

Goodbye Census Tracts, Hello Accuracy!

At Varga Media Solutions we are always on the look out for ways to increase our effectiveness as a company as well as ways to increase the effectiveness of front door marketing as a medium. In our continued quest to find the best targeting data available we noticed an interesting phenomenon. Direct mailers were all using United States Postal Service geographies while the front door marketing companies seemed to be using Census Bureau geographies. It seemed that at some point in the development of front door marketing our industry came to a proverbial "fork in the road." Down one road was USPS geographies and the other was Census geographies.

At first we thought nothing of it. However, as we began to add employees to our data team who had formerly worked at direct mail companies as well as members of the Postal Customers Council, we began to learn the distinction between different types of data as well as nuances about specific providers. When we inquired with our census based data providers regarding the accuracy of their base counts they literally would not and could not give us any indication of how accurate it was. As you can imagine we were shocked. These providers were some of the biggest in the industry and yet they did not know how precise their data was.

In response to this realization we hit the phones. We interviewed front door marketing industry executives and found that the reason they went down the Census road was because they felt that the targeting data they were procuring was accurate enough - and more importantly the shapes of the Census boundaries were easier to navigate in the field by door-to-door walkers.

They were right about one thing: Census boundaries are easy to navigate and supervise. What they didn't realize is that the accuracy of the data they were using was not very good at all. At that point we found ourselves at that same fork in the road. Because we are fanatical about getting our base counts as accurate as possible we opted for the harder to deliver yet highly precise postal geographies.

Listed on the next page are the four reasons that compelled us to up-root what we had formerly known and completely change directions.

Four Reasons We Took Our Data Postal

Reason 1

In 2009 the USPS delivered 177 billion pieces of mail, drove 1.25 billion miles and employed a staggering 596,000 people. They also update their base counts and boundary files six times a year. When a new housing tract pops up in Gilbert, AZ they know about it.

Bottom Line: If anyone is going to have an accurate base count of households it is going to be the USPS. We decided to get our counts from them.

Reason 2

In 2010 the Census Bureau sent out surveys by mail to households in order to generate their base counts. Initially they are relying on Joe Consumer to fill out this data and mail it back to them. After the results are collected they are compiled and over the next ten years the Census Bureau will use modeling techniques to "estimate" changes in the population and households counts located within their boundaries.

Bottom Line: When household counts determine the cost of a campaign our position is that "estimates" from the Census Bureau should never play a part in that equation. They can artificially inflate the proposed number of targets; or conversely, they can limit the correct number that should be delivered.

Reason 3

Most targeting data available today was primarily designed for direct mailers. As a result, sources for that data have developed their output to conform to USPS formats for ease of use and most major compilers do not support or output to Census Bureau formats.

Bottom Line: To ensure freshness and accuracy of data advertisers must be free to test and compare data from many different sources. Using Census Bureau formats would severely limit our ability to do that. It would also limit our ability to communicate with our clients since most advertisers have been utilizing direct mail for years and are already comfortable with USPS boundaries and lingo.

Reason 4

Verified data is true life data gathered by the major compilers is based on what an individual buys, how often they buy it and what that individuals' actual address is. Modeled data from providers like Claritas who do output to Census Bureau formats make "assumptions and predictions" about people based on stereotypes and where they live.

Bottom Line: When making a decision about where to deploy an advertising campaign it's important to know that assumptions about your targets are not being made. Our goal is to provide the most up to date and accurate data possible, that is why we only use verified data from tried and trusted sources. When choosing a data source we consider who built the database, how often it's updated, why they've built it, how they add to it, how much it grows each quarter, and how the data is analyzed.