



GLOSSARY OF DIRECT MARKETING TERMS

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Abandonment

As in the phrase “call abandonment”. This refers to people who, being placed on hold in an incoming call, elect to hang up (“abandon”) the call. Call centers monitor closely the “abandonment rate” as a measure of their inefficiency.

ACD

Automatic Call Distributor. A complex machine used in modern call centers for incoming calls. It routes calls to available agents, holds overflow calls, gives and takes messages, provides reports. A must for modern database marketing.

Acquisition Cost

The cost of signing up a new customer. Lifetime Value is often used to compute the maximum allowable acquisition cost.

Address

A computer term for the location on a disk or in memory of a piece of information. Addresses help the computer to find things rapidly, and to store them for later retrieval.

Ad-hoc report

A reporting method which permits you to ask questions like: How many women over 60 have bought more than \$200 from us in the last 4 months?

Affinity

People who are similar in lifestyle

Affinity Analysis

A process of finding relationships between customer purchases. People who buy skis buy snow tires.

Affinity Matrix

A cross tab showing cross buying patterns by customers who did or did not buy Products A, B, C, and D.

Affluents

Households with 30% or more than the cost of living plus taxes.

Agent

The word for a telephone operator in a modern inbound call center in a company that takes a lot of customer service and sales calls.

Analog

Regular telephone service comes over analog lines. Modern improved service (often used for data lines) comes over DIGITAL lines in which all the sounds are converted to 1's and 0's. For database marketing computer communications, digital is better.

ANI

Automatic Number Identification. A system whereby you can learn the number of a person who is calling you on the telephone. Can be linked to a database to find the person's name and address.

Appended Data

process whereby a customer file has data appended to it (such as age, income, home value) from some external data file. See overlay.

ASCII

American Standard format for data storage on magnetic media (tape or disk).

Attrition Model

A model that predicts which customers are most likely to leave. Usually expressed as a percentage of likelihood.

Attrition Rate

The opposite of retention rate. The percentage of customers this year who are no longer buying next year.

Autosexing

A computer process for finding the sex and appending titles (Mr. Ms.) to a file of names.

Back end

As in phrase “back end analysis” refers to the results of actions with people who have responded to your initial offer.

Batch mode

If you have received 10,000 replies to a mailing, you can update your master file with these replies in one batch. This is the fastest and cheapest way to update records. The opposite is On-Line updating.

Baud rate

A measure of line transmission speed. 28.8 thousand Baud is a good speed for terminals and PC's connected to a marketing database. Speeds can go up to 56,000 or more.

Bits

If a byte is like an atom in computer language, a bit is like an electron. A bit is either on or off. It is either a 1 or a zero. Eight bits make up one byte.

Block

The smallest reported unit in the 1990 U.S. Census. About 14 households in a block.

Block group

The smallest reported unit in the 1980 U. S. Census. About 340 households on average.

Bounce back

The practice of sending another identical (or similar) catalog back to someone who has just ordered something from one of your catalogs.

Brand Managers

Most packaged goods companies organize themselves by brand. The brand manager is responsible for advertising, marketing and sales of the product. The brand manager is typically the main obstacle to database marketing which is customer focused rather than product focused.

BRC or BRE

Business Reply Card or Business Reply Envelope

Brokerage Commission

The commission (usually 20%) paid by a list owner to a broker to handle the rental of a list.

Bugs

Errors that crop up in software. Caused by inability of programmers to predict all possible ways that the code in their programs will be used to process data.

Byte

A unit of computer memory. One letter or number is a byte. A byte is usually composed of eight bits.

Call center

The word for an inbound telephone division in a company. The operators are called Agents. The call center uses an ACD (automatic call distributor) to manage the calls efficiently.

Call Tracking

Keeping track of what happened to customer calls.

CD

A banking term for certificate of deposit. Also: a compact disk, a form of digitized data storage. (as in CD-ROM)

Cell code

After completing RFM analysis, every customer is assigned a Cell Code which identifies her recency frequency and monetary level of buying. The cell code is often used in mailing. Sometimes used interchangeably with the term Source Code.

CFO

Chief financial officer. The man in charge of budgets.

Channel

(1) An input-output device as part of a mainframe computer.
(2) A means of distributing product to the market. For example, dealers, retail stores, direct marketing.

Cheshire Label

A type of plain paper label used in mailing. Requires a Cheshire machine to affix to mailing material. The most common computer label.

Chip

The thing in the center of a computer that makes it work. On a PC a 486 chip is a fast chip. A Pentium is faster. Faster and faster chips keep coming out. Chips are the size of your fingernail, and hold millions of circuits shrunk by photographic methods to tiny size.

Churning

The practice of customers switching to another supplier based on special discount offers. Particularly used in the cellular telephone or credit card industries.

CIF

Customer Information File usually in banks and financial institutions. A consolidation of many different accounts held by a household or individual, used for marketing purposes.

Cleaning Names

A process whereby names and addresses on a customer or prospect list are corrected (addresses standardized; zips corrected; spelling and punctuation corrected; duplicates consolidated, etc.)

Cluster

A way of dividing all households in the country into about sixty different types, such as "Blue Blood Estates" and "Shotguns and Pickups." Usually called lifestyle groups. Useful for file segmentation. Clustering systems are provided by Claritas, Equifax,

Donnelley, CACI. In Canada by Compusearch.

Confidentiality Agreement

An agreement which precedes any contract with an outsourcing agency. It says that your secrets will not be revealed to others.

Compiled list

Names and addresses taken from directories, newspapers, public records. People who have something in common. Compiled lists are usually the least useful or responsive for direct marketing. Response lists are better.

Computation Period

The number of years from now that you can safely project customer lifetime value. The period is short for products that soon become obsolete.

Continuity

Products or services bought as a series of small purchases, rather than all at one time. Book of The Month Club, or other products shipped on a regular schedule.

Continuation

A mailing to the same list following a successful test of a portion of the list. A continuation becomes a "rollout" when the entire list is mailed.

Control Group

Every database promotion should include a control group of customers who are not exposed to the promotion. The success of the promotion is measured by the difference in response of the promoted group compared to the control group (after subtracting the cost of the promotion).

Controller

A device for managing the data input and output from several devices which are connected with a mainframe. These devices can include terminals or disks or tape drives.

Controller

Usually have a small computer inside them which permits them to manage the flow of instructions from the computer to the units in an organized way. They make the computer more powerful.

Conversion rate

The percentage of responders who become customers.

Coop mailing

A mailing in which two or more offers -- usually from different companies -- are included in the same envelope, and share the costs.

Copy

The text of your direct mail piece.

CPI

Cost per inquiry

CPO

Cost per order

CPU

Central Processing Unit. The heart of a mainframe.

Cross-Selling

Encouraging customers to buy products from other departments or categories

Custom report

A database report designed by the marketing staff which exactly meets

the marketing needs of the company. Once programmed, it can be run daily or weekly for very little cost.

Database Marketing Collecting

Data on customers and using it to provide recognition and services to customers, resulting in increased customer loyalty and repeat sales.

Data Enhancement

A process whereby a customer file has data appended to it (such as age, income, home value) from some external data file. See overlay.

Data entry

Also called Key punching. Entering names and addresses and other data into magnetic media such as tape.

DBA

Database Administrator. A person who controls a marketing database. The DBA should be someone from marketing or sales that has the budget for the database.

DDA

A banking term for checking account balances.

Dealer Training

A process whereby dealers are trained to handle your product.

Decile

One tenth of a mailing, usually divided by percentage of response.

Decoy

A unique name added to a mailing list used to spot unauthorized use of the list.

De Dupe

Identifying and consolidating duplicate names usually done in a merge/purge operation.

Demographics

Demographic data usually refers to the data which the Census Bureau or Canada Stats collects on a neighborhood such as income, education level, etc. This data can be appended to a household record. It isn't necessarily accurate for any particular household since it is the average for households in that block. But it is usually the only data available.

Digital line

A type of telephone transmission service that is much more reliable than the normal analog line. All data is converted into bits before it is transmitted. A regular telephone line is called an Analog Line.

Direct access

A disk is a direct access device. Tape drives are not direct access because to find data on them, you have to read all the way through thousands of records to find the one you want. With direct access, you have all data stored at particular addresses. You can access each piece of data directly.

Direct Marketing Interactive

Marketing that produces a measurable response or purchase. The data is stored on a database.

Direct Response

Advertising or promotion that seeks not just to provide information, but to generate an inquiry, order or visit.

Direct Cost Percent

The percentage of revenue that is applied to the cost of the product plus overhead, fixed costs, etc.

Discount Rate

The amount by which any future dollar amount must be divided to produce the net present value of the amount. The formula is $DR = (1 + i)^n$ where i = market rate of interest and n = number of years. The interest rate is usually doubled in the formula to account for risk.

Disk Magnetic

Disks are attached to computers. They hold information (records) which can be retrieved very rapidly if the computer knows the address of the information on the disk (Direct Access). In relational databases, the address of records and information within records are kept on indexes which make access to the records very rapid.

DNIS

Dialed Number Identification. A system whereby you can learn in a call center what number the incoming callers dialed to reach you. Important because many call centers handle calls from many incoming numbers for many purposes, but use the same bank of agents to take the calls. They have to know what number people were dialing so they can react properly to the call.

Downsizing

Moving a function from a mainframe computer to a smaller computer such as a Mini, a LAN or a PC.

Dump

Printed display of the contents of a

tape or data file. You should look at a dump of some records in our customer database to check accuracy.

Duplicate

The same name occurring twice or more on the same file. All very large databases contain duplicates because name or address spelling may vary slightly. Good service bureaus can reduce but never totally eliminate duplicates.

Duplication Factor

The % of names on one list that are also on another list. It is a measure of affinity in the lists.

EBCDIC

A protocol for putting data on a tape. All IBM mainframes use EBCDIC. Most others use ASCII.

Edit check

A software process whereby data to be entered into a marketing database is checked for logic before it goes into the database.

Enhancement

Appending demographic or lifestyle data to a list.

Event Driven Programs

Database programs which are triggered to produce output (usually communications) based on events: a birthday letter, anniversary letter, thank you letter, etc.

Extract

A system for creating a sequential file from a relational marketing database. The extract can be used for preparing reports, or for sending data to other companies for their use.

Fixed field

Organization of a tape or data file in which each group of data (such as name, address, city, zip) has a fixed location and length within the file.

FSI

Free Standing Insert. Usually a coupon or other promotion found in a magazine or newspaper. The least expensive way to distribute coupons.

Flat file

Another name for a sequential name file. Contrasted with a database file (not flat because of the indexes).

Focus group

A group of customers who are assembled together by an advertising agency in a conference room to discuss a particular product. Useful for learning what the public thinks of your product or message or company.

Format

The way data (name and address) is organized on a disk or tape. There is no standard format. Every company has their own.

Frequency

A term for how many times a person buys from you.

Fulfillment

The process of responding to a customer request with literature or product. Fulfillment is usually outsourced to a fulfillment house.

Geocoding

A system for assigning a census code to any name and address. Once a file is geocoded, you can append census data (income, race, etc.) to the records and assign cluster codes.

Geodemographics

Census data that can be appended to a household file once it has been geocoded. Includes such factors as income, education, home type, etc. Derived from the neighborhood of the household. Same as Demographics.

Geographic

Information System (GIS) Software that displays data on a computer generated map.

Gigabyte

A billion bytes (characters). A measure of the size of mainframe disk storage. A typical mainframe shop will have 100 gigabytes or more. "Her database used over 35 gig!"

Graphical User Interface (GUI)

Software that permits users to access their data by manipulating a mouse.

Hardware

Computers and disks, tape drives, printers, and other gear that are plugged into computers.

Hawthorne Effect

A psychological phenomenon whereby people (customers) act differently when they are being studied.

Hidden Layer

An group of internal nodes inside of a Neural Network which it uses to build a model. The less known about hidden layers by non statisticians, the better.

House File

The organization's own file of active and former customers.

Householding

A process in which all people and their accounts are grouped by the house

that they live in so that they only get one letter per house in a promotion.

ID Number

A number assigned to a record to help to relate it to other records in the computer which have the same ID.

Identification

The process whereby a customer identifies himself with the company which provides him with products or services

Index

1) used in relational databases to help to find common data in thousands of records. An index for income could help find all the customers whose income was between \$25K and \$35K. Using an index you can query a file of 10 million customers and find out how many women aged 60+ bought more than \$200 in the last 6 months, and do it in 5 seconds. 2) A statistical term for relating the value of two sets of numbers. If one group had a response index of 100 and another had 120, the second group had 20% more replies than the first one. The average of any group always has an index of 100.

Influentials

In business-to-business, executives who have the authority to make or influence a purchase.

Infrastructure

The process of maintaining a database: nightly backup, cleaning, merge/purge, deduplication, update, etc.

IS Information

Systems (Also MIS) - the part of the company responsible for the central data processing operations.

IVR

Interactive Voice Response a piece of equipment connected with an ACD which permits inbound callers to a call center to choose their own routing of the call ("Push 1 for Sales, Push 2 for Service...)

Keyline

Or Match Key -- a combination of numbers and letters usually beginning with the zip code, which is used as a rough household duplicate eliminator.

Keypunching

The process whereby someone enters names and addresses and other data from hard copy (paper forms) onto a computer tape or disk. It is done on a typewriter-like keyboard into a small computer. Same as Data Entry.

LAN

Local Area Network. A system for linking several PCs into a single system with a File Server PC that keeps a central database. Some databases are located on LANs.

Laser letter

A letter produced on a Laser Printer. Very clean and neat looking. Possible to have unlimited personalization of the text of the letter.

Lead

A prospect who has responded is called a Lead.

Lead

Conversion Rate The percentage of leads which become customers.

Lead Tracking

The process of keeping up with what has happened to a lead (prospect who has

expressed an interest in your product or service). Lead tracking is very difficult because salesmen hate to report on the status of leads.

Lettershop

An independent company that handles all the details of printing and mailing letters.

Lifestyle

Lifestyle data about a neighborhood comes from clustering. If a significant number of people in a given cluster have taken a foreign trip, it is assumed that all similar households have done this. It is a lifestyle attribute. Included are magazines read, TV programs watched, etc.

Lifetime value

The contribution to overhead and profit made by a customer during her total relationship with your company. Abbreviation: LTV.

Lift

The improvement in response from a mailing due to modeling and segmentation. Divide the response from a segment by the overall response, subtract 1 and multiply by 100.

List broker

A service which brings list owners and prospective list renters (users) together.

List maintenance

Keeping a mailing list current through correcting and updating the addresses and other data.

List rental

The process of renting (for one time use, or other periods) a list of names

of customers owned by some other organization for an agreed upon cost per thousand.

Loss Leader

A product sold at a loss to get customers to begin buying.

Loyalty

Customer loyalty is measured as Retention. A loyal customer is one who keeps buying from you.

Loyalty Programs

Rewards that encourage customers to keep being customers longer, or to purchase more.

Mailing list

A list of customers or prospects used to mail catalogs or sale announcements. It is not a marketing database because it does not provide for a two-way communication with customers.

Mail shop

An independent company which specializes in preparing materials for mailing. They affix labels, sort for bulk rates, prepare bagtags, insert in postal bags.

Mainframe

The largest computers used in business applications. They require raised floors, special air conditioning. Mainframes are recommended for marketing databases because of their power, input-output capability and speed measured in MIPS.

MAND

Money, Authority, Need and Desire -- the requisites of a qualified lead.

Market Penetration

The percentage of buyers you have as compared with the total households or businesses in the area you have selected as your market.

Market Research

Statistical analysis of customer data to draw overall conclusions as a basis for action.

Market Rate of Interest

The cost of borrowing money by your company from banks or other institutions. In discount rate computations, this amount is usually doubled to account for risk.

Mass Marketing

Selling to everyone through mass media such as radio, TV, or a newspaper, as opposed to database marketing which is aimed at a small selected audience.

Match code

A keyline. An extract of the name and address used to identify a specific record. Used in de-duping.

Media

Communications channels that convey messages, such as radio, TV, magazines, direct mail.

Megabyte

A million bytes. Disks are rated in megabytes.

Memory

The amount of information that a computer can hold in its head while it is doing work. The more memory, the faster a computer can work, and the more complicated programs it can handle. New computers today have 32

megabytes of memory, which can be expanded.

Merge/purge

A software system used to merge many different input tapes in differing formats and put them into a common format for a mailing. Merge/Purge detects duplicates.

Micro

Micro-computer. Another name for a PC.

Migration

The process of moving your database from one platform (such as an external service bureau) to another (such as your in-house mainframe). When you outsource, you should look ahead and be sure that you can migrate at some later date.

MINI

Smaller than Mainframe computers. They may also need raised floors and air conditioning. They are less expensive than Mainframes, and, generally do not have the power or input-output capability to manage a large marketing database.

MIPS

Millions of Instructions Per Second. A measurement of the relative speed of a Mainframe computer.

MIS Abbreviation

For Management Information Systems. This term is used in many companies to refer to the data processing staff that runs the central company mainframe computer.

Modeling

A statistical technique whereby you determine which pieces of data in

your customer database explains the behavior of your customers. The output of a model is a series of weights which can be multiplied by customer data (income, age, length of residence) to create a score which predicts likelihood to respond to an offer.

Modem

A device permitting a PC or terminal to send information over a telephone line. You have to have a modem at both ends. Modems are rated in Baud rate.

Mouse

A small switch on a wheel used to control a PC

MRI Mediamark

Research, Inc. is a nationwide survey organization that distributes consumer purchase behavior data.

Multi-buyer

A person who crops up on two or more independent rented lists. Multi-buyers usually respond better to a direct offer than other buyers.

Multiple Regression

A statistical technique used in modeling whereby you develop a formula which explains the relationship between several variables in explaining customer behavior.

NCOA

National Change of Address, a US Postal Service system under which about twenty service bureaus nationwide have exclusive use of the change of address forms filed by persons or businesses who are moving. These forms are keypunched, and can be used by the service bureau

to update your tape of prospects to obtain their correct current address. A worthwhile service for mailers.

Net names

The actual names used in a mailing, after removing the duplicates and matches to your customer list. In some cases, you can rent names on a net-name basis.

Neural Network

A type of modeling software on a PC which permits a marketer to determine the weights that should be applied to a large number of variables to predict the response or purchases by a target audience.

Niche market

A way of finding a special product that appealed to only one group, and selling that product very profitably only to that group, ignored by others.

Nixie

A direct mail letter which has been returned to the sender because the address was wrong. Also, any undelivered piece of mail. Nixies are used to correct a list.

Nth name

A software system whereby you can pick every 3rd or 4th or 250th name out of a file to use as a valid test of the file. To test a file of 400,000 with a test mailing of 40,000, you would pick every 10th name.

Offer

What you are offering in your direct mail: 10 for only \$19.95.

Off-line

An off-line database is kept on

magnetic tape or cartridge. You cannot call up a record instantly from an off-line database.

On-line

An on-line database is one in which all the customer records can be called up on your screen instantly when you want them. On-line databases are kept on disk. The opposite of on-line is off-line (or Batch) which usually means that the database is kept on magnetic tape.

On-Pack

Offers Communications with customers by making an offer on the package that they purchase.

Overlayered Data

A process whereby a customer file has data appended to it (such as age, income, home value) from some external data file. See Enhancement.

Outsourcing

The process of having various database functions handled by external service bureaus. Typically, functions are outsourced to direct response agencies, computer service bureaus, data entry houses, mailshops, fulfillment houses, telemarketing companies.

Package

The envelope or container or look of your outgoing direct mail piece.

PC Personal Computer

The versatile desktop workstation used for hundreds of applications. They can be used to access a marketing database resident on a mainframe.

Penetration Ratio

Your customers as a percentage of the universe that defines your customer's type of household or business. "We had a penetration ratio in that zip code of 8%."

Personalization

The process of including personal references in an outgoing mail piece such as "Thank you for your order of Feb. 23 for six boxes of hard candy, Mrs. Williams." With laser letters, personalization does not cost more than non-personalized letters.

POS Point of Sale.

A cash register.

Postal pre-sort

Sorting outgoing letters in a special way to take advantage of postal discounts.

Predictive

Model A model which predicts the response to a promotion.

Present

Discounted Value A financial process for calculating the present value of an amount of money to be received or paid in the future. The formula is $PDV = V / (1 + i)^n$ where V = future value, i = market rate of interest, n = time in years.

Production

A function in an advertising agency of producing letters and other direct mail pieces. Also the programmers in a service bureau who work on such direct mail pieces.

Profile

A way of describing your typical customer. You create a profile by

modeling your database. The profile could tell you that your typical customer was a woman of 35-54 with an income of \$25-\$50K.

Prospect

A potential customer who you have targeted.

Prospecting

Mailing or telemarketing to prospects who are not yet your customers.

Psychographics

A way of grouping people by wealth, orientation, hobbies and interests.

Pull

The percent response to your offer by mail or phone.

Purge

To eliminate undesirable names from a list.

Qualify In

Business-to-business, a process whereby respondents to an ad or a mailing are determined (usually by a telephone interview) to be worth a salesman's time and attention. In efficient operations, a telemarketer will qualify an incoming lead before the name is sent to a salesman for action.

Query

A question designed to retrieve information from a database. The result can be a count, a cross tab or a report.

Quintile

One fifth of a mailing, usually divided by percentage of response. "Our top quintile gave us 70% of our total revenue."

Raid

Redundant Array of Inexpensive Disk, a new technique for storing records on PCs and Mainframes. Greatly reduces the cost of disk storage.

Random

Access Modern computer disks can access database records in random fashion. The opposite is sequential access. Random access makes database marketing possible.

Reactivation

A program which encourages lapsed customers to start buying again.

Recency

A term for how recently a person has bought from your company. It is well established that people who have bought most recently are more likely to buy from you again on your next promotion than people who bought from you longer ago.

Record

A collection of fields that describe all the information on a customer.

Referral Rate

The percentage of new customers that begin buying this year as a result of encouragement from last year's customers. Expressed as a percentage of last year's customers. If we had 4,000 customers last year, and they recommended new customers to us, of whom 240 became customers, the referral rate would be 6%.

Reformatting

Changing the format of a rented list to a new record format that matches a desired arrangement.

Regression

Used in the phrase Multiple Regressions. It is a statistical technique, part of modeling, whereby you try to discover a mathematical formula which will explain trends in a set of data, and which variables determine response. A multiple regression might tell you that your best customers live in condominiums, have no children, and have income over \$75K, for example.

Relational

A relational database is what is needed for database marketing. Such a database is kept on disk and consists of related files (name and address, orders) which are related to each other by ID numbers and accessed by indexes.

Relationship Marketing

The process of building a relationship with customers which results in the customers becoming more loyal, buying more, and staying as customers. Another word for Database Marketing.

Respondent

Someone who has answered a direct response letter or advertisement.

Response rate

The percentage of people who responded to your offer. A typical direct mail response rate to prospects is 2%.

Response Device

On every outgoing direct mail piece, there is included a response device which usually shows up in the "window" in the envelope to provide the name and address. The response device is an order or donation form.

It is important because it usually contains the prospect number, and a source code that identifies the offer, package, list, segment, etc.

Retention

The tendency to keep customers buying. Success is measured by retention of customers.

Retention Budget

A budget for a program to keep customers from leaving.

Retention Rate

The percentage of customers who continue to make purchases from you in a second period, such as a year. If you had 4,000 customers who bought from you last year and this year 3,000 of those same people also make purchases, your retention rate would be 75%.

Return on Investment (ROI)

A key measure of the success of any direct marketing activity. It is the total net profit from a direct marketing initiative, divided by the total cost of the entire operation. ROI from an initial offer is often negative. But when customer lifetime value is taken into account, it often becomes positive.

RFM

Stands for Recency, Frequency, Monetary. It is a method for segmenting or rating your customers. The best customers are those who have bought from you recently, buy many times, and in large amounts.

RFP Request

For Proposals; the document which is used to get external database service bureaus to bid on maintaining your marketing database.

Rollout

After a direct mail test of a few thousand letters, a rollout is the mailing to the rest of the names on the successful lists. It may be preceded by a second test or "continuation". ROP Run of press, or Run of Paper. Advertising space purchased which the paper may insert wherever they see fit.

SAA

System Application Architecture. An IBM term for a system whereby PC's can be connected to and used to run mainframes by cooperative processing.

Satisfaction Survey

A survey of customers designed as much to learn something about customers for relationship building purposes as it is to learn about good and bad features of your servicing of the customers.

Saturated Market

A situation in which everyone has the product, and the market is essentially a replacement market. For example, tires, batteries, room air conditioners, television.

SCF

Sectional Center Facility. The first three digits of the U. S. Zip Code.

Seeds Names

Of yourself, friends, relatives, or employees inserted in a direct mail mailout to track delivery and quality, and to safeguard against unauthorized mailings. Also called "decoys".

Segmentation

To divide outgoing direct mail into coded groups for testing or to improve response. Also used to classify

customers into groups for varying tactics.

Sequential

The way records are arranged on a tape. The opposite is random order, or a relational database.

Sic code

A coding system designed by the U. S. Department of Commerce for classifying the products and services produced by companies. It is a very inadequate system, but it is the only one around.

SKU

Stock Keeping Unit: a warehouse term for the products that a company produces. Each different product has its own SKU number.

Software

Programs that run on computers. Programs tell the computer what to do in a step-by-step fashion.

Source code

A series of letters or numbers affixed to an outgoing advertisement or promotion that identifies the list, the offer, the package, and the segment (as well as the media) in which the promotion was made. Essential to testing the success of any direct marketing effort. The source code must appear on the response device (or in the case of telephone orders, must be asked for by the telemarketers).

SQL

A query language used with the IBM software DB2 Often pronounced "sequal".

SRI

Stanford Research Institute. A leading research institution which pioneered Psychographics.

Statement Stuffer

An offer or newsletter included with a monthly invoice or statement to a customer.

Storage

The capacity which a computer has for storing names addresses and other data. Storage is usually on magnetic disks, and is measured in megabytes (for a PC) or gigabytes (for a mainframe).

Stratification

Adding demographics to a name and address file.

Suppression

Using names on one tape (a customer file) to suppress or drop names from another tape (a prospect file).

Sweepstakes

An offer promising a randomly drawn prize to all respondents, regardless of whether they buy your product. Those who do not buy, but still respond to the sweepstakes may be valuable names for rental or for other offers. In comparison to buyers, sweepstakes respondents are generally much less valuable.

System Integrator

Someone who can integrate the functions that have been outsourced to several different companies.

Tape Magnetic

Tape is 1/2 inch wide, and holds about 300,000 customer records (depending on their size). Tape records are

sequential (one after the other whereas disk records can be in random order. Tape is the cheapest way to store information, but the data is hard to get at. Tape is used for backup and for sending information from one computer to another. Direct marketing tapes are 9 track, and 1600 or 6250 bytes per inch. They are ASCII or EBCDIC.

Target Marketing

A marketing strategy aimed at a particular individual or group rather than to mass media.

Telemarketing

Talking on the telephone to prospects or customers. Inbound telemarketing is usually customers or prospects calling your toll free number. Outbound telemarketing is when you place the call to a prospect or customer. Telemarketing can be done by your in-house staff or by an external telemarketing company.

Terminal

A device that looks like a television screen with a keyboard which, when hooked up to a computer, enables to enter data into the computer, and receive data from it which you see on the screen. The alternative to a terminal is a PC.

Test database

All marketing databases should have a companion test database which programmers use to write and test new software before it goes on the production database.

Third class

Over 85% of all U. S. mail carrying advertising or promotion is sent by third class. Much less costly than first class. Usually requires postal pre-sort.

Tiger

A Census system for mapping the entire United States by Blocks, complete with roads and other landmarks. Customers and prospects can be shown on a map using geodemographic codes to represent where they are.

Update

To modify a database record to insert new information into it, or to delete it. Updating is either done in batch mode (fast and cheap) or on-line (slow and costly).

Up Selling

Prompting customers to buy upgraded products when they had intended to buy something of lower value.

UPS

Uninterruptable Power Supply. A system of batteries that permits a mainframe to keep going even when the power fails. It is usually connected to a diesel generator that kicks in as soon as the batteries have begun to be needed.

WATS

Wide area telephone service. An "800" number whereby the call is free to the caller.

Weights

Numbers that are multiplied by database values to determine model or RFM scores.

White mail

Mail received from a buyer or donor who has not included the response device, so you cannot determine the source code of the offer which promoted his purchase or gift.