



**DMAW - DM 101 DC**

**March 13th, 2019**

**“Lists”**

**Tom Fleming, SVP ALC**

# What do you do?



*Old school definition.... “List Broker”*

- List Broker = “A **List Broker** acts as an agent for those who wish to conduct direct marketing campaigns via direct mail, email, or telemarketing.
- **List brokers** provide **lists** that, minimally, contain a prospect's name and physical address.

# What do you do?

## *Today's definition*

- Lists = “Innovative use of data”
- I partner with non-profits, utilizing data to indentify the right audience to target for new donor prospecting.
- ALC has data attributes on more than 250 million consumers.

# Agenda

- **The Donor File** – Most Important Asset for an Organization
- **Types of Lists** – Markets and Targeting
- **Sources of Information & Types of List Transactions**
- **Structure of Acquisition Plan & Strategy**
- **Attrition & Acquisition of Donors**



## The Donor File

## Sample Data Card



### Special Olympics International Mailing List

Launched in 1968, Special Olympics has helped the world embrace the idea that children and adults with intellectual disabilities can be respected, valued, contributing members of society.

SEGMENTS		COUNTS THROUGH 09/30/2017	
872,139	TOTAL UNIVERSE / BASE RATE		\$80.00/M
691,381	24 MONTH DONORS		NO CHARGE
456,351	12 MONTH DONORS		+ \$10.00/M
180,758	25-36 MONTH DONORS		\$75.00/M
	**501(C)(3) REQUIRED ON ALL TESTS**		
DESCRIPTION			
<p>Providing year-round sports training and athletic competition to those with intellectual disabilities, Special Olympics gains support from a broad base of donors. Available only to non-profit organizations, Special Olympics donors give an average of \$30. Donors are mission-based supporters of the cause, providing financial support without the incentive of a premium.</p> <p>Because there is no cost to join Special Olympics, financial donations go directly toward empowering people both on and off the playing field. By helping to remove obstacles, change attitudes and open minds, donors are improving the overall lives of people with intellectual disabilities. Today, the Special Olympics</p>			
<b>POPULARITY:</b> ■■■■■ 100			
<b>MARKET:</b> CONSUMER			
<b>MEDIUM:</b> mail			
<b>SOURCE:</b> DIRECT MAIL SOLD			
<b>GEO:</b> DOMESTIC (US)			
<b>GENDER:</b> 47% FEMALE 36% MALE			
<b>SPENDING:</b> \$30.00 AVERAGE ORDER			
SELECTS			
\$10+ DONORS		\$11.00/M	
\$20+ DONORS		\$20.00/M	
GENDER/SEX		\$8.00/M	
NON-RECIPROCAL		\$20.00/M	
SCF		\$8.00/M	
STATE		\$8.00/M	
ZIP		\$8.00/M	

## ➤ Recency

- ✓ Typical fundraising files are 24 or 36 month files.
- ✓ We typically rent 6 or 12 month donors.
- ✓ Most fundraisers will deny access to 1 month and 3 month names.
- ✓ Non-profit may also deny their names to:
  - Political parties
  - “Questionable” charities
  - Sweepstakes mailers
  - Close competitors

# Donor file trends



Mar 7, 2019

## Top 15 Nonprofit mailer trends

List Name	Segment Name	2017 Count	2018 Count	2018 vs 2017 Trend
American Cancer Society	Last 12 Month \$5+ Donors	580,400	521,885	-11.21%
American Heart Association Donors	12 Month \$5+ Donors	627,798	588,331	-6.71%
American Lung Association Donor Masterfile	12 Month Donors	571,476	470,181	-21.54%
Arbor Day Foundation Donors/Members	12 Month HL	529,801	522,982	-1.30%
Boys Town Donors	12 Month Donors	967,139	1,085,009	10.86%
Disabled American Veterans Active Donors	12 Month Donors	1,749,117	1,552,491	-12.67%
Easterseals Direct Mail Donor Masterfile	12 Month Hotline	812,493	673,367	-20.66%
Humane Society Of The United States	12 Month \$5-\$99.99	578,357	537,029	-7.70%
North Shore Animal League America Masterfile	12 Month Donors/Responders	595,159	632,292	5.87%
Paralyzed Veterans Of America Masterfile	12 Month Donors	1,867,512	1,500,893	-24.43%
Salesian Missions	12 Month Donors	511,772	449,100	-13.96%
St. Joseph's Indian School Donors	12 Month Donors	938,080	901,056	-4.11%
USO (United Service Organizations)	\$5+ Last 12 month donors	769,634	708,753	-8.59%
Vfw Non-Member Donors	12 Month Donors	788,030	920,478	14.39%
Wounded Warrior Project	0-12 Mo	756,113	938,279	19.41%
<b>Overall - Total</b>		<b>12,642,881</b>	<b>12,002,126</b>	<b>-5.34%</b>

## Difference between List Brokerage and List Management

- ✓ Brokerage = Rents Names
- ✓ List Management = Sells Names



## Types of Lists

## Primary

- ✓ Postal Addresses (mailing list)

## Secondary

- ✓ Email Addresses
- ✓ Phone Numbers
- ✓ Alternative Media/Package Inserts
- ✓ Digital Audiences

Is direct mail dying? NO!!

“There is more junk in your inbox than in your mailbox!”

- *Tom Fleming, June 26th, 2018*

According to the U.S. Postal Service, 98 percent of people check their mail *daily*, which means your direct mail message is far more likely to get read and less likely to get buried than email.

- *Marketingtango – 3/14/18*

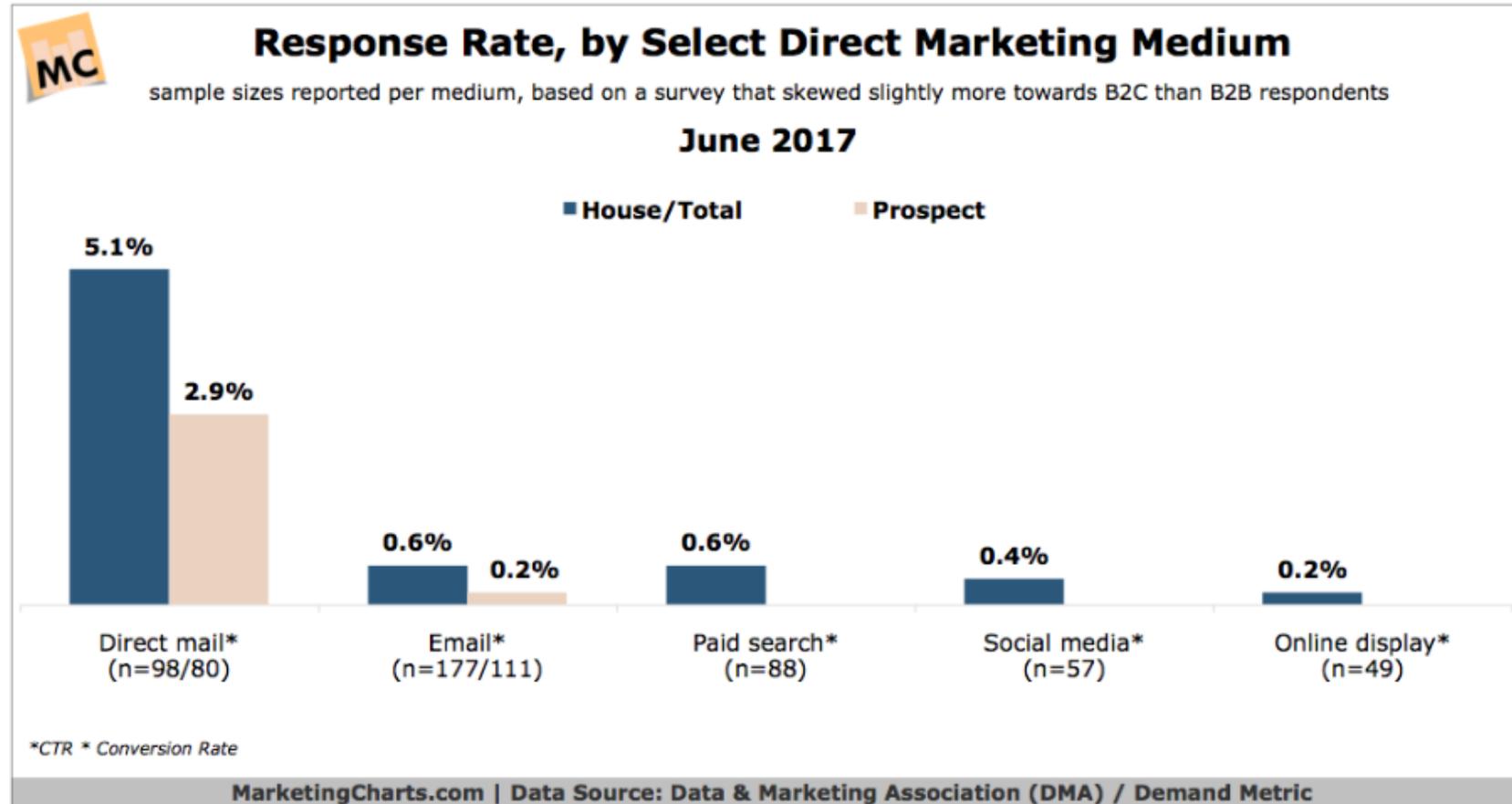


60% of donors visit a website before making a gift.\*

- *\*Blackbaud – 3/14/18*

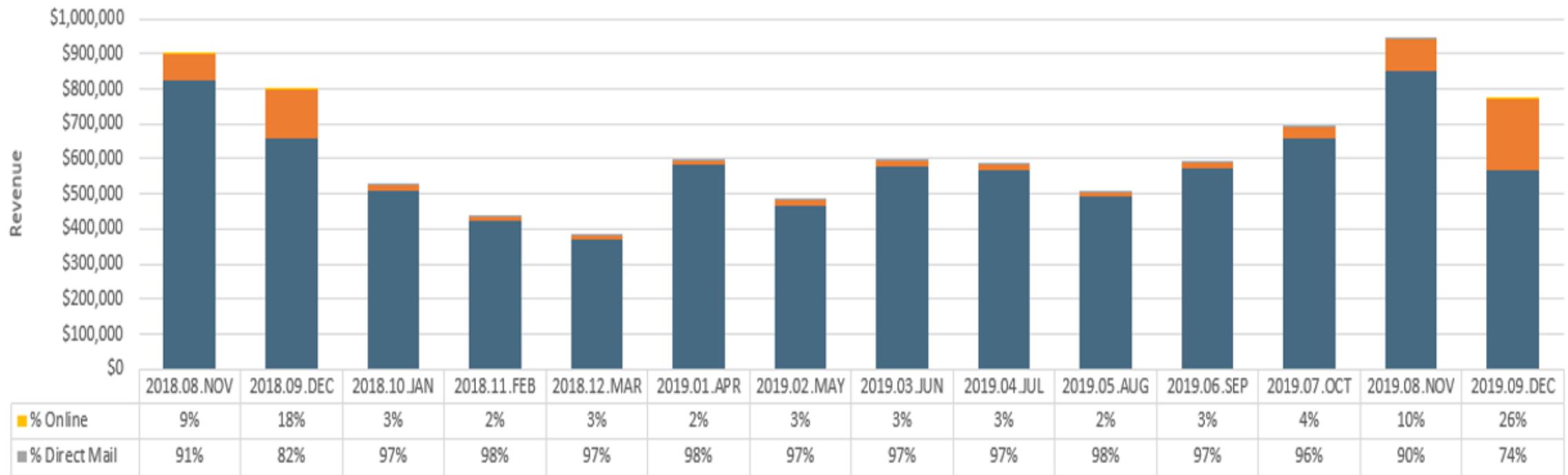
# Response Rates, by Channel

The response rates for direct mail are still powerful:



# Direct Mail Drives Online Gifts

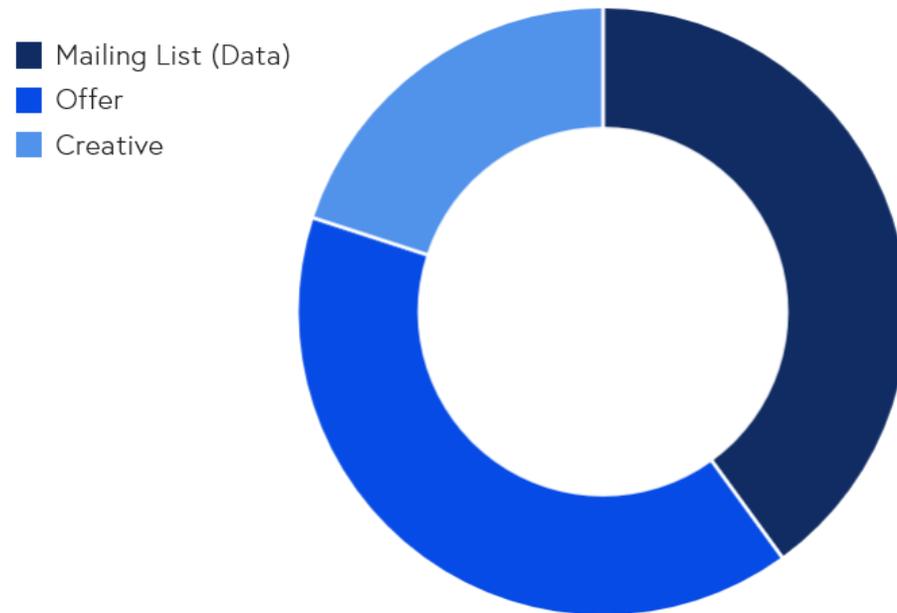
DM Acquisition Revenue by Channel by Campaign - All Programs



# Marketing Mix

As the [direct marketing success rule of 40/40/20 states](#), 40% of your campaign's success is due to the mailing list, 40% due to the offer, and 20% due to the creative.

Direct Marketing Success Rule



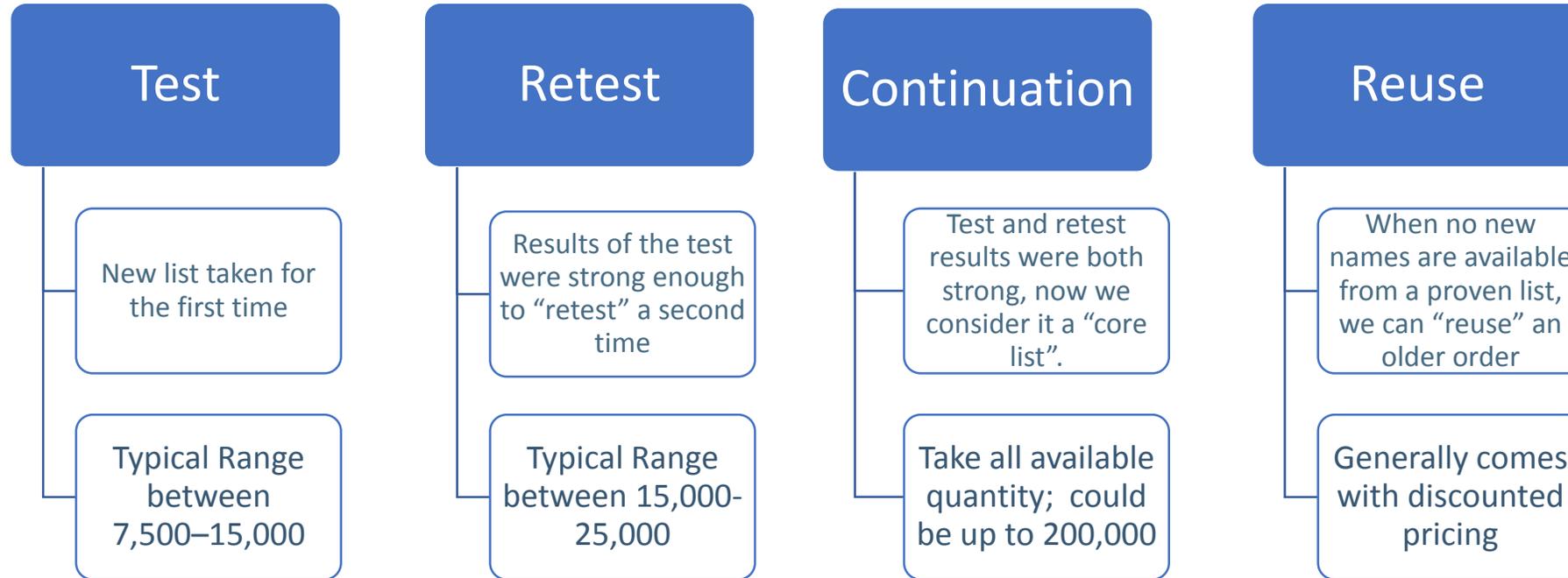


# Order Types

# Order Types

- Exchange
  - ✓ Name for name swap with another direct marketer
  
- Rental
  - ✓ Rental fee for one-time use of names

# Evolution of a list



# Sources of Data

- Other organization's lists
  - ✓ Donors to similar causes
  - ✓ Donors to other causes
  
- Compiled Data
  - ✓ Sourced from directories, census, survey, public records, etc.
  - ✓ Age, Income, Gender, Affinity
  - ✓ Interests (sports, animals)
  - ✓ Life Events
    - Newlyweds, Home Owners, Empty Nesters

The number one variable to determine the success of any list:

**“Have they responded to an offer?”**

# Donors

Those who have made a recent donation to another charitable offer:



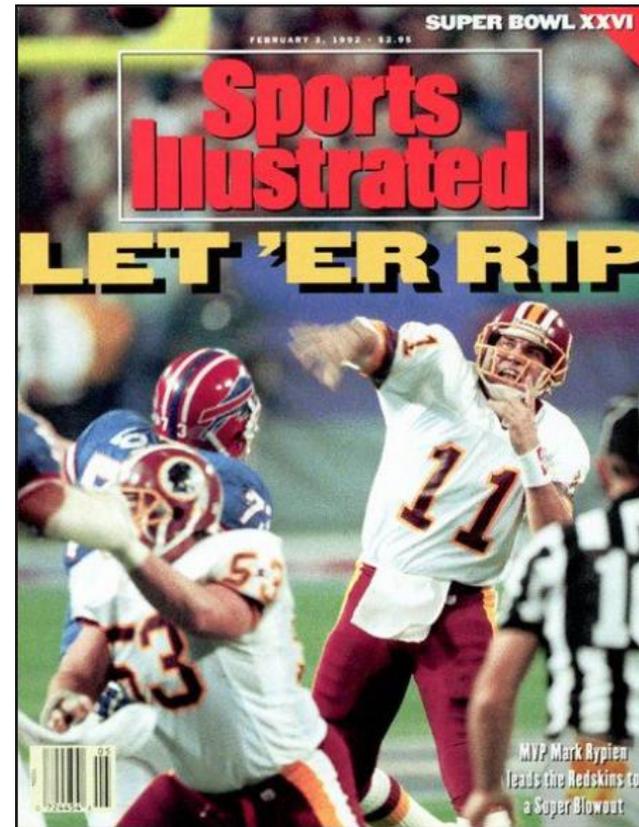
# Buyers

Those who have made a recent purchase from a catalog:



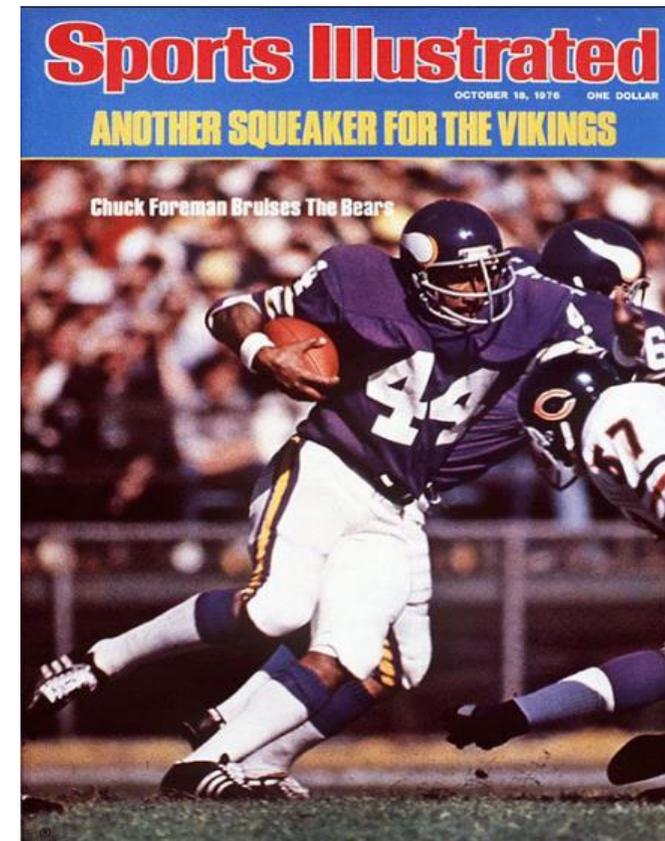
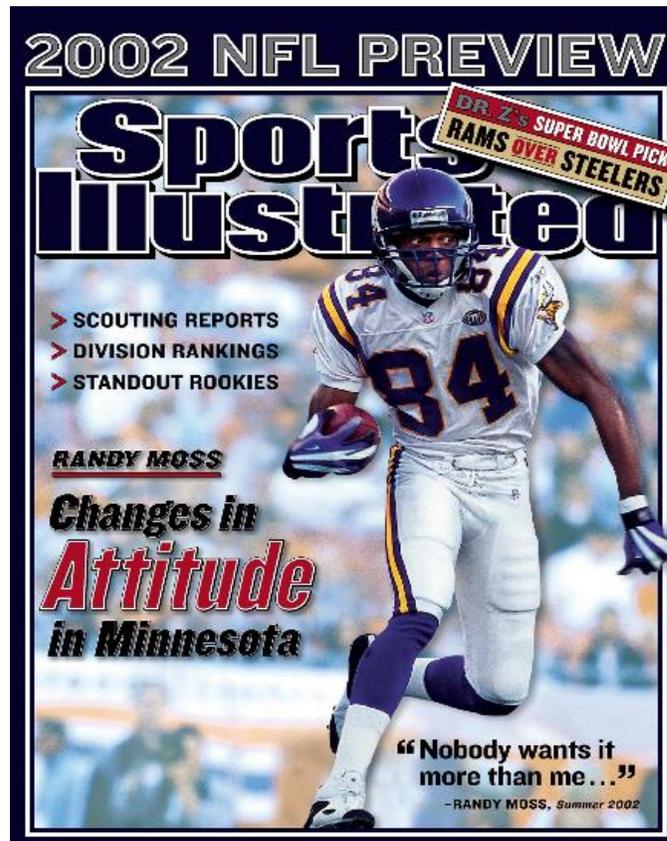
# Subscribers

Those who have subscribed to a magazine:



# Subscribers

Those who are huge Viking fans.....



# Additional Sources of Data

- Co-Operative Databases
  - ✓ Participants contribute their transactional data to the database. The pooled database is modeled to find prospects most likely to respond to your offer.



# Cooperative Database Flow

## Data Sources

Mailers contribute 1<sup>st</sup> Party Transactional Data

## Cooperative Databases



Predictive Analytics



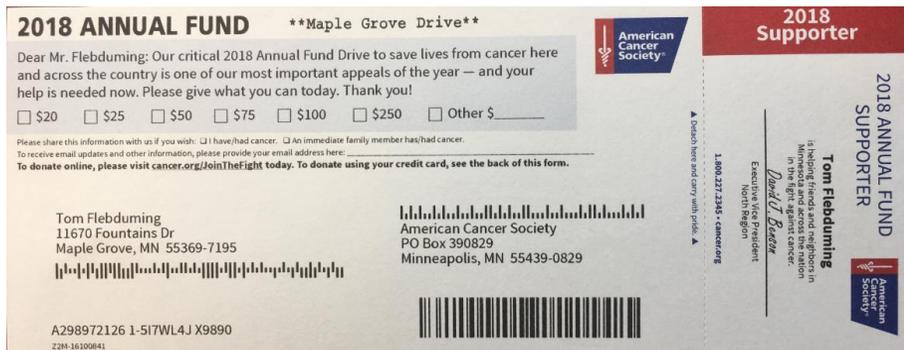
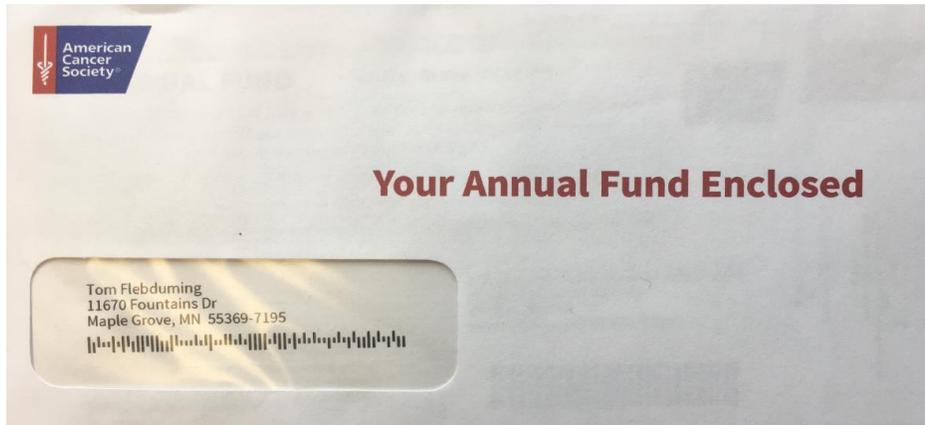
Custom Modeled Audiences

Merge/Purge Processing (Data Centrix or 3<sup>rd</sup> Party Processor)

Mail File sent to Printer

# Direct Mail Offers

- Traditional
- ✓ Straight appeal for donation



Dear Friend,

If cancer has ever touched your life or the life of someone you know, I don't have to tell you how devastating it can be. The fact is, in one way or another, cancer may affect us all.

That's why it's up to all of us to play a part in beating cancer during our lifetime.

If you haven't given a gift to the American Cancer Society, I urge you to do so today. I can't think of a better way to honor someone you know, perhaps a friend or a loved one, who has battled cancer.

Please help save lives by supporting the 2018 Annual Fund today. Your gift will help fund lifesaving research, and provide essential programs for prevention and early detection, patient support, and the trusted information cancer patients and their families need. Together we can save lives!

Gary M. Reedy  
Chief Executive Officer  
American Cancer Society

# Direct Mail Offers

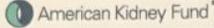
- Upfront Premium (“freemium”)
  - ✓ Address labels, notepads, note cards, calendars, etc.



# Direct Mail Offers

## ➤ Back-End Premium

- ✓ After a donation is made, a “gift” is sent. These include tote bags, umbrellas, hats, etc.

**2017 Minnesota Annual Appeal**  American Kidney Fund®

Mr. Fleagbming, please help the American Kidney Fund continue its vital kidney disease prevention and emergency aid programs by making a gift of:

\$15    \$20\*    \$25    Other \$ \_\_\_\_\_

\*A gift of this amount or more would really help!

I've enclosed a gift to help kidney patients. Please send me the tote bag.

No, do NOT send me the tote bag. Use my entire gift to help kidney patients.



Mr. Tom Fleagbming  
Ste 200  
11670 Fountains Dr  
Maple Grove, MN 55369-7195

10437102055 P17K000654A0132MR

**2017 Annual Appeal Supporter**

**KIDNEY HEALTH TRACKER** Know your numbers! Get tested and write down your numbers on this Kidney Health Tracker. Talk to your doctor about your test results.

Check It!	Also Called	Tests For	Goal for Most*	Test Results Date: _____	Retest Results Date: _____
Blood pressure	BP	Heart health Kidney health	Less than 120/80		
Urine protein	Microalbumin	Kidney health	Less than 30		
eGFR or GFR	Estimated glomerular filtration rate	Kidney health	60 or more		
Blood glucose (sugar)	Fasting blood glucose (FBG)	Diabetes	Less than 100		
A1c	Hemoglobin A1c or HbA1c	Diabetes	Less than 5.7%		
Cholesterol	Total HDL (good) LDL (bad)	Heart health	Less than 200 More than 40 Less than 100	Total _____ HDL _____ LDL _____	Total _____ HDL _____ LDL _____

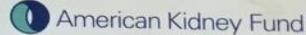
\*ing on your health and risk factors, your goals may vary from those listed here. Also, ask your doctor when you should be tested again.

Handy, sturdy, and as dependable as your support...



Specially designed to be eco-friendly!

...this deluxe tote bag can be yours FREE as our thank you for your support!

 American Kidney Fund®

Offer Expires January 15, 2018!

# 'Marrying' Audiences to Packages & Offers

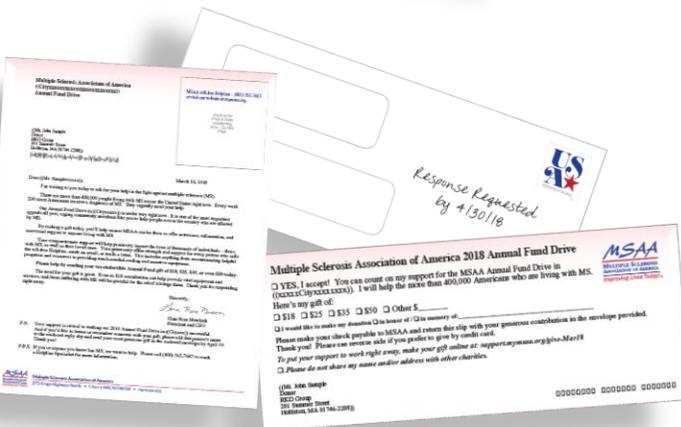
## PACKAGE

MSAA's Premium Label Package



## LIST

ADR's Premium Card Package



MSAA's Non-Premium Package



ADR's Non-Premium Package





# Structure of Acquisition Plan & Strategy

# Three Primary Objectives

Improve overall  
list  
performance

Uncover fresh  
sources of  
names

Save money  
on list  
acquisition

Our goal is to help clients cost effectively acquire new donors who are going to stay with them for the long term.

# Acquisition Planning

We analyze campaign results from our clients, which include:

- ✓ Campaign Information (offer, mail date)
- ✓ List and Segment
- ✓ Response Rates
- ✓ Average Donation Amounts
- ✓ Costs
- ✓ Driving metrics such as net revenue per donor (NPD) or cost per dollar raised (CPDR)

# Acquisition Planning

We can define the target audience 2 ways:

- Similar missions/offers
  - ✓ National Glaucoma Foundation → Glaucoma Foundation
  - ✓ Vietnam Veterans Memorial Fund → Disabled American Veterans
  - ✓ Special Olympics International → Easter Seals
  
- Demographic/Psychographic Data
  - ✓ Age, income, interests, home value....

# Acquisition Planning

How this information is used:

- Analyze Past Performance for each list:
  - ✓ **Strong lists:** Look to expand
    - ✓ 0-3 months (expand recency – test 4-6 months)
    - ✓ \$10+ (lower dollar amount to \$5-9.99)
    - ✓ Female (expand selects to male)
  - ✓ **Core Lists:** Overall good performance – might just leave alone

- **Marginal Lists: Refine Segmentation**
  - ✓ Tighten recency from 0-6 month to 0-3 month
  - ✓ Increase gift amount from \$10+ to \$15+
  - ✓ Add gender
  - ✓ Add geography (zip models, states)

# Acquisition Planning

Performance varies by client but below are a few benchmarks:

- ✓ Response Rate → 1.0%
- ✓ Average Gift → \$20+
- ✓ Net Revenue Per Donor → -\$12.00
- ✓ Cost Per Dollar Raised → \$1.40

# Acquisition Plan

## Sample Mail Plan

List Name	Selection	List Type	Exchange Balance	Exchange/Rental	Select Universe	Order Quantity	Comments	Merge Retention	Net Mail Quantity	Adjusted % Response	Adjusted Average Gift	Net Revenue / Donor	CPDR
Abacus	CORRELATED MODEL RANK 1	Continuation		Rental	50,000	30,000		67.62%	20,285	1.04%	\$24.78	(\$11.21)	\$1.45
ALZHEIMERS ASSOCIATION	1 MO DONORS	Continuation	61,401	Exchange	61,945	61,945	11/10 MD	63.61%	39,403	1.09%	\$15.87	(\$10.54)	\$1.66
AMERICAN DIABETES ASSOC	2011 MODEL RANK 1 12 MOS \$10+	Continuation	(19,473)	Rental	50,000	40,000		66.20%	26,480	1.24%	\$15.35	(\$16.14)	\$2.05
AMERICAN HEART ASSOC	3 MO \$10+ DONORS W/ZIP SELECT 1-3	Continuation	(38,387)	Exchange	17,090	17,090		66.90%	11,434	1.04%	\$15.41	(\$12.13)	\$1.79
ARBOR DAY FOUNDATION	12 MO COAS	Expansion Test	(61,172)	Rental	46,000	10,000		87.48%	8,748	0.90%	\$16.02	(\$21.40)	\$2.34
ARTHRITIS FOUNDATION	3 MO NEW TO FILE DONORS	Continuation	68,716	Exchange	7,660	7,660		67.62%	5,179	1.01%	\$14.24	(\$14.03)	\$1.99
BRADFORD EXCHANGE	1 MO BUYERS	Continuation		Rental	99,000	50,000		84.83%	42,416	0.94%	\$17.39	(\$19.74)	\$2.14
CHRISTIAN APPALCHIAN PROJECT	3 MO \$10+ DONORS	Continuation	54,149	Exchange	50,000	40,000		57.88%	23,151	0.91%	\$14.46	(\$17.39)	\$2.20
Direct Checks Enhanced	12 Mo Spanish Speaking	Test		Rental	45,000	12,500		65.00%	8,125	1.05%	\$16.01	(\$23.04)	\$2.44
DISABLED AMERICAN VETERANS	6 MO \$10+ DONORS W/TOP 1/3 OF ZIP FILE (1-6)	Continuation	(581,820)	Exchange	226,726	60,000		82.89%	49,734	1.13%	\$15.72	(\$9.54)	\$1.61
DISABLED AMERICAN VETERANS	3 MO \$10+ NTF DONORS	Refinement	(581,820)	Exchange	60,000	12,500		82.89%	10,361	1.13%	\$15.72	(\$9.54)	\$1.61
DREAM PRODUCTS	1 MO HOUSEWARES BUYERS	Continuation		Rental	14,178	14,178		84.64%	12,001	1.03%	\$16.01	(\$17.77)	\$2.11
FEED THE CHILDREN	3 MO \$15+ DONORS	Continuation	(187,364)	Exchange	57,696	50,000		67.62%	33,808	1.10%	\$16.49	(\$9.55)	\$1.58
HABAND MASTERFILE COA	1 MO COAS	Continuation		Rental	9,058	9,058		84.59%	7,663	1.65%	\$13.85	(\$7.01)	\$1.51
HABITAT FOR HUMANITY	12 MO DONORS WWILAND SEGMENT 1	Continuation	100,316	Exchange	25,000	12,500		67.62%	8,452	0.64%	\$28.43	(\$25.19)	\$1.89
HAMILTON COLLECTION	1 MO BUYERS	Continuation		Rental	30,726	30,726		94.68%	29,091	1.17%	\$17.20	(\$11.77)	\$1.68
MERCY HOME FOR BOYS & GIRLS	6 MO \$10+ PREMIUM	Continuation	(5,463)	Exchange	22,227	22,227		67.62%	15,029	1.03%	\$13.88	(\$13.91)	\$2.00
MERCY HOME FOR BOYS SPANISH DONORS	12 MONTH DONORS	Continuation	(28,705)	Exchange	12,315	12,315		64.96%	8,000	1.29%	\$10.71	(\$11.54)	\$2.08
MUSCULAR DYSTROPHY DM	6 MO \$10+ DONORS	Refinement	82,909	Exchange	164,220	27,500		52.95%	14,562	0.84%	\$17.95	(\$16.42)	\$1.91
MUSCULAR DYSTROPHY DM	7-12 MO \$10+ DONORS	Refinement	82,909	Exchange	164,220	27,500		52.95%	14,562	0.84%	\$17.95	(\$16.42)	\$1.91
NATL CHILDRENS CANCER SOCIETY	3 MO \$10+ DONORS	Continuation	42,861	Exchange	35,000	35,000		38.32%	13,412	0.94%	\$15.67	(\$15.69)	\$2.00

# Uncovering New Sources of Names

## Sample Test Recommendation

ALC		DECEMBER TEST RECOMMENDATION				
Top Pick	Title (Click to View Datacard)	Summary Description	Total List Universe	Recommended Select	Select Universe	Partial Usage
<b>Donors</b>						
*	<a href="#">MARINE TOYS FOR TOTS - ACTIVE DONORS</a>	The U.S. Marine Corps Reserve Toys for Tots program attracts donors who support its mission distributing Christmas toys to less fortunate children in local communities. These generous donors also give to other social welfare, children's, and international causes.	763,785	<b>6 Month \$10+ Donors</b>	<b>75,000</b>	Exchange only. Usage not provided.
*	<a href="#">NATIONAL LAW ENFORCEMENT OFFICERS MEMORIAL FUND - DONOR MASTERFILE</a>	The National Law Enforcement Officers Memorial Fund — Donor Masterfile. These charitable donors have contributed to the National Law Enforcement Officers Memorial Fund (NLEOMF). Founded in 1984, and headquartered in Washington DC, NLEOMF is a 501 (c)(3) nonprofit organization whose mission is to generate increased public support for the law enforcement profession by permanently recording and appropriately commemorating the service and sacrifice of law enforcement officers; and to provide information that will help promote law enforcement safety.	2,168,005	<b>3 Month \$10+ Donors</b>	<b>85,000</b>	Usage not provided
	<a href="#">POLICE FAMILY SURVIVORS FUND</a>	A program sponsored by the American Federation of Police, this donor file is composed of supporters to an active direct mail appeal program to help fund programs of support for over 7,600 spouses, parents and children and other family members of police officers who have died in the line of duty.	226,914	<b>12 Month \$10+ Donors</b>	<b>180,094</b>	Alzheimer's Disease Fund American Parkinson Disease Heart Support of America Hospice Education Institute
<b>Health Subscribers and Book Buyers</b>						
	<a href="#">CONSUMER REPORTS ON HEALTH</a>	Published by Consumers Union, an independent, nonprofit testing and information organization. Consumer Reports on Health is an easy to read monthly newsletter that is devoted to the health and well being of consumers. It exposes health frauds and gives readers clear recommendations and reliable advice on nutrition, fitness, sex, disease prevention, immunity and more. Since 1936, CU's mission has been to test products, inform the public and protect consumers. Consumer Reports on	572,785	<b>1 Month DMS Subscribers</b>	<b>93,655</b>	American Cancer Society Disabled American Vetrans Memorial Sloan Kettering Cancer Center Smile Train St Jude Children's Research Hospital
*	<a href="#">MAYO CLINIC BOOK BUYERS</a>	Unique and unduplicated audience from the Healthletter. Mayo Foundation for Medical Education and Research. Put the resources of the Mayo Clinic to work for you. The world-renowned expertise of Mayo Clinic available in easy to understand and authoritative books, offering practical information on today's most common health problems. <a href="http://www.mayoclinic.com">http://www.mayoclinic.com</a>	140,774	<b>3 Month Buyers</b>	<b>24,349</b>	American Heart Association Disabled American Veterans

## List Cost Analysis

- ✓ Exchange – The least expensive method of list rental
  - Name for name swap with another direct marketer

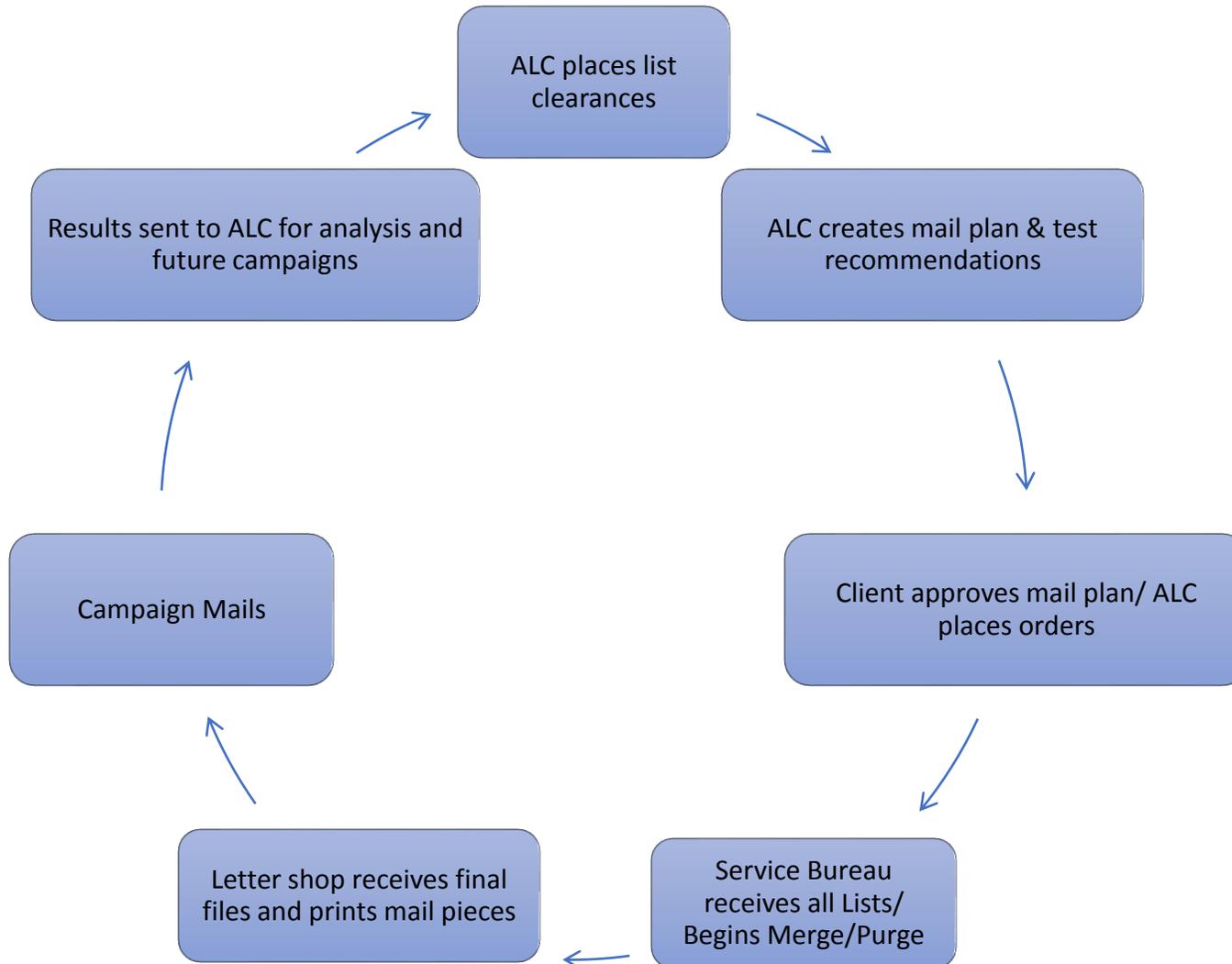
**For lists we can't get on exchange, look to negotiate better terms on lists with:**

- ✓ High CPM
- ✓ Low Merge Retention
- ✓ List is not making the plan at current P&L

## How can we lower list costs?

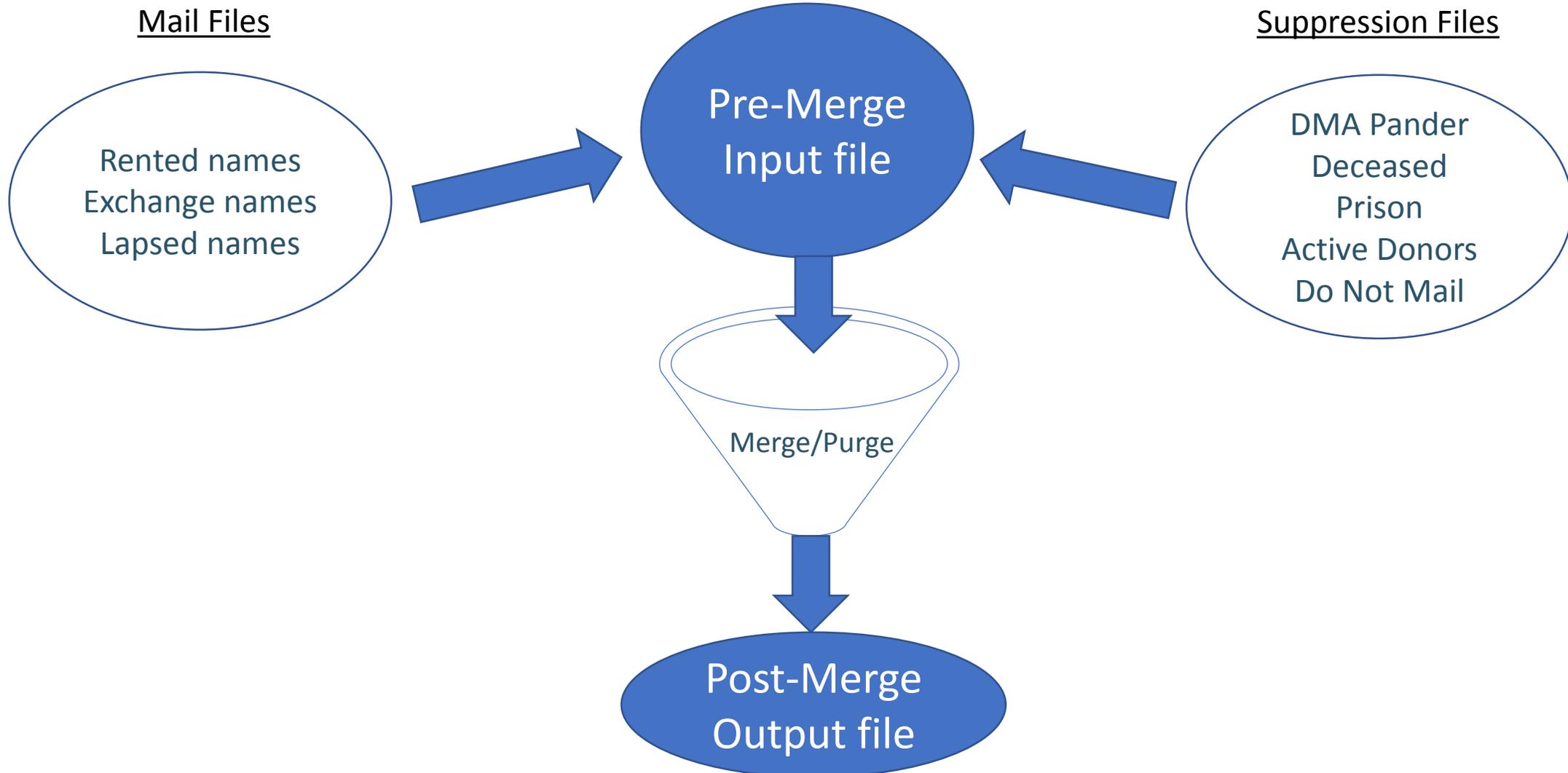
- ✓ Reduce Base Rate
- ✓ Waive or Cap Select Charges
- ✓ Net Name Arrangements
- ✓ Negotiate an Exchange

# Campaign Cycle



# Merge Purge

Merge/Purge is the process of merging multiple lists into one mail file, removing unwanted and duplicate names





# Attrition and Acquisition of Donors

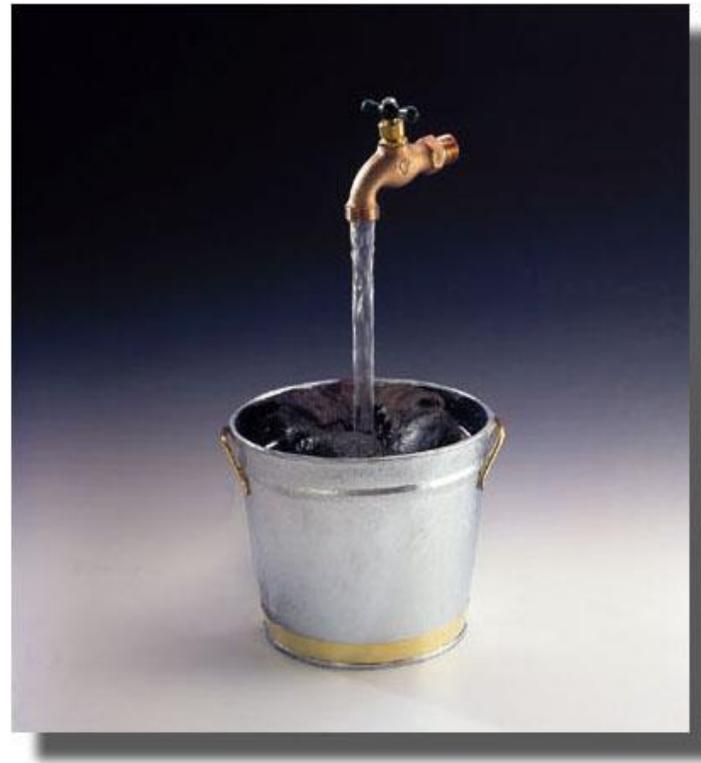
# Attrition of donors

Unfortunately, we lose some donors each year....



# Acquisition of donors

It is critical to keep feeding the bucket through targeted acquisition!





**Questions?**

**THANK YOU!!**

**Tom Fleming, ALC**  
**[tom.fleming@alc.com](mailto:tom.fleming@alc.com)**