Mike Colling

is Managing Director at Mike Colling & Company Limited. He has worked in media for almost 30 years during which time his interest has moved from media interactions that merely generate awareness to those that stimulate consumers to take commercially valuable action. A fellow of the Institute of Direct Marketing, and current chair of the DMA awards, he is really interested in what motivates consumers to interact with companies, and in finding either new audience for companies to attract, or new ways to interact with current audience.

Keywords: integrated TV, fund-raising, multivariate, donor recruitment

Case Study

The Salvation Army: How to improve a best-of-breed donor recruitment campaign

Mike Colling

Date Received (in revised form): 18th February 2011

Abstract

Adding new media channels to a successful campaign helped the Salvation Army recruit significantly more new donors and maintain exceptionally high returns on investment. Integrating those new channels allowed them to take even larger steps forward, both in volumes of new donors, and in returns from current donors.

Journal of Direct, Data and Digital Marketing Practice (2011) **12**, 364–371.
doi:10.1057/dddmp.2011.7

Background

The Salvation Army is one of the greatest forces for good in the UK. Founded in 1865, it is now the seventh largest UK charity ranked by fund-raising income.¹ In 2009, the UK territory spent £207 m², the vast majority of which went towards the social action at the core of its mission.

The Salvation Army is the largest and most diverse provider of social services in the UK after the government. Its 50,000 members and 4,000 employees help thousands of people across the UK each and every day. Approximately 3,495 homeless people stay with them each night, making them the largest provider to the homeless in the UK.

They supply three million meals each year in their community and residential centres, and visit 79,000 prisoners in 134 prisons. They also support the emergency services, the armed forces, the unemployed, vulnerable children and older people.

More than half their income comes from fund-raising.

Strong direct marketing skills and market leading results

The UK territory has a reputation for being among the best of the best charity fund-raisers, both when compared with other charities in the

Mike Colling
Managing Director
Mike Colling & Company Limited
Stephen Buildings, 30 Gresse Street
London, W1T 1QR, UK
Tel: +44 (0)20 7307 6100
Fax: +44 (0)20 7307 6111
E-mail: mike@mcand.co.uk

UK and with other Salvation Army territories. Two of the leaders in the fund-raising team are from leading direct marketing agency backgrounds. Large-scale donor recruitment campaigns have historically recruited donors at an immediate return on investment (ROI) of more than 1.0, and donor appeals have returned ROIs in excess of 14.0. In 2007, the year before we received our campaign brief, 99,737 donors responded to cold appeals, at an ROI of 1.27.

Historic ROI

Few other charities would expect to recruit donors at an ROI of more than 1.0. None would expect to recruit the population of a medium-sized UK town such as Crawley with such a return!

The challenge

In spring 2008, the telephone rang in the MC&C offices. Initially, we were incredibly flattered to be asked by the Salvation Army if we could improve their donor recruitment campaign. However, as the realization of the scale of the challenge dawned, we became a little apprehensive.

Our specific brief was:

Increase donor recruitment at >1.0 ROI

- Could we help the Salvation Army recruit significantly more new donors
- while maintaining an ROI of more than 1.0 at recruitment,
- and recruit donors with a similar profile to those currently recruited
- so that the donor development programme could continue to achieve returns of more than 14.0?

Our approach

We proposed a four-step process to tackle this daunting challenge:

- First, a full discovery of the current and historic activity — why such great results?
- Secondly, a full understanding of the target audience — who are these donors and how do they behave?
- Thirdly, a gap analysis — what does the audience analysis tell us we can do that the Salvation Army weren't already doing?
- Fourthly, strategy creation
- And finally, implementation — how could we deliver on our vision?

Discovery: Why such great results?

Christmas recruitment

We found that the Salvation Army focused the bulk of their fund-raising activities on Christmas. Almost all of the donors recruited each year were recruited in the six weeks running up to Christmas Day. This period is also the key time for donor appeal income. And the closer it gets to Christmas, the better the results, with response building day by day up to Christmas Eve.

All fund-raising asks were for one-off cash gifts — highly unusual in this age when most charities are obsessed with recruiting regular givers.

Gift prompts are relatively low, with the control ask being just £19.

Wherever people need our love, we have to be there

For many lonely and unhappy people this Christmas, The Salvation Army will be their only friend. That's why, where people are homeless, we need to offer them food, shelter and hope. Where older people are all alone, we need to care for them. Where children suffer neglect and abuse, we need to protect them. Please put us where we need to be, by sending your Christmas donation today.

- £19** will provide a Christmas box to a family in need, filled with food and a modest gift for each child.
- £28** will pay for five lonely older people to enjoy a proper Christmas dinner and friendship at a Salvation Army community centre.
- £45** will provide 24 hours of care, protection and love for a child in a Salvation Army residential home for children who have nowhere else to go.
- £63** will provide a homeless person with one week in a Salvation Army centre, and a hot breakfast - which could be the first step towards keeping them off the streets for good.
- £72** will pay for a 'meal run' giving hot soup and sandwiches to people sleeping rough on a cold winter night
- £250** will keep a Salvation Army drop-in centre open over the Christmas period.

Yes, here is my Christmas gift for people in need.

In order for us to process your donation efficiently please complete your details below.

Title (Mr, Mrs, Miss, Ms) Name

Address

Postcode

Here is my gift of: £19 ☐ £28 ☐ £45 ☐ £63 ☐ £72 ☐ £250 ☐

I prefer to give: £

Make your credit card gift by calling **0800 389 8282** Lines open 24 hours

Please make your cheque/postal order payable to The Salvation Army or fill in your credit/debit card details below. DM10821000245

Credit/Debit/CAF Card No. (We are unable to accept AmEx or Diners Club cards.)

Start date / / Expiry date / / Maestro Issue No.

You can make your gift worth 28% more by making a Gift Aid declaration. Please sign in the box below. I am a UK taxpayer and I want The Salvation Army to claim back the tax on all donations I have made since 6 April 2003, and all future donations.

giftaid it

Signature Date

Please return this form with your donation to: FREEPOST RRTT-HUAR-BEAU, The Salvation Army 201, REDHILL, RH1 1QD.

The Salvation Army will not share your details with any other organisation. If you don't want to hear from The Salvation Army again, please tick this box. ☐

www.salvationarmy.org.uk/christmas

Figure 1: Example of Salvation Army direct marketing material. Image used with the kind permission of The Salvation Army

Analysis of past campaigns

Creative messages revolved around the social services that the Salvation Army provided for the community, with a strong grounding in Christian values (Figure 1).

The Christmas fund-raising campaign was a carefully honed, highly professional traditional direct marketing schedule of activity.

Donor recruitment activity consisted of cold direct mail, door drops (unaddressed mail), inserts in media titles and product despatch programmes, and press advertising. All of this was carefully targeted, based on previous results.

And what results: immediate ROI of more than 1.0, on a response volume of some 99,000 donors.

Only one failure

The only result across all channels that did not shine like a star in the firmament was a test of online display advertising. A significant spend produced a statistically significant result: clear failure, with an ROI an order of magnitude below expectations.

Donors mostly responded via post. Telephone response accounted for less than 15 per cent of all donations, and the internet for less than 2 per cent. Ninety per cent of donations came as cheques.

Our conclusions: great traditional direct marketing. Clear understanding of the donor audience, their needs and the messages that will motivate them to take action. A well-structured media schedule that recruits them as donors and reaches them effectively to give again. And a response pattern that matches all of this.

The donor audience: Who are they and how do they behave?

Our starting point in looking for new growth was with understanding the audience. We took the donor database, and using a lifestyle tool, profiled it.

Figure 2: Salvation Army donor demographic

Analysis of existing donors

We found a very clear and distinct result (Figure 2). The archetypal Salvation Army donor was female, aged 68, retired, less well off, gave to a number of causes and had very strong religious affiliations. They were keen readers, and especially fond of the more conservative mid-market and broadsheet newspapers. This was true across all media channels used to recruit donors, and was accentuated among donors with a long association with the cause.

Having identified our audience, we then looked at their behaviours. We used a number of tools including Touchpoints, the first ever single-source multiple media consumption database. This gives us unique insights not only into who uses what media channels, but also how consumers move from one channel to another, depending on their mood, mode and location.

Much of what we discovered reinforced what we already knew. Our donors were heavy readers; they appreciated direct mail and responded to it; they didn't spend much time surfing the internet. They did support multiple charities, and preferred to give cash gifts rather than commit themselves to regular giving. Post was their favourite channel by which to respond to charities.

But several new facts gave us food for thought.

We found this audience to be heavy TV viewers, as well as heavy readers. They watch some 40 hours of television each week — much more than they spend reading.

We found that they didn't spend much time online. They aren't digital natives who hang out online. Nor do they get their view of the world from online. This explained the poor results from the test of online display. *But* we found them to be happy to donate online — essentially seeing the web as a high-tech fax machine. It's a functional thing — somewhere to go and do something specific, not somewhere to hang out.

Relative reach

Our most significant insight came when we compared the relative reach of media channels. The print media schedule (a combination of warm

Possible to increase reach through TV

mail, cold mail, door drops, inserts and press) had been carefully honed over years. It was at its limit for efficient volume — no more could be added without impacting cost per new donor and immediate ROI.

BUT, and this is the big but, it only reached 64 per cent of the core audience we had defined as potential donors.

Our internal planning tools allow us to model the impact of adding new media channels. Within the budgets available, if we added television to the media mix, our reach of the core potential donor audience jumped from 64 per cent to 90 per cent. In other words, we could increase the potential donor pool by c 41 per cent.

Enabling response

The second most impactful insight came from asking how this donor group prefers to respond.

Not surprisingly, given that the bulk of donations came via post in 2007, we found that this was our donors' favourite response channel, with more than 40 per cent choosing to respond this way.

Online response

What did surprise us was the fact that they were happy to donate online. There were as many of our donors who donated online as donated via telephone — again, a real opportunity to increase campaign effectiveness.

Gap analysis: What else could we do?

Given the success of the campaign, we were clearly not going to suggest wholesale change. Furthermore, the Christian values of the Salvation Army and the religious affiliation of the audience are both so strong that the timing of the campaign and the messages were considered to be sacrosanct. As we were asking donors to give us an initial single cash gift, and then to respond to subsequent cash appeals, we couldn't change the target audience. If we did, we would run the risk of recruiting donors who wouldn't give again.

Thus, the gap we identified, where we could add value, and help the Salvation Army meet their ambitious new targets, came down to the media channels used by the Salvation Army to reach new donors, and the response channels that donors used to give their gifts. Essentially, we asked ourselves: can we find new donors, who hold the same values and beliefs as our current donors, and who will respond to the same messaging in the same way?

Intelligent implementation — year one

We kept targeting, messaging, the call to action, and the bulk of the communications schedule exactly as per the previous year.

Add DRTV and paid search

We added a DRTV campaign as a stand-alone non-integrated media channel, designed to reach incremental new donors, and recruit them at an ROI>1.0. We also added paid search as a stand-alone media channel, designed to act as a giant fax machine, enabling those donors who did want to give online to do so more easily and efficiently.

TV planning

TV channels and programmes were selected using our audience's viewing preferences, overlaid with bespoke response data from MC&C databases.

We planned a national campaign, but with regional upweights reflecting our audience's geography.

To reach the required audience, we ended up with an unusual mix of channels — much more airtime from traditional terrestrial channels, and much less from satellite and cable channels than the norm.

And we also ended up with an equally unusual pattern of investment. TV campaigns typically start with a bang, building coverage quickly, and then continue at lower weights. We reversed this norm, starting at low weights, and building to a peak on Christmas Eve. This mirrored the response pattern we had seen elsewhere, and capitalized on our knowledge that TV generates an immediate, emotional response.

Digital planning

We removed the display activity of the previous year, and invested only in paid search. Investment was restricted to brand-related and creative-related terms only. No generic charity or Christmas messages were used. We created copy to reflect the messages that searchers would have seen in the media that drove them to the search engine. All of this reflected our desire to facilitate a journey online, and not to initiate one.

Results year one

Success has many fathers is such a truism.

The results review of the test campaign was packed out. Never have so many agency staff been so interested in a campaign that has run every Christmas for decades.

The highlights:

Success on all fronts in year one

- An incremental 16,000 new donors, representing 16 per cent growth year on year.
- These donors recruited at an ROI of >1.0, as requested.
- An additional £500,000 income from these donors, representing 20 per cent growth year on year.
- The ROI online increased by two orders of magnitude.
- And really exciting: the profile of the donors we recruited. Analysis of the responders from TV and digital activity showed that our new donors were identical to our current audience. Same religious values, same propensity to give to charity, same outlook on the world. But with one crucial difference. Their average age was almost exactly ten years younger, at 58 years old.

All was cheerful with the world — more volume, maintained ROI, new source of new donors, and those donors identical in every way, apart from the potential to give to us for ten more years.

Repeat in year two with doubled TV and added radio

Year two

The painful truth is that we were so excited about year one results that we were pretty unimaginative and practically repeated year one, but doubled the TV budget. We also added radio to the media mix, with the two-fold rationale of increasing donor reach again, and upweighting even more our key days running up to Christmas Eve.

And we were rewarded with another very cheerful campaign review: more donors, more income and better ROI. And a real jump in online income: 94 per cent up year on year.

But this online income posed us an issue: what was generating it? Clearly, an element of it can be attributed to the very efficient paid-search activity: our online fax machine. But a much larger element, in fact the vast majority, just turned up on the website and gave. They did so out of the goodness of their hearts, but what prompted such goodness?

To answer this question, we turned to our in-house statisticians. We created a data set of all media events that would cause a response (every individual TV and radio spot, press ad, insert, door drop, piece of cold mail and piece of warm mail). We associated all audience and cost data against each event. We also collated all donation records, with date–time stamp, postcode and value.

A series of univariate and then multivariate analyses allowed us to identify the cross-media influences. We were able to quantify the value of any one media channel on response attributed not just to online, but to any other media channel. Guess what? Interconnectivity. No surprises, TV and direct mail drive online response. TV drives response to all other media channels. But equally, direct mail, inserts and press advertising drive response recorded to TV commercials. The hip bone is connected to the thigh bone and so forth.

Analysis of online response

Creating an integrated planning tool

Modelling is all very well and good to identify what has happened, but it doesn't help in perfecting a campaign.

Hence, we built another tool. At its heart are the equations from our multivariate analyses, but usable by both client and media planners on their desks. Decide how much you want to spend, decide when and in which media channels. Outputs are total donors, new donors, total immediate income, five-year income, immediate and five-year ROI. The planner then repeats the exercise and optimizes outcomes either for the budget level available, or to identify optimum investment.

Therefore, in 2010, investment levels across media channels changed and timing of activity across channels changed, in some cases dramatically. We stopped thinking *just* about the results to cold mail or radio, and started thinking about results to the campaign as a whole. And not just about a donor seeing one piece of communication, but their journey from the first mail piece in November right up to the Google search on Christmas Eve.

The results? It's still early days as I write this — final results will come in March. BUT our imaginary town of donors has grown from the size of Crawley to the size of Swindon.

Building an optimization tool

In terms of income, we are more than £2m ahead of budget. And I think the results review will be busier than ever.

What have we learnt from the last three years?

Three things, two of which we already knew.

Reach matters

First, we reinforced the great direct marketing truth that ‘reach’ matters. If you want to generate more response from your campaign, then you have to reach more of your audience, in the right mode, at the right time. Adding broadcast and digital to the successful media mix was the modern-day equivalent of finding new names.

Channel integration

Secondly, we proved that no channel is an island. Gone are the days when a great direct marketer can optimize each media channel separately. The proliferation of response channels, and the visibility that modern media data sets give us prove how a customer’s journey is impacted at different times by different channels. We learnt, and proved, at least some of the value of an integrated campaign.

And finally, we demonstrated the value of a brave and visionary client. One that created a market leading campaign with which we started, and that inspired the team that developed it. Truly we stood on the shoulders of giants.

References

1. Charity market monitor 2010.
2. The Salvation Army. (2009) ‘The Salvation Army 2009 review.