DM DIRECT MARKETING MAGAZINE

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THE AUTHORITY ON DATA-DRIVEN ENGAGEMENT & OPERATIONS

PHOTO BY GARY TANNYAN

FROM CAGING TO campaigns

SEE STORY ON PAGE 14

Patrick Durbano is the Director of Business Development at CDS Global Canada


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A world of many languages

Drastic changes in the print industry have caused a lot of our traditional offset print to transfer over to digital print and with this migration, printers have ventured into the brave new world of Direct Mail. As a result of this, print representatives are spending more time educating their clients on how to navigate through the intricacies of a direct mail campaign. These representatives have had to adapt their skills and adopt more languages beyond their usual print jargon. Those who have learned to use these languages in a harmonious fashion permit a cohesive marketing campaign to take flight.

We have been able to apply amazing variable imaging through software such as DirectSmile or XMPie, for many years, so why is it not used more often? Why are marketers still shy to fully exploit the information in their database in order to change images depending on sex, age, and make their piece more relevant? Could it be that marketers aren't comfortable with all the languages necessary to navigate through the maze of details that must be addressed? A strong DM sales representative will speak the many languages of Direct Mail and for the purpose of illustration in this article, I'll call her the DM Super Rep!

The DM Super Rep is able to speak fluent 'Graphic Arts', 'Database Management', something I call 'Mail-Ease' and has a general working knowledge of 'Marketing'. She navigates seamlessly from one language to another and can pull it all together to demystify direct mail for the marketer. The following will help illustrate what is behind each of these languages and why each one is crucial to a successful campaign:

Graphic Arts: The DM Super Rep knows the basic design elements that must be respected to ensure a piece gets through the mail and into the hands of the target audience. She knows the sizes and proportions that are optimal for a direct mail campaign, and will highlight the fact that some zones on the printed piece must remain free of any visual element in order to get a reduced price on postage.

The DM Super Rep will guide the graphic artist when doing a dimensional mail piece, or creating a piece using dimensional varnish and will explain how to work a design so that it can accommodate both variable data, as well as, variable images. She can propose design tips that will ensure that the print piece looks just as appealing when you personalize with a 3-letter name like BOB or with a hyphenated name like PHILIPPE-ANTOINE.

Database Management: Fluency in the language of database management permits the DM Super Rep to fully understand how the data in the different fields feed the printed piece. She confidently demystifies terms such as merge & purge, data mining, seeding and can help the client to set up their database so that fields are separated in a fashion that will permit better use of the information available. She may ask to see a sample of the database before the job is live in order to spot any potential issues and with her mastery of this language she will offer to do address validations in order to eliminate unnecessary returns.

Mail-Ease: A DM Super Rep can smoothly explain the difference between Unadressed Admail, Addressed Admail and Lettermail in one single breath. She also knows when to use 'Phantom pieces' so that her client can benefit from a better rate on postage when mailing to less than 1,000 recipients. She is aware that using Postal routes is the key to getting the best rates on postage and more importantly, she knows that these Postal routes change every 4 weeks, so the timing of a postal sort is crucial before you go to print. The DM Super Rep can guide the client to use services such as GEOPOST available through Canada Post to not only target geographically, but also demographically. And most of all, the DM Super Rep knows that the rules of Canada Post differ from the rules of the United States Postal Service (USPS) and that both need to be respected if the mail is being processed by these two different entities.

Marketing: Let's face it, direct mail campaigns are not usually initiated by the purchasing department so the DM Super Rep is comfortable speaking the same language as the marketers responsible for such campaigns. Traditionally the return on offset print pieces was difficult to measure, but with all the possibilities of personalization with PURLs, QR codes and UPC codes on a variable direct mail piece, tracking is simple and meaningful. The DM Super Rep peppers her discourse with terminology such as ROI, target market, life style, call-to-action and lift into her everyday discussions in order to resonate with the marketing team behind the project. She knows that the goal is not only to increase the impact of the campaign, but to make sure that it starts a conversation with the client's target market that will continue on to other Direct Mail campaigns. This creates a win-win situation for both the representative and the marketer.

So are you looking to do a direct mail campaign? Feel a bit daunted by all the details and terminology? Look for a multi-lingual DM Super Rep and see how she can not only facilitate the process, can also help increase your rate of return and augment client recall all while strengthening your brand image. ✓

“ Those who have learned to use these languages in a harmonious fashion permit a cohesive marketing campaign to take flight.

LOUISE KRALKA currently works as Vice-President of Sales and Marketing at PDI Integrated Print Solutions. She has been witness to many changes in her 25 years of experience in the print industry and is passionate about sharing ideas and communicating with her peers. As such, she has been guest speaker at trade shows in the USA and Canada, writes articles occasionally for trade publications and has been moderator for Idealliance on their webinar series on QR codes.Check out their insert in this month's issue of Direct Marketing.

Notice anything different?

This issue of *DM* marks the beginning of an exciting new generation of your magazine - a totally revamped publication that has expanded its coverage of direct channels of advertising. DM 2.0 if you will.

We're all really excited to bring you our fresh new look and more feature-oriented editorial package. And don't worry, all the news, events and industry happenings that you used to read in print will now be updated daily on our redesigned website (www.dmn.ca).

The fundraising industry has always been a leader in direct mail use. Direct marketing campaigns are the life blood of charitable organizations when it comes to engaging their existing donors and attracting new ones. So it seemed fitting that the launch of the new DM coincide with AFP Fundraising Day in Toronto on June 5. Delegates, exhibitors and sponsors at the event will get the first look at our new magazine and we've pulled out all the stops to make sure the content is relevant to everyone who works in the NFP space.

Our cover story from CDS Global delves deep into how fundraising organizations are coping in difficult economic times and offer tips on how to reduce costs and drive revenue. Stephen Thomas Ltd. addresses the challenges of attracting younger donors and Peartree Financial tackles the prickly topic of flow-through share donations.

This is also our DM Printing issue and we have some great new voices talking this month about trends and challenges facing the industry – starting with Louise Kralka of Quebec-based PDI Integrated Print Solutions who shows us why the new "DM Super Rep" needs to speak many languages to be successful. We'll also hear from Rhino Print and The AIIM Group on how printers can stay relevant in an increasingly digital world.

There's so much more inside but our designer said I only had 360 words to tell you about it here so read on! Enjoy your new *DM* and please – let me know what you think!

Cheers,
Amy ✓

Delivering HEAVENLY RESULTS

BY PETER BAKER

When your hospital's nickname is the "Urban Angel," you may be forgiven for reaching for the heavens when it comes to fundraising. Indeed, for St. Michael's Hospital Foundation, which supports the Catholic hospital founded in 1892 by the Sisters of St. Joseph, every fundraising campaign is considered critical to providing care for the sick and poor of Toronto's inner city. Over the last century, St. Michael's has evolved into a major teaching and research hospital affiliated with the University of Toronto and offering more than 450 inpatient beds, extensive outpatient programs and a downtown Toronto trauma centre.

To support its mission, the Foundation uses a number of strategies to ensure the hospital can continue to serve the patients and their families that rely on St. Michael's for their health care. In recent years, it has turned to planned giving—in which donors leave a bequest to St. Michael's in their will—as a key element in its fundraising effort.

Traditionally, the Foundation's planned giving program would focus on its regular donors—a group known as the Friends of St. Michael's Hospital—and appeal to members' desire to leave a lasting legacy to the hospital. Using a two-part approach, fundraisers would first send prospective planned giving donors letters featuring an existing planned giving donor encouraging others to consider making a bequest. Then a trained telemarketer would follow-up with a phone call to secure their intention to make the gift.

In fact, this approach had been working well. "The response was good," says Cynthia Collantes, Senior Planned Giving Officer at St. Michael's Foundation. "In the last few campaigns, we were getting a 22 per cent conversion rate from those indicating a willingness to make a bequest."

But like many not-for-profits with so much at stake, St. Michael's Foundation wanted to know if it could do better. Last fall, Collantes teamed up with Dwayne DiPasquale, St. Michael's Foundation's Director of Annual Giving, to integrate data-based segmentation with traditional methods and create an innovative program that would reach out to the Foundation's supporters.

Collantes was intrigued by DiPasquale's experience using data-based segmentation in previous fundraising campaigns. "I knew that our program and patient stories were good,"

PROSPECT SEGMENTATION CRITERIA

Top PRIZM Group A
- Top 80% of PRIZM codes that make up in Will
- Total lifetime number of gifts => 20
- Total lifetime value of gifts <=$25,000
- Last gift date since 01/01/11
- Wealthscapes Annual Ranking between 1 and 15
- First gift date on or before 09/01/10

Top PRIZM Group B
- Top 80% of PRIZM codes that make up in Will
- Total lifetime number of gifts between 10 and 19
- Total lifetime value of gifts <=$25,000
- Last gift date since 01/01/11
- Wealthscapes Annual Ranking between 1 and 15
- First gift date on or before 09/01/10

Non Top Prizm With Strong Legacy Social Values Group C
- Prizm codes reflect an index => 108 for Legacy
- PMB Indicates Prizm codes with Will updated 2+ years ago
- Total lifetime # gifts => 10
- Total lifetime
  $ gifts <= $25,000
- Last gift date since 01/01/11
- Wealthscapes Annual Ranking between 1 and 15
- First gift date on or before 09/01/10

says DiPasquale. “The big question was one faced by all fundraisers: Are we marrying the needs of the donor with the needs of the hospital in order to achieve a common goal?”

To conduct the analysis, the St. Michael’s Foundation team turned to the PRIZMC2 segmentation system from Environics Analytics (EA). Analysts first profiled existing planned givers by the traditional marketing metrics of recency, frequency and the monetary value of their gifts. And the analysis was revealing: The data showed that previous campaigns were not approaching prospects who had the greatest likelihood of donating large legacy gifts.

For instance, typical planned givers will make 27 gifts over the course of their lives. Yet the Foundation was reaching out to donors who gave an average of 35 gifts in their lifetime. “That told us that we were targeting donors who had given more than typical planned gift donors and may have been conditioned to give only through annual donations,” says DiPasquale. “Our goal was to find prospects who mirrored existing bequest donors. We found we had a gap between those we were mailing to and those we identified as our best planned giving prospects.”

To better understand the differences between the planned givers and the prospects, analysts overlaid EA’s WealthScapes financial data on each list and then created a predictive model that scored donors from 1 to 20—with 1 being the best—on their likelihood to make a mid-level annual gift of $5,000 to $15,000. “The good news is that one-third of our current bequest donors had WealthScapes scores of 1 to 5, which is an impressive figure,” says DiPasquale. “The bad news is that most of the prospects we were mailing scored in the 16 to 20 WealthScapes range. We were going after people who didn’t score high on the likelihood of making a mid-level gift.”

St. Michael’s Foundation found a similar disconnect when it overlaid the PRIZM lifestyle data on the list of current bequest donors versus the prospects they were pitching. Only four of the top ten PRIZM codes of actual bequest donors were found in any significant quantity on the prospect list: Cosmopolitan Elite (very wealthy middle-aged and older families), Urbane Villagers (wealthy, middle-aged urban sophisticates), Young Digerati (younger, upscale urban trendsetters) and Newcomers Rising (young, downscale city immigrants). Instead, they were more likely to mail prospects from less affluent segments, such as Grey Pride (lower-middle-class, suburban apartment-dwelling seniors), Urban Spice (young, multi-ethnic downscale singles) and Continental Culture (upper-middle-class, multi-ethnic urban households).

“Our goal was to once again find prospects that closely mirrored our bequest donors.” says DiPasquale. “And we wanted to find more of them.”

Equipped with the new information, St. Michael’s fundraisers launched a more targeted marketing campaign last November. Supplementing the traditional list criteria of anyone who gave over $100 in the last 18 months, they selected prospects who’d given more than 10 lifetime gifts, had donated less than $25,000, whose PRIZM code was in the top ten for planned giving and whose WealthScapes score was between 1 and 10. “We were hoping that these prospects were the cream of the crop,” DiPasquale observes. In addition, the team created a test segment based on similar criteria along with Print Measurement Bureau survey findings and selected the PRIZM codes of those who cross-indexed high on having a will and for the social value of leaving a legacy.

Having developed a stronger list, the fundraisers also turned to differentiated messages to craft more personalized appeals. Based on how the donors scored on their PRIZM segments and linked social values like Legacy, Community Involvement and Faith in Science, analysts developed different telemarketing scripts incorporating these principles. When the prospects were called, the Foundation’s team knew whether to promote the value of leaving a personal legacy or supporting the purchase of new surgical equipment.

In late December, the results of the new campaign started filtering into St. Michael’s Foundation. Collantes was impressed. From the 1,500 names available for contact, the agency reached 64 percent of the donors, resulting in a 29 percent conversion rate compared to 22 percent in the past campaigns. Another large group stated that, while they weren’t yet ready to commit, they still were interested in considering the idea in the future. “It was the first time we’d been this selective with our prospect list,” says Collantes. “But our expectations of achieving higher results came to fruition. It was an amazing thing.”

Collantes was especially gratified by the opportunity to establish a long-term relationship with donors who may eventually leave a bequest. “If they believe in the hospital and want to give back one day, then I consider the program a success,” she says. “Aside from a monetary gift, what makes a big difference is the relationship we have with a donor. We want them to become friends for life. And we really won’t know about our impact until we receive the final gift.”

For DiPasquale, the campaign also confirmed the effectiveness of the innovative, data-based approach to planned giving. With the segmentation and predictive scoring, the new approach allowed the Foundation to eliminate a number of less qualified prospects—a significant time- and cost-saver. It also demonstrated the power of differentiated messaging and targeted direct marketing outside the commercial realm. “Fundraising is all about relationship building,” he says. “But if you don’t go to the right people with the right message, you won’t see the same type of positive results.”

In the future, the Foundation plans to continue testing data segmentation strategies while maintaining its traditional method of targeting donors who have given at high levels and in recent time periods. The goal: to continue the trend of improved conversion rates in the planned giving program.

Ultimately, the campaign’s most important impact will go beyond proof of cutting-edge direct marketing techniques. Foundation analysts expect the hospital will benefit from millions of dollars provided by people who will name St. Michael’s in their will—proof that Toronto’s Urban Angel has some caring angels of its own. ✓

PETER BAKER is Vice President and Practice Leader, overseeing the fundraising, municipal government and library sectors, at Environics Analytics.

Rising Above the Fray

BY MARILYN ANTHONY

As just about everyone knows, there has been a lot of news in the last little while about fraudulent charity tax shelter schemes in Canada and how the CRA is cracking down on the scheme promoters, individual taxpayers submitting false donation claims, and the charities themselves.

In fact, the CRA's tough stance has thrown a bit of a scare into a lot of charities, who are rightfully concerned about being associated with any tax-reduction program that could subsequently be subject to a CRA audit.

The essence of the problem with troublesome gifting tax shelter schemes is that, ultimately, they aim to promote a mechanism that redirects legitimate government tax revenues into the hands of individuals who are willing to go to extreme lengths to avoid paying their fair share of taxes.

Fortunately, however, there is a class of gifting tax shelter that rises above the fray, providing generous charitable donors an opportunity to maximize the positive impact of their giving and charities the opportunity to provide a tool to major gift donors that lowers their after tax cost of donation.

Indeed, flow-through share donation (FTSD) programs – which are technically defined as tax shelters - have been recognized by the CRA in its advance tax ruling process as a legitimate tool for major gift donors to significantly reduce (but not eliminate) their after-tax cost of giving. In fact, in many cases, FTSD programs are the only real tool fundraisers have to help their annual donors - both individual and corporate - maximize the after-tax impact of their giving.

As the structure of flow-through share donation programs are fundamentally designed to improve the positive social impact of philanthropic giving, not detract from it, the one way for any charity to easily recognize and avoid being drawn into a fraudulent program is to ask themselves this question:

"Are we being asked to receipt a donation amount greater than the value of what we're actually receiving?"

If the answer is yes, it is a virtual certainty that the tax shelter is on the CRA's 'hit list' and should be avoided.

Unfortunately, it isn't enough to simply verify that the tax shelter is legally registered as such with the CRA, as the tax shelter registration program is essentially no more than an administrative function that makes it easier for the CRA to track the activities of tax shelters and their promoters. It has nothing to do with consumer protection.

In sharp contrast, flow-through share donation programs have repeatedly been addressed in advance tax rulings and technical interpretations by the Canada Revenue Agency and Revenu Quebec. Our firm, which is an acknowledged pioneer in the development and application of flow-through share donation programs in Canada, proactively applies for advance tax rulings and technical interpretations whenever there are changes in our format so as to ensure full compliance with the current tax regime.

This approach ensures added security and peace of mind for the participating charities, as well as their donors.

Any registered charity that would like to introduce to its donors a format that reduces the after tax cost of donation to boost and/or accelerate their giving would be well advised to speak to a specialist firm that has experience working directly with charitable organizations in structuring, managing and communicating the benefits of a flow-through share donation program.

As I've written here before, there are a number of significant benefits that can accrue to organizations that build flow-through share donation programs into their outbound marketing and fundraising efforts, including increasing the level and frequency of pledge donations, particularly from major donors, and building donor loyalty – all at no net cost.

That's no scam. ✓

MARILYN ANTHONY brings over 17 years of major gift fundraising success to her business development role at PearTree Financial Services Inc. in Toronto. Her campaign experience spans organizations across Canada, including CAMH, Kids Help Phone, the Heart & Stroke Foundation of Ontario, University of Calgary, Oakville Trafalgar Memorial Hospital (OTMH), and the Ontario College of Art & Design (OCAD).

Leaving A LEGACY

BY MARY D'SOUZA

A healthy, sustainable future for our planet? Sending all sick children home safe?

These are the kind of big-picture goals that every not-for-profit organization dreams of. But as you can imagine, achieving this kind of long-term vision takes long-term planning.

Legacy giving is part of that planning. Legacy gifts, often in the form of a bequest in a donor's will, offer long term stability for an organization and give them the financial means necessary to carry out their loftier goals.

It's a solution that brings incredible peace of mind – to both donors and the organization. Making such a gift can improve a donor's financial position, reduce estate taxes and allow an individual to make a far bigger impact than they could have in their lifetime. And in an age of government cutbacks and increased competition for charitable gifts, legacy giving provides an organization with the critical security necessary for future financial planning.

The good news is, there are many more people who are willing and able to include an organization in their will than there are donors able to make million dollar gifts in their lifetime. But is it possible to cultivate the kind of donor relationship required to make such a gift through the annual program?

Kimberley Blease, VP of Marketing and Client Relationships at Blakely & Associates, has proven that it can be done. "In our legacy giving marketing plans, we focus on carefully growing and nurturing the donor relationship to the point where they will consider this type of gift. We then work to engage them in the vision of the organization and cultivate the idea of leaving a legacy," says Blease. "Once a commitment is made, we make sure to affirm and support that donor's decision with ongoing stewardship."

Direct mail communication is proving succesful in building these relationships. "We are seeing tremendous success with our targeted VSION™ legacy program, which utilizes highly targeted personalized mailings, very high quality boutique calling and ongoing stewardship communications to support each individual relationship," says Blease.

And there are other benefits to implementing a targeted approach. "This program is a also a key part of achieving a high value donor file, including leadership donors, monthly giving donors and major gift donors – all built from the annual program," explains Blease. "By increasing awareness of legacy giving with a high-touch, personalized approach, we are building high value relationships with donors long-term."

Blakely & Associates has spearheaded this approach for several organizations, including WWF-Canada, BC Children's Hospital, Toronto General & Western Hospital, Vancouver General Hospital and Rady Children's Hospital.

After identifying which donors have the highest potential to make a legacy gift, often through specialized data modelling, they send a highly personalized and engaging letter, along with a survey and an inspiring and informative brochure. "By integrating small group mailings into the schedule it allows us to be highly targeted and to manage communication more effectively," says Blease. "We are actually talking to the donor about their vision for the future, and the incredible impact they can have when they make a legacy gift." ✓

GET Social WITH YOUR Donors

BY MARK DAVIS

Social media has seen increasing adoption in our society and has become a key component of fundraising for nonprofits. Fundraisers know the role social media users play in raising money during crises and key events, but how social media provided these results has been a bit ambiguous. However, there are social scoring services to help nonprofits identify and categorize their social media constituents.

Social media users are very different in their online interactions and trying as an organization to identify and understand social media constituents as well as social media influencers based on levels of interactions and the amount of influence they have in their networks has been difficult.

With social scoring, organizations can now discover which constituents use social media and engage them more effectively, integrate joint email and social media campaigns more effectively, and identify influencers and have them help "friendraise." This allows for organizations to identify their most "socially connected" constituents and create an opportunity to position themselves to create mutually beneficial relationships.

Four social media types

Using Blackbaud's Social Scoring, for instance, you can identify four categories of social media users within your database: Key Influencers, Engagers, Multi-channel Consumers and Standard Consumers.

1. **Key Influencers** - These are the people who make up about one percent of social media users. They belong to all three major networks—Facebook, Twitter, and LinkedIn—and drive many conversations. They have the abilities to influence both people within their network and those outside their network, have high call-to-action ratios and if they know about you and care about you they will help you achieve your goals.
2. **Engagers** - These are the people who make up about five percent of social media users. They belong to all three major networks, generate unique posts, shares and comments, drive 80 percent of all the content and conversations and share information and contribute significantly to the viral spread of messages.
3. **Multi-channel Consumers** - These are the people who make up about 45 percent of social media users. They have known active presences on at least two major networks; and although they do not often influence others socially, they are still critical for advocacy and other calls to action because they have high potential to engage in specific campaigns that resonate with them.
4. **Standard Consumers** - These are the people who make up about 49 percent of social media users. They consume information from one known network, use social media to stay connected with friends/family and current events while they read and watch updates rather than create new content or make comments they are influenced by their friends, family and peers and will likely take action if asked.

How social media constituents help deliver your mission

Each of the four social media categories has unique characteristics and their members relate to each other and to your campaigns in different ways.

Key Influencers champion your cause

With their commanding reach across social media networks, your Key Influencers can help drive the success of your campaigns. They are typically not your largest financial contributors, but they have the energy and power to champion your cause to many others. Here is where a social media strategy is critical, because traditionally, you may have overlooked these constituents, missing the opportunity to have them do what they do best—promote your cause. Think of your Key Influencers as citizen journalists, those who write for a mass market, and engage their friends and followers who in turn will become your donors.

Engagers drive your messages

Social media Engagers are dialed into what is happening in the social media space and create and deliver new content. They will help your compelling stories go viral. They will increase awareness of your organization and expand your constituency. They are valuable not only as individual donors but also in the ability to recruit their friends to donate.

Multi-channel and Standard Consumers

Multi-channel and Standard Consumers also have key roles to play in your social media strategy. These individuals consume information and calls-to-action from your influencers and engagers. What these two groups lack in influence, they make up for in quantity and potential in terms of financial and other forms of support.

Non-profits are seeing real returns using social media data to segment their supports. In particular National Wildlife Federation has incorporated social scores into a multitude of campaigns, ranging from online advocacy to peer-to-peer fundraising. Social data indicating a supporter's level of influence can be a very strong indicator of not only organizing ability, but also fundraising skills through networking. ✓

MARK DAVIS is Blackbaud's director of product marketing, interactive solutions. For more information visit www.blackbaud.com

Hold this page up to the sky and...

look

Up

Fountain of Youth

BY BRYAN TENENHOUSE

As an agency that works exclusively with non-profit organizations, we hear it from prospective and existing clients all the time: "We need to find younger people."

Of course, that's easier said than done, but last year, we actually were able to find young people for the Canadian Diabetes Association (CDA).

You'll note that I didn't say "younger donors". That's because, when it comes to young people, there's a process to how they will engage with an organization, and it's based on the Don't Ask Someone to Marry You on the First Date theory.

So how do you engage younger people so that they start to build an emotional connection to the cause, warming them up to becoming supporters and then eventually donors?

We set out to answer that question with research. What we found out was inspiring.

Our goal was to increase awareness of healthy eating specifically related to diabetes among young people aged 18 to 27, and in doing so, longer-term, build a community of younger supporters for the Canadian Diabetes Association.

Our research reinforced our hypothesis that they simply do not respond to the same stimuli (in the same channels) as their parents and grandparents. More importantly, we learned what does engage them, and why asking them for money isn't the first step.

When it comes to diseases like diabetes, young people do not respond to messaging about the long-term consequences.They are still young enough to believe that "it's not going to happen" to them. They think and act as if they are immortal.

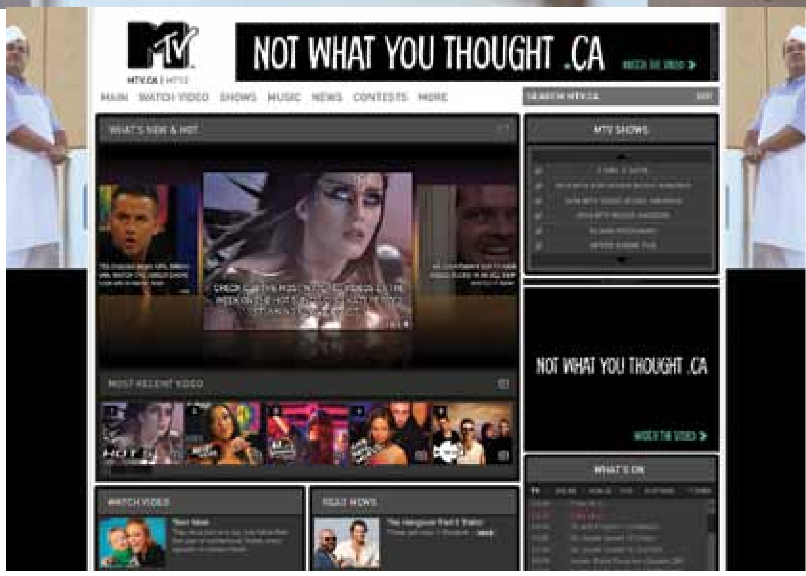
We also learned that as they mature, they are able to understand their own values better and how a cause connects with and reinforces those values. Those at the younger end of the demographic (18 year olds) are obviously less engaged in the world beyond their friends and family. Those at the older end (27 year olds) have a bit broader perspective on the needs of the world and their role in addressing them.

The causes that get their attention first are the ones they have proximity to and affinity with (e.g. if a close relative has the illness). If they don't have proximity, they are more likely to engage when it comes to what they think is right, or wrong, or needs fixing.

They receive personal gratification from involvement and participation in causes. That means they're more likely to connect to a cause through a run, or by taking a pledge on a microsite than by giving a donation.

That insight inspired us to create a cool brand separate from the larger corporate brand of the Canadian Diabetes Association. You won't see CDA's logo anywhere in the advertising or on the microsite.

Engaging, to this cohort, means being part of a larger group, meeting a physical challenge or financial goal (as a fundraiser rather than as a donor), and influencing change. It means experiencing feelings of camaraderie, connection and collaboration.



As a result of the learning that came out of the focus group research with our target audience, we zeroed in on 'Sugar' as the enemy of a healthy lifestyle rather than focusing on the long-term effects of diabetes (amputation, blindness, etc.).

We recognized that the audience would not identify with the long-term consequences of diabetes or the organization's corporate brand, but they would care about a healthy lifestyle. So ST conceived, developed and executed a unique, integrated social marketing awareness campaign called *Not What You Thought*.

It was designed to pique interest among our target market, and break through the clutter. *Not What You Thought*.ca became the brand name of the campaign focusing on the fact that many foods may contain sugars that you don't realize are there. On the microsite, we educated our target about sugar, all while making the experience fun and interactive.

Two humorous television spots were created to drive traffic to the microsite, each with a couple of alternate endings. The spots brought to life the idea that, sometimes, unexpected things can be bad for you, with each scenario acting as a metaphor for the unexpected sugar in foods.

Both spots entice viewres to go to a microsite driven by the URL that concludes the spot – 'NotWhatYouThought.ca'.

Once the names and email addresses came in through the Pledge Form, the client then had the freedom to start communicating with them directly, making the link between the campaign and the cause, and inviting them to become a supporter in more direct and specific ways.

NotWhatYouThought.ca generated over 40,000 visits. We garnered over 16,000 total pledges and over 1,000 Facebook Likes. The mircosite was so interactive and involving, we were able to keep visitors there for close to 5 minutes per visit!

In the end, the most important thing for not-for-profits to remember when deciding to chase a younger demographic is that it's likely to require a long-term courtship. They won't marry you after the first date but they will engage if you make it fun, intriguing, and interactive. ✓

BRYAN TENENHOUSE is the Creative Director at Stephen Thomas Ltd

FROM CAGING TO campaigns

BY MALCOLM NETBURN AND NANCY GESSMANN

The effects of a challenging economy on both global and local levels have created a complex yet solvable problem for nonprofit senior management.

While the number of donors remains strong, the average gift they give is much lower. At the same time, donors who have had to struggle to with tightening their own household or corporate philanthropic budgets, are being pulled in more directions than ever before by increasing number of nonprofits (now up to nearly 165,000 nationwide according to the *Imagine Canada* website) needing funds.

Of course, the strategy has remained the same: maintain and retain your donor base while also increasing your number of donors as much as possible. But now, the challenge within that strategy has changed dramatically. In the face of tough resource constraints, decision makers must now approach that strategy not for growth's sake, but just to break even with prior years' fundraising numbers.

This challenge, in combination with today's world of higher direct mail costs, an increasing number of marketing channels and splintering payment/gift channels, creates a climate in which nonprofits struggle daily with the absolute necessity to improve efficiencies and reduce costs while adding new initiatives and operational requirements. Yet, when too much

PHOTO BY GARY TANNYAN

time is taken in day-to-day operational tasks, valuable employee and volunteer resources are taken from the important duties of campaign creation and funds allocation.

In order to thrive in challenging periods of the economy, and to address these concerns, your organization must employ the latest technology – deployed in the most efficient manner – to drive donor acquisition, leverage more information about existing donors and reduce costs throughout your value chain. The good news is that it can be done.

Today's market

Although today's economy has placed stress on nonprofits and their donors, a 2008 poll conducted by fundraising researcher Dirk Rinker suggests that donor confidence in nonprofits remains high. In fact, revenue numbers bear out the fact that donors want to give (and do give) regularly to charitable causes, especially when times are difficult.

According to research conducted by a leading direct marketing firm, tough economic times make for shorter, but quicker, campaigns. When times are difficult, donors are more likely to respond to campaigns on an emotional level, within the first few weeks. Therefore, campaigns must produce an instant emotional response within their donors and break through the clutter of the many campaigns coming to a donor's mailbox or email inbox.

So these days, the problem is not that people won't give, but that they need to be asked to give in a cohesive and targeted manner.

Further, it is not only important to reach all donors, but also very important to reach the right type of donor. Donors fall into many diverse, complex demographics, and you must be able to understand these complexities in order to succeed.

According to George Whalen, former vice president of Marketing and Business Development at Carl Bloom Associates, Inc., "While only representing 5 per cent to 10 per cent of an organization's membership, the mid-level file can represent 40 per cent to 50 per cent of the total revenue." Therefore, effectively reaching these mid-level donors allows you to receive more donations and make these donors feel like part of your organization.

Fortunately, today's data capture, data management and on-demand technologies allow nonprofits to capture more donor information and perform complex data analysis, enabling you to promote with a personalized and targeted approach. Demographic overlays and predictive modeling have become industry standards, making it easier than ever to reach diverse donor demographics.

Challenges

Reducing costs and practicing good stewardship becomes even more important for nonprofits in periods of unstable economic conditions. Not only are nonprofits needing to do more with what they have, donors are also wanting to work with nonprofits who are known for their financial integrity. Donors want to know that their donations are going to the cause they support, not to satisfy increased operational costs.

Some of the highest costs for nonprofits are incurred in the area of donations processing. An integral part of any organization's value chain, donations processing should be the lifeblood of a nonprofit's operations. As monies come in from donors, it is an absolute must that they are processed quickly and accurately. Every dollar and every donor are valuable, so nonprofits cannot afford to have money floating around the banking system or sitting around in offices, nor can they afford costly errors that may tie up their money and whittle away at the donor's confidence in the organization.

Unfortunately, many of today's nonprofits are still powering their donations processing with outdated legacy systems. These systems lack sufficient imaging and recognition capabilities, requiring staff to process donations manually. This manual processing of donations and other donor correspondence leads to overall inefficiencies in the organization, increased potential for errors, decreased turnaround times for funds availability and higher overall costs. Due to time and resource constraints, many nonprofits also elect to capture less donor information, leaving valuable information on the table. This has a direct effect on the quality of donor management and the effectiveness of future marketing campaigns.

Thus, outsourcing to a provider with both the economies of skill and scale to handle these efforts effectively is an extremely viable option.

The Solution: A three-part approach

By thinking differently about your organization's caging, data management and campaigns, you can successfully take on the issues that you face in evolving times.

1. Caging: An investment in information gathering

Automated technologies allow nonprofits not only to get funds into the bank as quickly as possible, but also to gather vital demographic information from their donors right off of the donation materials themselves.

These systems also allow you to accelerate donation posting, eliminate manual keying of donor information and feed donor and donation information directly into your constituent management system. With donation posting occurring more quickly, you have greater funds availability and reduced processing costs due to a decrease in the manual end of the equation.

Amazingly, these systems even detect and recognize handwriting, check boxes (mark sense), legal and courtesy amounts, codes and SKUs, and scanlines and bar codes so that your nonprofit can easily capture this valuable data as well.

2. Data management and direct marketing: connecting your data

A well-crafted appeal based upon information collected directly from donors will have no effect if sent to an incorrect address, or could even have a detrimental effect if sent to multiple residents of the same household. In the same vein, think about the waste of nonprofit dollars that takes place every time a donor who is an avid cross-stitch enthusiast is sent an invitation to a golf event. While it is true that donors can have multiple interests, the numbers confirm the fact that targeting appeals to audiences with true affinities is a much more effective strategy in the long run.

Therefore, it is essential for an organization to possess strong data management, which serves as the backbone of an organization's marketing efforts.

In order to leverage data effectively, you must have proper data management strategies in place. Full-service, computerized list processing services allow nonprofits to validate every name on their donor lists, helping to ensure that their appeals are reaching the right people. Robust data management means you can perform crucial address hygiene on your donor lists, including merge/purge functions and lapsed donor recognition. And performing email appends to connect the email addresses of your current donors with information you already have on file allows you that well-rounded contact management strategy to touch your donors more often at a lower cost.

Proper data management also enables you to perform careful segmentation of your donors and easily research donor history. Since different donors respond to campaigns differently, knowing the proper donor demographic is critical to a successful campaign.

3. Campaigns: The personalized approach

So now you've processed your donations. Money is in the bank. You've sent out accurate and timely acknowledgements. You've captured multiple levels of data from the donations themselves. You've performed proper list hygiene with the files. All you need now is to use the information you've gathered for your next appeal. But be careful. It's not enough to just get the appeal out. Consistently, your appeal will be much more successful if the right message is presented to the right potential or current donor.

When you capture essential data from your donors during the caging and transaction process, you receive valuable information related specifically to that donor. Through proper data management, you are then able to store the information in relational databases that provide access as a powerful source for analysis and marketing. In order to gain the greatest ROI, you must leverage this donor-specific data through personalized, targeted campaigns – sometimes even crafted specifically to an individual donor.

By using personalized data that has been captured through the caging process and managed with robust database tools, you can create targeted appeals that include such techniques as a donor's name within an image in direct mail, a personalized URL that directs a donor to his or her personal donation Web page and/or a personalized, year-end statement of donations received that includes full-color, 100 percent variable graphics based on donor demographics and lifestyle segmentations.

Conclusion

Although today's economy brings numerous challenges to nonprofits, you can strengthen your value chain by leveraging the economies of skill and scale present in industry-leading caging, direct marketing and on-demand technology providers. As each part of the value chain leads into and complements the next, you will see deeper relationships, increased revenue and reduced costs for your organization, leading to more monies going toward your core mission. ✓

: MALCOLM Netburn is Chairman and CEO of CDS Global. Nancy Gessman is Senior Vice President, Global Operations at CDS Global.

Re-thinking DIRECT MAIL

Getting engagement & a lift for your campaigns

BY RYAN HARPER

How many pieces of mail did you receive in your mail box this week? Of the pieces that weren't bills, how many did you open? Why? What about everything else?

Let's talk about the pieces you did open. My guess is that the majority you did open were from companies you have a relationship with. Now what about the rest? Why did you open or look at the piece? Was it personalized, colourful, unique?

This is what we as marketers have to deal with in today's mail box. Breaking through the clutter has always been an issue, but just getting noticed is half the battle. You need to make your prospects or clients engage with your communications and act on your offer. That's why direct mail us once again the NEW media! According to recent stats put together from Canada Post, direct mail has some of the following benefits:

- 94% of Canadians will open mail from a company they know
- 76% of people have made an online purchase as a result of direct mail
- Social Media users are 29% more likely to be heavy responders to direct mail

Creating engagement

How do you get noticed? You need to speak to what your client or prospect wants and turn it into an opportunity. One way to manufacture engagement is to know what your clients or prospects want by building a CRM database prior to a mailing. A great social tool, aiim·SOCIAL, allows you to create microsites or landing pages that include share based incentives such as Share & Win contests, coupon downloads or surveys. The great use of adding surveys is that you can add preferential information about your clients to your database. This information can then be used in the future for a very detailed, highly engaging direct mail campaign.

Utilizing your database to create custom direct mail campaigns is far more engaging than just using a "Dear [FIRST NAME]" salutation and producing the campaign by printing shells and lasering in black and white. By comparison, think about the level of interest your campaign will receive when you send a mailer to individuals that includes variable images in full colour with variable copy and offers that are all directly related to the information they provided to you. This kind of campaign is possible when utilizing Continuous Inkjet technology, a unique and new way to produce direct mail. Compared to the traditional way direct mail is produced, Continuous Inkjet technology allows you to create these robust and engaging campaigns for the same cost that you produce a less engaging campaign by printing shells and lasering in black and white.

In addition to completely personalized direct mail, campaign engagement can be increased with the use of interactive media, such as PURL's, QR codes and Augmented Reality. Augmented Reality is the newest way to add digital assets and interactive content to printed material.

Through the use of augmented reality apps, like VERUS, your smartphone or tablet can bring your print to life by adding digital assets to print. Augmented reality apps like VERUS have the opportunity to reinvent the way marketers think about print.

Imagine, instead of hoping that a client likes what they see in a retail flyer or direct mail piece and comes into your store to look at your new fall line-up, you give them the ability to view the line-up right from the direct mail piece. VERUS will allow your clients to scan the direct mail piece with their smartphone or tablet and swipe across the screen to view different outfits or the same outfit in different colours. Or, when viewers scan your printed material they can see a discounted offer that can be changed on the fly depending on the type of promotion being run at the time.

Generating lift

After providing a very large WOW factor, augmented reality has the ability to go farther than the WOW and provide the client/prospect the ability to interact with your brand by moving them directly to your ecommerce site.

VERUS allows you to create true one-to-one engagement AND increase your campaign lift all with one great enhancement!

Along with creating engagement, apps like VERUS augmented reality, can also be used to generate lift for your campaigns. Creative uses of integrated marketing will drive lift to your campaigns. Through the use of integrated tactics, you allow your clients/prospects to engage with your brand on their terms – variable direct mail that drives to a personalized website, retail flyers that use VERUS augmented reality to give a reader the ability to send Tweets. Or incorporate social sharing so that clients/prospects get a special discounted offer. This way you are creating loyalty amongst your clients and asking them to work for you by sharing your brand message!

While not new, integrated marketing or cross-media campaigns are today's best way to cut through the clutter of your client's or prospect's mailbox. Even better, by utilising an integrated approach you'll differentiate yourself from your competition, create more engagement and generate measurable results to your offer. ✓

RYAN HARPER is the Marketing Manager at THE AIIM GROUP located in Aurora, ON. To see VERUS work for you, download the app today by visiting www.verus-ar.com/download or scan the QR code and choose the app for your operating system. Once downloaded, open the app and scan the image here to see how your direct mail or retail flyers can come to life!

embracing CHANGE

How traditional printers and marketing service providers must keep print relevant in an increasingly digital world

BY DAN STEVENS

Most traditional print companies are providers of static and personalized marketing materials including postcards, annual reports, promotional flyers, brochures, magazines, invoices and statements. So how do you differentiate yourself in an increasingly competitive world?

Print companies and marketing service providers operate in highly competitive marketplaces where pricing and quality are key drivers for obtaining and maintaining new business. In addition, it is reported that 5 per cent of DM is reportedly unopened. DM on its' own without a cross media marketing approach achieves a 1- per cent response rate.

Customers have recognized the need to quickly develop, create and deploy start-to-finish multi-channel marketing campaigns to achieve their desired sales results. Printers and marketing service providers have responded by differentiating their business and service offerings to ensure their long term business growth. To this end they are offering cross media marketing campaigns that target customers with marketing messages relevant to age, gender, career, income and purchasing preferences across multiple media channels including print, web, email, SMS and social media. This type of marketing approach resonates with people and accordingly 75% of consumers are pleased to receive these offers.

By keeping their print relevant and highly personalised while also embracing the integrated digital components in cross media marketing campaigns, print and marketing service providers are achieving dramatically improved response rates and return on investments for customer campaigns.

Typical results for well executed cross media campaigns from strategic direction to campaign development creation and execution with personalised communication across multiple channels are achieving between per cent to as much as 1 per cent with very compelling calls to action. Key components of these campaigns include highly personalised compelling creative, real time campaign monitoring, tracking and analytics. Streamlined processes delivered through relevant communications are also key drivers to deliver the desired results. An entire team of marketing, data, technology and multi-channel experts are now required for delivering campaign success. ✓

DAN STEVENS is the VP Cross Media Marketing and Portal Storefront Solutions for Rhino Print Solutions Inc. Rhino offers print production, portal storefront and cross media marketing solutions through their national production facilities in Vancouver, Calgary and Toronto Canada. Rhino's experience in variable data and web-to-print technologies spans a unique and varied client base ranging from small organizations to Fortune 500 companies. Dan can be reached at 416-240-9495 x223 and dstevens@rhinoprintsolutions.com

CASL

Email marketers gut-check time?

BY DEREK LACKEY

Every once in a while something happens to make us stop and re-examine an area of our life - or our marketing programs. For many of us, CASL - our new Canadian Anti Spam Legislation - may well represent that opportunity.

The first area to examine is "email marketing's role in your overall marketing mix". Is it best for customer retention or new customer acquisition? Does it have a role in both areas? If so, how can you clearly define that role so your executed email marketing programs reflect your original marketing objectives?

In the mass media world we came from it is easy to apply mass market thinking to email marketing. What that results in: sending a single eFlyer to a million email opt-ins, with a 19% open rate and even lower click through rates. Some would say this is just adding to the clutter out there, rather than producing a specific measurable result. It is definitely one possible use of email marketing, yet we question whether it is the most effective. Email marketing offers the marketer a chance to reach an individual - a single person with all of their likes, dislikes and idiosyncracies. And each one has their own “preferences”.

At its core email marketing presents the opportunity to "speak" with an individual. The more you know about that individual, the more relevant your conversation can be. Think elevator conversations. Your conversation with a complete stranger can only be about the weather - light, fluffy and very impersonal. Yet on that same elevator with someone you have worked with for years and know their family, the conversation can be far more meaningful - about family or weekend plans.

In the previous example, if you know something about the million people on your opt-in list and you continually update that information, you can now craft the mass market messages into more relevant chunks, creating RELEVANT content that resonate with more people. Properly executed, do you think your open rate will increase?

We are not saying there is no room in the marketing plan for mass media campaigns. We are simply asking: Are we using each tool available to us in the most efficient manner? Not from our perspective - from our customer's.

CASL, with $10 million dollar penalties and opening marketers up to class action law suits, is certainly cause to re-examine our email marketing programs and practices.

A complete audit of current practices is in order. The way you collect "express written consent", the language you use at opt-in as well as the messages you send - all must align. Now is a good opportunity to go even deeper - re-assessing your objectives and email marketing's role in your overall marketing mix.

These are exciting times for marketers. ✓

DEREK LACKEY is the CEO & Digital Integration Strategist at e10 egency and the President-Digital at DIRECT Marketing Association of Canada.

FEATURE

Is predictive analytics for marketers really that accurate?

PART 1

BY RICHARD BOIRE

How can a data mining professional say such blasphemous words? After all, doesn't Big Data Analytics and the use of predictive analytics represent the panacea to our ever-expanding data universe. The many articles and whitepapers along with their accompanying vendors purport that this new frontier must be embraced by organizations to remain competitive in the 21st century. Yet, like all emerging transformative disciplines, there needs to be a little of "Let's step back" and attempt to "get under the hood of what predictive analytics can and cannot do" if expectations are going to be consistently managed.

Perhaps the biggest myth underlying predictive analytics is its ability to accurately predict outcomes. Intuitively, one would think that the level of accuracy would be high. But let's really see what this means. Suppose we build a response model where the average response rate prior to the use of any predictive model is 2%. If this model is 100% accurate and is being deployed against a universe of 100,000 names, we would expect that the top model-scored 2000 names would all be responders (100,000 X .02). In reality, the experienced practitioner never observes this and if this indeed were the case, grave concerns would be considered regarding massive overstatement of the model. In fact, a more likely scenario would be that the model achieves a 6% response rate in the top 10% of model-scored names where 30% of all observed responders are classified correctly. Certainly, the number 30% is better than 10% which would be the case if the solution were completely random. Yet, the mathematical purist would still be correct in saying "30% of all responders is good but what about the other 70% of responders". Indeed what about this other 70% and why do many practitioners live with these results and these constraints. The answer in one word is "NOISE."

As any mathematician and statistician will tell you, our tools are about explaining trends and patterns and in effect reducing the noise. Consider the basic concept of multiple regression which attempts to interpret the performance or power of a model based on its ability to explain away this noise relative to the total noise in all the data. In the world of business and indeed marketing, this ability to truly explain away this noise is severely limited. It is not unusual to have models or tools that explain only 5% of all this noise with the result being that the model is performing well above average when compared to other models. Why do we accept these so-called "dismal" statistics such as 70% of responders not being accounted for and 95% of the noise not being explained. ✓

READ PART 2 of this article in the July issue of DM.

Closing the Gap

New technology is keeping printed flyers relevant

BY DORRETTE BRIDGE

Over the past 10 years, the business of managing print media in the Canadian marketplace has evolved substantially. Not only are there more service provider offerings to assist retailers and direct mail advertisers, there are also new technologies now aiming to close the gap between unaddressed mail delivery and direct mail messaging. Perhaps the driver is largely the consumer – what they want to see and hear, and when they choose to be engaged. If consumers are increasingly driving this relationship, it's placing increasing urgency on retailers and advertisers to deliver messaging that more accurately reflects shopping habits and purchase patterns of their existing customers – this is a given. However, as more domestic and foreign players enter the Canadian retail space, the goal is not only preserving a sticky customer relationship, but also capturing new customers and opportunities to increase market share. Unaddressed print media, though stable, is facing pressure to reflect customer CRM at granular levels of geography.

In the past five years in particular, many retailers have intensified focus on internal CRM development, data capture and maintenance, or have moved to partnering with large data companies. Though there is no doubt CRM data is highly valuable, and large data engines enrich that data, inevitably retailers are left with a new need – 'How to convert captured data into deliverable geographies that can be measured against sales data'. Note also that data mining and measurement is a deliberate and costly undertaking for retailers of any scale. Having said this, there are countless smaller retailers in the Canadian space facing the urgency to move in this direction, however, are limited either by resources or personnel.

So here we are today in 2013. There has always been an appetite for a product that will enable retailers to quickly convert their measured data into executable geographies. From this need, products like KQuest have been born –tools specifically developed and designed to empower Canadian retail marketers. In its conventional form, these tools utilize demographic and consumer spend characteristics to quickly define and profile present and potential store market areas which can then instantly be converted to a very precise targeted flyer delivery offer. In an elevated form, retailers can utilize their sales to prospect within their existing customer base, instantly create, visualize and report on multiple simulations to then quickly identify a precise flyer delivery execution using any of the up to 1,200 Canadian flyer delivery vehicles – including Canada Post at the walk level.

Knowing the difference in consumer makeup between 100 King Street and 100 Main Street, could make all the difference between success and failure of a marketing campaign. ✓

DORRETTE BRIDGE is Director – Business Development at Market Focus Direct. MFD provides Canada's most dynamic services, designed to help retailers realize more profit through the most optimized, targeted and managed flyer programs. Utilizing innovative and market leading databases, technologies and processes, our advanced analytics are designed specifically for flyer and direct marketing programs. MFDs systems deliver advanced intelligence that ultimately drives better program decisions and helps retailers realize higher profits, strategic cost savings and maximize operational efficiencies.

Great Rescues

How a "labour of love" resulted in one of the most successful appeals in the history of the Ontario SPCA.

Ontario SPCA:
Marc Ralsky, Director, Community and Donor Development
Heather McLean, Senior Manager, Integrated Fund Development

Blakely & Associates:
Vice President Marketing & Client Relationships:
Kimberley J. Blease
Vice President of Analytics, IT & E-Philanthropy:
Jeff Eland
Creative Director:
Heather Vanderlinde
Account Director:
Liz Dodge
Senior Copywriters:
Elizabeth Oakley,
Vicki Quigley
Graphic Artist:
Tanya Aleinikov
Production Coordinator:
Susan Tombs

It's the story of 10-week-old Milo – a sweet little pug puppy – whose eyes were removed to save his life. And of Shelly – a five year old Siberian husky-labrador mix – who spent the first two years of her life tied to a dog house.

And of Piper, Yuki, Mac...and nine other animals who were either rescued or cared for by Ontario SPCA agents and animal care workers in communities across the province.

Each of these animals' moving stories can be found in the 2013 Ontario SPCA Great Rescues Calendar. Thankfully, all of them are now living happier and healthier lives because of the Ontario SPCA's many kind and generous supporters.

"Donor support is what makes these GREAT RESCUES possible. It improves the lives of animals and, ultimately, the people who love them as well," shares Marc Ralsky, Director, Community and Donor Development, Ontario SPCA. "Donors want to know the positive impact of their giving, which was a key motivator that inspired donors to give to this annual calendar appeal in unprecedented numbers."

"Given that we'd changed the timing of the 2013 calendar appeal and added an additional mailing to the schedule, our projections for this campaign were much lower than previous years," explains Liz Dodge, Account Director, Blakely & Associates. "Yet, astoundingly it was our highest performing campaign in five years – achieving an incredible 16.26% response rate, bringing in 5,820 responses and raising $264,138 on a goal of $90,702.

"I was so excited when the package first dropped," continues Ralsky. "The letter was so inviting, the calendar stories were moving and the pictures and overall quality was wonderful. Meeting with all the families and photographing each animal was truly a labour of love for the many staff involved – and our supporters responded with such overwhelming love and generosity that donations are still continuing to come in today."

"There were numerous contributing factors to the success of this campaign," shares Dodge. "Each of the animals was rescued through an Ontario SPCA branch and we included photos of the animals on their own and with their adoptive families (a first in 2012). We also featured a wider variety of animals than in previous years and the stories themselves were incredibly moving. Yet we do believe featuring Milo, a blind puppy, as our cover story was a major contributing factor to the success of the appeal."

Milo, a 10-week-old pug was surrendered to the Ontario SPCA after his family couldn't keep up with his mounting medical bills. With severely swollen and infected eyes, the difficult decision was made to remove his eyes to save his life. Taken in by a staff member with two other pugs named Maggie and Kiwi, Milo has since found love and acceptance, and brought incredible joy to his new family's lives with his unbreakable spirit.

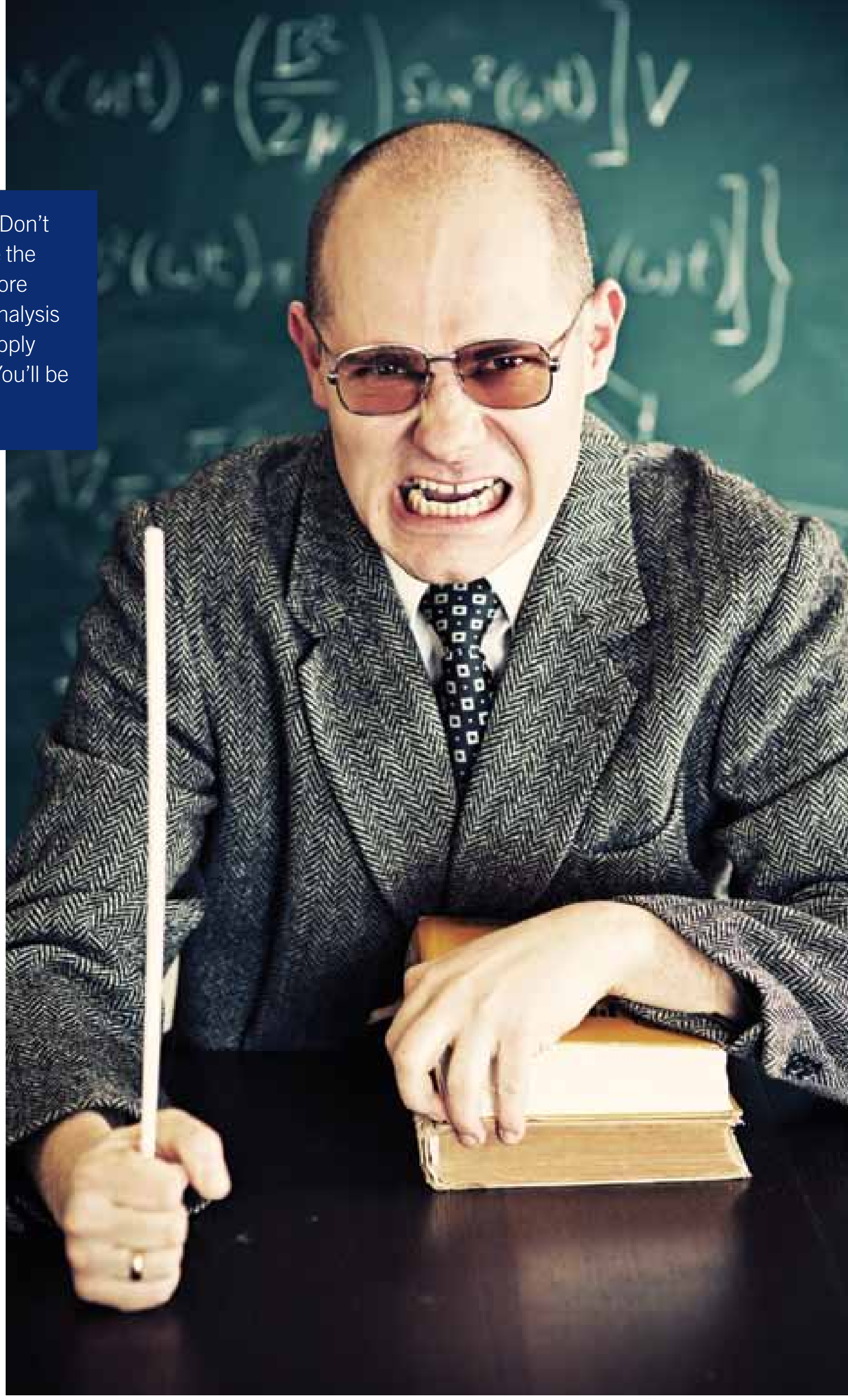
"Milo's uplifting story truly exemplifies unconditional love and the joy animals bring to our lives," shares Dodge. "Above all else, Ontario SPCA supporters are animal lovers. They want to see the positive impact of their giving and how their support is helping to save animals' lives, and the 2013 Great Rescues calendar appeal delivered on that promise by telling multiple moving stories partnered with emotive imagery and a strong and compelling call to action."

"In the four years the Ontario SPCA has been working with Blakely & Associates, we've produced between 40 – 50 appeals together, significantly improving the program's performance and net revenue. United by our love for animals, we will continue to work with Blakely to create memorable campaigns that will move the bar on our fundraising campaigns and make many more great rescues possible for animals in need," shares Ralsky. ✓

FOR MORE INFORMATION OR TO HELP ANIMALS IN NEED, please go to: support.ontariospca.ca/Milo

A BIG DATA rant

The hype around big data is scaring marketers and some are losing their common sense. Several times a year I teach an industry course on Marketing Math and I am amazed at how many middle managers are mystified by the core metrics in marketing. Don't let "big data" evangelists scare the bejesus out of you. We have more data, true. But tried and true analysis techniques still work. Simply apply them to your larger data sets. You'll be surprised what you find.



Grumblings & Rants from a Data Guy

VOLUME 1: What email marketers should absolutely measure

It's time to state once and for all that batch and blast email marketing is old school. Focusing on individual campaign Open rates or Click-through rates (CTR) is too narrow to give any deep insights. Most email programs reach a point of recipient fatigue, which creates a lot of churn between the deciles and segments receiving messages. Digital marketers need a deeper and wider set of metrics to be sure their messages are resonating with their target audiences

Here is some advice for email marketers to help you join the dots between data and insights.

1. Look for campaign trends

First and foremost, email is a direct response vehicle, so tracking CTR is important. Single data points are an indicator, but you need a longitudinal view. Graph your topline metrics over time and compare these to industry averages. Look for a trend line and ask what is happening and why. Do your metrics mirror industry trends? Look for data points outside the norm. Pull yourself out of the day-to-day and review the trends. What worked? What didn't? Be unapologetically critical of your data. That's where the insights come from.

Beware: averages can be deceiving. Email is a highly sensitive medium and there can be significant variances in different sectors. What is an average in your sector may be high in another, or vice versa. Do you know what the gap is between your metrics and industry benchmarks? Note that the top quartile of marketers typically generates 2 to 3 times the results of the bottom quartile. Email leaders in the top quartile have a much tighter variance in results, and their campaigns perform more consistently. They do this by monitoring trends and adapting accordingly.

2. Monitor activity & behavior

Do you know how big your Active segment is? Or rather, do you know who you're actually getting Click-throughs from? Is your 6% CTR from the same people each time? You may be surprised to learn that up to 40%-50% of your email list may be inactive (have not opened or clicked over the last 6 months). Each year between 17%-40% of your active base turns from active to inactive.

Marketers must closely examine the level of engagement of their different segments (i.e., Actives, Inactives, customized segments, etc.) Drill into key differences in their profiles and track their migration to other segments. Opportunities emerge when subscribers switch segments. Form a plan so you're ready when this happens. There can be a lot of migration between segments and it's critical to know your top 20%. Look at behavior four different ways: clickstream, loyalty, social and shopping activity.

3. Quantify dollar value

Industry research using econometric analysis indicates that email has a 40:1 ROI. $40. To. $1. Measuring the bottom line attribution of email programs can be a big project. However, an easier way of measuring the financial impact of email marketing is to quantify the dollar value of an email subscriber.

Here's an example of how we figure it out: Using transactional data and control groups, Inbox Marketer has proven that opted-in customers generate 8%-30% more profits than offline customers. One of our loyalty clients tracked their email opt-ins and found they had a significant lift in shopping frequency, which generated almost $30 of incremental operating margin per email address over a 12-month period. On an annual basis, the email program generated $50 of margin for every $1 invested in email. Armed with the value of an email address, the client made the business case to grow their list and they tripled the number of opt-ins in the next 2 years.

4. Don't forget customer retention

The holy grail of marketing measurement is retention because retention is the most powerful lever. Marketing 101 tells us that it's much cheaper to keep a customer than try to get a new one. In certain industry sectors a 5% increase in retention can generate a 30%-70% increase in profits! One of our clients proved that email messaging programs have generated an incremental +2% retention lift. Want to increase your email marketing budget? Tell the higher ups you increase retention using it. Don't forget to factor in the lifetime value of each customer, et voila, significant financial impact year-over-year (i.e., millions of $$$)!

To summarize, simple measurement and reporting is okay for a topline assessment of an email program. However, email marketing leaders have a broader and more detailed scorecard to dig deeper into insights and generate better ROI. ✓

ABOUT THE GRUMBLER GEOFF LINTON is Vice President of Inbox Marketer with over 25 years of direct marketing experience. He's passionate about data. He's really, really passionate about data. So, we let him rant and grumble about all things data here. Read on to have myths explained, get tactical advice, and learn what really matters when it comes to data in the digital space. You can reach him at geoff@inboxmarketer.com, 519-824-6664 x225

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LIST SERVICES

MAILING EQUIPMENT

Mailing Services

PLASTIC CARDS

UNADDRESSED DELIVERY