

## Not-for-Profits Raise Response Rates With More Relevant Solicitations

*Latest one-to-one marketing techniques are helping non-profit organizations boost loyalty and return on their funding campaign investments*

By Toni Schottenhammer

Outpourings of event- and disaster-driven aid donations to not-for-profits make headlines, but the greatest source of institutional growth is the lifetime value of a member or donor.

So states Dirk Rinker, president of Campbell Rinker, Valencia, Calif., which conducts marketing research for non-profits. His studies find that the ongoing gifts of long-term members deliver consistent sustenance while event-driven aid is more often a transitory blip. He advises not-for-profits to develop lifetime relationships with supporters by focusing on the values that attract donors to their mission.

Some leading fundraising organizations are taking this message to heart by applying the same one-to-one marketing techniques that successfully build customer loyalty in the for-profit world. These campaigns personalize content and customize images for gender, age and other factors to make messages more relevant to recipients. The approach has regularly proven to outperform static messaging at getting recipients' attention and prompting action that boosts response rates, return on investment and loyalty.

Among the early adopters are two firms with significant presence in their respective nation's capitols, where many not-for-profits have headquarters. EU Services is a full-service direct marketing provider in the Washington suburb of Rockville, Md., and generates 65 percent of its business with non-profits. St. Joseph Communications, the largest privately owned print and media company in Canada, began building its business with not-for-profits after acquiring the privatized national government printing office in Ottawa 10 years ago. Here's a look at some of their recent initiatives.

### Doubling the Size of Gifts

EU Services began rolling out advanced one-to-one marketing services with its 2005 acquisition of a Xerox iGen3® 110 Digital Production Press, which can personalize individual pieces in a production print run. In 2007 the firm added new capabilities for creating personalized Web sites, a novel communications channel, which can collect donor preference information through opt-in surveys.



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Non-profits have been slower to adopt one-to-one techniques than for-profits, according to Crystal Uppercue, marketing manager, EU Services. Typically cost-conscious, they hesitate to sign on for one-to-one programs that generally involve a higher cost-per-printed-piece in exchange for potentially greater return on investment – a concept they don't always trust, she said.

Another factor: due in part to frequent staff turnover, not-for-profits tend to be inconsistent in the way they collect and enter member and donor data that is needed to bring intelligence to the programs, Uppercue said.

In addition, many not-for-profits engage their print providers only after the piece is completed, limiting the influence companies like EU Services can have on creative strategy.

But other trends are encouraging non-profits to adopt digital printing. Many are using more targeted lists for smaller mailings that are more cost-effective on digital presses, Uppercue said, opening the door to the possibility of

adding personalization.

And they are always looking for an edge, because even in a good economy, "People only have a certain amount to give," she said, making competition fierce.

Uppercue said EU Services markets one-to-one offerings by developing success stories as examples. For example, the Children's Hunger Relief Fund nearly doubled the size of gifts received from a recent campaign thanking about 6,000 people who had recently made donations of \$50 or more.



The Children's Hunger Relief Fund nearly doubled the size of gifts received from a recent campaign that recognized to which of the group's three funds the recipient had previously given.

For the first time, the fund recognized which of three funds the donor gave to – Children’s Hunger Relief, Children’s Clean Water or Emergency Relief Vegetable Seeds – reinforcing the donors’ commitments to these causes with images and address labels appropriate to each fund. The average gift jumped from \$16 to \$26. Now the Children’s Hunger Relief Fund is considering other campaigns that can benefit from more of a one-to-one marketing approach.

## Doubling the Response Rate

St. Joseph’s not-for-profit clients accounted for about five percent of the company’s 2006 revenue of \$350 million, according to Jacques Cyr, vice president, Business Development, St. Joseph. Like non-profit clients at EU Services, those at St. Joseph have been cautious about engaging one-to-one marketing services, which the company provides through several of St. Joseph’s creative firms and a Xerox iGen3® press, Cyr said.

But Cyr believes in the approach. “So many marketing messages are coming at the consumer today,” he said. “When you can distinguish your piece somehow so that the recipient knows it is relevant to them, it improves your chances of being noticed and causing action.”

He also believed that one customer in particular was ripe for a one-to-one campaign: The Conference Board of Canada, the nation’s premier think tank, which stages more than 350 events and produces more than 200 research reports and periodicals annually. Direct mail is one of the key ways the research organization promotes its offerings, and St. Joseph produces most of it using traditional methods.

In early 2006, Cyr approached the organization about demonstrating the value of one-to-one marketing by conducting a campaign on its behalf at the 1:1 Lab, a partnership of Xerox Corporation, Exstream Software, Inc. and data specialists Terminal van Gogh. The lab runs apples-to-apples tests comparing traditional campaigns to data-driven, one-to-one campaigns.

The Conference Board signed on to promote a new offering to a difficult target. The offering: Conference e-Proceedings, which captures conference presentations on digital media. The target: hard-to-reach executive clients.



The 1:1 Lab made The Conference Board’s variable-information pieces more relevant to each participant with the order of the offers chosen to match the recipients’ interests, gender-specific images and personalized Web sites.

Using The Conference Board’s existing customer data, the campaign comprised direct mail personalized by gender and position, and offering a free Conference e-Proceedings of their choice from among topics in their fields, downloadable at a personal Web site. The control piece made the same offer, but without personalization. The 14,000 pieces mailed were split evenly between the one-to-one campaign and the control.



Perry Eisenschmid, vice president, The Conference Board of Canada: “We wanted to make sure the control piece and the 1:1 Lab piece were virtually identical, with the only varied elements being those that reflected the one-to-one capability.”

When the results were tabulated, the one-to-one piece doubled the results achieved with the control, 12 percent to six percent.

The Conference Board has subsequently replicated the results on a similar campaign using its own resources and partners, including St. Joseph, and sales of e-Proceedings are expected to increase almost three-fold since the first year of sales. “Some portion of that increase is almost surely attributable to the one-to-one campaign,” said Tina Marshall, manager of Direct Marketing, The Conference Board.

The finely tuned one-to-one approach also helps the institution remain “true to the spirit of a member-based organization, to not inundate members with superfluous marketing material,” said Perry Eisenschmid, vice president, The Conference Board.

The organization plans to run more one-to-one campaigns in the immediate future, and to continue to roll out more full-blown cross-media campaigns to support some of its higher cost, higher value offerings. “We’re very confident that with one-to-one techniques we can improve payback as we did in the test,” Eisenschmid said.

And that’s no transitory blip. ■

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## The Conference Board of Canada Project Production Price Comparison

CBOC Control piece (static)	Cost per Package*	CBOC 1:1 Lab piece (variable)	Cost per Package*
*Printing (offset) - 1 piece (17" x 10.125") - 2 sided, bleed on both short edges. Paper stock included	\$0.24	Data preparation, processing and set up***	\$0.06
**Finishing and Bindery - laser printing, trimming, folding, tabbing and mail preparation.	\$0.22	Variable Print Ready File Processing (VPS)***	\$0.29
Postage	\$0.37	*Digital Printing - 1 piece (17" x 10.125") - variable - 2 sides, bleed on both short edges. Paper stock included	\$0.53
TOTAL production	\$0.83	**Finishing and Bindery - trimming, folding, tabbing and mail preparation	\$0.10
		Postage	\$0.37
		TOTAL production	\$ 1.35

\* Price per package evaluated on the base of 7 400 piece.  
 \*\* Finished piece (8.5" x 5.5") from a trimmed format of 17" x 10.125" piece folded twice.

\*\*\* This costing does not include or take into account creative changes, copy changes or any significant changes to the program as it was created in the 1:1 Lab. Changes to the project would result in an additional cost.

The Conference Board’s variable-information pieces cost more to produce than static, but generated twice as many responses.