

 **Research based tips
on Direct Mail**

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Welcome to our lab

- Research at the heart of insight
- As researchers and insight people we are just observers of trends and behaviour - we report what we see.
- The result:
 - Advice on best practice
 - Tips to help with direct marketing challenges





Content

- Research and methodology
- Charity sector – current fundraising environment
- Main research findings
 - Direct Marketing channels
 - Role of Direct Mail
 - Targeting/relevance
 - Creative – effective use of creative budget
 - Environmental responsibilities
 - Data quality
- Top Tips

Who is behind the research?



- *fast.MAP* – real-time research and insight agency. Conducting research projects mainly online to understand donors and aid decision making



- ONEPOST – UK's leading independent provider of postal management and advice



- W8Data – a dedicated data bureau with an understanding of the whole direct mailing process from production to client services.





About the research

Summary of various research projects *fast.MAP* and sponsors have been involved in:

- 2 bespoke studies designed and executed for this event
 - Consumer research
 - Fundraising decision makers research
- Other projects conducted in the last few months
 - ONEPOST/*fast.MAP* Charity
 - Marketing Gap Research
 - Sustainability Tracking Study - DMA



Methodology

- All research conducted as quantitative online interviews:
 - No skew from peer pressure
 - Representative – most people are online
 - Easy interface to answer questions
- Consumer/donor research – between 1,200 to 2,000 interviews with a representative population of UK adults
- Fundraising decision makers research – 50 interviews with fundraising and marketing directors/manager from charities and agencies.

Today's objectives

To discuss...

- Key trends
- Opportunities
- Challenges
- Donor expectations
- Observations
- Tips



Charity sector – current environment



Donation trends

- 23% - stopped or decreased regular donations in the last 18 months
- Why?
 - 81% - can't afford it
 - 13% - unsure charity is using funds appropriately
 - 10% - don't feel close to cause, change in circumstances
- Who suffered the most?
 - Most charities suffered ...
 - Disaster relief/poverty/human suffered the most
 - Followed by Animal and Children
 - Medical charities (medical research, cancer, disability) least affected

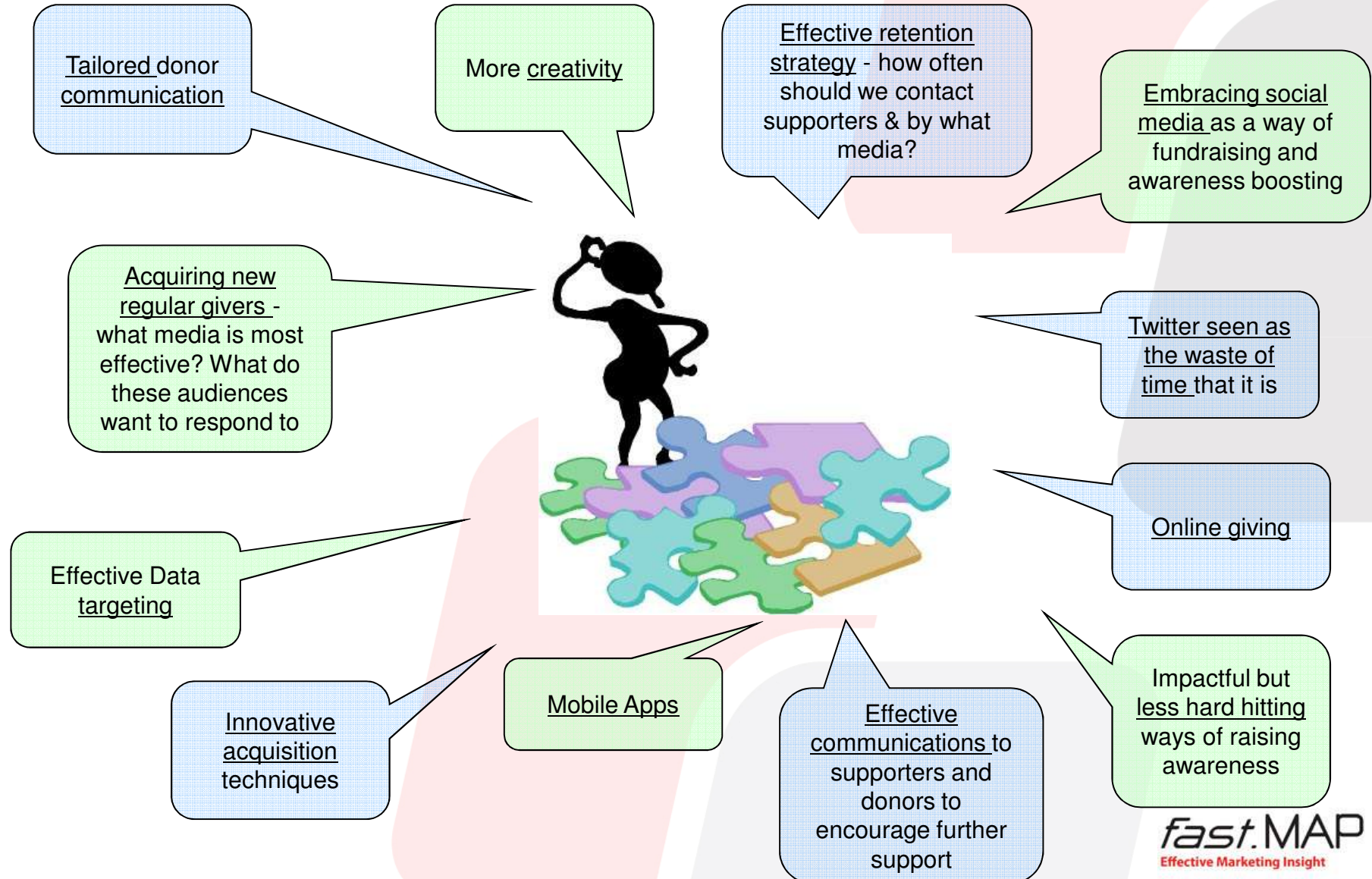


What challenges lie ahead in 2011

We asked the experts ... YOU



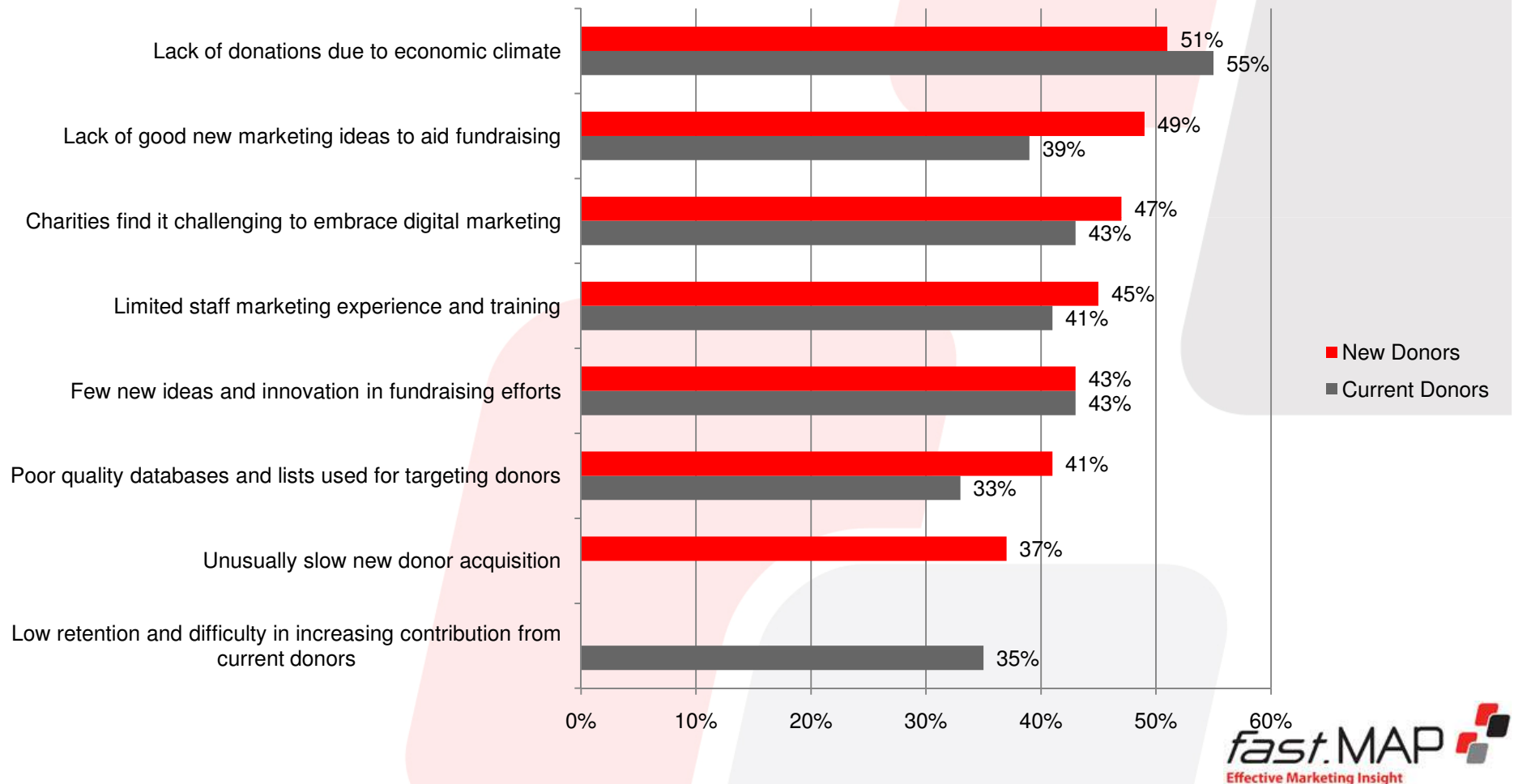
Fundraising challenges - in your own words





Fundraising challenges in 2011

Which of the following issues, if any, do you see as the main challenges preventing charities from effectively raising funds from current and new donors in 2011?





Main research findings



Fundraising channels – what works

	What channels are being used (% use extensively)	What is preferred by regular donors	What is preferred by donors with no regular relationship
Direct mail	90% (42%)	48%	33%
Email	90% (26%)	46%	25%
Phone	52% (16%)	4%	1%
SMS	36% (0%)	3%	3%
Social Media	74% (6%)	3%	3%



Direct Marketing – channels and approach

86% Fundraising decision makers agree that :

“The advent of digital marketing such as email and social media has changed donors perceptions which means there is a clear need for a fully integrated marketing approach where various Direct Marketing channels are used in combination (DM, digital, phone) ”



Direct Marketing – channels and approach

- **Fundraising decision makers view:**
 - Integrated marketing approach
 - See Direct Mail as key
 - Trying to use Social Media more
- **Donor's view**
 - Prefer Letter
 - Not fond of social media as communications method

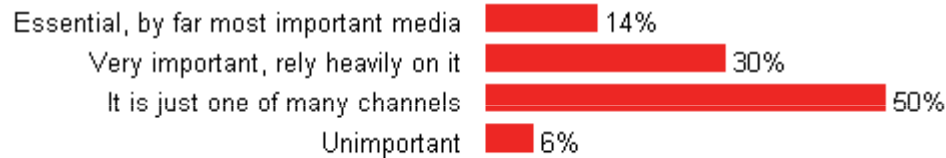


Direct Mail – expectations

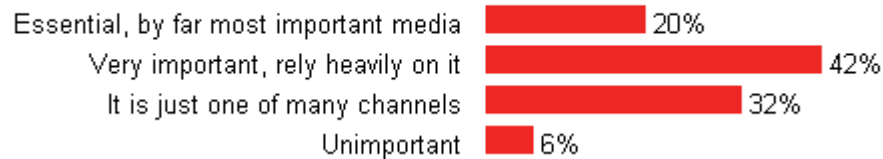
- **Fundraising decision makers view:**

Q9: How important is the traditional channel of Direct Mail in your acquisition and retention strategies?

New donor acquisition



Retention



- **Donor's view – Letter through the post as preferred method:**

- 33% if no previous relationship (new donors)
- 48% for current donors (retention)

Direct Mail – effectiveness

20% of respondents responded to “letter through the post” in the past





Direct Mail is not like this...

- Targeting
- Shapes
- Sizes/colours
- Message etc

have effect on response rates





Targeting and relevance



- **Donor's view:**

- Almost 50% of consumers say that they would start donating to a new charity if they received relevant and well targeted communications
- Poorly targeted communications are seen as a waste of money by almost 60% of consumers

- **Fundraising decision makers view:**

What are seen as key marketing challenges for charities in 2011:

- 52% - Lack of targeting in Direct Marketing
- 44% - Poor targeting within available databases
- 32% - Limited relevance of marketing materials/little customisation



Creative – getting it right

- **Donor's view:**

- DM that stands out would encourage 20% of consumers to start donating to charity
- What do consumers see as waste of money:
 - 48% - overtly complex mail packs
 - 30% - uninteresting mail packs

- **Fundraising decision makers view:**

Key marketing challenges for charities in 2011:

- 38% - Limited creativity when deploying marketing campaigns
- 30% - Reusing campaigns that run for last few years



Environmental responsibility

- 65% consumers say : “all charities should act in an environmentally friendly manner”
- 36% more likely to support charities who act in environmentally way





Environmentally responsible DM - benefits

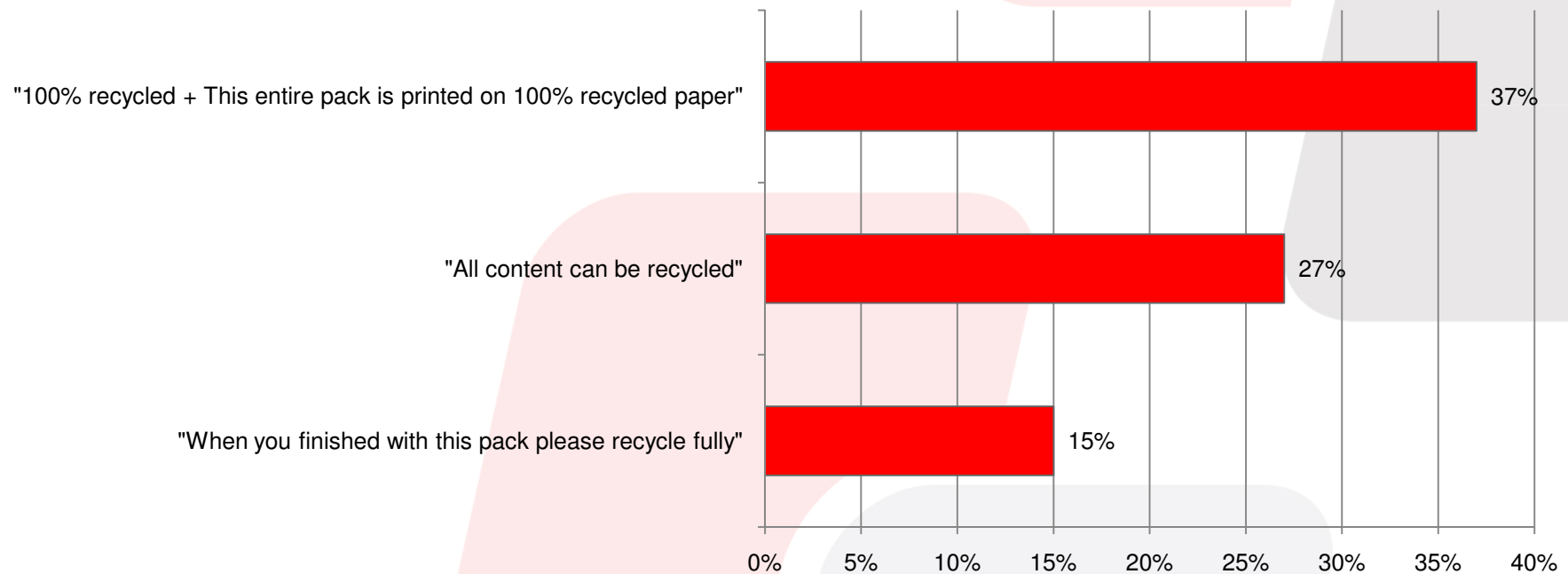
If a charity's DM was environmentally responsible this would have the following effect:

- 25% more likely to notice the charity
- 25% more willing to receive communications
- 23% more willing to read leaflets/letters
- 23% more likely to open mail
- 14% more likely to support/donate



Environmentally DM - logos

Best straplines to convey that the letters are processed in an eco responsible way?





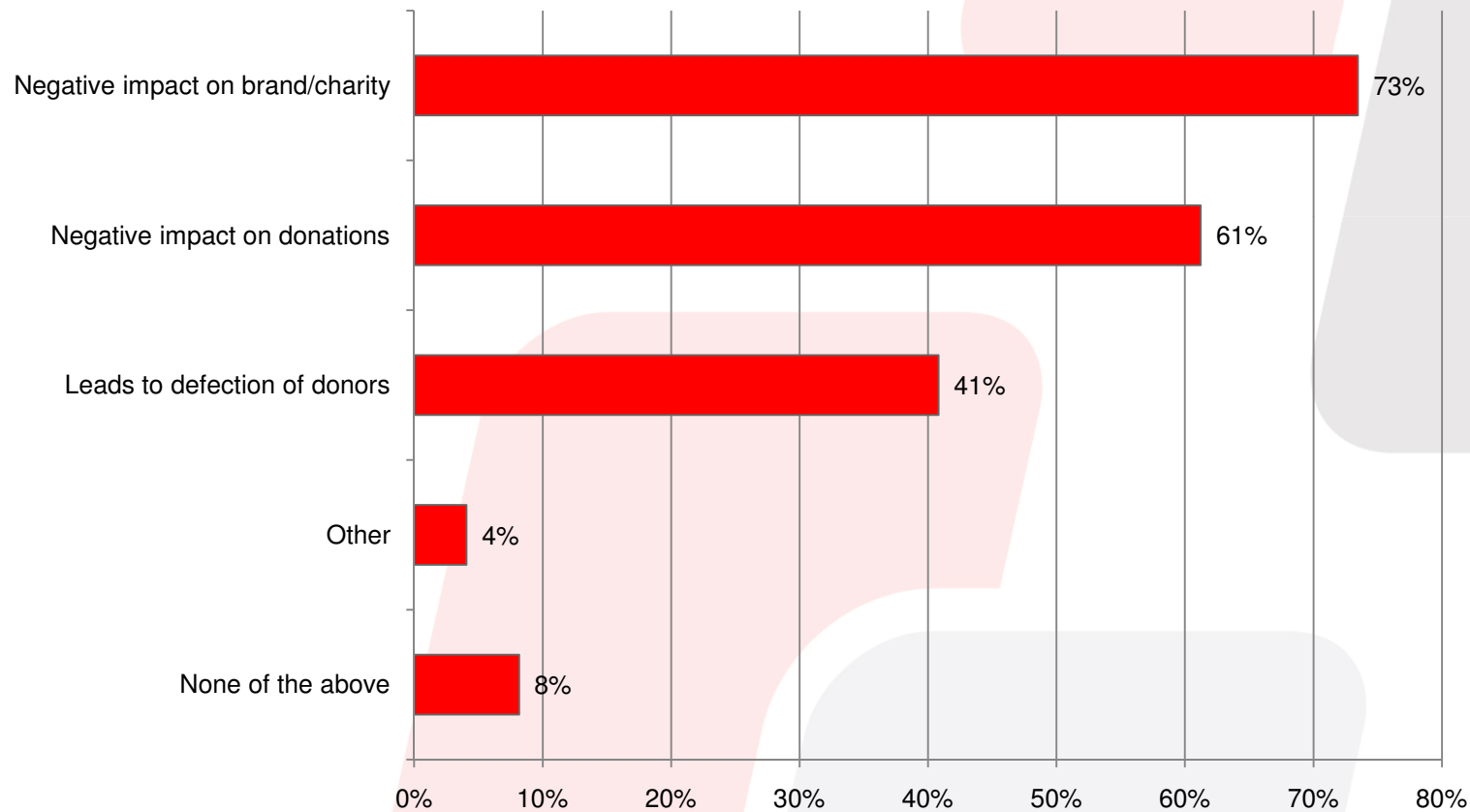
Data – It's a quality issue

- Donor's view
 - 25% - poorly addressed mail constitutes waste of money
 - 35% - would stop supporting a charity if letter sent to deceased relative



Effect of incorrectly addressed mail

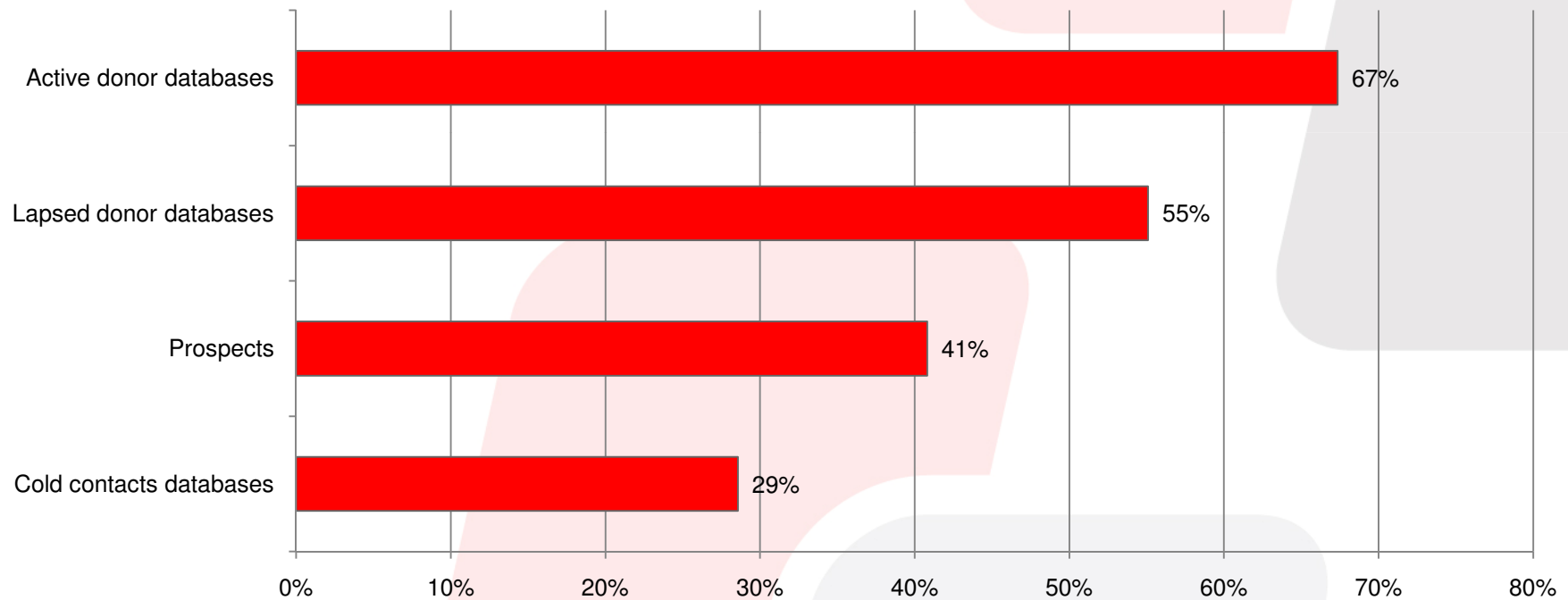
Do you think that an incorrectly addressed mail has any of the following effects on your donors or prospects?





Data – what do you clean

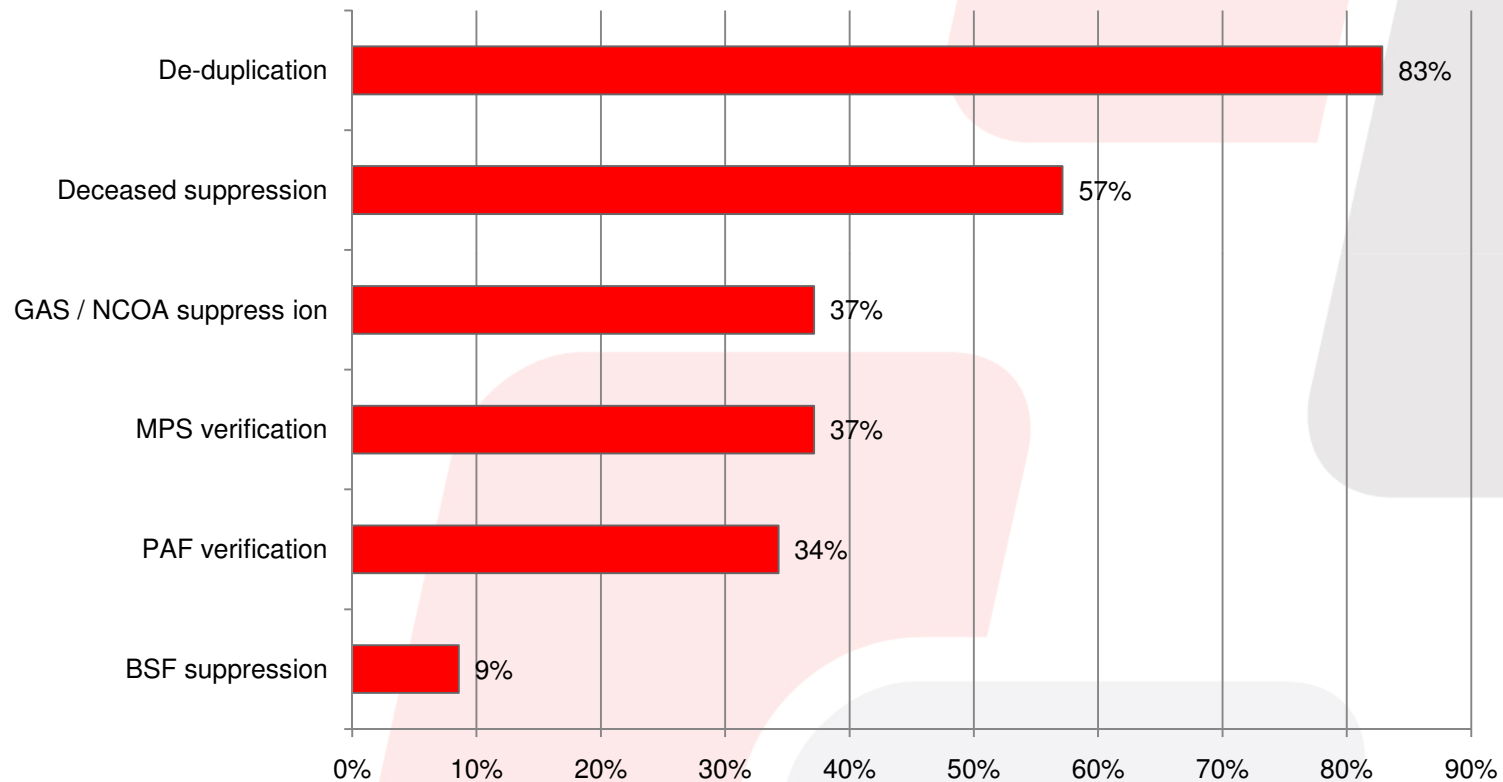
Which of the following databases do you currently clean or advocate to clean before they are used in a live campaign?





Data – level of cleaning

Which of the following data cleaning do you typically carry out?





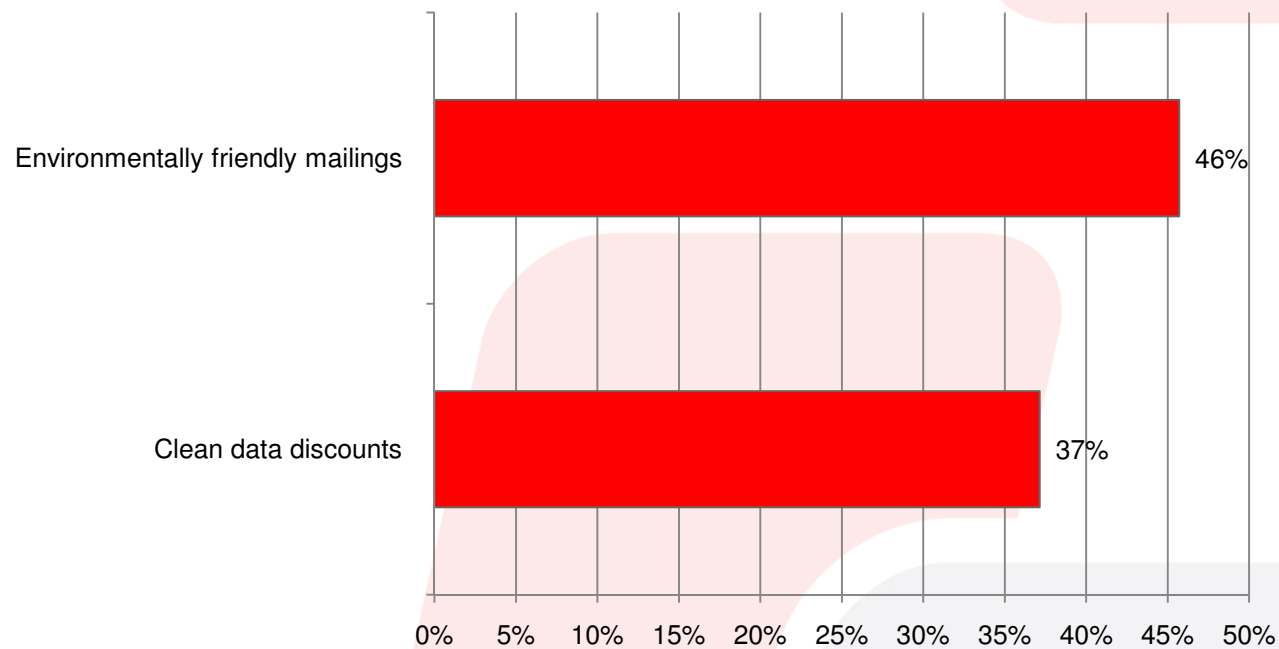
DM – getting it right





Awareness of discounts

Awareness of postal discounts as a result of using clean data or environmentally friendly mailings?





Executive summary





Top Tips – hand out



Top Tips - 1

Times are hard! It may be a good time to test a few new fundraising ideas and get ahead of the game. Research can help to get bold new ideas approved throughout the organisation.



Top Tips - 2

Look at ways of widening your potential donor audience through research. There are other segments that may interested in supporting your cause. Just find out who they are.



Top Tips – 3

Make your marketing campaigns relevant. Find out what your donors want to receive through research. Informed decision making reduces risk.



Top Tips - 4

Test and research marketing concepts and creatives that will make the most impact and increase your ROI.



Top Tips - 5

Poorly addressed mail is not appreciated by the recipient, in fact 1 in 4 people would stop donations immediately if mail was sent to a deceased relative.



Top Tips - 6

Only use cleansed data lists for targeting donors whether it be for new or current donors, it will save you money on postage, marketing costs, printing and handling returns.

Top Tips - 7

Think about who you are targeting and why, as poor targeting costs money and 44% of people consider badly targeted charity mail as "wasting money".



Top Tips - 8

Nearly 500,000 people die in the UK every year, and over 6 million people move, your data should be cleansed regularly to ensure it is up-to-date.



Top Tips - 9

Save money on your postage costs by sending environmentally friendly direct mail.



Top Tips - 10

Direct mail that stands out would encourage 20% of consumers to start donating to a new charity. Make your direct mail stand out with a personalised stamp like indicia.

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Top Tips - 11

Add your environmental message and consumers will respond more positively. Let your supporters know what you are doing and why. Include a short message on the outer to explain the importance of direct mail in raising funds and how little the direct mail pack costs the charity.



Thank you

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