

Direct Marketing in a post GDPR world



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GDPR is the biggest shake-up of data protection since the DPA came into force in 1998

Introduction

The introduction of the General Data Protection Regulations in May 2018 was a watershed moment in charity marketing and communications.



And it has created an uncertain environment for charities, with many being concerned about the impact the GDPR will have on their ability to fundraise and to keep in contact with supporters.

GDPR is the biggest shake-up of data protection legislation since the Data Protection Act came into force in 1998. One of the biggest changes GDPR has overseen is the enforcement of strict new obligations for the retention and processing of personal data. It has changed the landscape for marketers across all sectors - including charities - and led to a more responsible approach to marketing.

The GDPR allows for six legal bases for the processing of personal data: **consent, contract, legal, legitimate interest, public task and vital interest** - which all have equal weighting under the regulation.

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A challenging time for charities

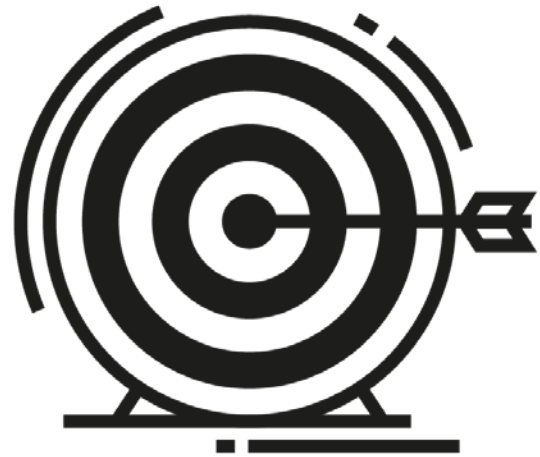
GDPR comes at a difficult time for marketing in charities. Public trust remains an issue, especially following the revelations at Oxfam and Save the Children.

The latest scandals follow public disquiet at charity fundraising practices that emerged following the death of the 92-year-old poppy seller Olive Cooke in 2015.

At her inquest the following year, it emerged that Cooke had been inundated with 3,000 mailings a year. The fallout led to the eventual creation of the Fundraising Regulator.

The result has been reduced public trust in charities, with the Charity Commission earlier in 2018 saying that charities were no longer as trusted by the public as the average stranger in the street.

Charities had feared a perfect storm, with GDPR potentially robbing them of ways of keeping in contact with their donors at a time of negative press coverage of the sector. But Kirsty Marrins, a digital communications consultant and a trustee of the Small Charities Coalition, says that despite initial fears over the introduction of GDPR, the law has not necessarily had the bad impact on charities that many expected. “Some have said it’s not really had any impact because they were compliant in the first place – or didn’t have to do too much to become compliant,” she says. “Some have said it’s been a good thing because it’s forced them to clean up their data and now they’re only communicating with people who really want to hear from them, leading to better engagement and conversions.”



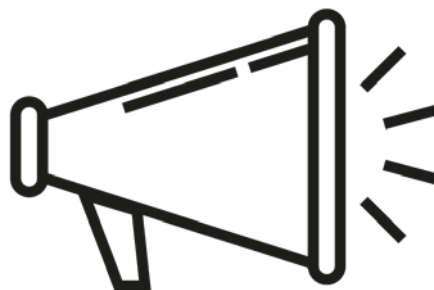
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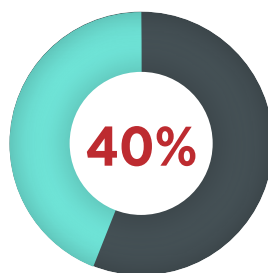
James Davis, group insight manager at the Direct Marketing Association (DMA), also says that GDPR has allowed charities to be more targeted in who they communicate with, and therefore more effective in getting responses from donors and supporters.

Davis says, “Research by the DMA about effective customer engagement tells us that contacting those who have had a meaningful interaction with a brand is a much more successful method. Charities and their marketing teams now need to be innovative and diversify their approach, contacting their databases with the right opportunities at the right times – being transparent is key.”

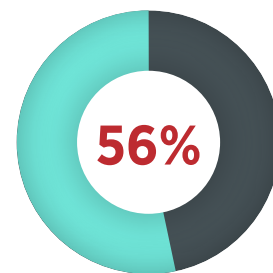
Davis says the public are increasingly seeing their personal data as an asset that they can use to their advantage in data exchanges with organisations. He highlights the DMA’s Data privacy: What the consumer really thinks report, which says that the proportion of consumers that hold such a mindset has increased from **40 per cent** in 2012 to **56 per cent** now. Among 18 to 24-year-olds, this agreement rises to **61 per cent**.



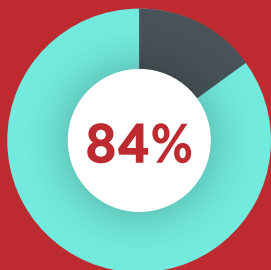
The proportion of consumers that think their personal data is an asset that they can use to their advantage has increased from **40 per cent** in 2012 to **56 per cent** in 2018



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Infotrends found that **84 per cent** of survey respondents felt that personalising direct mail made them more likely to open the letter



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Direct mail

So, despite the fears surrounding GDPR's introduction, the legitimate interest basis, provides a great opportunity for responsible marketers to use – or continue to – use direct mail for well targeted acquisition marketing.



Rumours of direct mail's demise have been greatly exaggerated! When combined with the latest technology, creatively and thoughtfully put together, personalised and targeted, direct mail remains a relevant and highly-effective channel for charities to acquire new supporters.

Research suggests that well-targeted, well-designed direct mail can resonate with recipients in a way an email and other digital channels cannot. Something tangible and physically engaging can be a novel, tactile and enjoyable change from words on a screen. Research supports this, with a study carried out by Millward Brown and the Centre for Experimental and Consumer Psychology at Bangor University suggesting that physical advertising and communication, such as direct mail, triggered a more emotional response than electronic messages did.

It also appears that direct mail makes people feel valued, especially in comparison to electronic messages. The media company, Infotrends, found that **84 per cent** of respondents to a survey felt that personalising direct mail made them more likely to open the letter, and other studies have shown that **70 per cent** of consumers say that receiving mail makes them feel valued.

Importantly, direct mail also lasts longer than other forms of communication. Post will remain in people's homes for much longer than any email will stay at the top of someone's inbox. A Temple University study carried out for the US Post Office found that while people focus more intensely on digital forms of communication, they spent a greater amount of time with the physical advert and had a stronger emotional reaction. For charities trying to raise donations, this point is particularly important.

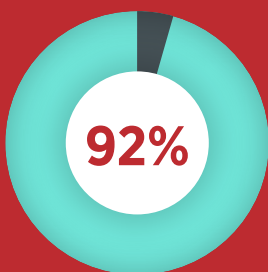
And direct mail is both read and responded to. A study by Infotrends says that **66 per cent** of direct mail is opened. If opened, **82 per cent** of direct mail is read for a minute or more. Of those consumers that responded to direct mail, **56 per cent** went to the organisation's website or shops.

Research by Royal Mail MarketReach in 2014 – based on 9,500 survey responses and 18 months of investigation – found that people also engaged with

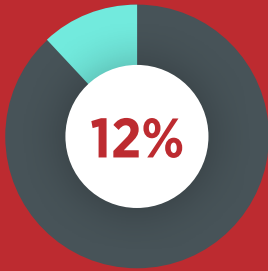


organisations online as a result of direct mail. The study found that **92 per cent** of people were driven to online or digital activity as a result of receiving direct mail, with **87 per cent** influenced to make online purchases, **43 per cent** downloading something and **54 per cent** engaging on social media. The study also showed that **two-thirds** of people keep direct mail they find useful.

Direct mail does not just resonate with the older generations – it is loved by millennials too. The millennial generation – those born between 1982 and 2000 – have grown up with computers, the internet and smartphones, but this has not reduced their appreciation of direct mail. Gallop research found that **95 per cent** of 18 to 29-year-olds have a positive response to receiving personal cards and letters. A survey of 18 to 66-year-olds carried out by InfoTrends and Prinova also showed that **63 per cent** of millennials who responded to direct mail within three months also went on to make a purchase from the source of the direct mail.



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A review by Brand Science found that campaigns that included direct mail had a **12 per cent** bigger return on investment than those that did not

Even the tech companies at the forefront of the digital revolution are embracing direct mail. Amazon has brought back toy catalogues in the US, which will be posted to millions of US households and also handed out at Whole Foods Market shops before Christmas 2018. The company is also apparently considering introducing the catalogues in the UK.

This surprising move into print for the archetypal online retailer is further proof that print as a marketing channel is alive and kicking.

And – most importantly – there are clear financial benefits to using direct mail as part of multi channel campaigns. A review by Brand Science found that campaigns that included direct mail had a **12 per cent** bigger return on investment than those that did not.

Further research from the Centre for Interfirm Comparison, which runs the Fundratios benchmarking tool for fundraising performance, found that for every £1 spent on direct mail in 2014, there was a return for the charity of £1.63. This was an increase of 4p on the figures for 2013. In a world of tightened belts and reduced financial resources, that can prove significant to a campaign's success.

If thoughtfully and responsibly executed and with all the obligations required under GDPR to use legitimate interest properly met – direct mail is an incredibly effective and powerful channel for response rates and engagement. It should remain an important part of charities' fundraising efforts.

