

DIRECT FORUM

June 2017

VOLUME 13 ISSUE 6

Direct Forum is a free email newsletter containing useful direct marketing tips, news updates and how-to information. It's convenient, informative and I am not trying to sell you anything!

1. Digital fundraising offers a means to give... **not a reason to give.**

2. **The alms race and other ways to raise funds besides direct mail.**

Digital fundraising offers a means to give... not a reason to give.

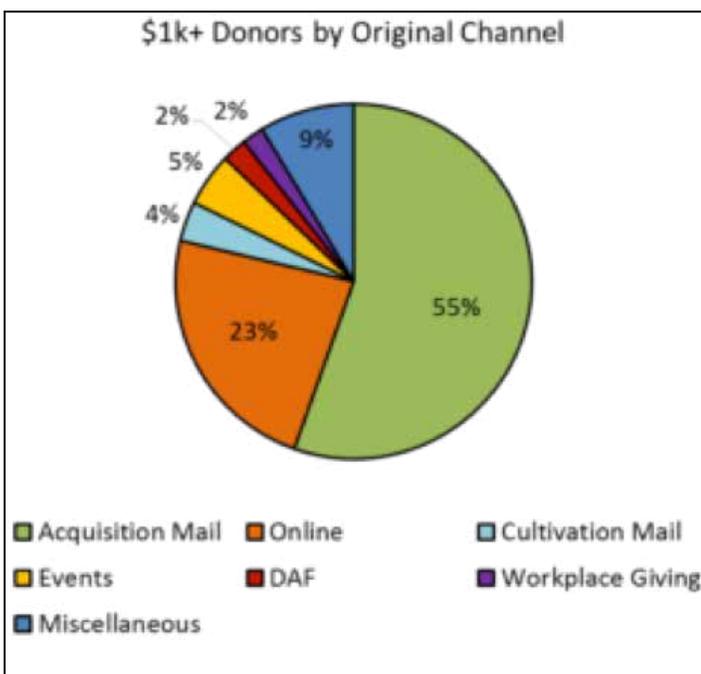


As a charity you still need to tell your story as to why you need donations. And, like it or not, good old, unpopular “almost dying” direct mail (DM) is still one of the best ways to convince your donors to give.

Don't get me wrong; online, digital fundraising and other forms are important too. (*As demonstrated in the next section: **The alms race.***)

CONTINUES ...

Here is a case in point: An organization wanted to look at where their \$1,000+ donors originated. After a quick data check, they came up with this analysis:



Their key findings:

- **55% of the major donors first gave through direct mail acquisition campaigns.**
- **Another 23% gave their first gifts online in response to a DM message.**

The most recent issue of *Third Sector* magazine caught my attention with the cover story: **Direct mail – is it facing serious decline?**

It's true that the way DM is used by fundraisers has changed significantly in recent years. But every headline that ends in a question mark can also be answered by the word "no".

Evaluating direct mail as an isolated channel is the wrong way to go. If we want to consider DM's future without hype, it's helpful to consider how effective it is for two main principles of fundraising:

- **Attracting new supporters**
- **Engaging existing supporters**

Attracting new supporters: There's little doubt that DM's role in raising money has become harder in recent times. This is due to a variety of factors that include increased postal costs and regulatory challenges (particularly around data protection). This perfect storm of pressures and the growing range of shiny new channels means that DM has lost its lustre and no longer dominates the recruitment landscape.

Another factor is that rented or swapped lists have been in decline for acquisition mailings for quite some time.

CONTINUES ...

For a lot of major charities, the love affair with cold direct mail died way back in the nineties.

However, it's worth remembering that other traditional attraction channels, such as face-to-face and door-to-door, have seen similar declines in effectiveness. Telemarketing has perhaps fared worst of all.

In this context, maybe DM isn't doing too badly after all.

DM still has many recruitment benefits as per the following example.

The Royal British Legion still relies on it as the most effective way to recruit new donors.

Here's how they do it:

The Solution: A DM mail door drop on the 100th anniversary of **The Royal British Legion** was tailored with a local message:

- It featured stories of individual soldiers from local regiments

in each recipient's area.

- Recipients were selected using Royal Mail's database profiling system called MOSAIC, to match existing Legion supporters as closely as possible. This was overlaid with an affordability-indexing tool to maximize income.
- To give maximum resonance, a donation prompt amount of £19.14 was chosen, mirroring the year the war started.

The Creative:



The Results:

- The door drop achieved a 0.47% response rate: **370% higher than the industry norm.**

CONTINUES ...

- ROI was 0.72%: **140% better than the industry norm.**
- Average gift was £25.68: **17% higher than forecast.**

Engaging existing supporters:

When it comes to longer-term engagement, we need to ask ourselves how to put supporters at the heart of fundraising.

Once again DM is important. Indeed, even *Blackbaud’s Report* admitted that, in their world, which is predominantly governed by online methods, DM still has a bigger impact than online.

This is also borne out by Fast. MAP’s latest *Media DNA Report*,

which shows that direct mail scores highly when compared to other channels for being retainable, trustworthy and relevant in large sectors.

Canada Post’s study: CONNECTING FOR ACTION

looked at how direct mail works with digital advertising in integrated campaigns to optimize consumer attention, emotional engagement and brand recall using neuromarketing.

It found that:

- Direct mail offers a personal, sensory experience that triggers consumer emotions and action, while maximizing attention and recall. **In this study, it held participant attention for 118% longer and stimulated 29% higher brand recall than digital advertising.**
- When opened, email enforces key marketing messages and encodes them into memory. **In this study, offer recall for email was on par with direct mail (57%),**



CONTINUES ...

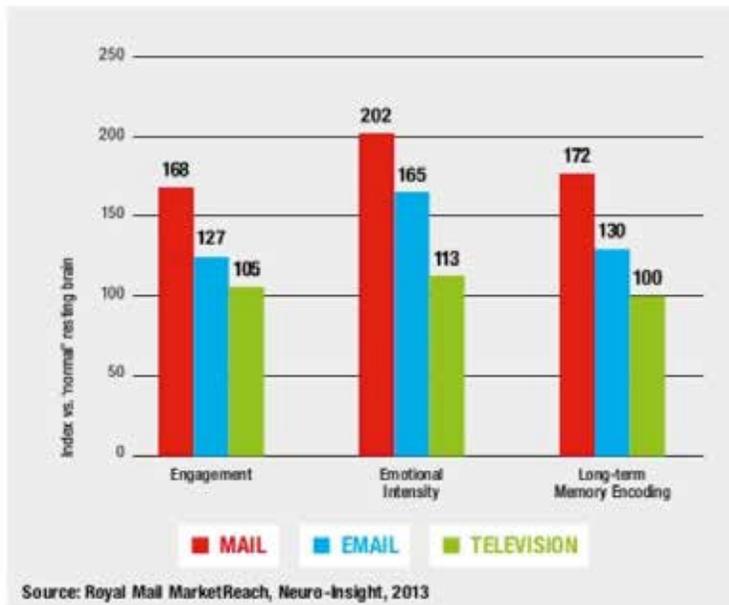
39% higher than for display, and 27% higher than for pre-roll.

- Most (53%) participants failed to notice the display ads altogether. Those who did notice the ads spent 66% less time with them than the other advertising media.

Finally, MarketReach’s in-depth *The Private Life of Mail* research came to similar conclusions. It showed that people value items they can see and touch 24% more highly than those they can only see, and that receiving mail actually made 57% of those surveyed feel more valued by brands.

NEUROLOGICAL RESPONSES

Overall measures of neurological responses to mail, email and television in the neuroscience study.



ADDING MAIL TO THE MIX OPENS UP NEW RESPONSIVE AUDIENCES



In conclusion, DM is an important channel for individual giving: As to whether DM is facing serious decline, Third Sector’s article actually confirms its resilience as a channel, acknowledging that charity spending on DM actually increased by 3% to £265m in the year to June 2016 (Nielsen).

Here are two more reasons for using DM.

First, the fact that the digital approach may not be hitting all the right buttons.

Secondly, many not-for-profits still rely on older audiences who are less likely to respond to an email than a hard-copy letter, especially in the case of legacy marketing where long-form propositions will require

CONTINUES ...

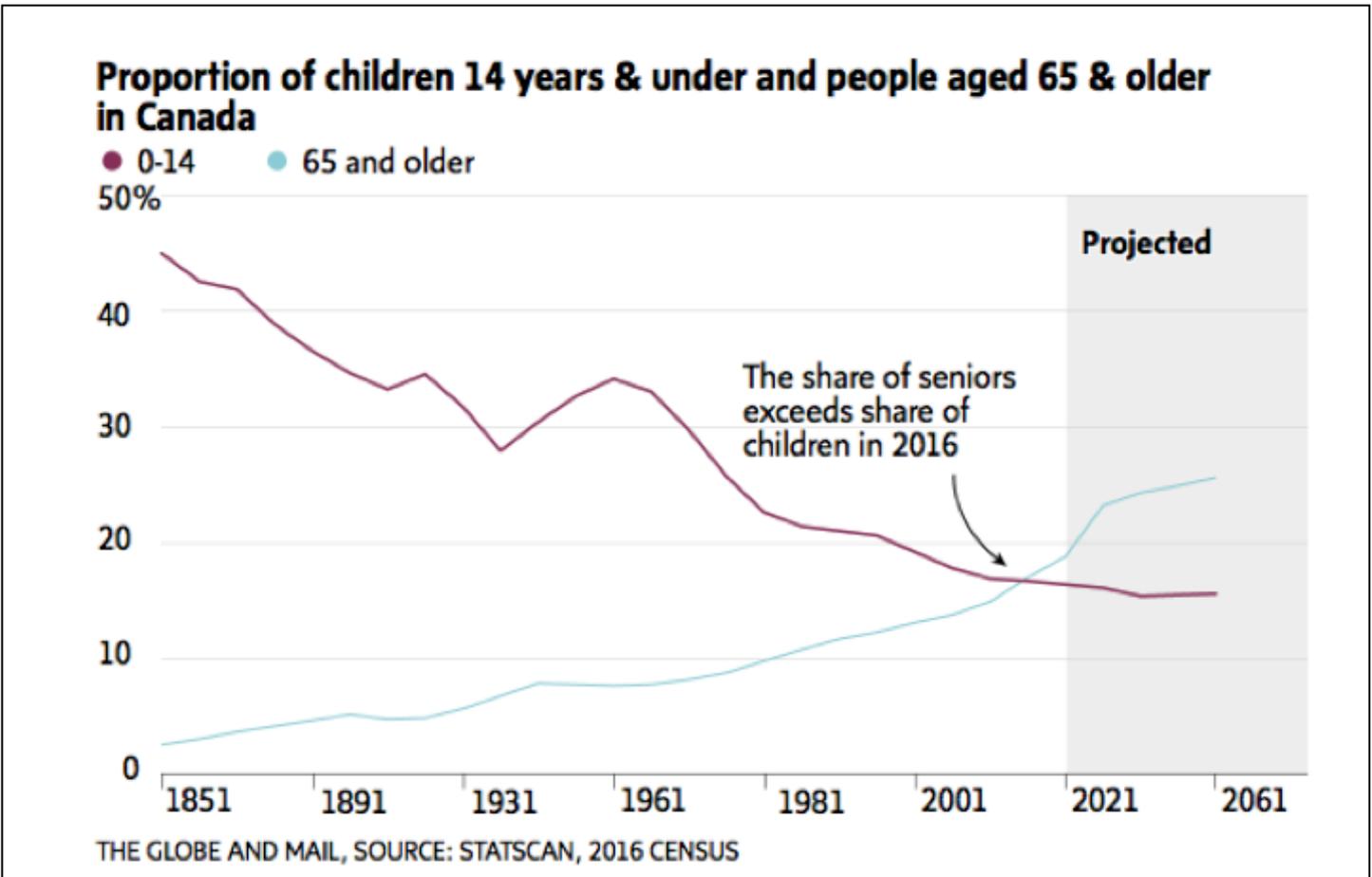
more than an on-screen reading panel to get the message across.

According to the 2016 Statistics Canada study, the greying of Canada’s population is accelerating with the numbers of seniors now outnumbering children for the first time in the survey’s history.

The 2016 census counted 5.9 million seniors and that segment will keep growing for quite some time.

I acknowledge that cold mailings are not about to return with a bang, but DM still has an exciting role to play as a communication channel in the changing landscape and culture of individual giving.

Great storytelling can still build a strong relationship with supporters so I don’t see a reason why DM won’t continue to play an important role especially for fundraising.



CONTINUES ...

The alms race and other ways to raise funds besides direct mail.

There are 170,000 registered charities in Canada where the top 1% of organizations command 60% of all revenues, while half of these (54%) are run entirely by volunteers.

So, it seems to me that competition may have set off a fundraising alms race, blindly embraced by the whole sector without sufficient consideration, scrutiny and analysis.

“If you don’t ask, you don’t get” – right? Perhaps, but my sense is it’s time to find the balance between asking and appreciating – in a way that acknowledges people’s authentic motivation for giving and ensures donors’ trust in charities goes unharmed. After all, that trust is what every charity relies on to survive.

Although I am a big proponent of direct marketing, there are many more ways to raise funds, ensure recognition and get support for your charity.

Here are some of them:

- 1. Participation in events:** This includes Walk-a-thons, Bike-a-thons, golf and other events. Think about your prospective audience: what is unique about your charity?

For example: Prostate Cancer’s Movember campaign is a peer-to-peer drive aimed at saving husbands and dads.



CONTINUES ...

2. Ambient drive: Providing an incentive to collect cash is a fantastic way to promote your charity and raise funds. By keeping your cause at the forefront of recipients' minds is a good way of engaging audiences and a great way of encouraging new donors.

For example: Misereor (a small catholic charity in Germany) did this brilliantly with their ambient poster.



This is worth watching. The link: <https://youtu.be/ZcqsRhMH08o>

3. Online giving. Integrating your marketing strategies is a cost-effective way to reach a wider audience. Instead of demanding a donation, use social media to ask people to connect with you. The use of the hashtag function on Twitter, Facebook and Instagram is the ideal way to track what's being said and keep the conversation going.

For inspiration check out this campaign:



the #FaceUp campaign by Plan UK.

The link:

www.huffingtonpost.co.uk/2014/10/03/faceup-app_n_5925996.html

4. Newsletter and Annual Reports.

There are numerous ways you can benefit by including low cost promotional thank you gifts with your newsletter or annual report. Why not leave your recipients with a smile on their lips so they might reach into their pockets for you.

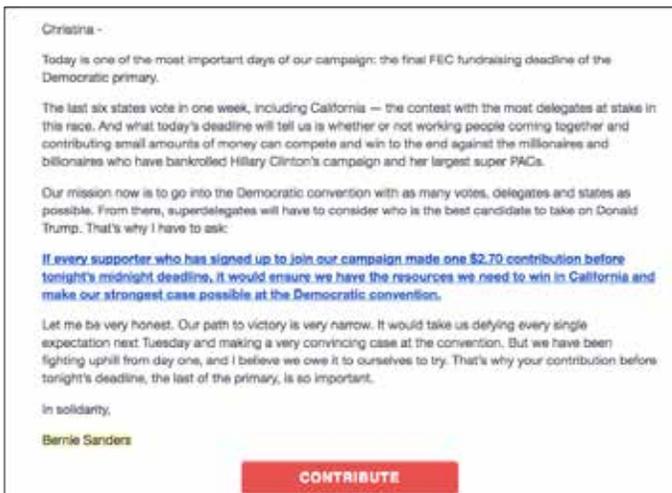
Case in point: Integra's personalized bookmark. It collected \$10,600 and got a 45% response. Would a donor discard a bookmark with their own name on it? *Not in a million years.*



CONTINUES ...

5. Social media: From Emails to Crowdfunding there are multiple ways of raising funds.

For example: Bernie Sanders had great success using emails. Here's one of the emails his team sent out during a one-day fundraising blitz. His campaign raised over \$229 million.



And the outcome when a Good Samaritan helped raise money for her on the Crowdfunding website indiegogo.com.



The link:

<http://www.cbc.ca/player/play/2277797777/>

Crowdfunding is best delivered by great storytelling. Take another look at one of the first, this video of 68 year old school bus monitor, Karen Klein, as she was being bullied by middle-school kids.



The link: <https://youtu.be/l93wAqnPQwk>

CONTINUES ...

OPT IN, OPT OUT, OPTIONS:

To subscribe, email me at:

billy@designersinc.ca

To download back issues of my newsletters go to 'Freebies' on my website:
www.designersinc.ca

To unsubscribe, send me an e-mail simply saying, "Please, remove." To participate, send me an email with your suggestions.

To post a comment, please include your name, email address and your thoughts.

Let me remind you again that your name and/or e-mail address will never be shared, sold, circulated, or passed along to anyone else.

Designers Inc.
1806-77 Harbour Square
Toronto, ON
M5J 2S2

© Designers Inc.

