

THE

Debbie Grossman,
executive director

By Thorin McGee

Opening Their

Views

How new NCOA regulations prompted a small Chicago charity for the blind to clean its list and keep its donors

“When ‘The Move Up’ came, and we heard this from the Post Office, I almost freaked out,” says Debbie Grossman, executive director of the small Chicago-based nonprofit Blind Service Association (BSA). Her first reaction to the new regulations was, “Oh my God! This is going to be so expensive to us. Is it going to be worth it in the end to do this?”

Grossman couldn’t have been alone. While the recession has put tremendous strain on small businesses of every stripe—and perhaps none have been strained more than nonprofits—the USPS has been adjusting to its own changing business with rate increases and ever more specific requirements for mailers to earn work-share discounts. “The Move Up,” as Grossman calls it, is the relatively new requirement (it went into effect in November of 2008, but many companies are still struggling to comply) for mailers to perform National Change of Address (NCOA) updates on their

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lists no more than 95 days before each mailing or forfeit the ability to mail at anything other than full First Class postage.

Such updates may not be an issue for large mailers with regular address hygiene arrangements already in place, but according to Brian Euclide, president of Sun Prairie, Wis.-based TEC Mailing Solutions—which provides the online tools BSA uses to meet those requirements—60 percent of USPS mail volume comes from small businesses mailing less than 500 pieces at a time.

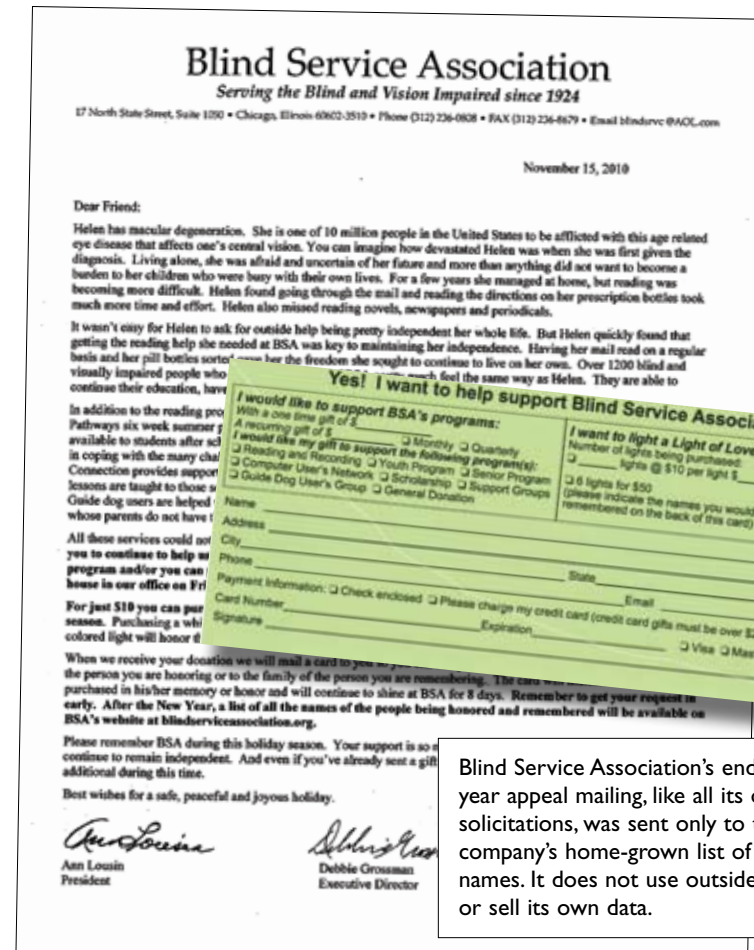
“I’ve been saying for a long time that [small businesses] aren’t being represented,” says Euclide, who also represents the United States Chamber of Commerce on the USPS Postmaster General’s Mailers’ Technical Advisory Committee. “Here’s a group of people who are being left in the dust, and now they’re being mandated to do some list hygiene.”

1-to-1 Networking

BSA provides the kinds of services that allow otherwise healthy people who’ve lost their sight to stay in their homes and out of group care, says Grossman. “They are able to maintain jobs, go to school and live independently in their homes by utilizing our services. [For example,] older persons might come in every week with their bottle of pills, and volunteers will help them sort their pills.”

It’s very personal work that the volunteers and donors can see makes an immediate impact on the lives of those they help, and BSA extends that level of personal touch to its marketing.

“We’re a very small organization, we’re very people-oriented, so I consider us one big family here,” says Grossman. That shows in the way BSA develops personal networks with its donors and volunteers. The nonprofit mails frugally, four to five times a year, segment-



Blind Service Association’s end-of-year appeal mailing, like all its other solicitations, was sent only to the company’s home-grown list of 3,000 names. It does not use outside lists or sell its own data.

ing by address or activity level as the specific mailing requires.

For example, BSA won’t send event invitations to people too far beyond Chicago’s borders to attend. The database it mails to includes about 3,000 entries—of which only about 600 include email addresses—all collected through its own fundraising efforts and networking.

“We don’t buy lists, and we also do not give away our list or sell it,” insists Grossman. In fact, BSA tried buying lists 15 to 20 years ago. But BSA found using those names cluttered the database with duplicates, cost too much money to mail, and just didn’t bring in donations.

“We really try to build our list as much as possible through word of mouth,” Grossman explains. “We spread the word in many different kinds of ways.” This includes an annual benefit dinner, a jewelry bazaar, tag days—during which the

city of Chicago allows registered companies to take to the streets with boxes and aprons to solicit donations—and more. With each of these activities, BSA gets the people in its database mobilized, and tries to get them to mobilize their peer networks, as well.

One example of the way BSA encourages its donors and volunteers to get their peers involved is its tribute cards. These are cards BSA will send to anyone for a minimum donation of \$25 dollars. Usually the tribute cards are sent by friends of people who are active in BSA as a way to make donations on their behalf.

At that point, BSA does not enter the sender into its database. However, Grossman says the nonprofit will contact the recipient, who it usually already has a relationship with, and ask if the person who sent the card is someone who might donate or become involved.

If the answer is yes, BSA adds that person to its database and its mailings. The contact isn't aggressive—Grossman says BSA will only mail these people about once a year over a two year period—but it's a way to grow the donor network. "Here we have a connection already," explains Grossman, "and we can find out more information from the people who have referred these donors to us."

The Opportunity Cost

BSA doesn't hesitate to ask its donors about other people who might want to donate, or to ask if people they've recommended should be removed from the list if they haven't responded—although Grossman says that often results in the active member prodding the newer contact to answer the call-to-action. If there are questions about whether or not BSA's donors appreciate the extra networking attention, Grossman debunks them herself: She is active in other charities, and knows from her own experience that donors are willing to suggest people the charity should contact.

That hands-on, personal approach extends to managing BSA's database, as well. BSA hand-enters and dedupes all of its names. It only collects basic contact information—name, address and email address when the contact is willing to supply it, which is seldom—but it takes investigative steps to ensure the quality of that data. For example, when a donation check comes in, BSA will capture both the address on the envelope and the address on the check when they differ, so there is a back-up address to mail if the first becomes unresponsive.

While BSA goes through all those painstaking, manual steps to expand and maintain its network, Grossman still found mailings to donors, sometimes sizeable donors, coming back with undeliverable addresses. Those contacts were often lost to BSA forever.

"I have saved all those envelopes [that were returned with undeliverable addresses] ... I actually have them in a box put to the side," says Grossman. "It was significant. The numbers are on the envelopes, [showing how much money] they gave. On average it was \$10, \$20, \$25. But every once in a while you see it's 'potential people'—it's \$250. If someone's able to give \$250, they may be able to give more. So you lose that 'potential' of what could have happened in the future."

"If someone's able to give \$250, they may be able to give more. If you lose track of that person due to a change of address, you lose the potential of what could have happened in the future."

**—Debbie Grossman,
executive director,
Blind Service Association**

Losing that potential was especially difficult to stomach during the recession. "With nonprofit organizations, if someone isn't working, believe me, we're the last place they're thinking about giving money to," says Grossman. The donors BSA was losing weren't always one-time givers, either. "It could be like 10-years of giving, and all of a sudden they disappear," Grossman says. "The mailing just comes back. We'd try to trace it, but ... if they were here in Chicago and they moved to Florida, that's really hard to trace. And if it's a John Smith, which John Smith is it? ... That's really hard to find."

Forced to take action by the NCOA requirement, BSA found

TEC Mailing Solutions, whose MailListCleaner.com service helped Grossman perform the necessary hygiene in five minutes for \$50. She was shocked that the solution would turn out to be, "very, very inexpensive!"

Which raises the question: If an NCOA update was so inexpensive, why did BSA allow so many donors to move away and out of its database in the first place?

An Education Gap

The USPS saw 41.2 million Americans submit change of address forms last year, says Karen Cronin, customer relations coordinator for the USPS. That led to nearly 10 billion pieces of undeliverable-as-addressed (UAA) mail and a total waste of \$1.9 billion.

"For the mailers who are preparing the piece, it's not only a waste in that they're wasting the cost of printing," explains Cronin, "they're also running the risk of permanently losing that customer contact," making undeliverable mail a drain on postal customers as much as it is for the Postal Service. And, she says, the USPS frequently found that small businesses weren't making address corrections when they were notified of a change. Cronin believes most of this stemmed from a lack of education on the subject.

"For smaller businesses, you might find they just don't understand there are products out there," says Cronin. "They just continue to mail to the same people each time, and they don't even realize a lot of this mail isn't getting delivered. ... It's complex to learn about where you can go to get the addresses updated." In addition, she says it can be costly to pay for the endorsements and other services, "but in the long run, if you're continually wasting your resources on mail that's not getting delivered, and running the chance of losing your customers, that's more costly."

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Euclide knows the USPS feels there is a huge disconnect with its smaller postal clients on address hygiene, but he also sees a problem that goes beyond education. He claims there are few easy ways for small companies and nonprofits like BSA to reach the required hygiene standards on lists that may be as small as a few hundred names. “There aren’t many [list service and data hygiene vendors] who want to deal with these pennies.”

TEC traditionally served the list industry by providing an NCOALink backbone for other vendors’ services, or even to incorporate into larger software solutions. But, Euclide saw that many companies operated with lists that were too small to use these larger services or tools and still make a profit.

In response, TEC began to offer some of its core tools online for customers to use themselves. But Euclide soon “started to realize the people needed something

even more ‘dumbed down’ than those.” So TEC produced a slate of what it calls “retail tools” hosted on MailListCleaner.com that offer easy-to-use, Web-based data hygiene services, including NCOALink updating to meet the USPS move update requirement. Since then, TEC’s “product set has morphed toward that [retail segment] ... allowing us to touch much smaller clients.”

Euclide himself characterizes the profit his company makes from such small lists as “pennies,” but points to the larger benefit it offers to mailers and the postal ecosystem as a whole. According to him, TEC’s average job runs between 5,000 and 20,000 entries and takes about five minutes. Mailers that use it find about a 6 percent move rate, and Euclide says they also often find 7 percent to 8 percent dupes. By cleaning up those two aspects of the data, mailers might make their lists 12 percent to 13 percent more efficient, explains

Euclide, which is a number that will impact the bottom line.

It was a different type of solution than BSA had investigated in the past, and once Grossman found that connection, it seemed ridiculous that BSA hadn’t run the service before. TEC helped BSA to figure out how to fit its data into the system early on, but since then the nonprofit has been able to use the self-service tools essentially on its own.

With its list in better shape and right to mail more cheaply confirmed, Grossman isn’t panicked anymore about USPS regulations or the recessions. “Did we lose people since the economy went down?” she asks rhetorically, “yeah, it’s not as great. But we feel it’s going to come back ... I was very happy with our 2011 end-of-the-year appeal. I really was. I didn’t have real high expectations, and I was pleasantly surprised.”

Looking back, Grossman might have said the same about the move updates. ■

MESSAGE & MEDIA

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competitors? What differentiates your product or company from theirs? Comparison shoppers know who your competitors are—your creative team should, too.

- **Media rationale:** Tell us why you selected direct mail, email or whatever media you’re using. Let us know how you’re supporting it with social media. Tell us which media you’ve tested—which worked, which didn’t. Last, but not least, we need to understand customer expectations. For example, if you are testing email to a customer list that has always heard from you via direct mail, tell us.

- **Buying objections:** Do you know why qualified buyers aren’t buying from you? If not, ask your sales or customer service staff. Better yet, let us ask them. We love a challenge, but we need to understand the obstacles we have to overcome. Experienced writers and designers address buying objections in their creative strategy.

- **Format:** Is the format predetermined? If so, tell us what it is and why we’re using it. If you want format recommendations, let us know. This applies to both traditional and digital media.

- **Customer reviews:** As much as we need information from you, it also helps us to know what customers are saying about you. In their own words, please. It’s not unusual to find a control-beating subject line, headline or outer envelope teaser buried in a customer comment.

- **Test results and response rates:** It’s useful to know what you’ve tested in the past—what worked and what didn’t. While you may prefer not to disclose response rates, we need to know if we’re trying to beat a control generating 1.5 percent or 15 percent response. And please let us know by how much we need to beat the control to be a winner.

- **Beyond response rates:** Don’t assume we don’t care about numbers beyond response rates. We understand the value of increasing your back-end

closure rate, order size, lives per app and little details like lifetime value across all channels.

- **Production/technology matters:** Many of us like to talk with vendors and production resources so we understand their capabilities and use them cost-effectively. Today’s direct response writers and designers embrace change and jump at appropriate opportunities to test new technology such as QR Codes.

As you can see, direct response writers do more than string together words punctuated with the word FREE. And direct response designers do more than just put a pretty face on a ho-hum offer. We are your marketing allies—both strategists and tacticians. ■

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Start ~~Stop~~ the Presses!

Newspaper inserts leverage QR Codes, geoPURLs and the latest Web tools to expand online communities, increase personalization and maximize ROI

Creating a link between print and digital marketing has become easier with the emergence of QR Codes, geographically personalized URLs (geoPURLs) and robust Web portals that transform print content into interactive online experiences. Consider newspaper inserts—enhancing this traditional space advertising platform by leveraging a QR Code or geoPURL is a cost-effective approach to facilitate a two-way dialogue through traditional print channels and can transition print material into customizable online content.

Old Is New

We've all heard the saying, "out with the old, in with the new." In the wake of the financial crisis, marketers are rethinking that old adage and changing their attitudes toward excess and unnecessary spending. Brands must maximize their investments in advertising and marketing while reaching a broader consumer base that is bombarded with messages on a number of fronts. Marketers must take an "in with the old, in with the new" approach—embracing both traditional and emerging marketing channels.

Many brands indicate they plan to reduce newspaper advertising in the coming years. But the Vertis CustomerFocus Retail 2010 report found that newspaper inserts continue to be one of the most influential channels impacting consumer

Famous Footwear uses a QR Code on its newspaper insert to prompt customers and prospects to take the Famous Footwear Fitness Quest in an effort to find the perfect athletic shoes.

buying decisions. While many marketers assume the younger generations are relying less on inserts and more on the Internet, surprisingly we've found that 47 percent of Generation Y and 61 percent of Generation X rely on newspaper inserts for shopping research.

Newspaper inserts remain a critical component of many multichannel campaigns, used most effectively when paired with digital elements that enable brands to capture consumers via their communication vehicles of choice.

QR Codes

Incorporating QR Codes in newspaper inserts enables quick access to Web content with a snap of a smartphone camera. Marketers using QR Codes can

direct consumers who typically rely on newspaper inserts to online coupons, Web offers, surveys or social networking sites. Capturing consumers with compelling print content that drives them online supplies shoppers with more detailed product information, which leads to better buying decisions and a more robust consumer base.

Although QR Codes have not been widely adopted by the mainstream audience yet, they are already influencing tech-savvy consumers and interest is only expected to grow. Experts in both marketing and telecommunications industries expect them to garner more widespread adoption as smartphone penetration increases and QR Code readers

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