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Industry Report

Data Quality Suppression Files

Exclusive Analysis of Usage Data Provided by
All Leading Suppression File Owners

January 2012

Sponsored by:

REaD uk

Royal Mail

Prepared by:

DQM Group™
CONFIDENCE IN DATA

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A Message from Mike Lordan,

chief of operations, The Direct Marketing Association (UK) Ltd

As an industry, we've talked a lot about how good we are at suppression and good data practice but without any hard evidence to back up those claims. Now for the first time with this report on the usage of suppression files, we've a comprehensive analysis to see just how good – or bad – the industry really is. This first report will undoubtedly raise questions and encourage debate. It will also establish some valuable benchmarks.

But it's only the beginning. The subsequent reports where we can start to identify trends will be even more powerful. Tracking usage and match rates, for instance, will provide real insight as to whether data quality overall is improving.

It is increasingly recognised that data – or rather accurate data – is a valuable business asset. It can provide not only that all-important competitive edge, it also ensures that organisations avoid costly mistakes and meet their legal requirements. Even the best quality data deteriorates rapidly and it is surprising how many organisations that have invested heavily in collecting data don't provide the budget to keep it up to date.

This report clearly demonstrates why it makes sense to spend a fraction of the initial investment in collecting data to find out whether prospects (or customers) are still living at the same address - or even if they've died. Sending marketing material to a bereaved relative – especially if the intended recipient died some time ago – regularly crops up in research as one of the most damaging things that a brand can do for its reputation. And it's closely followed by the annoyance of receiving mail for someone who has moved many years before.

Some years ago, it was reported that the average consumer would tell 13 others about a bad experience with a brand or product. Today the potential negative impact is far greater. Consumers are far less forgiving of basic mistakes and they're much more likely to complain. Only now, instead of just telling others about it, they'll broadcast it using social media to spread the word and could end up influencing thousands.

The benefits of using suppression files are much wider than just safeguarding a brand's reputation, of course. By not producing unnecessary direct marketing material, advertisers should see an immediate benefit to their ROI and, additionally, it helps the environment by reducing waste. That's important because the DMA, on behalf of the direct marketing industry, will shortly be signing a voluntary producer responsibility deal with Government that includes specific targets – including the use of suppression files - that are designed to reduce waste and minimise the environmental impact of what we do.

I'm sure that you'll find the information in the following pages useful in helping to understand not only where we are as an industry, but also to see where your organisation stands. Direct Marketing depends on quality data and suppression files are vital tools in keeping data up to date. We need more of the industry to understand that using them isn't a cost, rather an investment for the future.

Mike Lordan,
Chief of Operations for The Direct Marketing Association (UK) Ltd

Quality in, quality out

The direct marketing industry relies on accurate data in order to apply the right targeting of campaigns to help businesses thrive and grow. An efficient marketing organisation makes sure that mailings are quality checked for changes of address, bereavements, goneaways and the various preference services that are available, such as TPS and MPS. By doing this, waste is kept to a minimum which saves money for the company and also shows concern for the environment.

In order to safeguard the marketing industry's position on waste and carbon emissions, it's now more important than ever that we report on the efforts being undertaken to protect our environment. That means only sending mailings to potential customers that are judiciously chosen and quality checked to ensure they are alive, resident and have not opted out of receiving any unsolicited approaches.

This report provides this evidence and will be supplied to DEFRA and other environmental stakeholders to show the extent of quality checking across the whole of the marketing industry.

The use of suppressions is even more important now for the following reasons:

- Post-recession, environmental pressures will return which will require the direct marketing industry, including the DMA, to demonstrate further, more substantial improvements to Government (via DEFRA), commentators, and consumers.
- Customer data, both business and consumer, is being recognised increasingly as a key business asset. Data quality is crucial for maximising value of data assets and avoiding substantial operational costs.
- According to world-renowned data quality expert Larry P. English, the cost of poor quality data ranges between 20% and 35% of an organisation's operating income, stemming from recovery from process failures, data scrap and rework (source: "Information Quality Applied", 2009). Gartner Group states that over 50% of CRM and data warehouse programmes fail due to poor quality data.
- Suppression Files are key tools for cleaning and updating marketing and customer databases prior to use in direct marketing. They are increasingly important for data intelligence for use in customer development and data quality programmes.
- Despite the importance of data quality and the need for Suppression Files, there is little or no accurate information on their use and the market more generally.
- In September 2010 DQM Group, the trusted data governance specialist to the UK marketing industry, with the support of the DMA and others, began to collect monthly Suppression File processing statistics from Marketing Service Providers (MSPs) with a view to publishing a series of benchmark reports.
- Following the initial success of the work, DQM Group and the DMA expanded the research coverage by collecting monthly usage data from Suppression File Owners directly rather than from a sample of MSPs. Beyond this report, a second report for end users will be produced annually to help grow their understanding of and demand for suppression and address management for data cleansing and customer intelligence.

"The cost of poor quality data ranges between 20 per cent and 35 per cent of an organisation's operating income"

The key goal of this research by DQM Group is to grow the market for Suppression processing by providing:

- Useful market usage data and intelligence for each main type of Suppression File product category – Goneaway, Change of Address, Deceased, Telephone/ Mail Preference;
- Benchmarking information for suppression file owners, service providers and providers of marketing services;
- Greater awareness of the practice and benefits of Suppression File processing.

Section 1 Key findings
2010 Consumer Data Suppressions

Key Findings

During the 18-month period, 76,722 different suppression processing jobs were undertaken, with a 10 per cent rise in jobs during that time. These involved a total of 5,115,693,288 records, against which 73,531,897 suppressions were matched.

The most common type of suppression processing was for deceased records, leading to 11,184,212 matches. Bereavement matches are lower than other suppression types for a number of reasons, not least because annual death rates are significantly lower than home moves.

Goneaways processing is the second most common, generating 46,779,178 matches. Change of address is the third most common form of suppression and accounted for 15,568,507 matches.

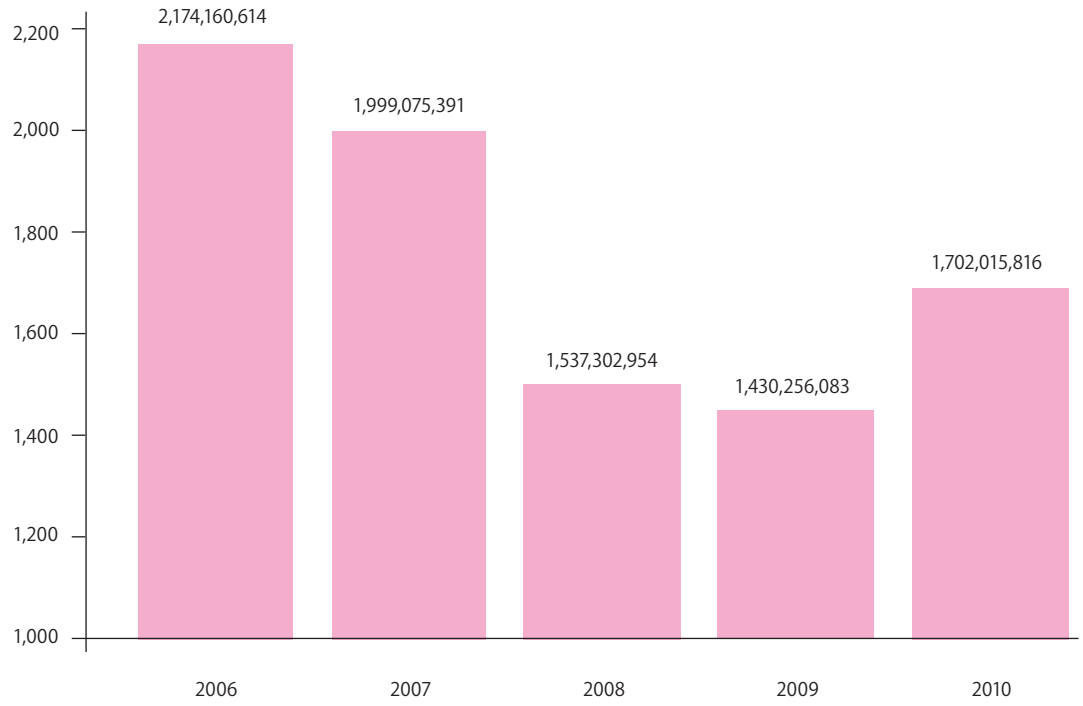
Suppression processing peaks at the end of the financial year and the end of the tax year as companies look to use up residual marketing budgets. Over 18 months, there have been 5 per cent more records processed for suppression by the end than at the start.

Match rates have risen steadily with 39 per cent more by the end of the 18-month period. Bereavements have shown the strongest rise, whereas Change of Address is relatively flat, doubtless reflecting the slow housing market.

MSPs have suffered a sizeable degree of consolidation, with 19 per cent fewer running jobs by the end of the research period.

Market Context

Direct Mail Volumes 2006 - 2010 (in millions)



(Source: Ebiquity)

Use of suppression files closely follows use of direct mail for marketing. The five-year trend for this medium has been one of sudden decline in 2008 and 2009, reflecting the overall economic crisis. As businesses and consumers both cut back their expenditure, outbound mailings were significantly constrained. During 2010, there was a sizeable return in volumes as an additional 270,000,000 items were sent.

Suppression routines are generally incorporated into target selection as a matter of best practice. The initial fall and then increase in the use of suppression data identified in this study is clearly in line with the fortunes of its parent, direct mail.

"The fall and increase in the use of suppression data is in line with the fortunes of its parent, direct mail."

Direct mail is highly seasonable, reflecting established buying patterns and the need to gain consumer attention and share of wallet at key times of year. Pre-Christmas is the most important cycle in this channel, with a second peak in early Summer.

Suppression data processing mirrors these monthly fluctuations, although mail volumes display a level of delay compared to suppression processing to allow for the production cycle.

(Source: Ebiquity)

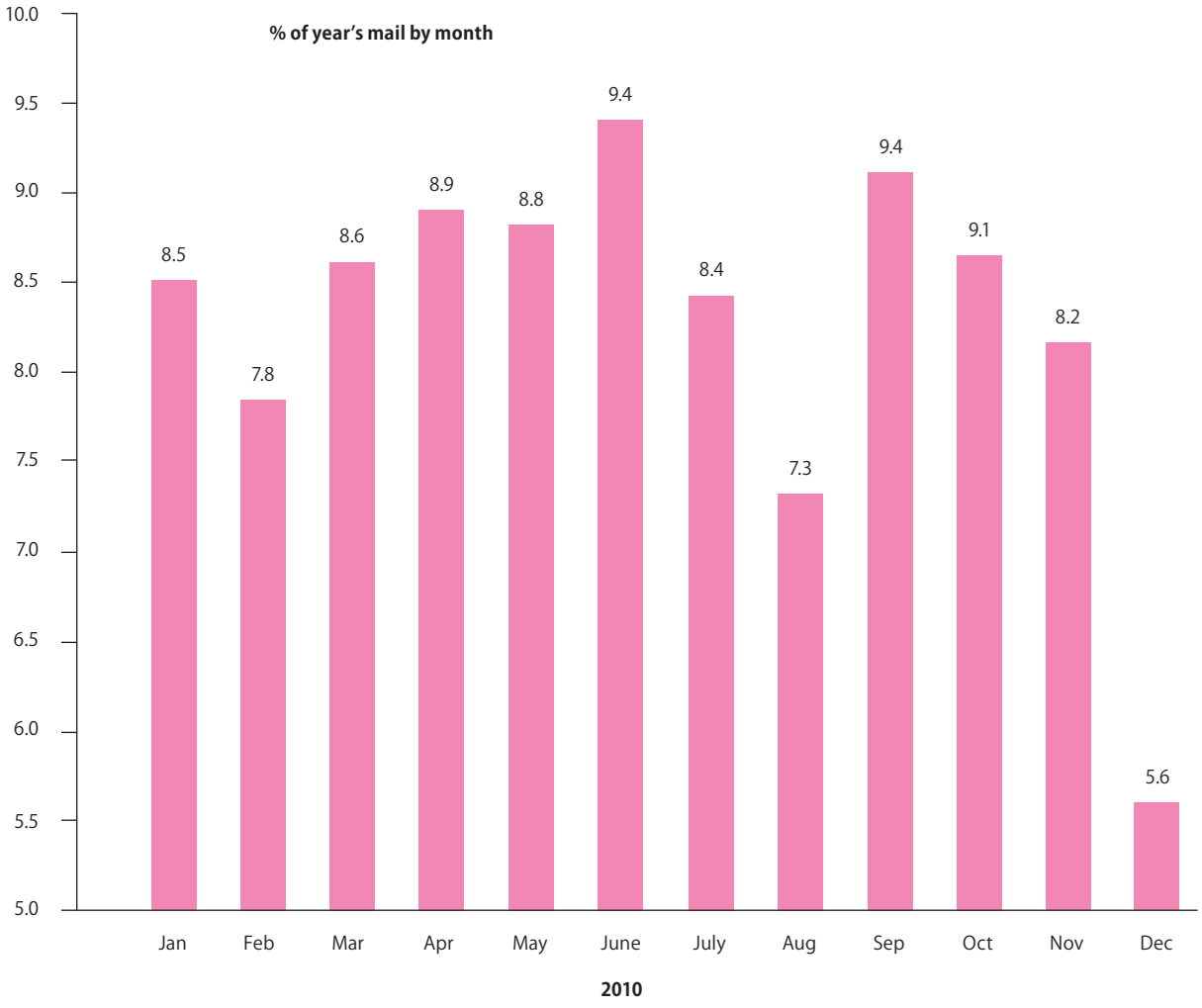


Table 1 - Total Suppression Files Market Size 2010

	Total Suppressions (% of total)	Bereavements (% of total)	Change of Address (% of total)	Goneaways (% of total)	TPS (% of total)
Total number of records processed	5,410,368,119 (100%)	4,474,556,990 (87%)	2,023,203,607 (39.5%)	3,234,418,224 (63.2%)	115,374,115 (2.25%)
Total number of matches	73,531,897 (100%)	11,184,212 (15.2%)	15,568,507 (21.2%)	46,779,178 (63.6%)	–
Average match rate (%)	1.44	0.25	0.77	1.62	–
Permanently flagged records	35,262,105 (48%)	2,013,158 (2.7%)	7,005,828 (9.5%)	26,243,119 (35.7%)	–
One-time suppressed records	38,269,792 (52%)	9,171,054 (12.5%)	8,562,679 (11.6%)	20,536,059 (27.9%)	–
Total Market Value (Suppression File Owners and MSP royalties only, excluding TPS)	**£19,250,000**	**£2,500,000**	**£4,000,000**	**£13,000,000**	–
Total Market Value including End User Licences (excluding TPS)	**£23,000,000**	**£2,750,000**	**£4,750,000**	**£15,500,000**	–

Assumptions:

Total number of records processed

Records are processed for suppression against licenced sources in a single pass, with files matched against a hierarchy of suppression files constructed according to the client's brief. In calculating the total number of records processed, it has been assumed that Bereavements sit at the top of the suppression hierarchy, indicated by this file type having the largest number of input records, so that 100 per cent of these input records are unique. It has then been assumed that 10% of input records processed for suppression against both Change of Address and Goneaways are unique - that is, that they have not first been processed against Bereavements. Records input for processing against TPS are assumed to be 100 per cent unique.

The overall total for number of records processed is therefore calculated as:

100 % Bereavements
+
10% Change of Address
+
10% Goneaways
+
100% TPS.

Total number of matches
These are absolute figures based on royalty returns from suppression file data owners.

Average match rate
The overall match rate is modelled on total known matches as a percentage of the assumed total number of records processed.

Match rates for individual suppression file types are absolute.

Permanently Flagged v One-Time Suppression
During the initial request for information from Suppression File owners, it was not specified that matches should be split between permanent flags and one-time suppression. Post-research analysis and further sense checking was therefore carried out to establish a credible model for this split. It has been assumed that:

Goneaways are split 56% permanently flagged
v
44% one-time suppressed;

Bereavements are split 18% permanently flagged
v
82% one-time suppressed;

Changes of address are split 45% permanently flagged
v
55% one-time suppressed.

Individual Suppression File owners will experience different split rates reflecting the nature of their product and their customer base. For example, Change of Address comprised two elements - Address Moved From/Out and Address Moved To/In. Some Suppression Files are designed specifically to provide the latter element on the basis of permanent flagging.

Total Market Value (Suppression File Owners and MSP royalties, excluding TPS)

A pricing matrix was created to reflect the different rates at which royalties are applied for types of suppression data. Based on discussions with Suppression File owners and MSPs, it was assumed that permanent flags were charged at 40p for online processing and 35p for offline, while one-time suppression was charged at 20p for online processing and 17.5p for offline. It is acknowledged that pricing varies widely according to the size of the record set being processed and the length of the client or MSP relationship, with a reported range of 7p up to 75p, depending on volume and channel.

TPS is not included in the total marketing value as data on matched records is not collected by the file manager.

Total Market Value, including End-User Licences (excluding TPS)

Licence fees from End-Users for in-house processing are not always recorded separately by Suppression File Owners or MSPs. In the latter case, overall prices for data management work are often given to End Users within which some elements may be processed at a loss, including suppression matching. These licences are not always identified by resellers in their royalty reports. Significant discounting on standard pricing is also commonplace within End-User Licences, with reported prices as low as 5p per record.

For the purposes of estimating this market, it has been assumed that End-User Licences represent an additional 20% in revenues.

"Pricing varies widely according to the size of the record set being processed and the length of the client or MSP relationship, with a reported range of 7p up to 75p"

Table 2 - Suppression Files Market 2010 Online v Offline

Overall Market Size 2010	Total Suppressions (% of total)	Bereavements (% of total)	Change of Address (% of total)	Goneaways (% of total)	TPS (% of total)
Offline:					
Total number of records processed	4,384,165,173 (81%)	3,775,770,534 (86%)	1,859,495,362 (42%)	3,070,709,979 (70%)	115,374,115
Total number of matches	67,754,816 (100%)	9,474,530 (14%)	14,380,501 (21.2%)	43,899,785 (64.8%)	–
Average match rate (%)	1.54	0.25	0.77	1.43	–
Permanently flagged records	32,804,420 (48.4%)	1,705,415 (2.5%)	6,471,225 (9.6%)	24,627,779 (36.3%)	–
One-time suppressed records	34,950,396 (51.6%)	7,769,115 (11.5%)	7,909,276 (11.7%)	19,272,006 (28.4%)	–
Total Offline Suppression Market Value (excluding TPS)	**£17,597,866**	**£1,956,490**	**£3,649,052**	**£11,992,324**	–
Online:					
Total number of records processed	1,026,202,946 (19%)	698,786,456 (68.1%)	163,708,245 (16%)	163,708,245 (16%)	–
Total number of matches	5,777,081 (100%)	1,709,682 (29.6%)	1,188,006 (20.6%)	2,879,393 (49.8%)	–
Average match rate (%)	0.57	0.24	0.74	1.8	–
Permanently flagged records	2,457,685 (42.5%)	307,743 (5.3%)	534,603 (9.3%)	1,615,339 (28%)	–
One-time suppressed records	3,319,396 (57.5%)	1,401,939 (24.3%)	653,403 (11.3%)	1,264,054 (21.9%)	–
Total Online Suppression Market Value (excluding TPS)	**£1,646,953**	**£403,485**	**£344,522**	**£898,946**	–

Assumptions:

Offline v Online Processing

The split between channels for suppression processing is not always directly recorded, although Suppression File Owners claim to be able to identify online processing through the size of the job. Direct data was not therefore contributed. Instead, this split has been modelled based on discussions with file owners and MSPs.

Different assumptions have been made about the processing hierarchies used in each channel. However, for offline processing, the same model has been used as for the total market estimate, that is:

100 % Bereavements
+
10% Change of Address
+
10% Goneaways
+
100% TPS.

For online processing, it has been assumed that each input file is processed uniquely against one type of suppression, as follows:

100 % Bereavements
+
100% Change of Address
+
100% Goneaways
+
100% TPS.

Research Objectives and Methodology

Objectives

This research aims to provide:

- An accurate estimate of the size of the suppression and hygiene market as a whole and by product type.
- Quantitative evidence and analysis of movements within the suppression and data hygiene market.
- A clear picture of trends on a periodic basis to enable suppression file providers to plan marketing and resources accordingly.
- A reliable tool to help data suppliers and service providers benchmark themselves relative to competitors and the market.
- Identification and analysis of trends in data hygiene involving data products.
- Data-backed estimates of waste reduction and energy savings relative to the volumes of suppressions that exist, providing valuable evidence of environmental.

Scope

This report includes the results of analysis undertaken on data supplied by the various suppressions file owners. This data spans the 18 month period from December 2009 to May 2011. The primary focus of this data analysis is around the use of suppressions data by marketing service providers (MSPs) as a bureau service, although some assumptions about the usage of this data by end users is also factored into the results.

All but the preference data has been aggregated so that it is impossible to draw clear conclusions about individual providers of this data. The data has been aggregated by product type, specifically bereavement data, change of address data, and goneaways data. Preference data includes just telephone preference for both consumer (TPS) and business (CTPS).

PAF information was not available at a level that would complement this report and is, therefore, not included.

Research Methods

In order to report effectively on the suppression industry, conversations were held with all the file owners to ascertain the types of data available. This was then converted into a data request and the data was then provided in a set format. This is detailed below. After gathering the data, it was analysed and trends and highlights were noted for further investigation. This investigation was conducted and this final report reflects the results of this investigation and all the steps leading up to it.

File Owners Included in Research

The following companies participated in the research:

	Bereavement	Change of Address	Goneaways	Preference
Acxiom			Purity	
DMA				TPS CTPS
Equifax		reConnect	disConnect	
Experian	Mortality Suppressions	Absolute Contacts	Absolute Movers	
Millenium	Mortascreen			
Royal Mail		NCOA Update	NCOA Suppress Xpression*	
The REaD Group	TBR		GAS	

Xpression Data was not included in the analysis as it is a re-grouping of data from other file owners and would introduce values that are counted elsewhere.

Suppression File Descriptions

Equifax disConnect
Goneaway suppression file containing more than 40 million records covering over ten years of movers, and combines three key suppressions: goneaways, deceased and do not mail.

Equifax reConnect
An address updating tool containing 20 million "Moved To/ In" addresses.

NCOA® Update
Royal Mail provides a mail redirection service for people who wish to have mail permanently forwarded to a new address after moving house. NCOA Update is taken from this redirection database only where customers have given their consent to do so. The NCOA Update file is updated monthly and is growing at around 100,000 records per month - total quantity as of April 2010 was 21 million records.

NCOA® Suppress
NCOA® Suppress replaces USS (Universal Suppression Service). Similar to NCOA Update, this file is derived from the Royal Mail redirection database but NCOA® Suppress includes all "moved from" address records plus goneaway suppression data. The file contains approximately 35 million records (April 2010), dating back to 1995, with around 100,000 records added per month.

Royal Mail Bereavements were also included although these are not counted separately and were estimated values.

Absolute Movers
The goneaways file from Experian® containing the 12 percent (approximately) of the UK adult population that move each year. This solution contains more than 60 million records and is updated with new contact details when they become available.

Absolute Contacts
The change of address file from Experian® providing updated details of movers. This data is verified against the Edited Electoral Roll and other compliant sources of this information.

Mortality Suppressions
Bereavement suppression from Experian® with more than 1.9 million records on file. Experian® claim that many of their records are not included on other commercially available sources.

"Monthly usage data has been collected from the owners of the data files listed here which between them supply the majority of suppression data used"

The Bereavement Register®
The Bereavement Register® (TBR) is information captured by The REaD Group and engages directly with the bereaved, gathering fully-permissioned records. The file comprises of 3.1 million names with 10 - 30,000 records added each month and is updated weekly.

GAS
The GAS file (or Goneaway Suppression File) from The REaD Group contains government information and change of address information from a number of active major syndicated customer databases. There are 35 million addresses on this file and it is updated monthly.

Telephone Preference Service (TPS)
TPS is a free to register service managed by the DMA that enables both businesses and consumers to opt-out from unsolicited telephone marketing calls. It currently contains 15.8 million records.

Purity
A goneaway screening file from Acxiom based on validated non-residents. It is a list of 17 million non-residents, derived from changes to its survey and warrant card database.

Mortascreen
Mortascreen data file from Millennium Direct currently contains the name and address details of over 8 million deceased individuals. Over 45,000 records are collected each month.

Data gathering process

The following Data Request form was sent to all participating file owners along with background information about the data gathering exercise.

Monthly Return

DataIQ Industry Report Data Quality Suppression File Return

Company : .....

Contact : .....

Month : .....

	Data Product Files Utilised							
	<product name>				**<product name>**			
	Total Jobs Processed	Gross Number of Records	Total Matched Records	Total Number of Bureaus	Total Jobs Processed	Gross Number of Records	Total Matched Records	Total Number of Bureaus
Off-line Delivery								
Online Delivery								
Monthly Total	0	0	0	0	0	0	0	0

Not all file owners were able to provide all the information included in this data request. Information provided by suppression file owners vary according to the contracts they have with service providers. In many submissions, there was no way of separating off-line and online delivery, for instance. In others, the gross number of records was not recorded and, therefore, not available. These variances were accommodated through the use of business rules so that the available data could be used effectively. The rules to handle these situations are detailed on the next page.

Methods of Analysis

Upon arrival, all completed data request forms were checked for anomalies and information gaps. Discrepancies between the types and ranges of data available were noted and rules were created to "balance" the data so that the analysis did not suffer from unusual skews due to missing information.

Rules to Balance Missing Data

Missing whole months: Where a whole month's data is missing, use the closest available month's data to fill the gap unless a review of the previous year's data shows a strong pattern in need of replication. If this is the case, replicate the pattern using a ratio of the closest month in the previous year.

Missing fields within a month: Where the majority of the data has been provided but only individual fields are missing, the rules would be based on the type of field that is missing.

Missing Total Jobs Processed: Apply the average number of total jobs from other months for the same product type at the same company over the whole 18 months. If this is not available, ie, none of the entries shows total jobs, use the average records per job ratio for the same product type of other companies and apply that to the number of records to estimate the total number of jobs.

Missing Gross Number of Records: Apply the ratio of the average match rate for the company to derive the gross number of records over the whole 18 months. If this is not available, remove gross number of records from the entire calculation for that product type.

Missing Total Number of Bureaus: Apply the average total number of bureaus from other months for the same product type at the same company over the whole 18 months. If this is not available, calculate the average records per bureau ratio for the same product type of other companies and apply that to the number of records to estimate the total number of bureaus.

Missing Total Matched Records: Apply the average match percent from other months for the same product type at the same company over the whole 18 months. If this is not available, apply the average match percent for the same company for the same product type.

All data was entered into a single spreadsheet and then combined by product type. At this point, all direct reference to individual products ceased. The combined data was analysed by product type and also by data type, for instance, number of jobs. Certain calculations were undertaken, determining average values for matches per job and records per job and percentage rates for records matched to the suppression data.

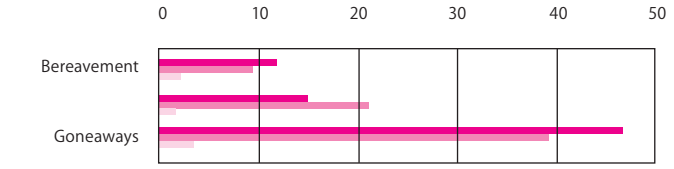
Comparisons between the first quarters of 2010 and 2011 were made to see what patterns of behaviour were present. Each data type was graphed to compare the changes month-on-month across the entire eighteen months of data collected. Likewise, each product type was also graphed over the full period to see if any trends could be spotted.

Finally, the entire 2010 year was analysed to determine the extent of all activities across the calendar year. The results of all these analyses are explained in detail in this report.

Section 2 Detailed results for 2010

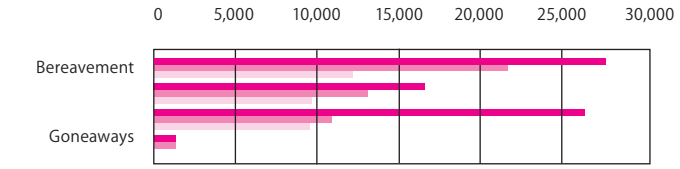
2.1 - Suppression Processing Overview

Total Number of Consumer Matches 2010 (in millions)



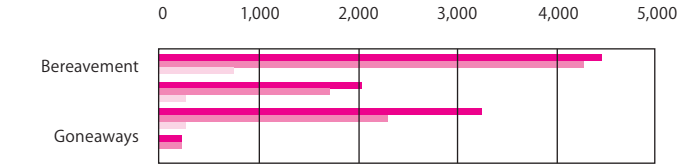
	Goneaways	Change of address	Bereavement
Total Both	46,779,178	15,568,507	11,184,212
Total Off-line	38,911,285	20,993,389	9,518,275
Total Online	2,879,393	1,188,006	1,709,682

Total Number of Consumer Jobs 2010



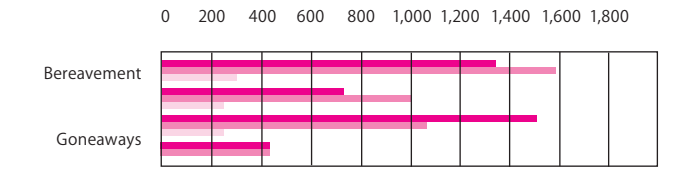
	TPS	Goneaways	Change of address	Bereavement
Total Both	430	26,248	16,551	27,336
Total Off-line	430	10,410	13,027	21,398
Total Online		9,681	9,681	12,095

Total Number of Consumer Records 2010 (in millions)



	TPS	Goneaways	Change of address	Bereavement
Total Both	115,374,115	3,234,418,224	2,023,203,607	4,474,556,990
Total Off-line	115,374,115	2,276,120,000	1,645,426,233	4,263,263,082
Total Online		163,708,245	163,708,245	689,786,456

Total Number of Bureaus Cleansing Consumer Data 2010

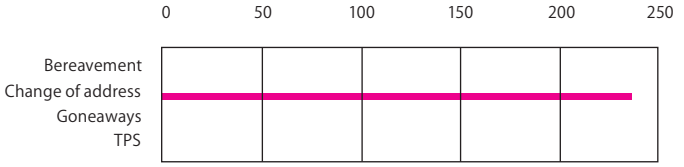


	TPS	Goneaways	Change of address	Bereavement
Total Both	430	1,500	724	1,337
Total Off-line	430	1,055	1,001	1,590
Total Online		237	237	261

Across all the consumer suppressions in 2010, there were 76,722 different jobs run across all the products. Bereavements represented the largest number of suppression jobs. This is almost surely due to the potential brand value impacts that occur when direct mail is delivered to the deceased. Where missed goneaways and address changes have a financial cost to an organisation in wasted mailings, missing a bereavement can have far most extensive repercussions. That appears to be reflected in the high uptake of bereavement suppressions. Removing deceased records also has a significant positive impact on the ROI from marketing campaigns by eliminating non-targets and reducing cost per response.

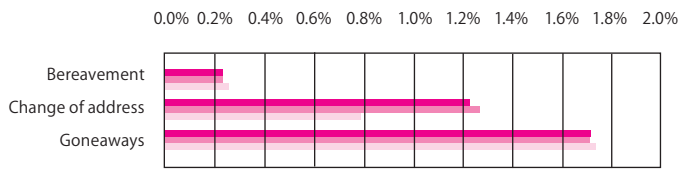
2.2 - Processing Rates

Average Consumer Records per Job 2010 (in millions)



	TPS	Goneaways	Change of address	Bereavement
Total Both	265,517	123,259	234,816,132	164,679
Total Off-line	265,517	218,699	133,217	203,628
Total Online		15,645	15,645	55,965

Average Consumer Match Rates 2010



	Goneaways	Change of address	Bereavement
Total Both	1.710%	1.230%	0.227%
Total Off-line	1.706%	1.283%	0.225%
Total Online	1.730%	0.780%	0.254%

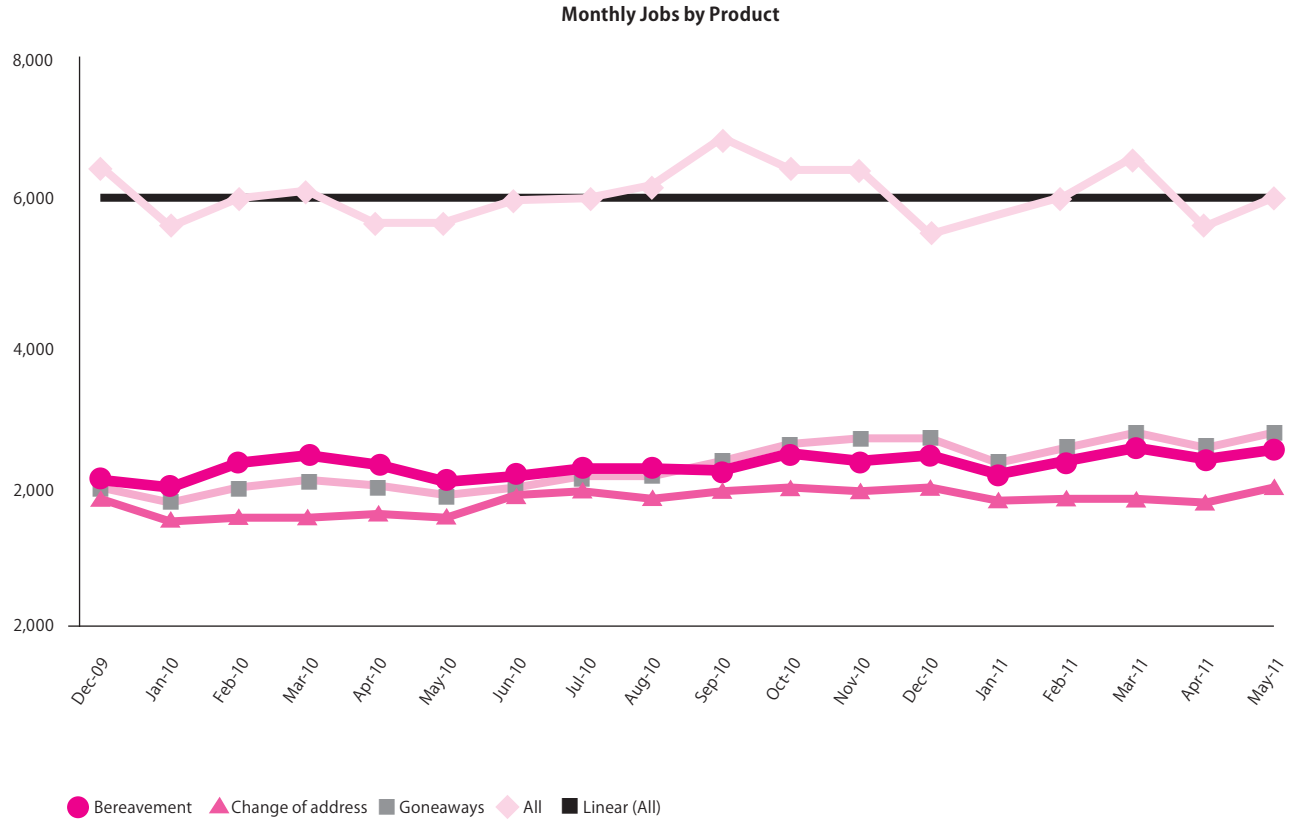
Although processing volumes for bereavements is the highest, match rates for bereavements is the lowest. There could be a number of reasons for this. The first is that mortality rates are approximately 1% per year, whereas house movers are around 10%. This would be reflected in the match rates.

Also, it is quite clear from the individual reports submitted and from conversations with the file owners that there are generally multiple passes of data through different suppression products. Based on the volumes associated with bereavements, this appears to be particularly true when trying to identify deceased consumers. As each pass after the first processing of the data will find fewer matches, the lower match rates would be entirely reasonable.

Match rates can have other variances that would impact the number of matched records. Each file owner would use different rules for matching. Loose rules will produce more matches, but could mean that some records should not have matched and potential customers could be lost. Tight match rules could have the opposite effect of providing a more reliable match, but lower match rates, therefore lower volumes for campaigns. There is also the possibility that the bereavement file that is used as the last pass could be of the greatest value as this file contains bereavement records that do not exist in previous files. Again, this is impossible to determine with the information provided in this research.

Due to the small percentage of respondents providing information about off-line versus online processing, it is difficult to draw any reliable conclusions about this usage. The limited information available infers that online usage is fairly static.

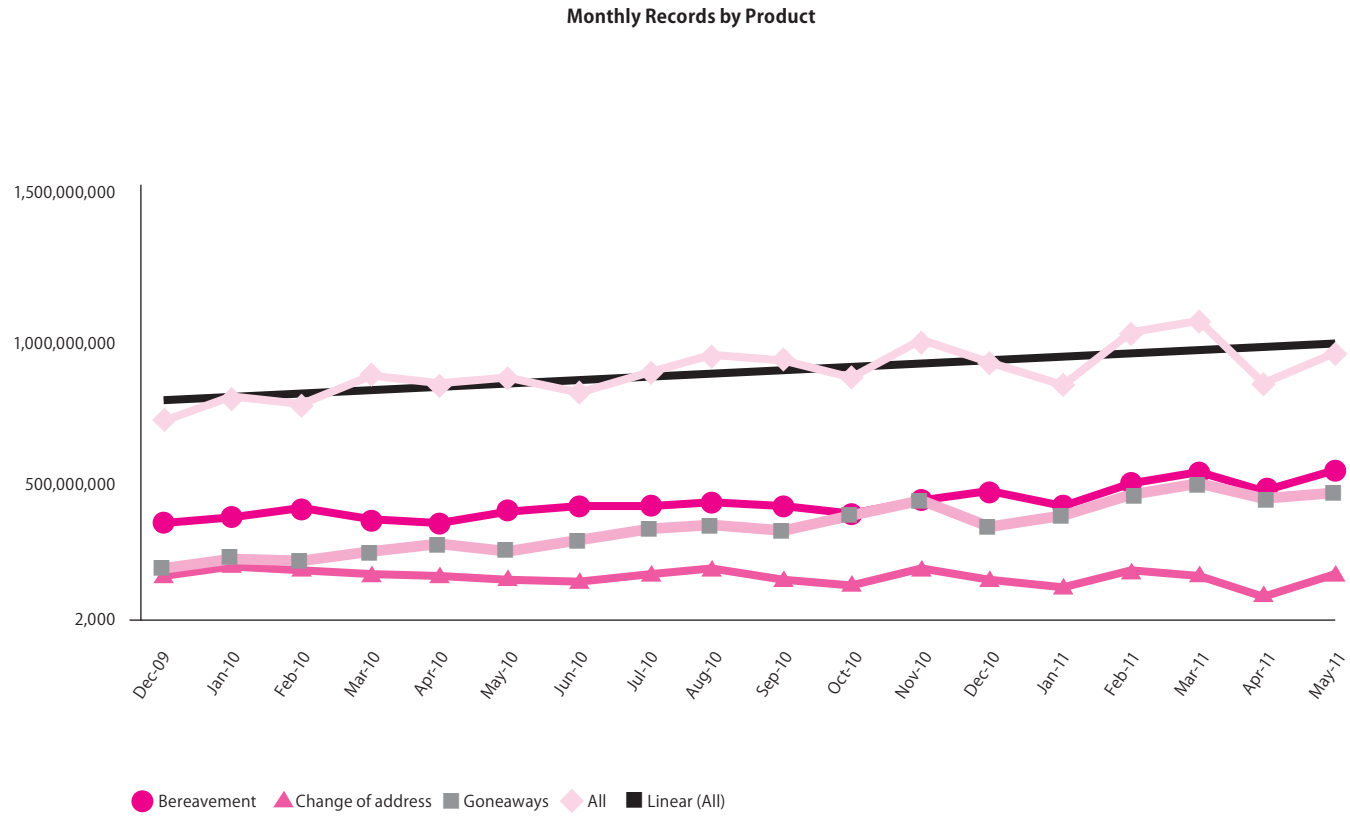
2.3 - Month-by-Month Breakdown by Jobs and Products



Activity increases towards the end of a calendar year and the end of the UK tax year (5th April). According to file owners, this is due to companies using up available marketing funds towards the ends of their business years. Subsequent months are lower in response to the previous few months' increased activities.

Overall the number of jobs increases by nearly 10% on average over the eighteen-month period.

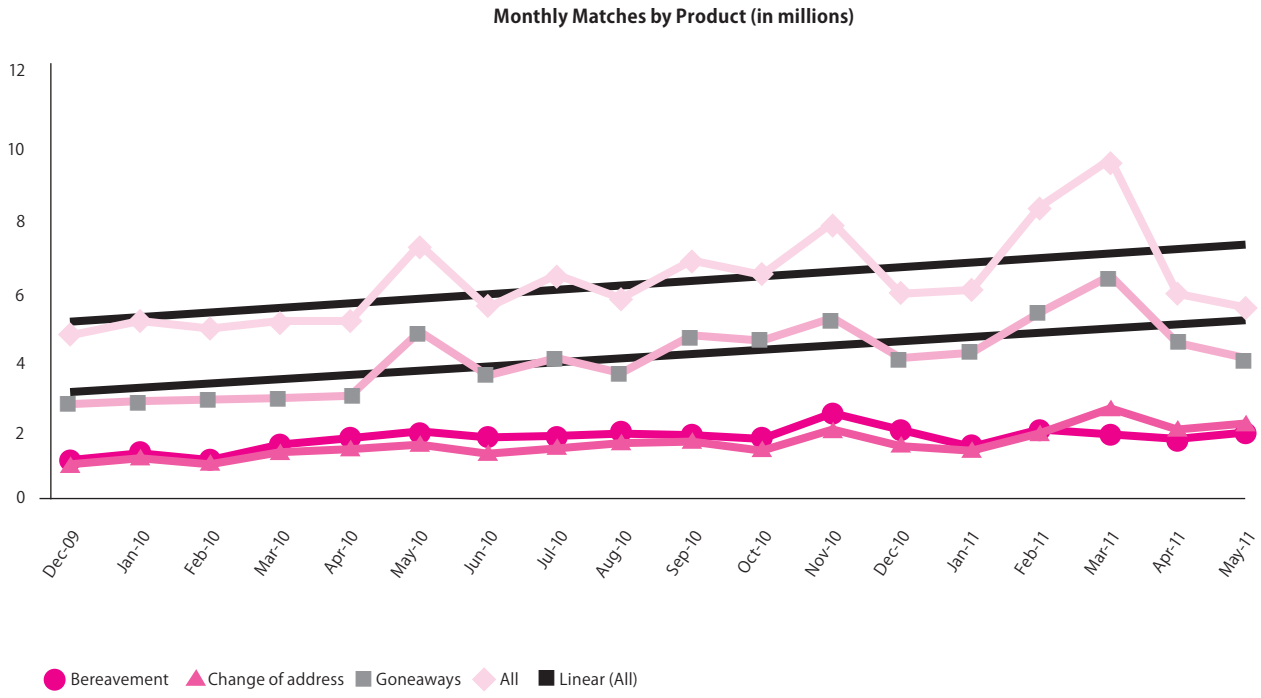
2.4 - Month-by-Month Breakdown by Records and Products



Spikes are evident in processing at the end of either the calendar or tax year for the same reasons as for the increased number of number of jobs at these times.

In total and for individual product types, there has again been a steady increase in the number of records processed over the period, although there has been a great deal of fluctuation during the past eight months. The average increase has been 5% overall.

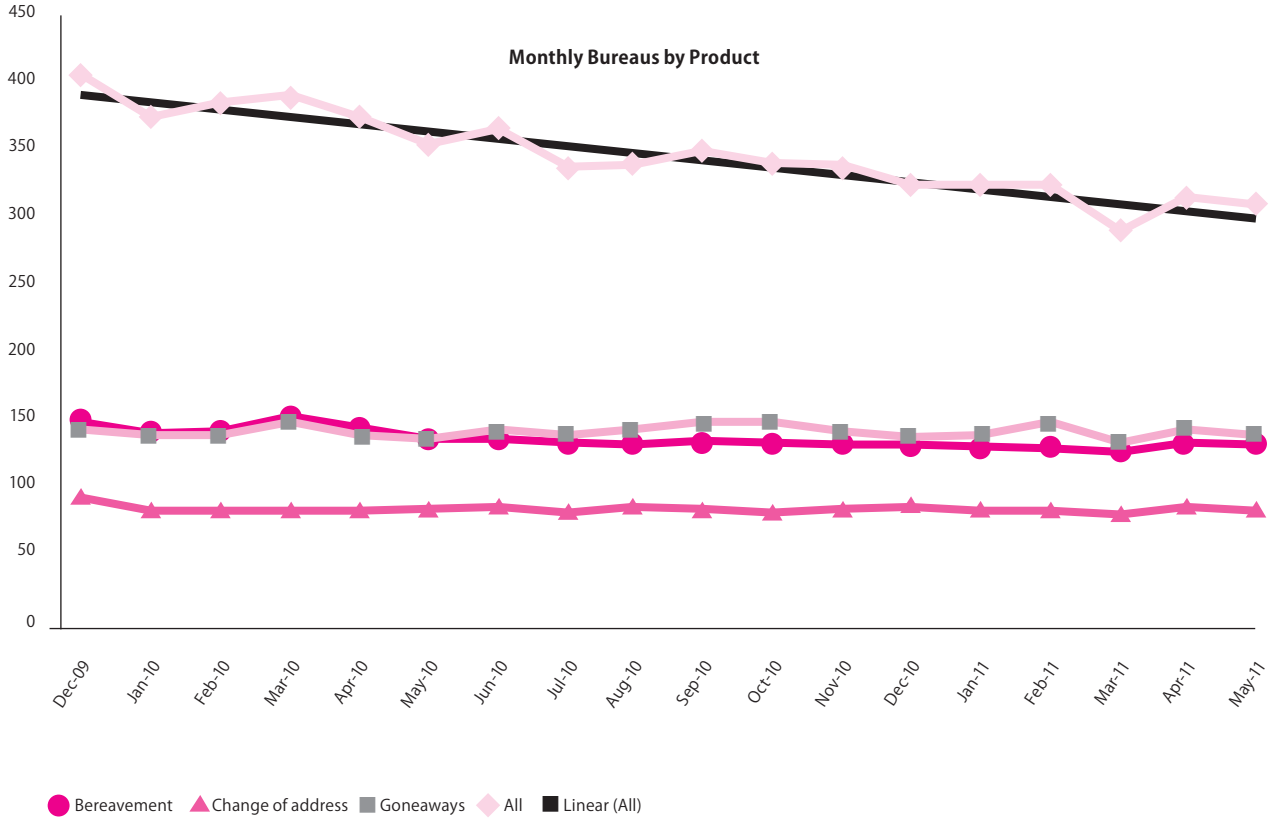
2.5 - Month-by-month Breakdown of Matches by Product Type



The volume of matches has been steadily increasing, particularly with Bereavements and Goneaways. Change of Address is more static, possibly due to the slowdown in the housing market over the period.

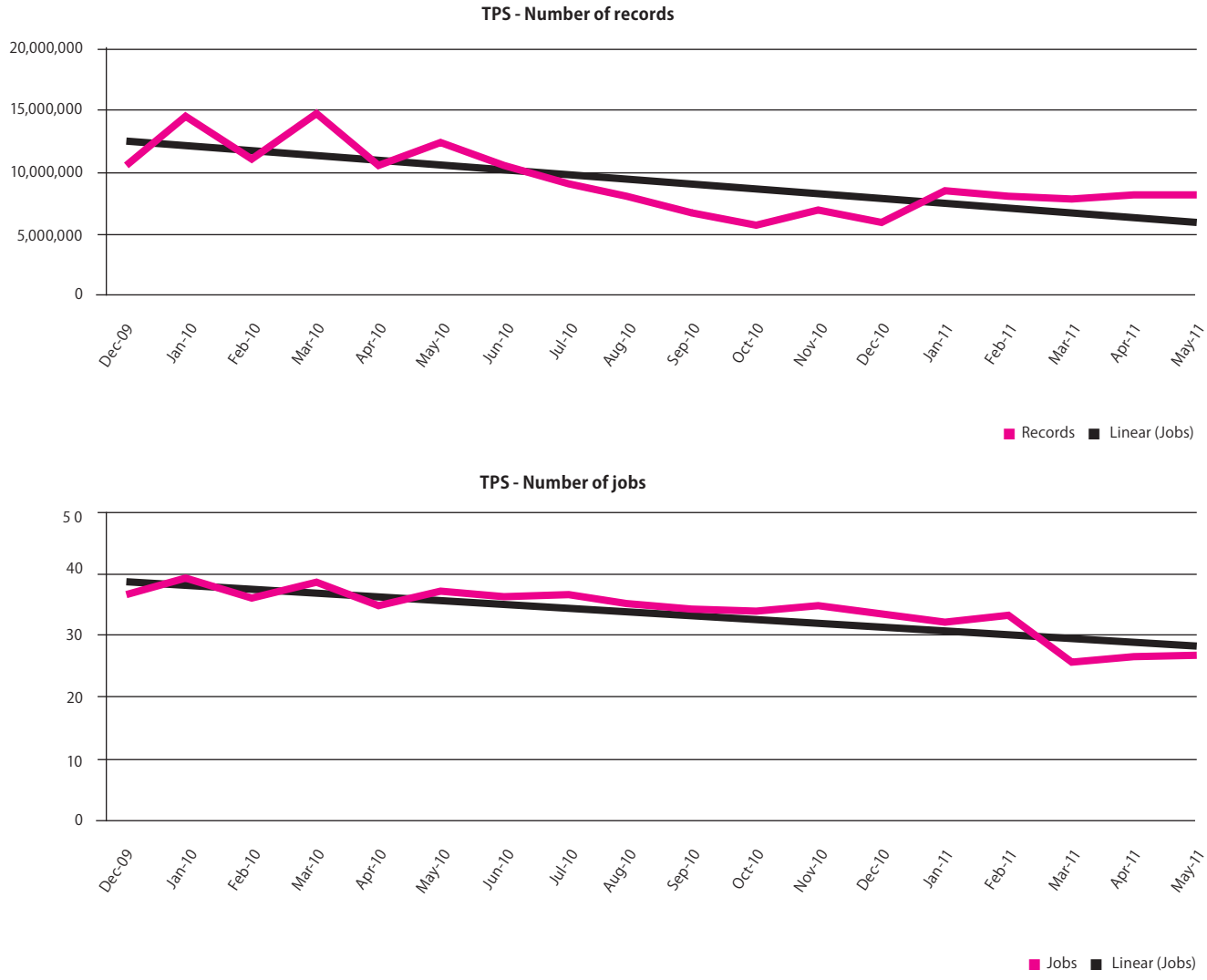
The overall increase is a very healthy 39% with the biggest jump being in Bereavements at 54%. This could be due to the three large spikes present in this data, although the trend appears to be fairly representative, rather than one-off "noise".

2.6 - Month-by-Month Breakdown of MSPs Processing Suppressions by Product Type



A substantial drop in the number of marketing services providers (MSPs) running suppression jobs took place over the period, with up to 19 per cent fewer by May 2011 than in December 2009. Data provided by Suppression File Owners did not record specific MSP names, only the number involved. Nonetheless, post-research analysis and discussion suggests there has been considerable consolidation in the data bureau market. At the same time, reduced resources among End Users has led to greater sub-contracting, or increased in-house processing.

2.7 - Total Preference Records Processed



Preference data poses unique difficulties owing to the limited data available about their usage. The licensing of preference data via TPS and CTPS for businesses is based on total volumes and the number of matches is not available. For the Mailing Preference Service, the only available data is that 211 licences are held. As a result, only the total number of jobs and the gross volume of records processed against TPS can be reported. The number of jobs has decreased by 28% and the gross number of records has also gone down 28% over the period.

The clear reduction in both reflects less activity in this channel as consumers and businesses pull back their buying activity.

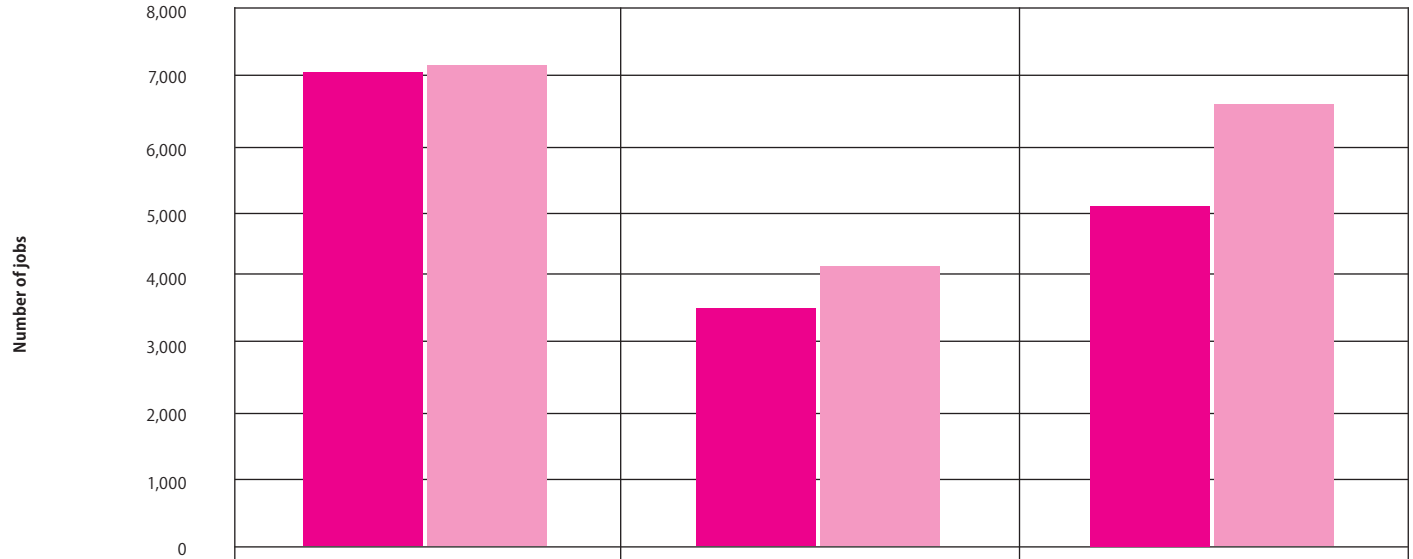
It has also been mooted that little follow-through from regulators on breaches of regulations make companies think twice about the need to pay to remove registered phone subscribers. Fewer records may also be sent for screening because of the increase in other suppressions being undertaken first, thereby lowering the net input volumes for TPS screening.

Section 3 Period-to-period comparisons

3.1 - Comparison of Suppression Jobs Q1 2010 v Q1 2011

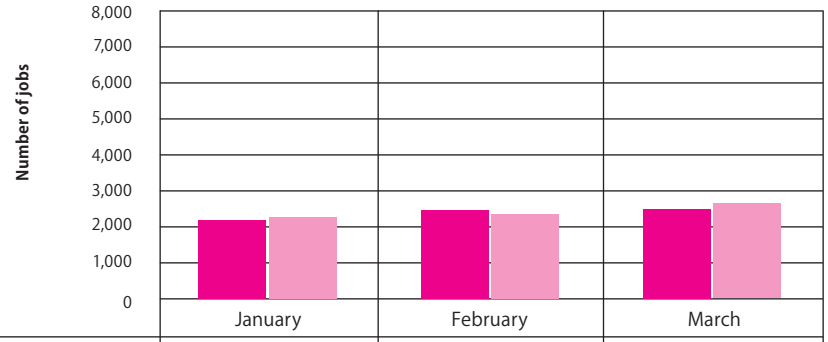
These graphs provide a comparison of the number of jobs processed during the first quarters of 2010 and 2011, both as cumulative figures for the quarters and then broken by months for each product type.

Comparison - Total Number of Jobs Q1 2010 vs 2011



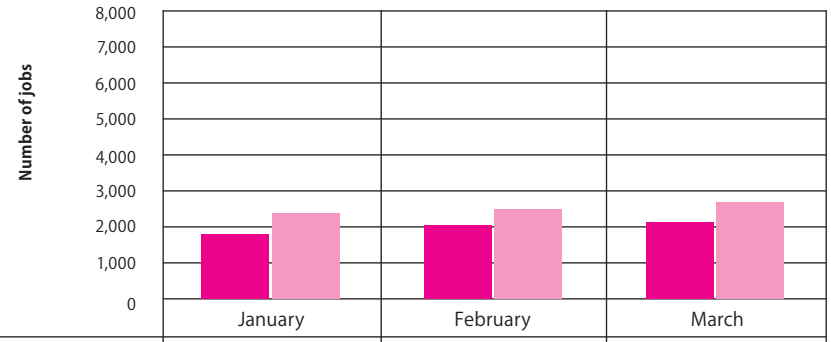
	Bereavement	Change of Address	Goneaways
Total Q1 2010	7,039	3,453	6,057
Total Q1 2011	7,169	4,089	7,610

Comparison - Bereavement jobs Q1 2010 vs 2011



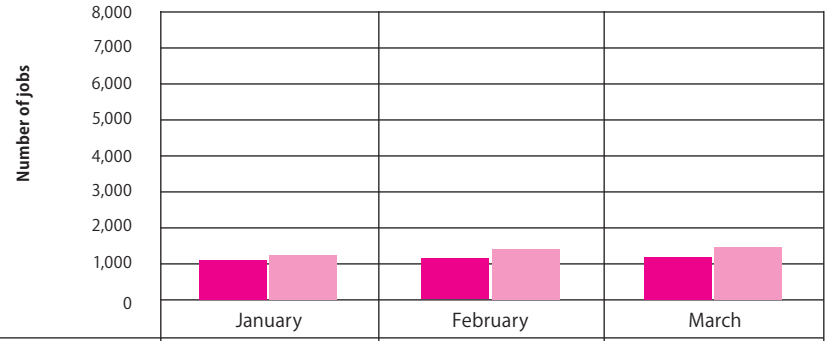
	January	February	March
Bereavement Q1 2010	2,101	2,425	2,513
Bereavement Q1 2011	2,211	2,298	2,660

Comparison - Goneaways Jobs Q1 2010 vs 2011



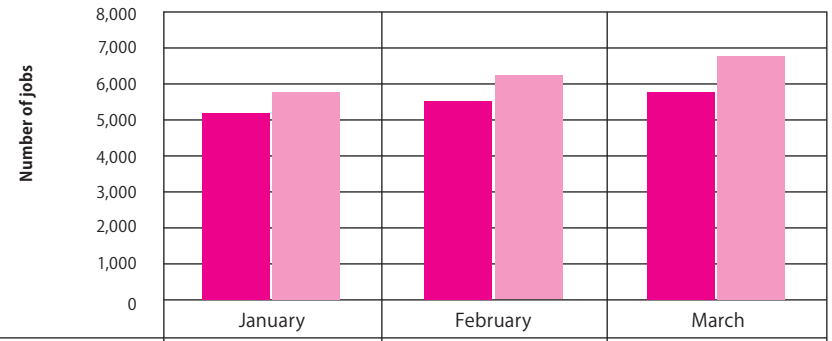
	January	February	March
Goneaways Q1 2010	1,896	2,016	2,145
Goneaways Q1 2011	2,362	2,514	2,734

Comparison - Change of Address Jobs Q1 2010 vs 2011



	January	February	March
Change of Address Q1 2010	1,151	1,151	1,151
Change of Address Q1 2011	1,227	1,381	1,481

Comparison - All Jobs Q1 2010 vs 2011

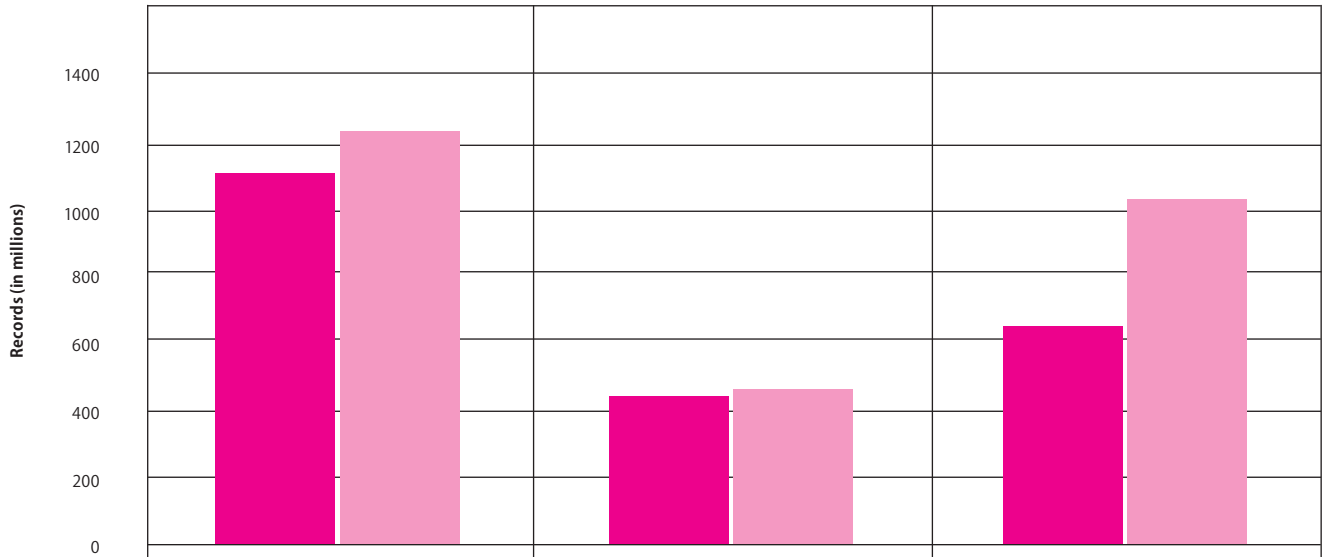


	January	February	March
Change of Address Q1 2010	5,148	5,592	5,809
Change of Address Q1 2011	5,800	6,193	6,875

The marked improvement in each of these product types is apparent and the improvement in 2011 is greater than over the same period in 2010.

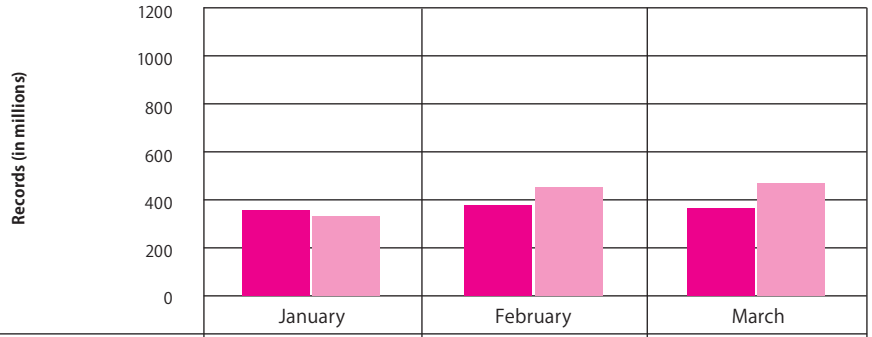
3.2 - Comparison of Total Number of Records Q1 2010 v Q1 2011

Comparison - Total Number of Records Q1 2010 vs 2011 (in millions)



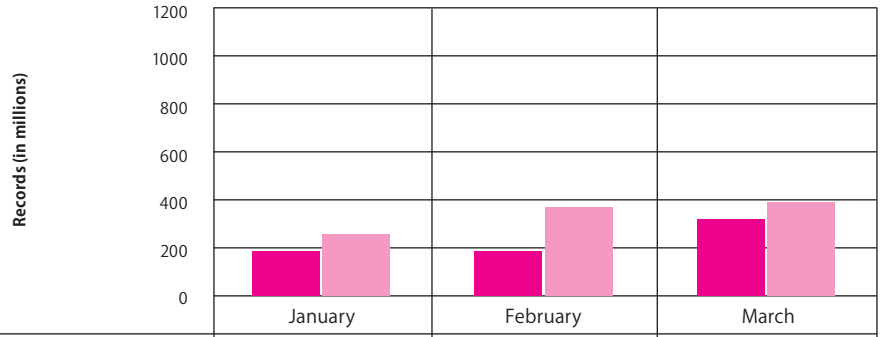
	Bereavement	Change of Address	Goneaways
Total Q1 2010	1,121,616,311	465,025,110	659,401,737
Total Q1 2011	1,209,076,123	479,645,920	1,040,667,486

Comparison - Bereavement Records Q1 2010 vs 2011 (in millions)



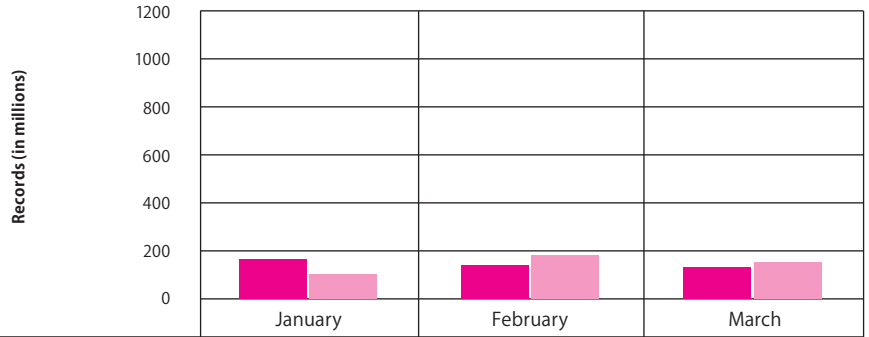
	January	February	March
Bereavement Q1 2010	361,886,856	390,260,112	369,469,343
Bereavement Q1 2011	327,022,307	427,670,395	454,383,421

Comparison - Goneaways Records Q1 2010 vs 2011 (in millions)



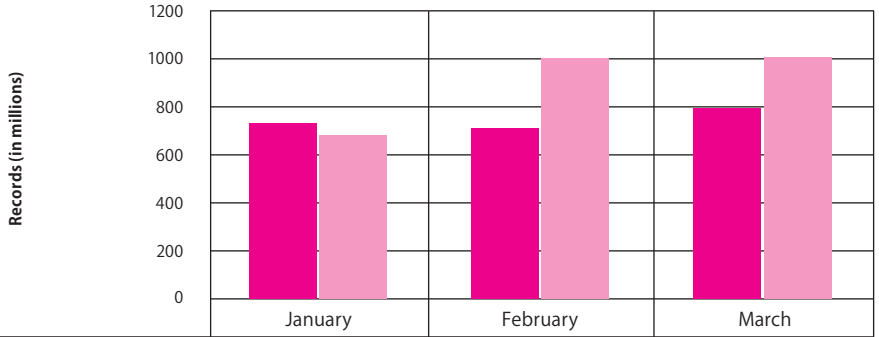
	January	February	March
Goneaways Q1 2010	199,241,525	197,037,508	263,122,703
Goneaways Q1 2011	253,323,601	388,574,939	398,768,945

Comparison - Change of Address Records Q1 2010 vs 2011 (in millions)



	January	February	March
Change of Address Q1 2010	160,773,677	138,211,422	166,040,011
Change of Address Q1 2011	96,290,522	198,803,163	184,552,234

Comparison - All Records Q1 2010 vs 2011 (in millions)



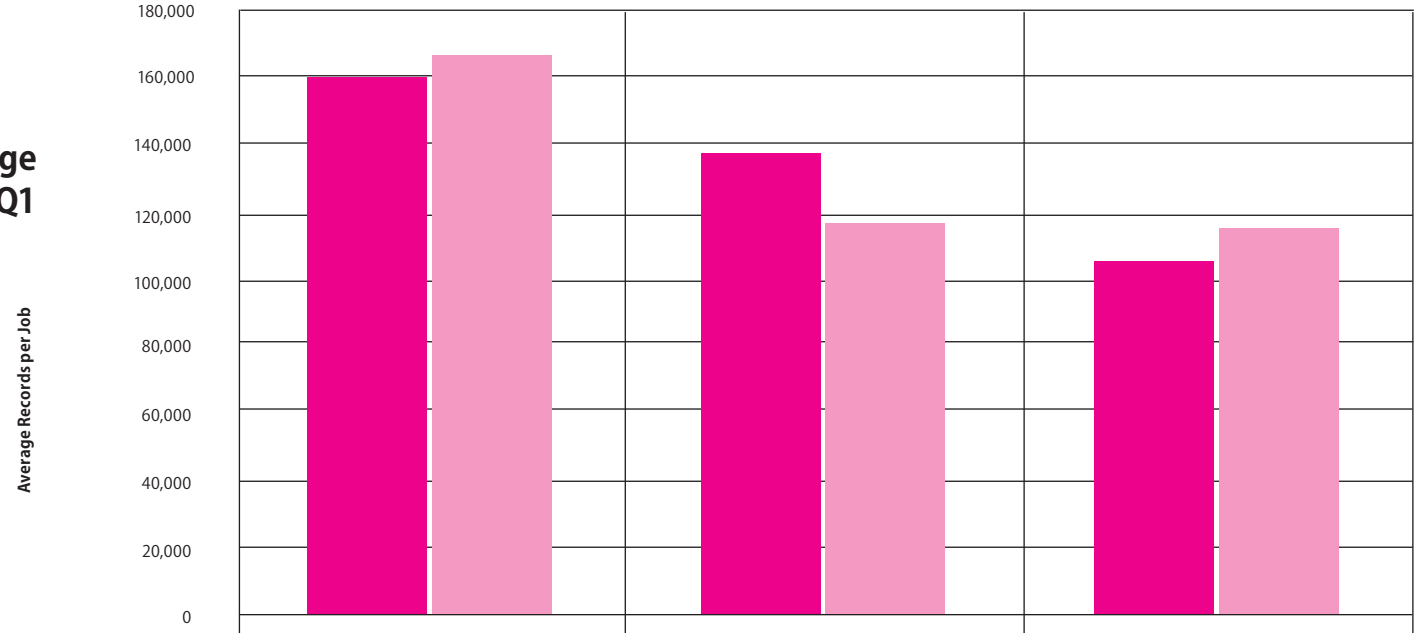
	January	February	March
All Q1 2010	721,902,058	725,509,042	798,632,058
All Q1 2011	676,636,431	1,015,048,498	1,037,704,600

The rise in the number of input records for suppression processing seen in 2011 confirms the trend towards greater activity compared to 2010.

3.3 - Comparison of Average Records per Job Q1 2010 v Q1 2011

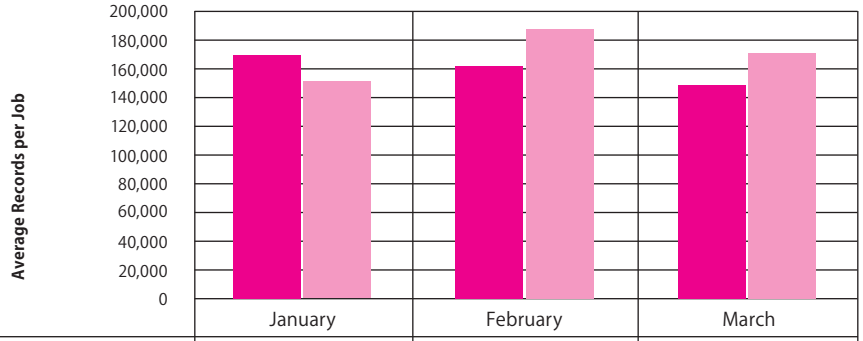
This graph provides a comparison of the average records per jobs for files processed in the same periods of 2010 and 2011.

Comparison - Combined Average Records per Job Q1 2010 vs 2011



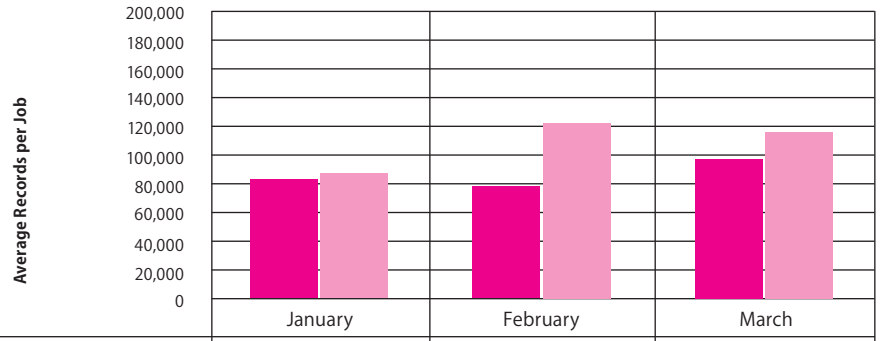
	Bereavement	Change of Address	Goneaways
Total Q1 2010	160,067	134,673	108,497
Total Q1 2011	168,278	115,682	135,890

Comparison - Average Records per Bereavement Job Q1 2010 vs 2011



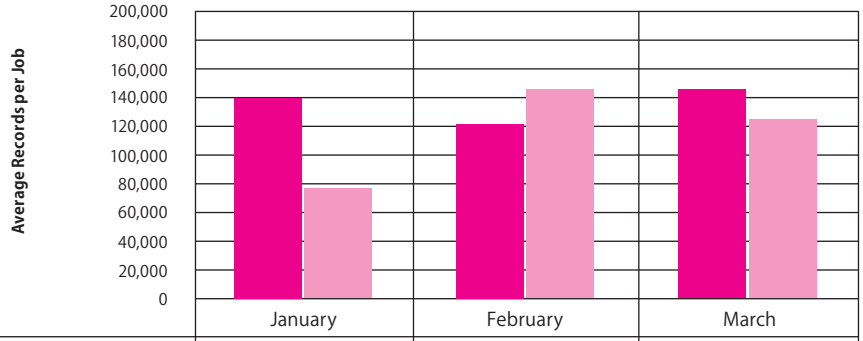
	January	February	March
Bereavement Q1 2010	172,245	160,932	147,023
Bereavement Q1 2011	149,907	186,105	170,821

Comparison - Average Records per Goneaways Job Q1 2010 vs 2011



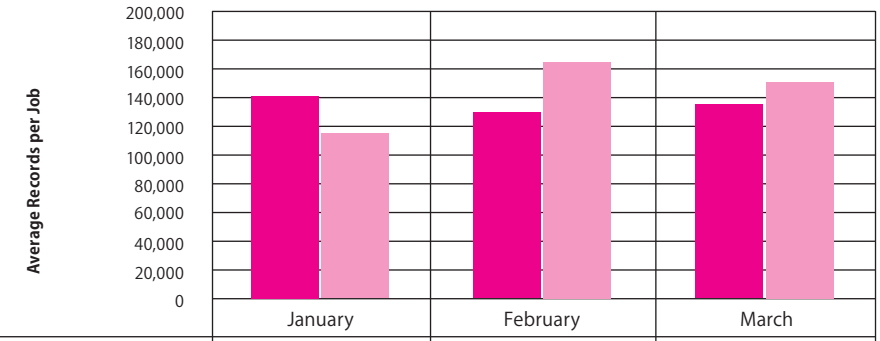
	January	February	March
Goneaways Q1 2010	199,241,525	197,037,508	263,122,703
Goneaways Q1 2011	253,323,601	388,574,939	398,768,945

Comparison - Avg Records per Change of Address Job Q1 2010 vs 2011



	January	February	March
Change of Address Q1 2010	139,682	120,079	144,257
Change of Address Q1 2011	78,476	143,956	124,613

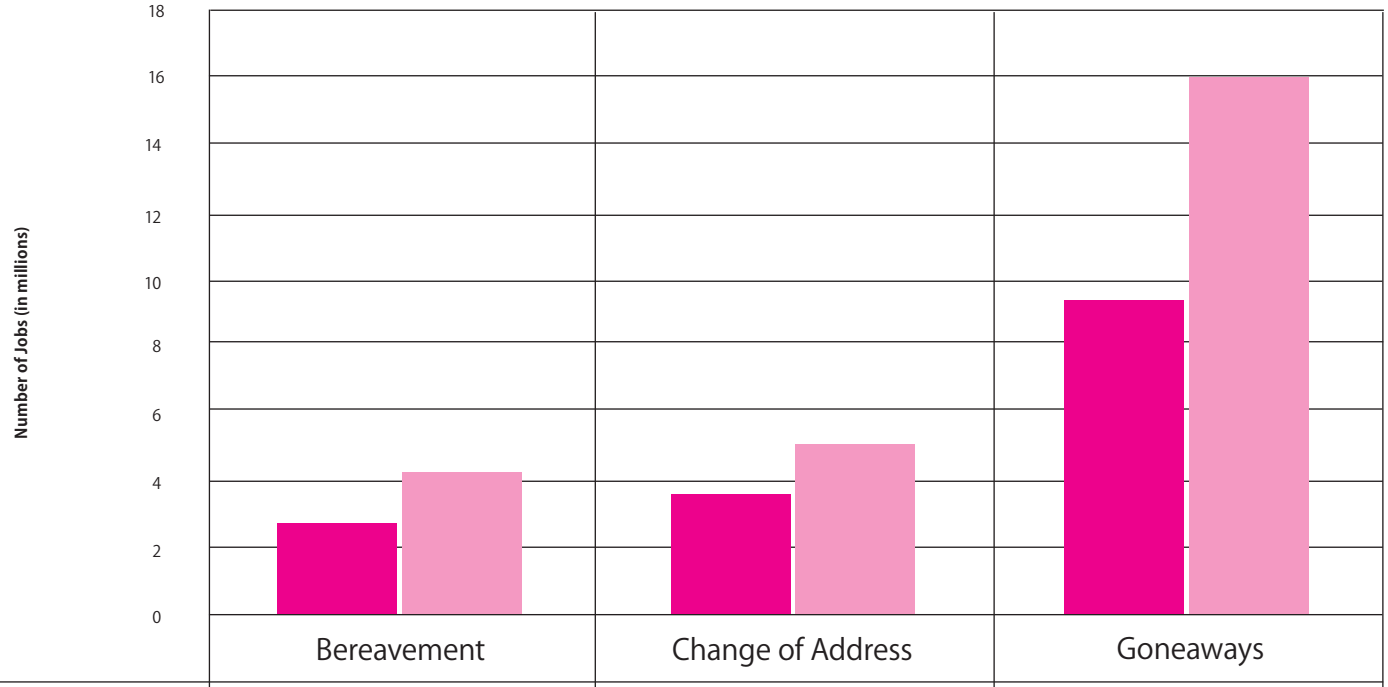
Comparison - Average Records per All Jobs Q1 2010 vs 2011



	January	February	March
All Q1 2010	140,230	129,741	137,482
All Q1 2011	116,661	163,903	150,939

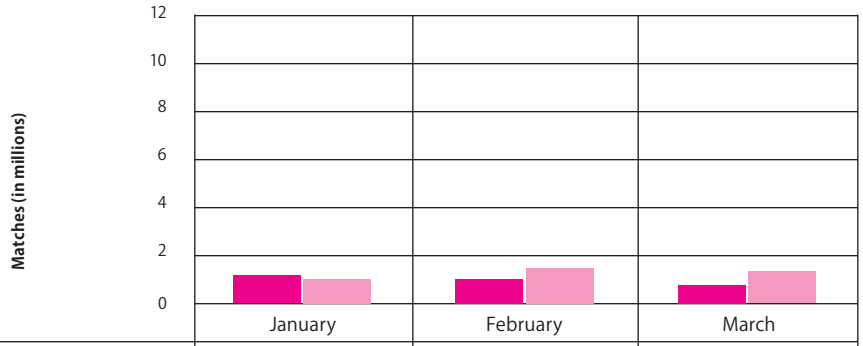
3.4 - Comparison of Matches Q1 2010 v Q1 2011

Comparison - Total Number of Jobs Q1 2010 vs 2011 (in millions)



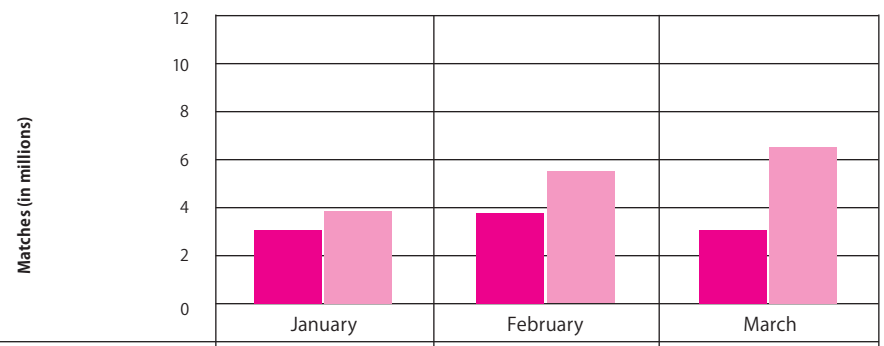
	Bereavement	Change of Address	Goneaways
Total Q1 2010	2,882,541	3,414,175	8,989,210
Total Q1 2011	4,167,003	4,983,124	16,009,324

Comparison - Bereavement Matches Q1 2010 vs 2011 (in millions)



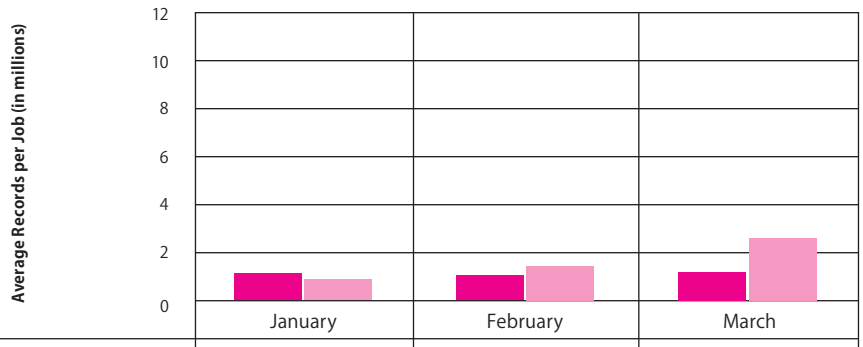
	January	February	March
Bereavement Q1 2010	1,090,935	961,971	829,635
Bereavement Q1 2011	931,953	1,766,498	1,468,552

Comparison - Goneaway Matches Q1 2010 vs 2011 (in millions)



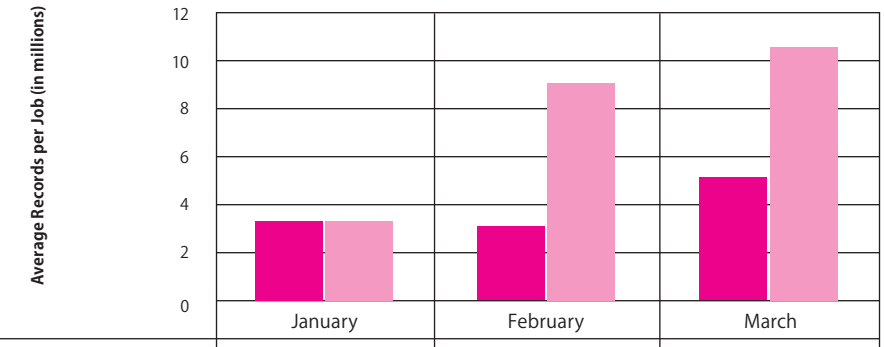
	January	February	March
Goneaways Q1 2010	2,959,348	2,980,109	3,049,753
Goneaways Q1 2011	3,916,045	5,580,942	6,512,337

Comparison - Change of Address Matches Q1 2010 vs 2011 (in millions)



	January	February	March
Change of Address Q1 2010	1,173,090	997,337	1,243,748
Change of Address Q1 2011	806,799	1,605,062	2,571,263

Comparison - All Matches Q1 2010 vs 2011 (in millions)

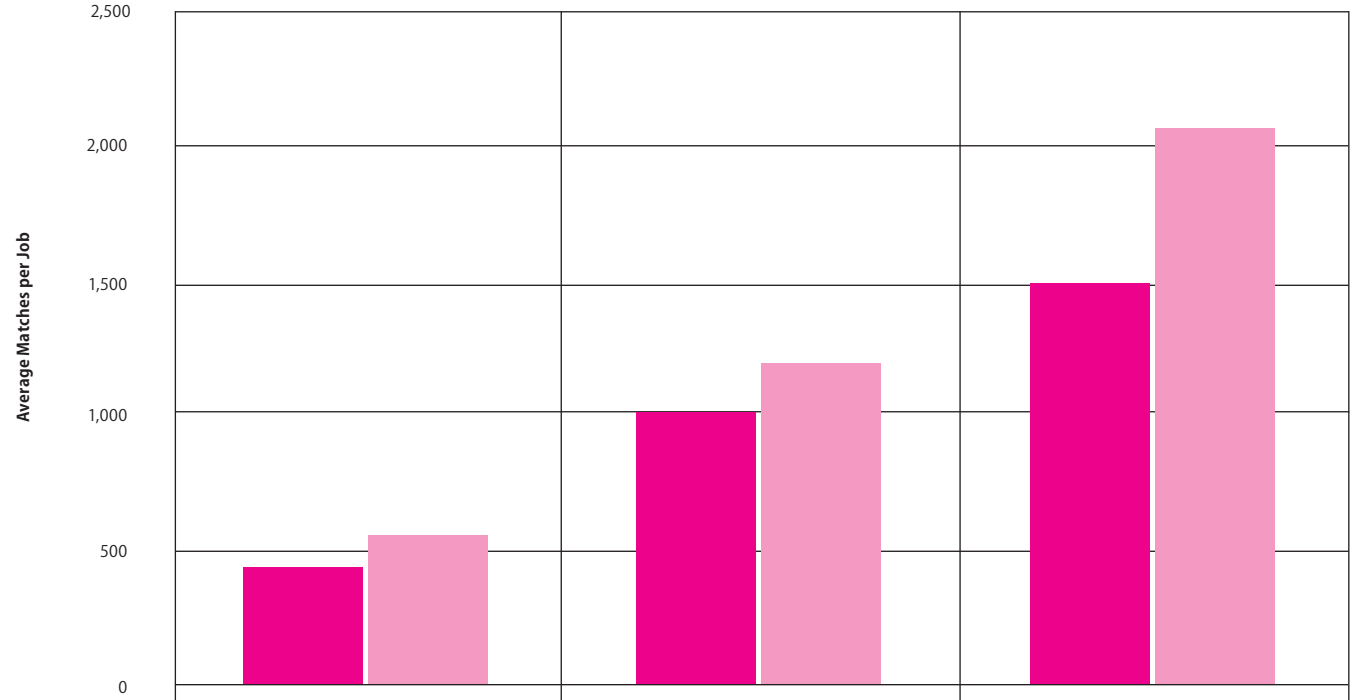


	January	February	March
All Q1 2010	5,223,373	4,939,417	5,123,136
All Q1 2011	5,654,797	8,952,502	10,552,152

Where Q1 of 2010 showed a reduction in matches, the same period in 2011 shows a strong increase in all products except bereavements. This is surely due to the fact that mortality rates are fairly static or even reducing slightly.

3.5 - Comparison of Average Matches Q1 2010 v Q1 2011

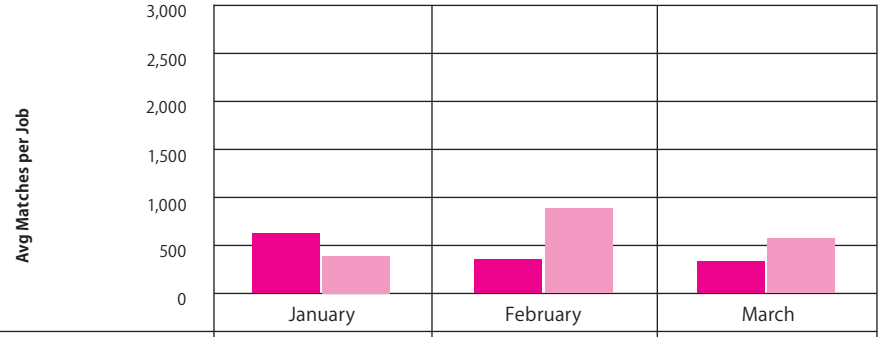
Comparison - Average Matches per Job Q1 2010 vs 2011



	Bereavement	Change of Address	Goneaways
Total Q1 2010	415	989	1,487
Total Q1 2011	581	1,185	2,087

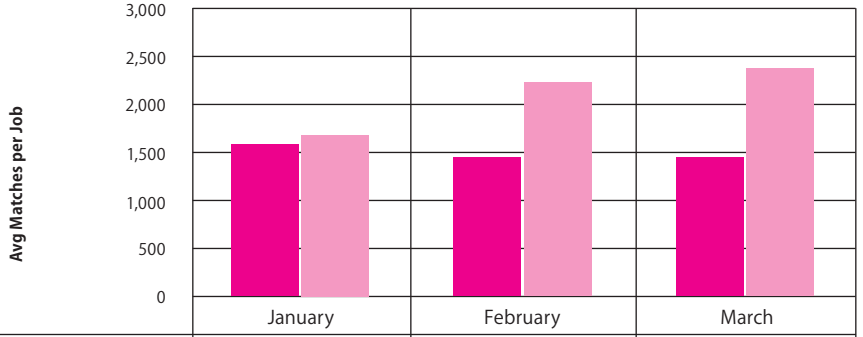
Average match rates have risen in 2011 for all suppression product types compared to 2010. This may reflect looser matching rules being applied, leading to more matches being picked up.

Comparison - Avg Matches per Bereavement Job Q1 2010 vs 2011



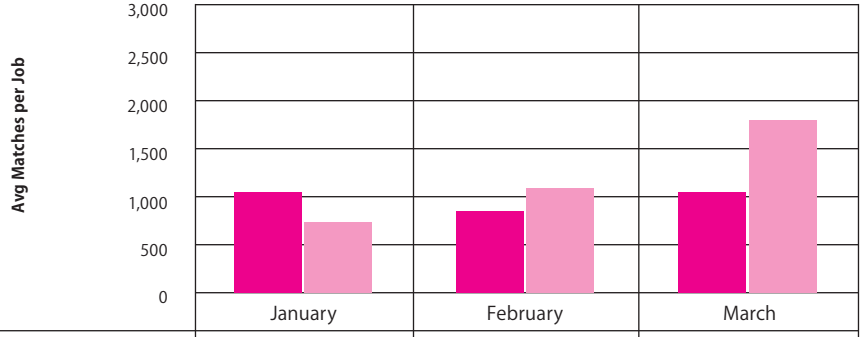
	January	February	March
Bereavement Q1 2010	519	397	330
Bereavement Q1 2011	422	769	552

Comparison - Avg Matches per Goneaways Job Q1 2010 vs 2011



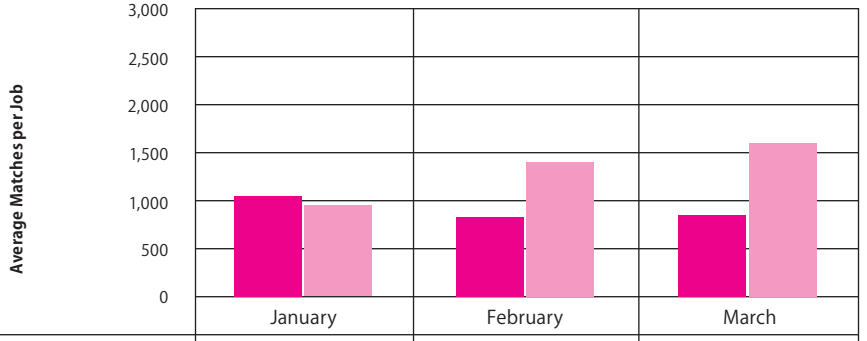
	January	February	March
Goneaways Q1 2010	1,561	1,478	1,422
Goneaways Q1 2011	1,658	2,220	2,382

Comparison - Avg Matches per Change/Address Job Q1 2010 vs 2011



	January	February	March
Change of Address Q1 2010	1,019	866	1,081
Change of Address Q1 2011	658	1,162	1,736

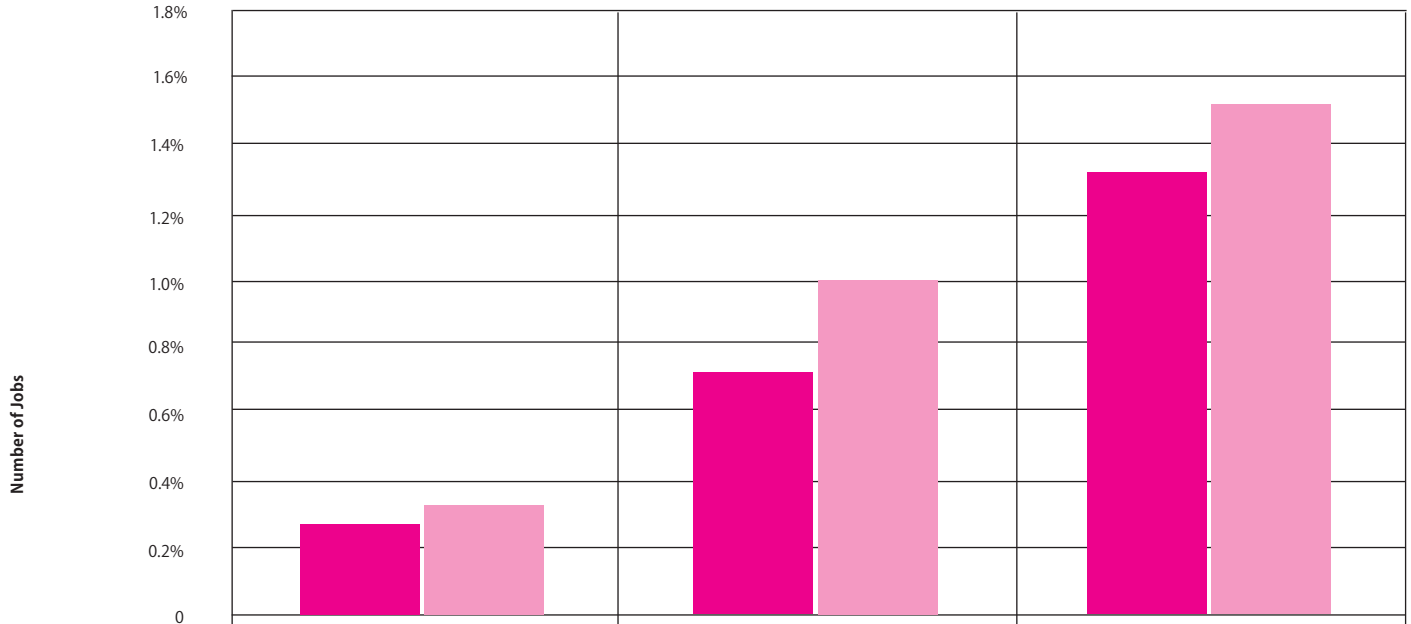
Comparison - Avg Matches per All Jobs Q1 2010 vs 2011



	January	February	March
All Q1 2010	1,015	883	882
All Q1 2011	975	1,446	1,535

3.6 - Comparison of Match Rates Q1 2010 v Q1 2011

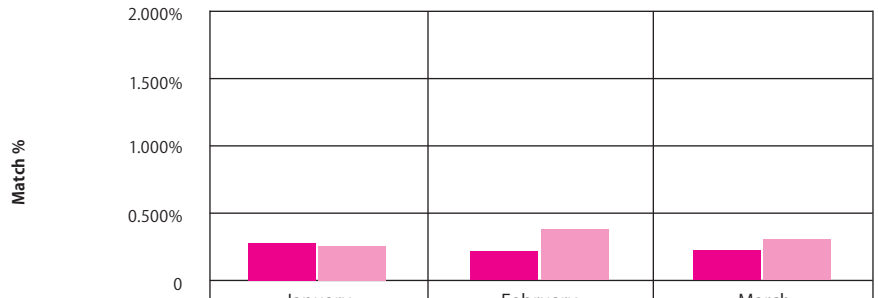
Comparison - Combined Match Percent Q1 2010 vs 2011



	Bereavement	Change of Address	Goneaways
Total Q1 2010	0.258%	0.733%	1.386%
Total Q1 2011	0.340%	1.013%	1.538%

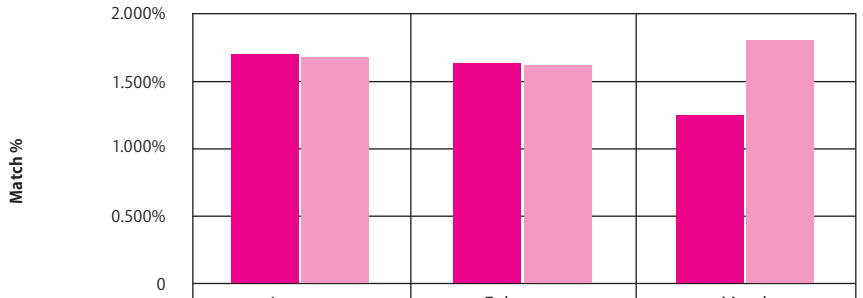
As direct marketers look to reduce wastage and save costs, one technique at their disposal is to remove more records that are likely to be unresponsive. Although suppression matches have to be paid for, lower net mailing volumes more than offset this expense. Higher match rates for bereavement, change of address and goneaways all point to efforts to remove such records and thereby save production and mailing costs. Loosening the matching rules increases the number of target records that will get caught in the suppression net. Rising match rates for Q1 2011 clearly indicate less stringent processing.

Comparison - Bereavement Match % Q1 2010 vs 2011



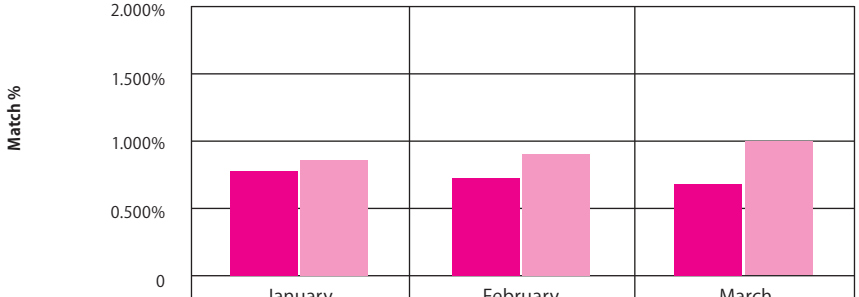
	January	February	March
Bereavement Q1 2010	0.272%	0.224%	0.203%
Bereavement Q1 2011	0.254%	0.378%	0.297%

Comparison - Goneaways Match % Q1 2010 vs 2011



	January	February	March
Goneaways Q1 2010	1.783%	1.688%	1.308%
Goneaways Q1 2011	1.746%	1.666%	1.844%

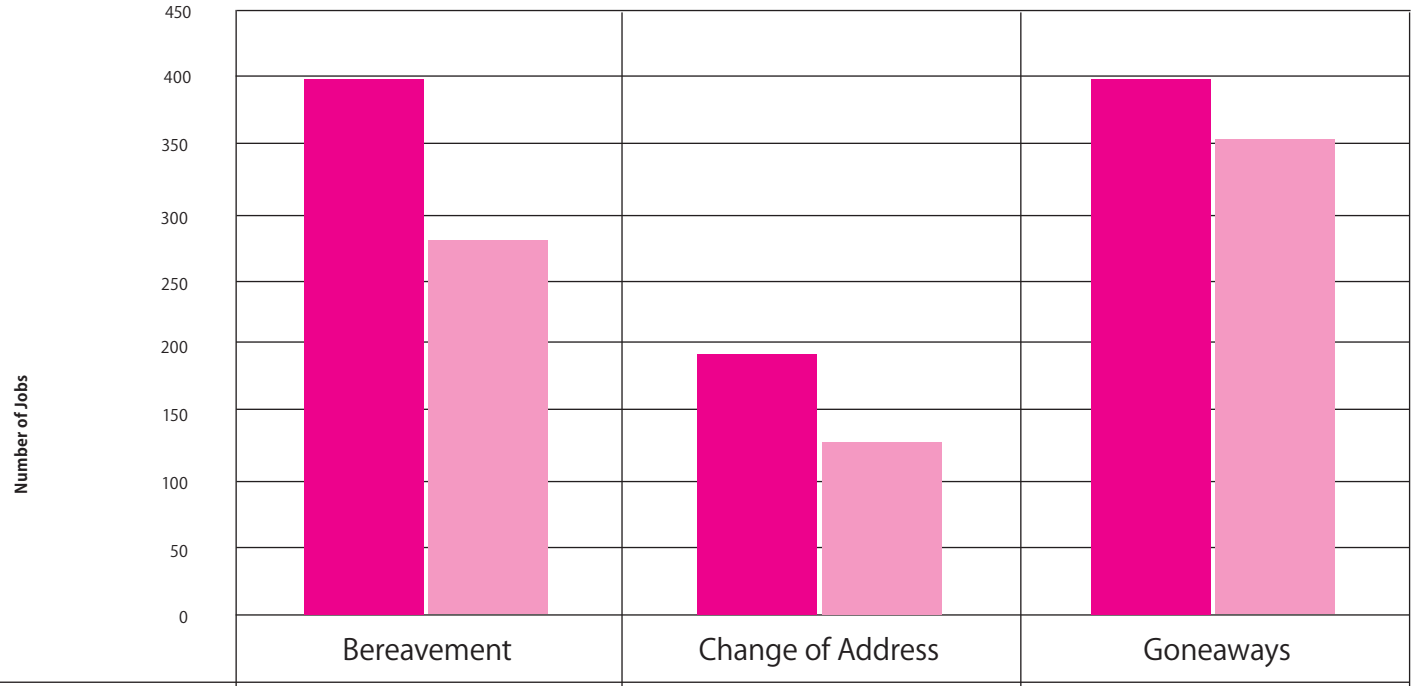
Comparison - All Match % Q1 2010 vs 2011



	January	February	March
Change of Address Q1 2010	0.774%	0.729%	0.684%
Change of Address Q1 2011	0.872%	0.908%	1.000%

3.7 - Comparison of Number of MSPs Processing Suppression Data Q1 2010 v Q1 2011

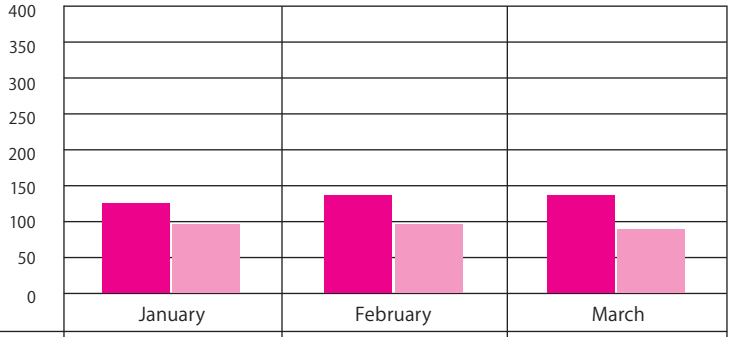
Comparison - Combined Bureaus Processing Q1 2010 vs 2011



	Bereavement	Change of Address	Goneaways
Total Q1 2010	396	190	400
Total Q1 2011	282	127	352

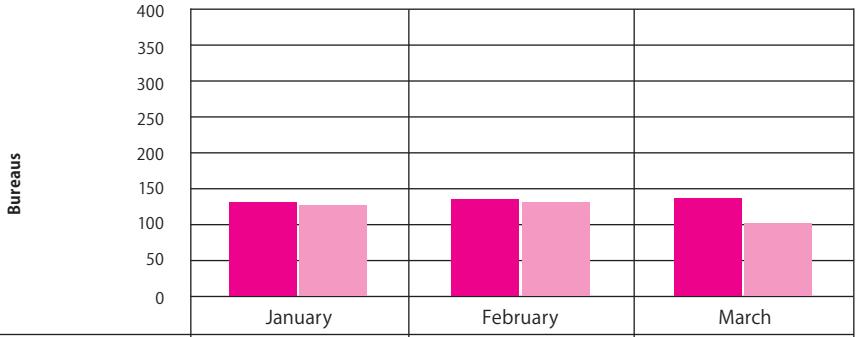
This graph provides a comparison of the number of bureaus processing data each month between 2010 and 2011. It clearly shows the marked decrease in the number of data bureaus between comparable periods across the year.

Comparison - Bureaus Processing Bereavement Q1 2010 vs 2011



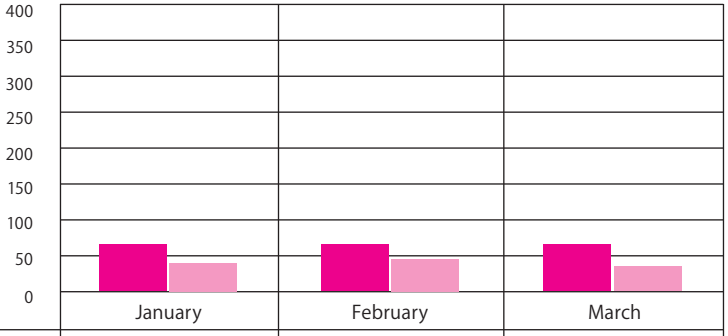
	January	February	March
Bereavement Q1 2010	129	131	136
Bereavement Q1 2011	98	94	90

Comparison - Bureaus Processing Goneaways Q1 2010 vs 2011



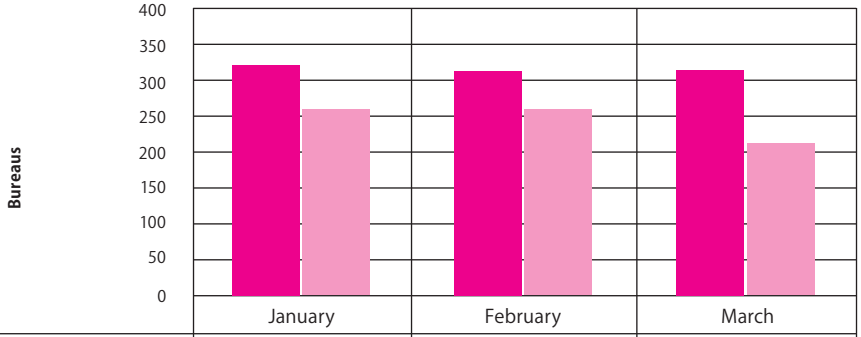
	January	February	March
Goneaways Q1 2010	130	133	137
Goneaways Q1 2011	123	128	101

Comparison - Bureaus Processing Change of Address Q1 2010 vs 2011



	January	February	March
Change of Address Q1 2010	63	63	64
Change of Address Q1 2011	46	45	36

Comparison - All Bureaus Processing Q1 2010 vs 2011



	January	February	March
All Q1 2010	322	327	337
All Q1 2011	267	267	227

Across Q1 2010, the number of MSPs running suppression processing appeared to increase slightly. However, this trend has since been reversed in Q1 2011.

3.8 - Comparison of Preference Suppression Jobs Q1 2010 v Q1 2011

Comparison - Total Number of Preference Jobs Q1 2010 vs 2011

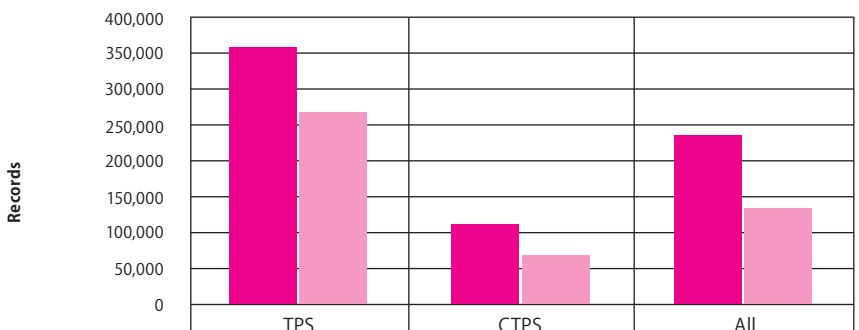
	TPS	CTPS	All
Total Q1 2010	113	97	210
Total Q1 2011	91	76	167

While suppression matching is on the rise, preference matching is falling. Although recording of suppression processing is limited, there is a clear move away from TPS and CTPS matching - in part, this could be explained by reduced activity in outbound telemarketing.

Comparison - Total Preference Records Q1 2010 vs 2011

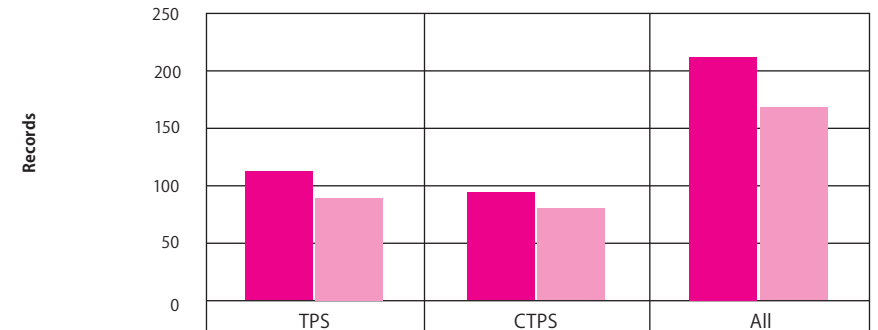
	TPS	CTPS	All
Bereavement Q1 2010	39,751,394	10,085,543	49,836,937
Bereavement Q1 2011	23,059,742	4,706,107	27,765,849

Comparison - Total Average Records per Job Q1 2010 vs 2011



	TPS	CTPS	All
Goneaways Q1 2010	350,762	106,641	237,402
Goneaways Q1 2011	255,934	62,979	126,950

Comparison - Total Average Records per Job Q1 2010 vs 2011



	TPS	CTPS	All
Total Q1 2010	113	97	210
Total Q1 2011	91	76	167

DQM Group will be updating this in Spring 2012. Data will be collected for the full calendar year 2011 and a report published showing year-on-year comparisons for 2011 v 2010.

For information on how to obtain a copy of the report - or to sponsor the publication - contact Michelle Burton, DQM Group on 0870 242 7788 or by email on michelle.burton@dqmgroup.com

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CONFIDENCE IN DATA

About DQM Group

DQM Group is the leading provider of Data Governance expertise. We specialise in research, audit and consulting services to both protect and maximise the value of our clients' most important asset – their customer data.

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DQM Group is the only end to end Data Governance service organisation providing expertise in all areas of data management, whether developing effective data strategies, or addressing priorities in data security, regulatory compliance, data quality and insight.

Our consultants help leading brands including charities, media, telecoms and retail organisations understand their data capabilities and what they need to do to move toward optimal Data Governance.

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We've extended our research and data intelligence capability through our range of Data IQ content products including the Data IQ Journal, in-depth Data IQ Industry Research Reports and regular events including the annual Data IQ Conference held in October. These are all aimed at growing the use and value of data from a platform of best practice.

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