



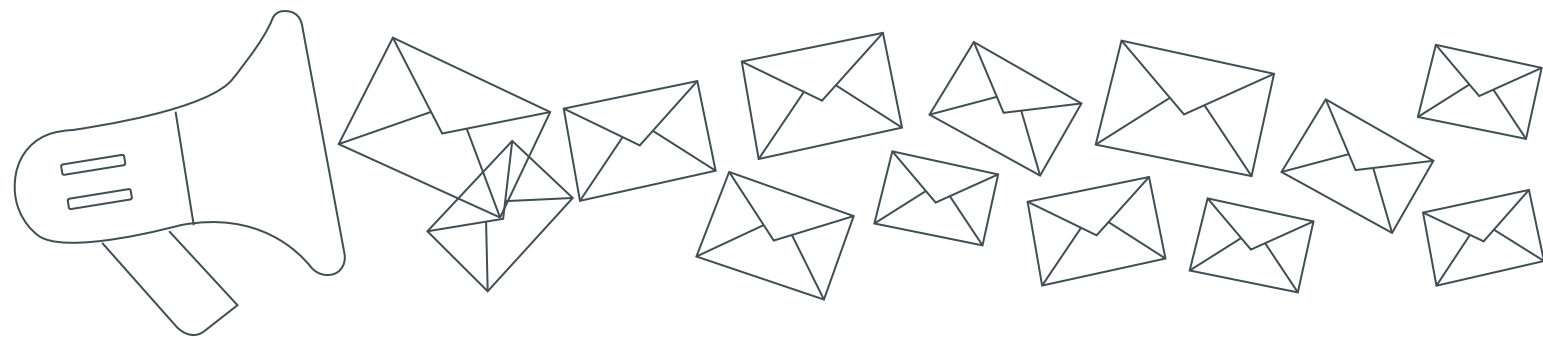
REaD Group

# The Successful Charity Marketer's Guide to Harnessing the Power of Direct Mail

As a marketer, there are many tools in your communications arsenal, especially in today's rapidly transforming media landscape.

Digital marketing's personalised, cost-effective and measurable campaigns and multiple platforms have changed the way organisations and consumers communicate, raising the question of how more traditional marketing methods, such as direct mail, can now best serve their purpose.

But direct mail has many advantages: it is the point at which communication becomes physical. Not only does it deliver a great return on investment (ROI) but research has shown that it also creates strong emotional connections and brand associations. This guide will take you through how to create your own successful direct mail campaign, especially if you've never tried it before.



# Why choose direct mail?

People are physical creatures who rely on human contact and stimulation, and giving, receiving and handling tangible objects are still important aspects of the human experience. Receiving a well targeted and well branded piece of mail can reinforce the recipient's experience and feelings, marking a significant step in the donor journey.

Direct mail is a trusted channel. Royal Mail MarketReach's extensive 18 month investigation into 'The Private Life of Mail' (PLOM) showed that mail not only persists in the home but is also shared among household members. This shows that creative mailings with a positive message live long after the moment it has dropped onto the doormat.

## How long do people keep mail?

- Advertising mail is kept for 17 days
- Door drops are kept for 38 days
- Bills and statements are kept for 45 days

## How is direct mail shared and displayed?

- 23% of all mail is shared between people in a household
- 39% have a dedicated display area in their home

Direct mail is also efficient. Because it is delivered by Royal Mail through your letterbox, there is zero wastage in comparison to magazine inserts which may fall out anywhere between the store and your home. And direct mail is personalised: addressed and delivered directly to the home of a named recipient.

Open rates are much higher for direct mail than online channels. Again, statistics from the PLOM study show that the opening and interaction rates for different kinds of mail are at least 43%, and often higher, depending on the type of mail.

## Direct mail opening and interaction rates:

|  | Open | Interact |
|--|------|----------|
| Statement, bill or information update            | 83%  | 69%      |
| Brochure from a company ordered from before      | 71%  | 56%      |
| Letter – promotion or special offer              | 68%  | 55%      |
| Letter – about a product/service they don't have | 60%  | 43%      |

# Planning your direct mail campaign

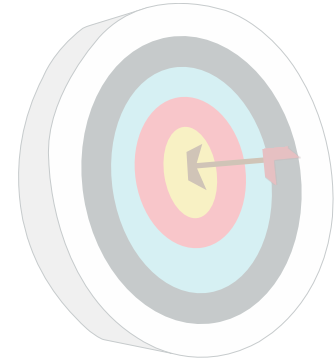
STEP  
1

## How to choose your target audience

The first step when planning a direct mail campaign is to decide who to send the mailing to. Assess what you know about your current donors.

### Current donor checklist:

- Age
- Gender
- Location
- Socio-economic status
- Profession
- Household composition
- Income



If you want to find more people who look like your current donors, or find out which data you should use, then partner with a data marketing specialist to help you. *For example*, here at REaD Group, we can run a profile on your existing donor base. Alternatively, we can suggest the key selection criteria based on our extensive knowledge of the charity sector and those most likely to respond.

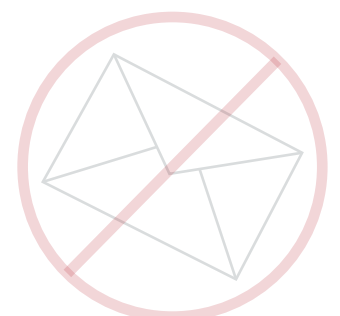
STEP  
2

## How to avoid mailing your existing donor base

One of the huge benefits of direct mail campaigns is the ability to exclude your current donors from any cold direct mail campaigns, something which other media channels are unable to do (think newspaper ads, online ads, magazine inserts and so on).

Through a process known as deduplication, REaD is able to provide only names and addresses of individuals with whom you don't currently have a relationship, suppressing or removing any of your existing donors from the campaign, and ensuring that you:

- Maintain brand reputation
- Minimise wastage by only targeting those who may be likely to respond and who don't already give to your charity





## How to decide the donation amount and giving format



The next stage is to decide what donation value you should request, and whether that should be a cash donation or a regular gift.

In our experience, a multiple choice option of donation values works well, along with the option to specify the donation amount of your choice, i.e. £5, £10, £20 or blank to be completed by the prospective donor. Think carefully about the donation values: it should strike a balance between being low enough to generate a response, but sufficient to deliver a reasonable ROI.

Offering the regular gift option is important so that you can begin a longer-term relationship with your donor and generate ongoing funds. However, regular giving requests without the option for a one-off donation tend not to perform as well as a standalone ask.

It is also really useful for donors if you can provide a 'shopping list' that demonstrates how your organisation will spend the donation and what the value of the donation would pay for.

### For example:

- £10 will pay for an emergency food parcel for a family of four
- £20 will pay for a night's accommodation in a hostel
- £15 will pay for vital medication for a week etc.

Providing a tangible list of ways that show how a donor's chosen donation amount will be used provides the donor with some transparency and comfort, as well as the purpose of the particular donation value that you're asking for.



## How to set a call to action

If you are including a call to action to the donation request, consider carefully what your primary CTA should be and what method of communication you want donors to use. There are multiple options available, including telephone, online, SMS, Direct Debit and paper-based reply form.

### Call to action checklist:

- Can your organisation support all of the methods you've selected? If not, which ones can it support?
- Can people donate on the website?
- How do you manage cash/cheque payments by post?
- What resource do you need internally to be able to support the responses generated from a direct mail campaign?



# STEP 5

## How to decide on the format of a direct mail pack

*There are a number of considerations to take into account here, including budget, format and VAT status.*

### Budget

It goes without saying that a postcard is significantly cheaper than a full 4pp letter with an insert/leaflet and/or Business Reply Envelope included. Keep in mind that a prospective donor will receive a multitude of donation requests from other charities, and you need to provide sufficient information for them to engage with your organisation and the work that you do.

### Format

A typical DM pack in the charity sector will usually consist of a 2pp or 4pp letter which outlines the mission of the charity, includes some examples of the work that it does, the successes that it has achieved, along with a couple of stories about where donations have helped.

Also worth considering are an additional A5 leaflet (this could be where the good news stories are shown), a paper reply form (for those that may wish to send cash or a cheque), and a BRE to remove any barriers to response by making it easier and free for the donor to donate.

### VAT status

The format of your DM pack can have an effect on the VAT status of your activity. Charities can apply for some elements of their direct mail pack to be zero-rated if it meets HMRC's guidelines. This is known as Extra Statutory Concession. The relief is available to all charities: you don't have to be VAT-registered to benefit. The supplier will zero-rate their invoice so that even if your charity is unregistered it can still save money.

#### **However, only some elements of a direct mail pack may be eligible:**

- The collection envelopes which ask for monetary donations
- Pre-printed appeal letters, and/or
- The envelopes used to send out the appeal letters

You should be able to obtain guidance on this from any well-respected, experienced charity-focused supplier or printer.



# How to determine the campaign look and messaging

## Testing your messaging

Direct mail allows you to scientifically 'test' your creative messaging, because you can divide your mailing and send different creatives to a subset of the mailing file. Often known as 'banker' versus 'challenger', this allows you to analyse the response rates for each creative to determine which one performs better.

## Generating long-term relationships

Learnings from the initial test campaign can continue to be applied into future campaigns, allowing you to refine your creative and drive up response rates campaign-on-campaign. Consider also the benefit of trying to generate long-term communications with the recipients. Can you encourage them to sign up to an online newsletter so that, outside of the one-off direct mail campaign, you can start to generate a bank of individuals who have actively opted in to hear from your organisation in the future?

The lifetime value of these individuals will then contribute significantly to your charity for the future and allow for upsell/conversion to other products, such as easing the ability to convert them from a single one-off cash donation to a regular gift by Direct Debit, begin playing the Raffle or Lottery, or the generation of further sales via your merchandise catalogue.

## Personalisation

Because you are mailing known individuals – and you know their gender, age, location, income, household composition, lifestyle interests etc. – you have an unrivalled opportunity to make your message particularly relevant and useful to them. Thanks to today's digital print capabilities, the level of targeting available within direct mail and the technology behind it means that you can create a mail piece tailored with dynamically-selected imagery, information and formats that will better resonate with them at a personal level, increasing the likelihood of response and conversion, and potentially higher donation levels.

## Longevity

Where possible, aim to create a piece of mail that the recipient benefits from keeping around the house for longer. Some examples might be the inclusion of a notepad or bookmark (albeit there is an increased cost to this), or perhaps including a shopping list or 'how-to guide' within the pack. Depending on the particular focus of your charity (animal, welfare, children, health and so on), there are low-cost creative options which can encourage your direct mail pack to be retained for longer.

# STEP 7

## How to decide which partners to use



If you have undertaken zero or very few direct mail campaigns, it is a good idea to partner with trusted experts in this field; organisations in whose knowledge, experience and expertise in your sector you can have complete confidence. This should be everyone from the supplier of GDPR-compliant prospect data, to those who will clean the data, and create a ready-to-use mailing file, through to your chosen printer and mailing house.

REaD provides many of these services in-house and works with trusted partners to deliver the others. REaD is able to project manage your entire campaign from data planning, procurement, cleansing, print and fulfilment, through to response handling and reporting once the campaign has gone live.

## How to determine what other marketing activities to run

# STEP 8

### Timing and the 'halo' effect

If you're thinking about running other marketing activities alongside your direct mail campaign, consider the impact they might have. Are the additional activities complementary? Will there be a 'halo effect', whereby the recipient of the direct mail piece may also see or hear an advert in the national press or on the radio?

Consider the timings of the campaign and whether you are able to take advantage of multi-channel communications to increase the halo effect. Conversely, you need to ensure that one activity doesn't cannibalise the other: a doordrop going out at the same time as your direct mail campaign could potentially reach much of the same audience, costing you double the budget for the same single prospective donation response.

Direct mail provides a degree of confidence in your planned mailing dates, depending on the specificity of the postage choice: you can largely aim for your mailing to land on a specific day of the week, or at the very least, pre- or post-weekend. Consider when your communication will be best received: pre-weekend gives the recipient more time to read compared to the start of a working week, for example.

More than any other channel, direct mail also offers your organisation an unrivalled opportunity to present your charity and its fuller mission to the recipient, both of which significantly help to lay the groundwork for follow-up activity.





# STEP 10

## What results you can expect



In terms of the likely performance of the campaign, there are many factors which will influence the response rates that your activity may generate.

### Factors within your control:

- Targeting
- Donation value
- Creative
- Messaging

### External factors outside of your control:

- Competitor activities
- Timings
- Societal events/attitudes etc.

Benchmarks will vary dependent on sector, but with significant experience in planning campaigns within your sector, REaD will be able to provide forecasted response rates, expected average donation values, and ROI predictions for your campaign activity. This allows a level of budgetary forecasting that can be reported to the business ahead of the campaign going live.

**Want to find out how REaD can help your charity implement a highly effective direct mail campaign?**

***Then get in touch with our Charity sector specialist:***



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**Call: 07963 973874**