail each of these people once.

Environmental Steward's letter has been designed to encourage low-dollar, first-time donations. Because of this, it is absolutely crucial that this mailing not be sent to major donors who have previously given \$5,000 or more to the organization. Nor does the company want anyone else in the same household as the major donor to receive the mailing. Therefore, the first step in the merge purge process is to match the combined list of all potential records against Environmental Steward's Major Donor list using loose match criteria on a household level.

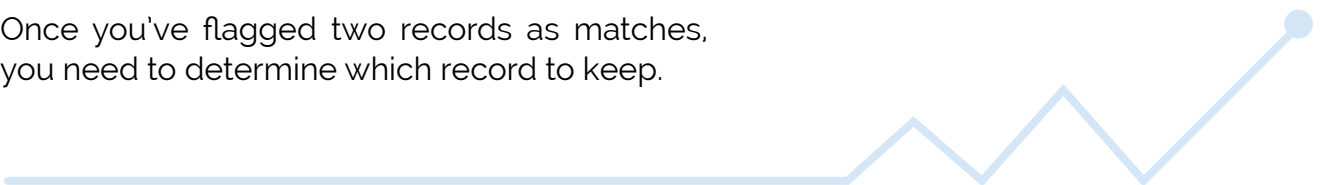
The team would also like to remove any previous Environmental Steward donors from this list. However, if a donor who gave \$50 to the organization last month were to receive another solicitation, it wouldn't be a big deal. Therefore, the second dedupe process they run is to match their recent, low-dollar donor file to the new acquisition list using tight, individual match criteria.

Finally, Environmental Stewards matches the three rental lists against each other using medium-tight residential match criteria to flag the multi-buyers who are on more than one of these lists.



Choosing The Best Records To Keep

Once you've flagged two records as matches, you need to determine which record to keep.



House Lists

If one of the records is on your house list, the answer is simple. You will almost always keep the house record, because it makes no sense to pay to acquire a name that you already own and have a history with.

Acquisition Lists

However, if the same name appears on two different acquisition lists, you and your List Broker have several options for setting ranking priorities:

- **Rank Lists By Order of Cost:** If names on one list cost \$40/thousand and the other list costs \$100/thousand, it makes sense to choose the name on the less expensive list as long as your list agreements don't prohibit this type of ranking priority.
- **Rank Test Lists Higher:** If this is the first time you are using a particular list, you might want to give names on it a higher priority than your continuation list in order to give the new list the best chance of proving its worth.
- **Rank Test Lists Lower:** Alternatively, if you're primarily interested in tapping into a new universe of names (and assuming your list rental agreements don't prohibit this), you might rank a new list lower than your continuation list in order to determine whether mailing to its incremental, unique new names is worthwhile.
- **Random Selection:** Finally, if you want a clean read on the responsiveness of the names on different lists, you can decide which names to keep on a random basis.

Case Study - Choosing The Best Records

The Environmental Stewards are testing samples of three different acquisition lists to see which lists have a higher return for them. Because they want to give each list an equal chance, they decide to randomly choose which record to keep for each match.



Multi-Buyers

Records that are on more than one acquisition list are called Multi-Buyers. Since these people are contributing to more than one organization, multi-buyer records tend to perform better than those of single buyers. Your pricing arrangement with the list owner will determine how you can use these records.



If you've paid for all the names on the list that aren't suppressed and you have a record that occurred on two different lists, you've paid for this 2-time multi-buyer twice, and you have the right to mail them a second time. Similarly, you can send a third mailing to a 3-time multi-buyer who appeared on three lists.

Of course, if you're renting the names on a net net arrangement where you pay only for names that are mailed, this wouldn't be true.

Case Study – Multi-Buyers

Among the three acquisition lists, 1,928 of the names were 2-time multi-buyers and 238 were 3-time multi-buyers.

Environmental Stewards decides to do a separate mailing to all 2-time multi-buyers four weeks after the first mailing. If there is an adequate return on this mailing, they will consider mailing 3-time multi-buyers again six weeks later.

Because multi-buyers were identified on a household basis, the Environmental Stewards decide to address the second mailing to a different individual in the household if possible. For example, if John Smith and Mary Smith were identified as a household match and the first mailing was sent to John Smith, the second mailing would be addressed to Mary.



Merge Purge Optimization

At this point in the merge purge process, you have a net file of all surviving names. An additional step we often recommend at least testing is to use modeling to further optimize your list.



Modeling organizations use massive databases containing billions of transactions to estimate the responsiveness of records to various appeals. This market segmentation analysis looks at demographic characteristics such as age, sex, occupation, education and geographic location, and can also potentially consider a person's interests and product use patterns. They can compare the demographics of records on your net file to those in their database to identify those individuals less likely to respond.

If you choose to drop the lower-scoring names, you can also decide to replace these names with other names that the modeling organization predicts will be more responsive.

As with every other decision, we highly recommend that you test the responsiveness of these various groups of names so you can see if it makes economic sense to use modeling for future mailings.

Case Study – Merge Purge Optimization

The modeling organization discovered three distinct groups of individuals who were more likely to donate to environmental organizations like Environmental Stewards:

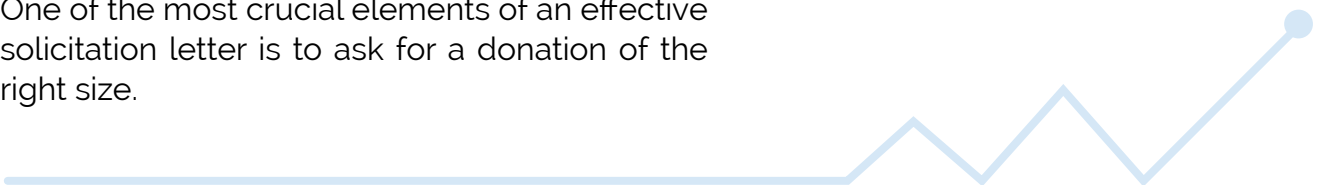
- College-educated, higher-income individuals
- Individuals of any educational level who lived within 50 miles of a major body of water and who enjoyed outdoor water-oriented activities such as fishing or boating
- Members of the Sierra Club

When the modeling organization matched the current list against these criteria, they flagged 12.7% of the records as being less likely to respond. Environmental Stewards decided to test the effectiveness of this modeling by mailing to half of the records the modeling organization flagged, and replacing the other half of the flagged records with names the modeling organization predicted would be more likely to respond. These two types of records were coded so that the results could be easily analyzed after the mailing.



Ask String Optimization

One of the most crucial elements of an effective solicitation letter is to ask for a donation of the right size.



If a donor has given \$100 to you twice before, you are leaving cash on the table if you suggest a donation of only \$25. Alternatively, if a donor never gives more than \$15 to any organization, you shouldn't ask them for "\$100, \$50 or \$25", as you're likely to receive nothing.

Choosing the appropriate ask string for records on your house list tends to be straightforward, as you can base your request on what that individual has given to you in the past. For records on acquisition lists, however, you're flying blind because you have no giving history.

If you are working with a modeling organization, you can take advantage of their massive database by asking them to create a unique ask string for each record following criteria you set. Modeling organizations may have sufficient data to create an appropriate ask string for as many as 75% to 80% of the records on an acquisition list.

Case Study – Ask String Optimization

Environmental Steward's modeling agency was able to recommend ask strings for 76% of the names on the acquisition list. Making the assumption that individuals who did not have a lot of transactions in the database were likely to be low-dollar donors, Environmental Stewards chose a default ask string of "\$100, \$50 or \$25" for the remainder of the records.



Understanding Your Merge Purge Reports



Merge Purge Summary Report

This report analyzes the overlap of names between multiple lists.

File Code	Description	Segment	Merge Purge Input	Multi Drops	Single Drops	Suppression File Drops
72825	List 1	L13-24 \$10+	14,149	1,679	3	444
72826	List 2	L12 \$10+	77,770	17,706	118	8,732
72827	List 3	Active Donors	14,623	2,546	14	1,102

File Code	Description	Segment	Single-Buyer Output	Multi-Buyer Output	Merge Purge Output	Percent Kept
72825	List 1	L13-24 \$10+	10,972	1,051	12,023	84.97%
72826	List 2	L12 \$10+	60,970	2,280	63,250	81.33%
72827	List 3	Active Donors	9,722	1,239	10,961	74.96%

The columns refer to the following:

Merge Purge Input: The number of names on the list after completion of the data hygiene process.

Multi-Drops: The number of records that were dropped from this list because their duplicate was retained on another list.

Single Drops: The number of records that were dropped because they appeared more than once on this list.

Suppression File Drops: The number of records that were eliminated because they matched with an internal suppression file.

Single-Buyer Output: The number of records on this list that appeared on only one list in this merge purge process.

Multi-Buyer Output: Records that occurred on more than one list.

Merge Purge Output: The total number of records remaining on this list after the merge purge processes that are ready to be mailed to.

Percent Kept: The percentage of the original number of records that remain on the final list.

Multi-Buyer Summary

This report shows the number of multi-buyers on each list and how many different lists in this group that the buyers were found on. For example, 813 of the records on List 1 were also on List 2 or List 3, and 238 of the records were on all three lists.

File Code	Description	Segment	Multi-Buyers	2-Time	3-Time
72825	List 1	L13-24 \$10+	1,051	813	238
72826	List 2	L12 \$10+	2,280	2,042	238
72827	List 3	Active Donors	1,239	1,001	238

Match Analysis Matrix:

This report is useful in identifying potential issues as it analyzes the degree of overlap between different lists. For example, if there is an unusually high hit rate between two segments of the same list, it may indicate that the first segment wasn't omitted from the second list.

	72823	72791	73102	72792	
72788	0.8	1.0	8.1	12.3	
72819	0.3	0.2	1.4	2.7	
72789	4.6	0.1	1.0	1.4	
72790	4.3	0.2	2.6	4.0	
72823	0.1	0.1	0.6	1.2	
72791	0.5	0.0	58.1		72791 List 10 L24 \$10+
73102	0.3	7.8	0.2		73102 List 10 L24 \$0-4.99
72792	0.7	0.7	5.4		
72793	0.3	0.2	1.5		
72794	0.8	0.6	5.6	9.6	

Rather than learning the ever-changing intricacies of data hygiene and merge purge themselves, many companies prefer to hire an expert to do it for them. If you're in the market for assistance with your prospecting efforts, we'd love to earn your business!



What To Expect From A Partnership With MMI Direct



Our principals have been managing data hygiene and merge purge operations for a wide variety of companies for 40 years. We eat, breathe & dream about data!

We approach every client's project with a fresh eye. There's no cookie-cutter approach with us - we dive into your business to understand what makes it unique so we can recommend only those data hygiene & merge purge processes which will cost-effectively meet your objectives and goals.

We pride ourselves on providing our clients with the best results as inexpensively as possible. Because we approach each new project as the start of a long-term partnership, we're proud to report that few of our clients ever leave us!

"Working with MMI Direct is like having another team member on our projects. They understand how important deadlines are in our business and always help me meet them – even when lists are late.

No matter how many projects are active or how they change, MMI is always on top of it, managing all the little details, which in this business is what it's all about. The team is always going above and beyond what's required, helping us to prevent problems and avoid delays. I could not imagine working with anyone else to get my data processed correctly and on time."

Melissa Young
Vice President of Marketing, New Market Health

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