

HOW THE LIST INDUSTRY WORKS Plus, Who Makes What, Order Processing A to Z, and Glossary

The following is specific to postal lists. Email list rentals are a bit different from postal. We will cover those in a separate report.

Let's start with an example of:

LIST OWNER: Business Week magazine is owned by McGraw-Hill. Publishing is their business, but they realize they have a valuable commodity in their subscriber list. Rather than trying to market their subscriber list to all of the potential mailers like you, they hire an outside company known as a ...

LIST MANAGER: A list manager typically represents a number of list owners and, for a percentage of the sales, markets the lists they represent to the...

LIST BROKERS: The brokers have all of the clients, like you, who are the ultimate users of the lists. List managers constantly market directly to the brokers, keeping them up-to-date on lists they represent. A list broker (which is what we are) can get you virtually any list in the world on the rental market.

Most brokers specialize, like we do at InfoLists. We specialize in business and professional lists for college and university clients who sponsor seminars, conferences, and professional training programs. Some brokers specialize in fund raising lists, lists for investment offers, merchandise lists. You name it. List brokers typically have no vested interest in the lists they recommend to you. They want to see you use the best, highest response lists, no matter what the source, that meet your budget requirements.

There are some exceptions to the above, such as some list owners who bypass the "list managers" and market directly to brokers. Also, there are companies who compile lists from yellow pages, trade and association directories, credit files, etc., who will also market to brokers, as well as to ultimate client users. These are the lists that are most often available to rent for "unlimited" use.

Can you save money if you bypass the broker? 99.9% of the time the answer is No. Can another broker give you a lower price for the same list? InfoLists sometimes can, but we are the exception. So work with a broker who is unbiased, specializes in and knows your business, and can offer you solutions and service.

HOW MUCH DOES A LIST BROKER MAKE: Take this example for an order of 5,000 subscriber names of a fictitious magazine we will call "Business Strategy." Its base price is \$150/1,000 plus selection charges at \$20/1,000 and email shipping by a service bureau for a \$50 flat fee.

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1730 Stickney Point Road, Sarasota, FL 34231-8845 • (941) 921-5455 • Fax (941) 923-2374 • info@proed.com

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When you rent 5,000 names, this is what each party to the transaction typically makes:

| | Broker | List Manager | List Owner |
|-----------------------------|--------|--------------|------------|
| Base price per 1,000 | 20% | 10% | 70% |
| Selection charges per 1,000 | -- | 100% | -- |
| Service Bureau shipping fee | -- | 100%* | -- |

*Paid to the service bureau if it's not in-house.

In our example, your total cost for the list of 5,000 postal names would be \$900, and the allocation is as follows:

| | |
|------------------------------------|-------|
| Owner of "Business Strategy" makes | \$525 |
| List Manager makes | \$175 |
| Service Bureau makes | \$ 50 |
| List Broker makes | \$150 |

Why would an owner work through list managers and brokers, rather than sell direct? Brokers account for 96% of the list rental sales in the USA, according to a Stanford University research report for the Direct Marketing Association. With rare exception, list owners have significantly greater sales and net revenue when they hire a list manager to market their list to list brokers.

HOW MUCH TIME DOES IT TAKE TO GET A LIST?

More time is always better. The steps go something like this:

1. Have a phone or email discussion with your list broker to whom you have sent a sample of your brochure, postcard, etc. (old, new, draft)
2. We (your Broker) research to find the best lists to recommend and discuss with you.
3. We proceed to get counts for the geographic area you want.
4. You decide on what lists you want to order and any refinements relating to selection criteria.
5. We submit your list order, along with a sample of your mail piece for the owner's approval (some owners may say NO due to competitiveness, such as an association that also offers professional programs.)
6. Final counts are generated, along with any documents you may need to sign (like a List Rental Agreement for one-time use.)
7. You review final counts and make any final adjustments to the order. We can help you with these decisions.
8. Broker submits the final order with all specifications.
9. Your order is shipped to you by the list owner's or list manager's service bureau. (We do not have the actual lists in our office.) We need to know if you have firewall or other limits on receiving emails with large email attachments, especially zip files.
10. You check the list on receipt to be sure the quantity is correct and that nothing looks "weird."

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The above is the typical process and can take from a couple of days to weeks, depending on the complexity of the orders, the responsiveness of the parties involved, etc. The more time you can allow, the better the results.

TERMS YOU MAY NEED TO KNOW:

- SCF -- Sectional Center Facility is the first three digits of the ZIP code.
- SAMPLE -- A draft of what you will be mailing to submit to the owner for approval. It does not have to be the actual printed piece. Could be a previously mailed sample, even though you may be making changes to it.
- BASE PRICE -- Cost per thousand for the list without any selections.
- SELECTIONS -- Cost per thousand to select such things as company size, job title, industry, states or SCFs, etc.
- MINIMUM ORDER -- A minimum quantity of names, or occasionally a dollar amount, for which you will be charged. The minimum order, typically 5,000 names, is set by the list manager and owner, NOT the broker.
- HOW TO WAIVE THE MINIMUM ORDER – We have over 200 of the top lists in a client database and there is NO minimum order. Ask us for the details.
- KEY CODES – Often referred to as source codes, VIP codes and other labels. These codes, when ink jetted on your mail piece and marketed accordingly, enable you to track the source of inquiries, returns and registrations back to the original list. This same code can be asked for when someone is completing an online registration. Tracking is an art as well as a science.

SO, YOU NEED A POSTAL MAILING LIST?

Call or email InfoLists (We are a list broker.) Be armed with the following information to help us help you:

- What is your offer, course – email a jpg to your broker the first thing.
- Who is your target market -- who will buy or attend. Be specific.
- What geographic area do you want to cover – states, SCFs, ZIP areas.
- What is your mail date as well as your need by date
- Do have any quantity limits.
- By when do you need to receive the list(s)

As your broker, we can help you with any of these areas that may be new or unfamiliar to you.

POSTAL AND EMAIL LIST CHOICES:

Before you get too excited about the many options you have for various lists, keep in mind that the bottom-line is what works. And until you are able to track 90% or more of your responses directly to their source, evaluating other options can be meaningless. You

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need to know which lists give you the most bang for your buck. Then you have a basis for comparison.

Once you have a tracking system in place, then proceed to test your options with your internal/in-house list first. Measure the response to your own list for a specific offer via mail or email. Now you will have a basis for comparing lists you rent to the response you get on your internal list. With rare exception, there is no rented list as good as your internal list. So, if a program does not respond well when marketed to your in-house list, it most likely will fail miserably when marketed to a rented list. Test your new programs on your in-house lists first !!

AND THE MOST IMPORTANT THING ... If your list broker can't answer your questions or help you solve your problems, find another list broker.

FOR YOUR INFORMATION ... For postal mail lists, email lists, and seminar or course marketing strategy and production assistance, contact us at:

Phil Graf: pgraf@proed.com

Debbie Young: dyoung@proed.com

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