



How consumers want Charities to communicate with them

A summary of the latest research findings

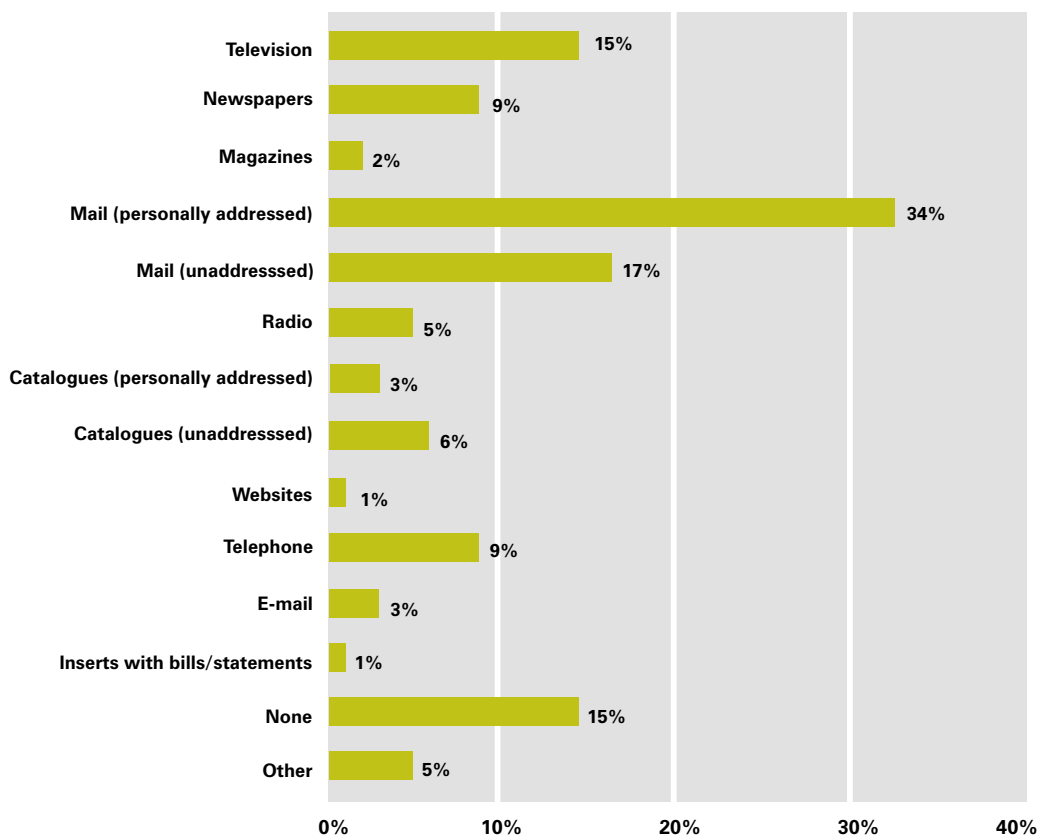
Listening to consumers

Supporters of not-for-profit organisations range from individual donors who make gifts, pledge contributions or legacies through to big business looking to enhance their corporate image, as well as staff and other stakeholders. Even so, with the plethora of not-for-profits, including charities, clubs and community services among others, media selection is crucial to successfully promoting your organisation and achieving your capital fund-raising objectives.

To help marketers optimise their media mix, Australia Post decided to look at consumer media channel preferences. In 2003, Australia Post commissioned independent market research to identify the preferred media for supporters and non-supporters to receive communications from various industries. The resulting study, "Reaching Consumers in the Information Age" also considered how different types of messages affected these media preferences.

As a result, we are therefore able to present in this document the specific findings for how consumers prefer charities to communicate with them.

Fig 1: Supporters'/members' preferred media for receiving advertising and promotional information from charities



Base: 508 respondents

Source: Reaching Consumers in the Information Age

NB 'Other' includes magazines, SMS, outdoor billboards and individuals who didn't know their preference

Where percentages do not total 100%, some respondents provided multiple answers



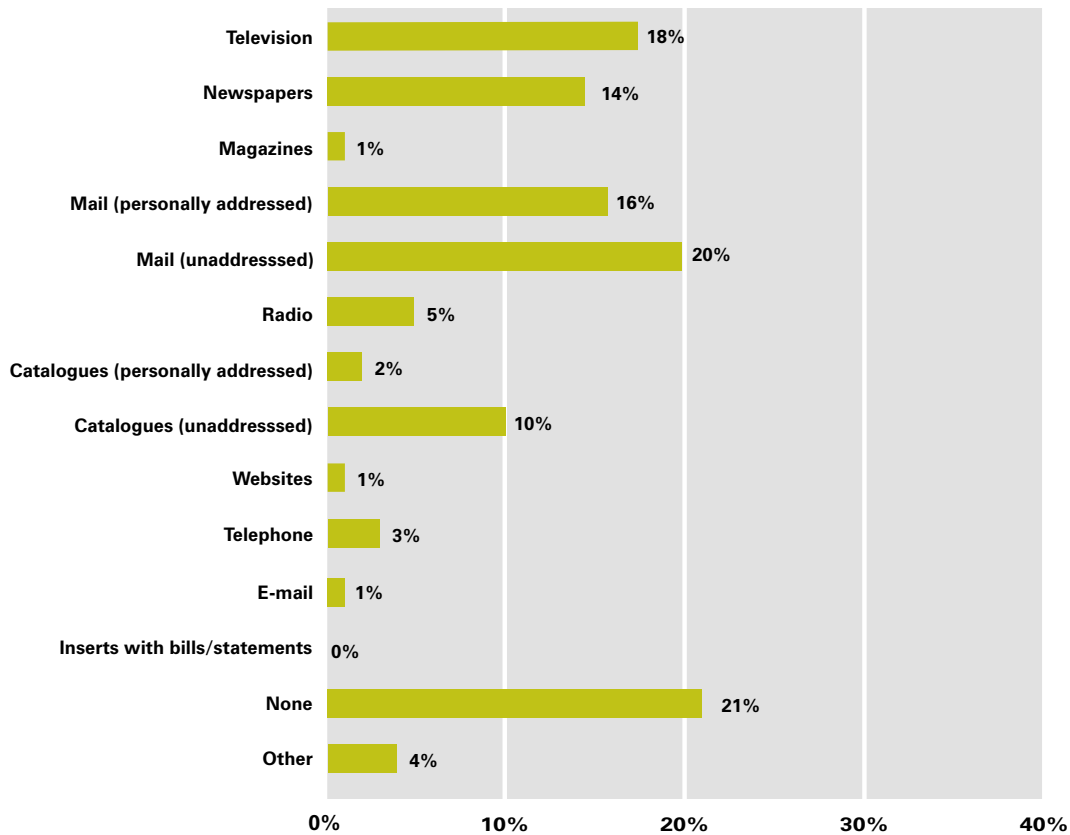
Mail is preferred for receiving advertising and promotional information from charities

A key finding from this research is that existing donors and non-donors agree on their preferred medium for receiving information from not-for-profit organisations.

Personally addressed mail was the favourite medium for donors (see Fig 1) representing over a third, with unaddressed mail rating next ahead of television.

Fig 2 for non-supporters/members shows the most preferred medium was unaddressed mail at 20% followed by TV at 18% and addressed mail at 16%. It is interesting to note that all letterbox options total 48%.

Fig 2: Non-supporters/members' preferred media for receiving advertising and promotional information from charities



Base: 500 respondents
 Source: Reaching Consumers in the Information Age
 NB 'Other' includes SMS, outdoor billboards and individuals who didn't know their preference
 Where percentages do not total 100%, some respondents provided multiple answers



The mail medium has room for growth

On average, Australian households receive only 2.3 items of personally addressed advertising or promotional mail each week.*¹ Whilst the spend on direct mail in Australia grew by nearly 70% in the seven year period between 1995 and 2002*² marketers are still generating less than 1 item per person per week.*³

Even with this growth, however, Australian households receive less personally addressed advertising mail than those in comparative developed markets. For example, the United States Postal Service estimates that US households receive an average of nearly 15 items of direct mail (defined as sales, advertising or promotional material) each week.*⁴

Addressed advertising mail from charities comprise 22% of the total of personally addressed advertising material received, the second most numerous source. This reflects both the fact that consumers prefer the channel for requests from charities they already have dealings with and that charities find the channel a highly cost-effective means of keeping touch with their donor base.

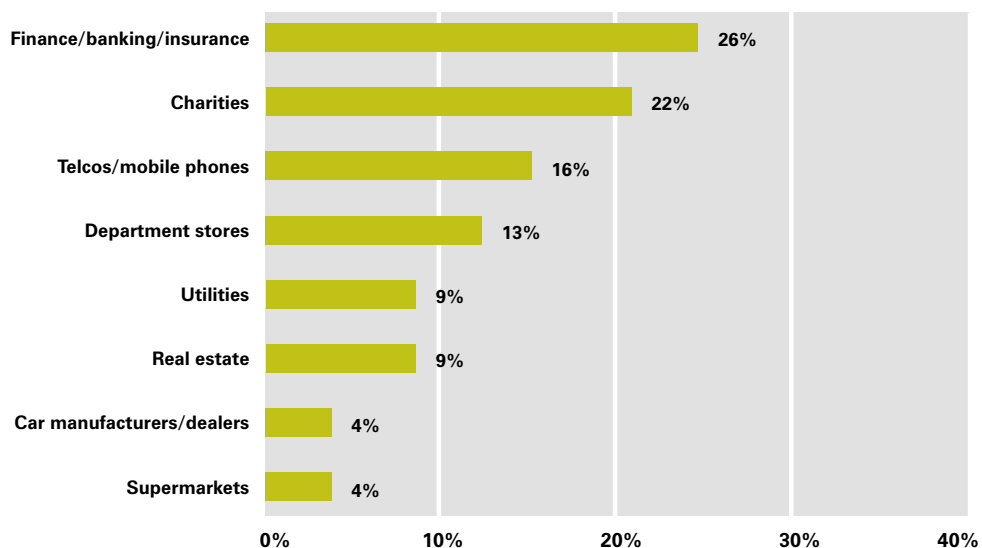
*1 Source: Australia Post Letterbox Diary Stats, Winter 2003

*2 Source: Direct Marketing in Australia, CEASA Report 2002

*3 Source: Household Mail Survey, Ingenuity Research June 2003

*4 Source: United States Postal Service 2001 Household Diary Study

Fig 3: Sources of addressed advertising mail



Base: 471

Source: Australia Post Letterbox Stats, Winter 2003

Where percentages do not total 100%, some respondents provided multiple answers



Frequency and relevance are key to success

A significant number of customers say they like to receive communications on a regular basis. Fig 4 shows over 50% like to receive news or updates about an organisation at least monthly.

By comparing the actual frequency of mailings with customers' preferred frequency, there is a significant opportunity for charities to send mailings more regularly.

Fig 5 shows that most people don't care who sends information as long as it is relevant. Promotional material is shared between family members in the majority of households, with the information often kept to read at a later time. As mail can be shared, it's also ideal for member-get-member drives, enabling organisations to have current donors pass the enclosed information onto others who they think may be interested.

Fig 4: Customer's preferred frequency for receiving news/updates about organisations

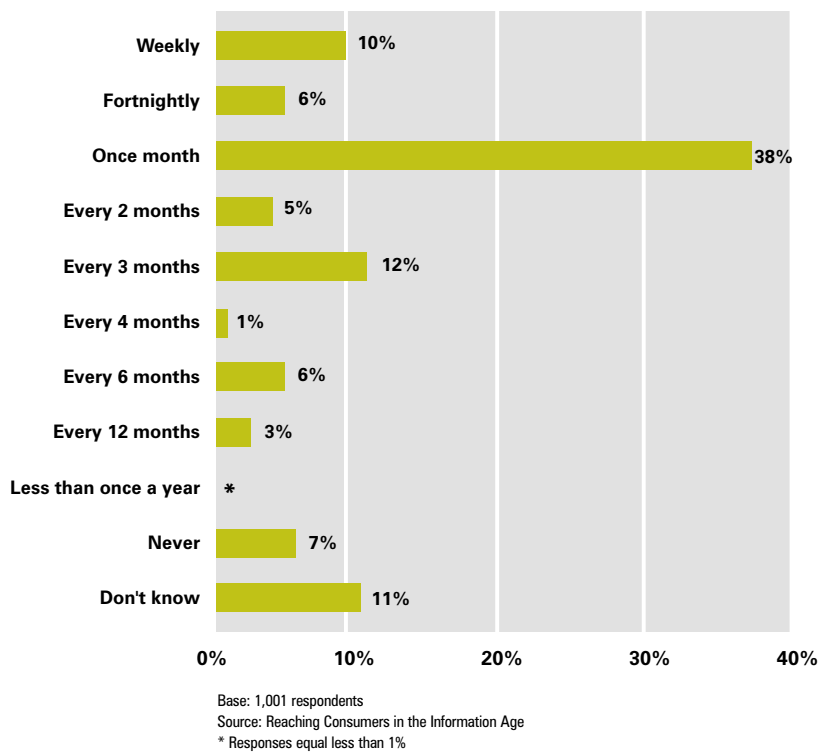
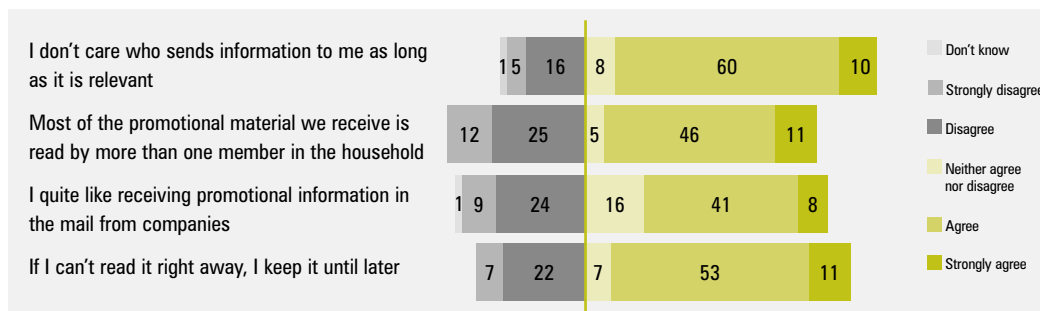


Fig 5: Attitudes towards direct mail



Base: 1,001 respondents
 Source: Reaching Consumers in the Information Age



Consumers are not receptive to e-mail

More than half of the consumers surveyed have access to e-mail and regularly receive a variety of e-mail communications from companies. However, as Fig 6 shows, when they are donors of an organisation, the vast majority prefer to receive information via the mail. Of particular relevance to charities is that nearly 15 times as many respondents would prefer to receive donation requests by mail rather than by e-mail.

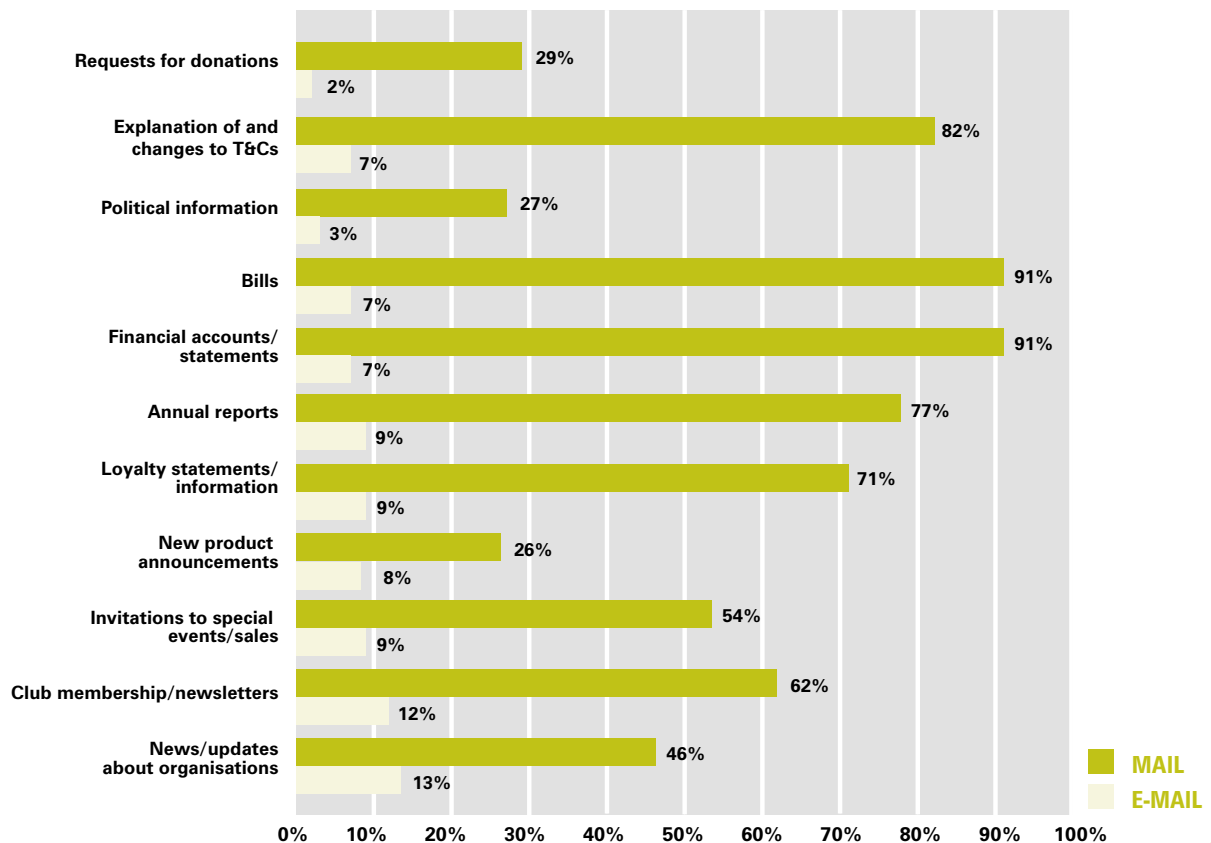
Personalised mail is also significantly preferred over e-mail for other applications of importance to charities. Donors prefer to receive annual reports, membership information and news and updates about the charities they support through the post than via e-mail.

In fact, RedSherrif's annual Australian Internet Report (2003) revealed that one-third of e-mails are not read at all. Pop-up menus are either closed immediately or software purchased to prevent advertising from occurring.*1

While marketers may perceive e-mail to be more cost-effective, the reality is that relatively few consumers currently prefer the new media channel. It should be noted that the full report "Reaching Consumers in the Information Age" includes the comparison in Fig 6 for other media.

*1 AdNews September 26, 2003

Fig 6: Media preference for receiving types of information when a customer: direct mail and e-mail



Base: 1,001 respondents

Source: Reaching Consumers in the Information Age

Totals do not add up to 100% as responders could select channels other than mail and e-mail

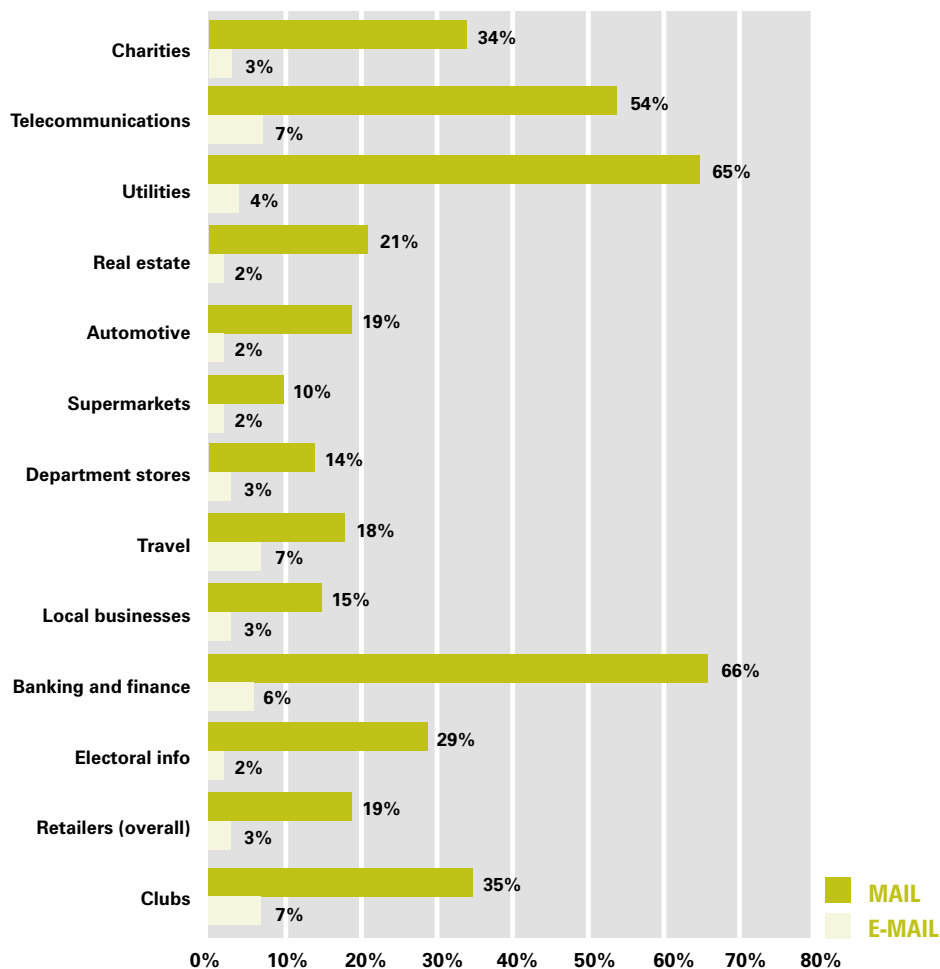


Customers/donors prefer advertising and promotional messages by direct mail, not e-mail

When asked to choose between direct mail and e-mail (Fig 7) for receiving advertising and promotional information from organisations they deal with, customer/donor preferences were markedly different depending upon the industry.

For charities, direct mail scored very highly, with more than one in three people saying it is their preferred way to receive information from charities. By contrast, e-mail barely rated a mention.

Fig 7: Preference for receiving advertising and promotional information by direct mail and e-mail when a customer/donor of an organisation



Base: 508 respondents

Source: Reaching Consumers in the Information Age

Totals do not add up to 100% as responders could select channels other than mail and e-mail



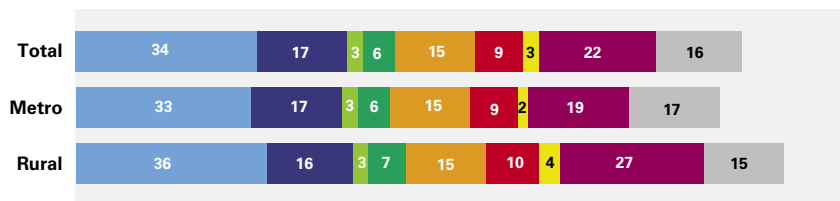
Donors prefer mail regardless of their profile

Mail is the number one preferred communication channel for advertising and promotional information with donors, irrespective of their demographic profile.

As can be seen in Fig 8, there are few differences between metro and rural donors. The overwhelming preference for personally addressed mail is consistent across both groups, though country residents show a slightly higher preference for the medium than urban dwellers.

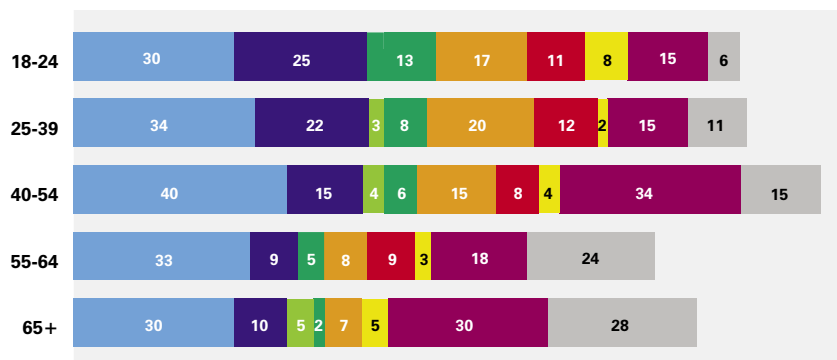
Personally addressed mail is the preferred medium irrespective of age, as shown in Fig 9. It's interesting to note that the older age groups are progressively less interested in receiving information from charities.

Fig 8: Donors' preferred media for receiving advertising and promotional information from charities – by metro vs rural



Base: 508 respondents
 Source: Reaching Consumers in the Information Age
 Totals exceed 100% as respondents could select more than one medium as a preference

Fig 9: Donors' preferred media for receiving advertising and promotional information from charities – by age



Base: 508 respondents
 Source: Reaching Consumers in the Information Age
 Totals exceed 100% as respondents could select more than one medium as a preference

■ Mail (personalised) ■ Mail (unaddressed) ■ Catalogues (personalised)
■ Catalogues (unaddressed) ■ Television ■ Newspaper
■ E-mail ■ Other ■ Don't know/none

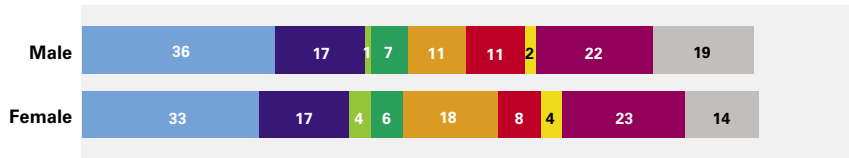


There is little difference in the preference for different media channels by gender in Fig 10, though female charity supporters have a slightly broader range of preferred media.

Fig 11 indicates that personally addressed mail is overwhelmingly the preferred media amongst the higher income groups. This finding becomes more significant when it is remembered that, although a greater proportion of higher income consumers have access to e-mail, this group also exhibits the lowest preference for receiving information from charities through this media.

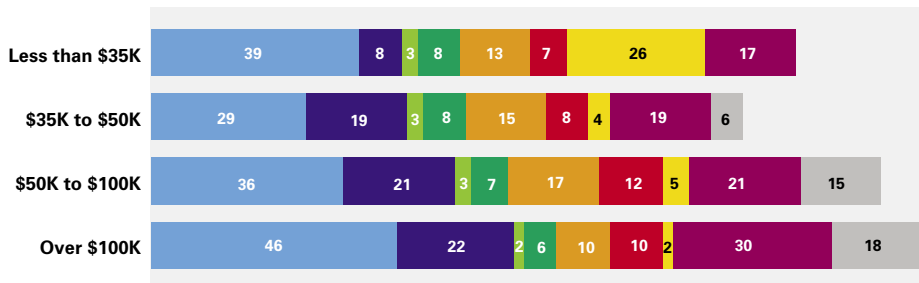
Fig 12 shows the breakdown of media preference when analysed by the level of education the consumer achieved. Direct mail remains the overwhelming preference regardless of education standard. Even though e-mail is approximately twice as likely to be selected as a preference by University graduates as by people who left school earlier in life, it still remains an insignificant factor in media selection.

Fig 10: Donors' preferred media for receiving advertising and promotional information from charities – by gender



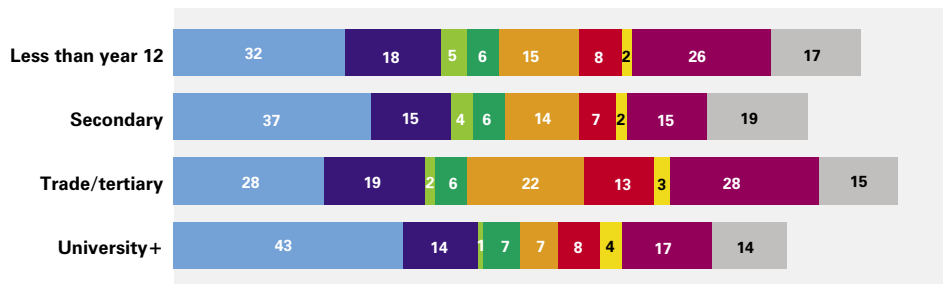
Base: 508 respondents
 Source: Reaching Consumers in the Information Age
 Totals exceed 100% as respondents could select more than one medium as a preference

Fig 11: Donors' preferred media for receiving advertising and promotional information from charities – by income



Base: 508 respondents
 Source: Reaching Consumers in the Information Age
 Totals exceed 100% as respondents could select more than one medium as a preference

Fig 12: Donors' preferred media for receiving advertising and promotional information from charities – by education



Base: 508 respondents
 Source: Reaching Consumers in the Information Age
 Totals exceed 100% as respondents could select more than one medium as a preference

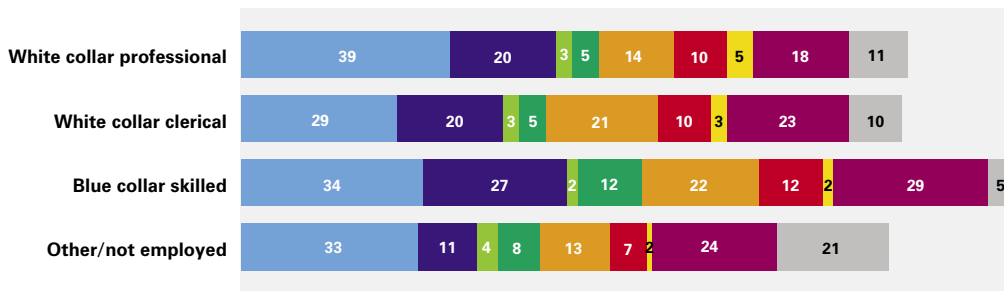
■ Mail (personalised)
 ■ Mail (unaddressed)
 ■ Catalogues (personalised)
■ Catalogues (unaddressed)
 ■ Television
 ■ Newspaper
■ E-mail
 ■ Other
 ■ Don't know/none



In Fig 13, while personally addressed mail is the preferred media for all employment groups, this is more marked for white collar professionals. The preference for unaddressed mail from charities is also high, particularly for blue collar skilled workers.

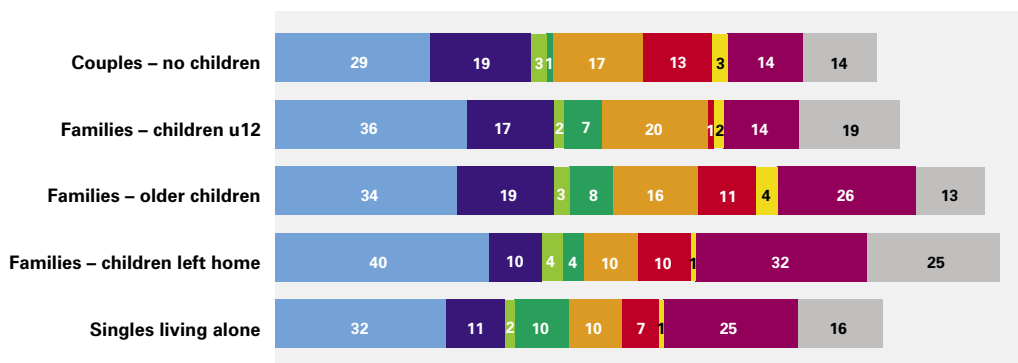
Finally, Fig 14 shows personally addressed mail is the preferred choice regardless of household type, though this preference becomes more marked where the household composition is a family with children who have left home. This group also selected the widest number of different media. An important point to remember is that the majority of consumers surveyed state that promotional mail is shared with other household members.

Fig 13: Donors' preferred media for receiving advertising and promotional information from charities – by occupation



Base: 508 respondents
 Source: Reaching Consumers in the Information Age
 Totals exceed 100% as respondents could select more than one medium as a preference

Fig 14: Donors' preferred media for receiving advertising and promotional information from charities – by household type



Base: 508 respondents
 Source: Reaching Consumers in the Information Age
 Totals exceed 100% as respondents could select more than one medium as a preference

■ Mail (personalised) ■ Mail (unaddressed) ■ Catalogues (personalised)
■ Catalogues (unaddressed) ■ Television ■ Newspaper
■ E-mail ■ Other ■ Don't know/none



Direct mail opportunities

The findings contained in this report describe the importance of direct mail as a communication channel for charity organisations.

It is clear that supporters and non-supporters of charities prefer to be contacted by direct mail. Many consumers like receiving promotional mail and will keep it if they don't have time to read it right away. The frequency with which consumers like to be contacted can be carefully managed using direct mail. E-mail, often characterised as a replacement medium for physical mail, is not preferred by the majority of consumers. Mail's appeal is very broad, spanning all income and demographic groups.

The importance of relationship building in the not-for-profit sector, as well as the fact that donors want to be contacted via the post, bodes well for charities investing in direct mail campaigns. This, of course, indicates similar opportunities for other industries.

To find out how to maximise the effectiveness of your direct mail, contact your Australia Post representative, phone **13 11 18** or visit **www.auspost.com.au/mailmarketing**

References

Australia Post commissions independent specialist companies to undertake research into direct mail usage and perceptions amongst Australian consumers. The findings in this report are based on the following research sources, which are available on the Mail Marketing website **www.auspost.com.au/mailmarketing**

Reaching Consumers in the Information Age – undertaken by TNS, the world's third-largest marketing information company

Qualitative Study – This study involved six in-depth focus groups of between six and eight participants, differentiated by metropolitan and regional area and age groups. The purpose of the qualitative study was to determine consumer-friendly terminology for each media channel and provide more in-depth responses.

Quantitative Study – This study involved 1,001 telephone interviews with the person in the household either totally or mainly responsible for receiving and opening household mail. A representative sample of households throughout every regional, rural and metropolitan area within Australia was selected. This research considered media preferences for customer and non-customer, by type of message, by industry type, throughout the marketing and business cycle.

Australia Post Letterbox Diary, Winter 2003 – undertaken by McNair Ingenuity Research

The study involved 527 consumers completing an in-depth survey into all items (addressed and unaddressed) received in their letterbox.

Other research and reports available on the Mail Marketing website include:

Marketing Media in Australia

Undertaken by ResponseAbility, this research examined consumer and business people's attitudes towards various marketing media in Australia.

Nielsen Media Research Insight Reports

Derived from the detailed activity report "Who's Mailing What", this monthly report can help you evaluate levels of competitor direct mail activity.



