



The **REaD** Group plc

DATA ASSET MANAGEMENT

MAKING THE MOST OUT OF YOUR SUPPORTER MARKETING



Setting the scene - 2010

A 2009 survey by the charity commission reported that over 50% of charities have been affected by the economic downturn, with many experiencing a drop in income coupled with an even greater demand for their services. To stay afloat charities are trying to strike the right balance between reducing their costs and upping their fundraising efforts, which comes at a price. Charities are likely to face further financial uncertainty with the looming VAT increase in January 2011, which will see the average household with even less disposable income than ever before.

Although public sector marketing budgets have been frozen by the incumbent coalition government, it would be a huge mistake for charities and other organisations operating within the Third Sector to follow suit. The charity sector will always face the marketing dilemma of needing to spend less and needing to attract and maintain good links with their supporters to encourage repeat giving.

Background

Let's face it, direct marketing in the charity sector has come a long way in the last twenty years. Who can forget the monotony of the never changing charity mail shots replete with free biro and featuring tired stock images that were de rigueur in the 1980s? Facing mounting pressure from supporters, many charities updated their creative strategy in the 90s and began sending out higher quality mailings with hard-hitting messages. Unfortunately, many of these messages never reached their destination owing to poor database management and charities found themselves in the firing line yet again for wasting money.

There are now multiple channels through which charities can undertake direct marketing activity. Third sector campaigns need to fully embrace all channels and media available to them, alongside traditional direct mail, in order to extend their budgets and increase their outreach.

But marketers should take care not to disregard data protection requirements or the quality of supporter data - because this could ultimately determine the success or failure of a campaign.

Direct Marketing activity is a crucial component when it comes to connecting with supporters and it can deliver excellent results if used wisely. The aim of this article is to outline the most effective ways of stretching your marketing budget and extracting the most from your existing data asset.

To help you navigate the ever-changing terrain and keep your feet on terra firma Data Asset Management, The REaD Group plc, have come up with some helpful hints and strategies for charities and third sector organisations.

Rob Salmon, Managing Director, meta-morphix Ltd

Most third sector organisations are aware of any underlying issues with the quality of their data but until they really start working with it, they're unlikely to see the full impact that poor data quality can have on the success of their marketing or fundraising campaigns.

We recently devised a bespoke automated processing system called INLINE that's perfect for larger charities like Macmillan Cancer Support who we currently work with as it takes care of the routine jobs involved in processing, cleaning and enhancing their supporter database and frees them up to get on with exciting stuff like campaign analysis and profiling their supporters.

For smaller charities such as regional hospices, the array of solutions on the market place can be bewildering and there seems to be apprehension regarding the costs involved in consultancy services. Therefore, my top tips for small charities on a tight budget are as follows:

- Register with an online processing system such as m-monline.com. It's quick and easy and it doesn't involve a third party.
- Take advantage of a free data health check. You can easily upload your data and will receive a free data audit at the touch of a button.
- By taking advantage of an online audit you can see the costs of cleaning and updating your data upfront, which in some cases can be as little as £200.
- You can even add detail such as phone numbers that could compliment your fundraising activities.

Luci Penn, Managing Director, REaD UK

At REaD UK we have helped our charity clients make their valuable supporter databases really work hard for them. While this requires some investment on the part of the charity, the return on investment is tangible. For example, by using suppression products to remove Gone Aways and deceased records from databases, charities are reducing the amount of money they waste on mailings and they are adhering to regulatory and best practice standards.

After removing obsolete records from their databases, the next step would be to track Gone-Aways to their new address. Once basic hygiene levels have been restored this is probably one of the most important things a charity can do as it has the potential to connect them with thousands of lost supporters, which was highlighted in our pro bono work with Breast Cancer Care.

My advice to charities, large and small, would be:

- See if any of the reputable Data Management companies are offering pro bono bursary grants to charities. The REaD Group ran a highly successful data bursary scheme, which offered the winning entrant £25,000 worth of data management products and services.
- Knowledge is power – don't just suppress records, use the information you have gained to append your database and drive your communication strategy forward in new directions.
- Getting intimate with your supporter database will help you to identify more supporters, build lasting relationships with them and help you to achieve that all important ROI.

Dee Toomey, Managing Director, Scientia Data

At Scientia, we provide transactionally active lifestyle data in a variety of forms and across multiple channels. When it comes to charities, who already make full use of the profiling services available, the focus should move to profiling the campaign response data.

Although charities have shown much innovation in recent years, one of the biggest mistakes that they make is a reluctance to adapt their propositions in line with the changing times and life stage of their prospective donors. Propositions tire in the same way data does - to use the same proposition again and again creates donor fatigue. Also, a one size fits all approach is not always the most efficient way to garner support - different people respond to different calls to action.

By learning more about the audience and adapting the creative accordingly, charities are more likely to get a return on investment and build long lasting relationships. To ensure the success charities should keep the following suggestions in mind:

- Undertake response profiling.
- Don't be afraid to adapt your creative to entice younger donors.
- Rethink your proposition or offering on a regular basis to keep it fresh.
- Work with your audience to get the message right.
- Avoid high complaints and brand damage by not mailing those aged 85+.

Peter Bell, Joint Managing Director, Funnel Lead Marketing

Lead Generation is the simple process of collecting contact details of people who are interested in your product or service by placing adverts and offers in places that have the most likelihood of generating a response from a desired target market.

With marketing spend constantly under scrutiny, charities should seriously consider generating new supporter prospects through well thought out Lead Marketing campaigns. By doing so they can rest assured that the prospects generated want to get in to bed with them thus ensuring the success of their next big fundraising initiative.

It's also worth bearing in mind that Lead Generation shouldn't be a costly process. A reputable lead marketing agency will only charge for fully qualified, opted in leads, which guarantees ROI.

For Charities on a limited budget, I would suggest the following:

- Visit the Internet Advertising Bureau to find up-to-date information on lead generation including a list of approved suppliers <http://www.iabuk.net/en/1/onlineleadgeneration.html>.
- Work out what you want to achieve from your lead gen. campaign and draft a working brief.
- Put out a formal RFI (Request For Information) – this costs you absolutely nothing. It's an excellent way of identifying project specifications you might not have considered and it will give you a clear direction for how to plan your lead generation campaign.
- Apply your existing knowledge to new areas and don't be baffled by jargon. Good quality data, transparency of sources, relevant permissions, cost per donor and lifetime value are as relevant to Lead Marketing as they are to traditional routes to market.

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