

Direct Forum is a free e-mail 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.

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What I learned about Fundraising Appeals from donors

Each one of these items below irritates donors as they indicated to moderators at client sessions I have attended. So before you spend time, energy, and money developing your next fundraising mailing, here are five tips that may help you avoid upsetting your donors.

1. Don't waste money on a fancy envelope

A fancy outer envelope often produces the opposite effect on donors than you intended. When the outer envelope looks fancy or expensive, donors complain bitterly. Their argument: "Why should I support a charity that uses full colour, fancy or elaborate mailings. They are just wasting my hard earned money."

2. Be sure to put the right message or image on the front of the envelope

I once did a mailing for a big organization where the core idea was to talk about the plight of child



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labour in many developing countries. The client rejected every image of children in the actual child labour factories that I proposed because the selection committee found them to be too graphic even though the core message was to talk about the plight of children enslaved in these factories. They decided instead to show a group of happy kids walking arm-in-arm.

Go figure! You can guess how well the mailing did.

3. Remember you are sending paper so don't overdo it with a bunch of loose sheets and printed items.

Why do people consider some direct mail as junk mail? That's because they think we are unnecessarily wasting precious paper. Carefully consider what should be included in your mailing—the less paper the better..

4. Always write with energy and personality. Use visuals to spur action and guide the reader.

“Don't waste my time; get to the point quickly,” is what most donors complain about. “I know you want my money, so tell me why?” When writing persuasive copy, you always have to keep the energy level up. After all if you are not passionate about your charity, how can you expect the donor to be?

5. Don't send postcards or address labels too often

Many donors have stated: “Stop sending me address labels and greeting cards. I have a drawer full them and even when I complain to the charity not to send any more, my request seems to go unheeded. They don't want to listen to me, I don't want to support them.” This was one of the biggest



I am writing to
you because...



criticisms I heard.

So now you know what to avoid to in your next fundraising appeal.

How to market to the fastest growing sector in Canada—the Asian community

Last year an Indian event called Diwali—a charity fundraiser in Mississauga where about 40% of Canada's South Asians live—raised \$1.8-million for the Trillium Health Centre in Mississauga and the University Health Network in Toronto. This year I have been invited to the event so I will let you know how they fare this year..

The flood of immigrants to Canada has resulted in the kind of vibrant diversification celebrated as the essence of Canadian multiculturalism. Their influence extends from various ethnic and fusion cuisines, to comic and health/spiritual disciplines like yoga, tai chi, acupuncture and beyond. .

This has created a nation of two solitudes: declining rural populations alongside bulging big cities struggling to provide services which newcomers can rely on. Marketing to this group seems complex and intimidating because of multiple languages and cultures.

But it can no longer be ignored.

Marketers need to pay closer attention to Asian consumers since they are fast becoming one of the most lucrative segments in the nation. Today, half of Toronto's population (1,237,720) was born outside of Canada, up from 48 per cent in 1996.

A GROWING FORCE

Today the immigrant population in Canada has reached an amazing 5.6 million residents, of which more than one million live in Vancouver and another million+ in Toronto. Chinese and South Asian immigrants represent more than half of the total.

Even more astounding are the projections for the future. Stats Canada anticipates that by the year



2017, there will be 7 to 9.3 million immigrants living in Canada, an increase of 24–65% over existing levels. This means that in 2017, roughly 1 in 5 Canadians will be a member of a visible minority. In British Columbia that ratio will be more like 1:3.

SO WHERE DO WE START?

Let me help you with my recommendations, but first keep in mind that all the facts below are from Stats Canada.

FACT 1: 25% of adults of South Asian origin has a university degree compared to 15% of Canadians.

MY RECOMMENDATION: Use direct mail, ethnic newspapers, radio and TV as part of an integrated campaign to reach these well-educated Asians.

FACT 2: Vancouver and Toronto are major destinations for new immigrants; over two-thirds of new immigrants locate in these cities.

MY RECOMMENDATION: Select the following channels.

- Newspapers: *The Toronto Star* and *Vancouver Sun* are the leading English-language dailies in Toronto and Vancouver read by Canadian South Asian consumers.
- Radio: Fairchild Radio was the top radio station in Toronto and Vancouver among Cantonese-speakers, while English-language news stations captured the top spot among Mandarin-speaking Chinese (680 News in Toronto and News 1130 in Vancouver).
- In Vancouver the recently launched Red-FM emerged as the leading South Asian radio destination, with a 43% weekly reach. In Toronto, 680 News is the leading station while 101.3 CMR (Canadian Multicultural Radio) is in the #2 spot.
- TV: Fairchild TV was number one in Toronto among Cantonese-speakers while Citytv, Fairchild, CBC and Omni 1 and 2 were in the top spots for Mandarin-speakers.



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- Alpha Punjabi was the leading TV brand in Vancouver, followed by ATN, Global and Vision. In Toronto, Citytv and ATN were tied for the top spot.

FACT 3: Another important researched fact was the extent to which Canadian Chinese and South Asian consumers find in-language advertising relevant. By and large, they prefer to be communicated with in-language: 60–70% of them want to see marketing and communications messages delivered in their mother tongue. One survey showed that 65% of Chinese Canadians pay more attention to advertising if it is in Chinese rather than English; a further 63% were more likely to deal with businesses that were more involved in their communities.

MY RECOMMENDATION: Advertise also in *Sing Tao*. It is the leading Chinese-language paper in both Toronto and Vancouver. Advertise in *Ajit*, the leading South Asian newspaper in both markets.

However, have an in-house expert who understands the language to ensure that what is being written in-language is accurate in the above newspapers.

FACT 4: The spending power of Chinese and South Asian consumers in Canada now exceeds \$40 billion. Education is a big factor in income and spending – higher degrees lead to higher median salaries.

- Asian Canadians are generally younger, with 70% under the age of 45. Income comparisons show that 54% of South Asians have household incomes of more than \$60K compared to 46% of mainstream Canadians while 48% of Chinese Canadians have investible assets of \$50K or more compared to only 36% of mainstream Canadians.
- 52% of immigrants purchased a home within three years of arrival in Canada

FACT 5: Among South Asian Canadians in the 15-29 age group 89% are Internet users and 71% of those in the 30-49 age range use the Internet on a weekly basis.



星島日報
SING TAO DAILY



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MY RECOMMENDATION: Although this group famously indexes high for technology usage, experts say many Asians hold a special fondness for direct mail—especially targeted, in-language pieces that demonstrate a brand’s respect for this wide-ranging ethnic group. Like many, they appreciate the tangibility of mail as well as its ability to dispense long-form information in an engaging fashion. When you receive 20 pieces of mail and you see one piece that is speaking to you in your language—that is the first piece you’re going to open.

Follow up with online appeals and social media since Google, Yahoo!, Hotmail, MSN, Facebook and YouTube were the top portals among South Asians. South Asian sites and BBC sites were most popular.

It’s also clear that Chinese and South Asians are substantially different from mainstream Canadians, demographically, behaviorally, and attitudinally. So keep these factors below in mind before marketing to them.

1. THE MESSAGE

Asian immigrants are used to bargaining. It’s really a search for value—value being defined as what you get for what you pay and service and its relationship to a brand benefit. And direct marketing does that in spades.

2, THEY ARE MORE FAMILY ORIENTED

In 2001, 61% of people aged 15 and over who reported a South Asian origin were married, compared with about 50% of all Canadian adults.

- Family is very important to Asians. Most Asians have strong bonds with their families, which includes their immediate family plus cousins, nephews, aunts and uncles from both sides of the family.

3. THEY HAVE MORE RESPECT FOR ELDERS AND TRADITIONAL VALUES.

- In the Indian community any elder who is not even a family member is addressed as Uncle or Aunt by the children



15%
OFF FOR A LIMITED TIME ONLY

4. THEY LIKE TO LIVE IN COMMUNITIES

- Ethnic Communities work as a family. Weddings are elaborate personal celebrations, while funerals, festivals and other occasions are community affairs.

Finally, community-based and sponsorship initiatives are important, as are forming connections with opinion leaders who can provide advice and influence. Most marketers will not forge a quick or direct path to market success but will have to be patient in order to recognize meaningful ROIs.

I am not saying that results cannot be achieved overnight but a long-term, multifaceted effort is more successful in establishing a presence in the ethnic market place.



My latest venture into the ethnic market

I was recently asked by a Jewish non-profit group to help them raise funds for **Hadracha**, an organization that is largely unknown.

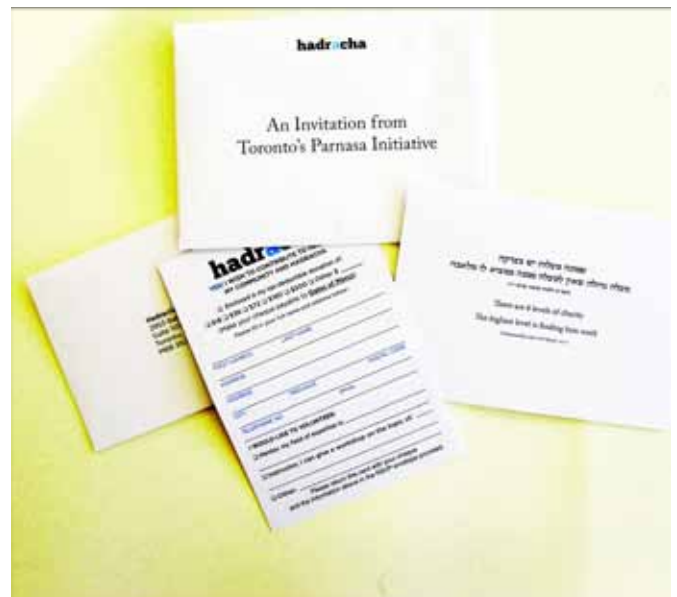
Five young men—Ralph Alter, Etan Mazin, Ariel Remer, Sruli Wolff and Mayer Plonka were instrumental in setting up **Hadracha**.

Each one of them has their own busy life and successful career, but together they took the time to start Hadracha—a free employment and business advice service for the *Toronto Orthodox Community* in their neighbourhood.

The Challenge: Since the piece was to be dropped as an insert into a newspaper with a circulation of 4800, it had to stand out.

My Solution: I felt that making the piece look like an invitation would give it a higher than average chance of being opened and read.

The Results: In the first few weeks the client has already recouped its investment and made a nice profit. The response was **over 2.1% in the first few weeks**. It will grow in the next weeks because donations often continue to pour in months later, especially when the drop date was so close to the summer holidays.



The client's email to me read: We get 3-5 envelopes every day. Many people gave us good feedback.

I am anxious to know how well it continues to do and await regular updates. I have my fingers crossed!

Profits by Nonprofits and where they come from

Here are some fun numbers.

Survey of nonprofits in the US found that 95% still use direct mail.

According to the Direct Marketing Association, in 2012 commercial and nonprofit marketers will spend about \$168.5 billion on direct marketing initiatives. That's just over half of all ad expenditures in the U.S.

The DMA's Response Rate 2012 Report reveals that 79% of overall respondents to the survey and 95% of nonprofit respondents use direct mail. The survey found that letter-sized direct mail packages had a response rate of 3.4 percent for a house list and 1.28 percent for a prospect list.

By comparison, e-mail has a lower response rate—only about one recipient in a thousand will end in a new sale or donation. And though telemarketing had the highest response rate of all media surveyed, it also carries a high average cost per order/lead, at \$77.91 for cross/upselling and \$190.49 for prospecting.

Direct mail was just \$19.35 for upselling and \$51.40 for prospect mailings.

The Blackbaud Index of Charitable Giving reports that overall giving increased by 0.2% for the 3 months ending July 2012 as compared to the same period in 2011. The Index is based on actual giving statistics from nonprofit organizations of all sizes representing arts, culture, humanities, education, environment, animals, healthcare, human services, international affairs, public and society benefits and religion sectors in the US.

It reported that online giving to 2,178 nonprofit organizations represented \$445 million yearly.

In contrast, the total giving trends of 2,845 nonprofit organizations represented \$8 billion in yearly giving, both offline and online.

If you look closely at the numbers, \$445 million translates to just 1.79% of the \$8 billion.

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