This Time of Year, It’s All About YOU

By Shelly Atienza, Senior Account Manager

The planning, the shopping, the wrapping, the baking – how do any of us have even a moment to get work done at this time of year? Yet, this is likewise the busiest time for direct marketing. Gifts, catalogs, and holiday cards fill all of our mailboxes, providing feelings of warmth and excitement for the season.

The holidays also bring the busiest season for fundraising, since this is a popular time to “give back” to our communities and support causes. Charitable giving offers emotional and financial benefits, providing hope and opportunity to those in greater need. And with so many ways to give back, anyone can find a cause or foundation that fits like a glove.

In this issue, we feature one of our nonprofit clients, the McCormick Foundation, which is in full swing with its 2010-2011 Holiday Giving Campaign. I talked with Jim Struthers, Assistant Director of Development, Communities Program, regarding his current holiday campaign, which is themed around “YOU.”

Tell us about the McCormick Foundation.
The McCormick Foundation was established as a charitable trust in 1955, upon the death of Colonel Robert R. McCormick, the longtime editor and publisher of the Chicago Tribune. The McCormick Foundation is one of the nation’s largest charities, with more than $1 billion in assets. It is a nonprofit organization committed to strengthening our society. All of our programs strive to improve our communities by giving people the means by which they can engage with other citizens to make things better.

How does the Foundation differ from other charitable organizations?
We are very fortunate in the structure of our grant making. The Foundation matches donations at 50 cents on the dollar. In addition, the Foundation, with the help of our strategic partners, pays all administrative and campaign expenses. One hundred percent of all gifts, plus the match, go directly to support local nonprofit agencies that help others.

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We have all navigated through significant changes over the last few years. We are facing flat economic growth, consolidation in all vertical markets, retooling of business, and a much leaner and more challenged workforce. Diamond Marketing Solutions has not been immune to the events that have affected us all, but we are now a stronger company that offers more to fulfill our clients’ needs.

With the complete integration of all business units that offer database development creating direct mail solutions, one-to-one marketing (transpromotional), critical mail processing, and fulfillment services, to name just a few, we are now wholly and completely Diamond Marketing Solutions.

If you are a prior recipient of the DMS Frontrunner newsletter, you will also notice that this is my first entry as CEO of our company. As one of the original members of the team that founded DMS and a past president of our critical mail group (NDS), I felt that it was important to bring all the resources of the company under one name for our existing and growing client base.

As important as a broad product and service offering is to our clients today, we must also offer greater communication tools for the management of your diverse and complex communications. In response, DMS has created a real-time online service that we call DiamondView™. DiamondView integrates all trackable aspects of a job, from creative file receipt and production to mail and home receipt. You will hear more about DiamondView in the months to come, but do not hesitate to contact your account representative directly for a demonstration.

In this issue of Frontrunner, we focus on giving back to our communities and showcase one of our nonprofit clients, the McCormick Foundation. The holidays are a special time for all, but the many changes we have endured these last few years can make this time of year especially difficult for some. We felt it appropriate to share some stories in an effort to get others to consider reaching out to those in need during the holiday season. It does make a difference.

I can speak for everyone at DMS when I say that we appreciate your loyalty as a customer. Your challenges are ours, which keeps us looking for new solutions and constantly improving current ones. My best wishes to you and your families for happy holidays and a prosperous new year.

Mark D. Peterson
President and Chief Executive Officer
Diamond Marketing Solutions
Thank You

I always look upon the frenetic and fast-paced “holiday season” as a challenge and opportunity … sort of like achieving work/life balance in the midst of a marathon race. It is truly remarkable how much we pack into our daily lives in the few short weeks between Thanksgiving and New Year’s Day. Not only do we have holidays galore, both religious and secular, but this is also the busiest time of year for many direct and interactive marketers. We are finalizing our budgets for 2011, planning for the year ahead, and getting those critical campaigns “out the door.” It all seems to start with the wonder of Thanksgiving – a time full of reflection on what we have accomplished and thoughts about how we can help those whose circumstances prevent them from enjoying life’s pleasures to the same extent that we do.

RAISING FUNDS, RAISING AWARENESS

Thanksgiving marks the beginning of the largest charitable giving season. Our nonprofit community is actively soliciting donors and the funds that they will need to deliver services throughout the year ahead. But these are challenging times for fundraising. According to the Giving USA Study, charitable giving had never declined in an economic downturn – until 2008. That year was the first time ever that the amount of gifts and dollars raised by non profits fell, and we are seeing a slow recovery for giving. For 2009, individual giving represented 75% of all gifts, but total gifts remained virtually flat. This is concerning since fewer donors mean fewer dollars to support and deliver the resources and services needed by so many across a wide range of causes. From mental health to shelters, from education to food banks, from disease to elderly care, nonprofit organizations are committed to bridging the gap between those with basic needs and those who wish to help make a difference in the lives of others.

Direct marketing is vital to our fundraising community, which relies on its power and success to deliver results. While nonprofits have embraced multi-channel marketing for years, the lifeblood of their efforts remains direct mail. Direct mail accounts for up to 80% of all fundraising and brings in the majority of donations. When combined with email solicitation and telefundraising, direct mail is part of over 90% of all fundraising efforts. Many nonprofits also include social media as a way for people to connect with like-minded contributors who share their passion for specific causes. Events that combine fundraising with socialization and networking are being promoted through direct marketing efforts, and donations are captured both online and offline.

NPOs are great direct marketing practitioners, as well as advocates for change in our industry. When I speak with our nonprofit clients, I am always impressed by their sophistication, their appreciation and understanding of the principles of direct marketing, and their willingness to test and explore new media and new channels.

What can you learn from the nonprofit community?

Relationships take nurturing, not just retention. Nonprofits know how to weave a story into our

While this is a very busy time of year, I want to take a moment to say “thank you” and to give back. I hope you enjoy the interview with the McCormick Foundation and the postal update for the year ahead. In this issue, our team also shares some tips that you can borrow from the nonprofit community and employ in your next campaign.

Happy holidays!
hearts and into our minds. They get us to feel that we are part of their community and that our gifts matter. They do not simply call us or mail us once for that annual contribution, but rather, they nurture us all year long. They stay in touch via email, events, and direct mail to be sure that we always feel connected to their cause and their mission. We can all learn from their strategy and remember to communicate with our customers more often, not just when we want a new sale.

They Say “Thank You”
Immediately after you make a donation, you receive an acknowledgement. While this acts as your tax receipt, it is also their way of saying “thank you” and letting you know that your donation is important to them. If the gift is large enough, they send personal notes from the executive director and even make a phone call. Do you take every opportunity to thank your customers every day? Here are two easy ways that you can incorporate appreciation into your marketing:

1. Include a thank-you note in your product fulfillment.
2. Remember to say “thank you” in every outbound communication – whether email, mail, or telephone.

Recognize Them
Charities have different levels and “giving societies” where by their major donors are recognized for their commitment and contribution to the cause. You can likewise recognize your clients in several ways, including:

1. Ask for their input through surveys and online questionnaires. It shows that you care and that you value their opinion.
2. Invite them to be “the first to know” with access to pre-release information.
3. Create an advisory council and invite key customers to provide input on the future needs of the marketplace and how you can help address those needs.
4. Establish your own wiki and make it “invite only” among engineers or technically oriented customers and specifiers.
5. Leverage your loyalty programs as a way to recognize long-term customers – not just track transactions.

Charity Begins at Home
Nonprofits can be international, national, or local, but they always make you feel right at home. Many of our companies also support their local nonprofits in their communities. If your company supports a local cause, make sure you share it with others. There are lots of ways to make your customers feel connected, even from afar, such as the following:

1. Use social media sites to share your company’s and your employees’ efforts.
2. Post details on your website.
3. Create an online cheering section on your Facebook page and let customers post comments and words of encouragement for recipients of your cause.

At Diamond Marketing Solutions, we are proud to be part of the nonprofit community. At this time of year, we hope that you will enjoy life’s bounty and find much to be thankful for, both professionally and personally.

Postal Events That Business Mailers Should Watch For in 2011
By Don Harle, Vice President of Postal Affairs

Some of these dates and events are tentative, but this list should alert you to what is on the horizon:

JANUARY
Rates will change for the Postal Service’s Competitive Products categories, including Priority Mail, Express Mail, and Commercial Package Services. This change will not affect First Class, Standard Class, or Periodical mail. Changes will likely be competitive with changes to be made by Federal Express, UPS, and other USPS competitors for similar products.

JANUARY/FEBRUARY
The long-awaited changes in specifications for folded self-mailer letters should be finalized early in 2011. You will be able to use existing formats until late 2011, but take advantage of the lead time to make any needed design changes and use up existing inventories.
Did you know that Diamond Marketing Solutions offers a comprehensive, user-friendly eStore portal for your fulfillment? We currently host more than 80 eStores, with more than 28,000 SKUs, 100,000 customers, and 300,000 orders each year! Each store is directly connected to our real-time inventory system, which allows for immediate access to current inventory levels, order activity, and reporting capabilities. All orders in by 4:00 EST are shipped out the same day. And with our in-house programming team, you get access to our practitioners directly so that your simple changes take only minutes to get done, not days.

Now you can have your customers and sales teams do their online ordering 24/7/365, and you have all the tracking, reporting, and inventory management tools at your disposal whenever and wherever you need.

DiamondView™ Fulfillment leverages the same technology embedded in our warehouse management system, resulting in real-time and dynamically linked information, and we can often get a new eStore up and running in less than a week.

Highlights of our portal site include:

- Comprehensive user setup, security, and email notifications
- Item access
- Multiple quick-search dropdown lists
- Print-on-demand capabilities, with immediate proofs and sign-offs
- Full-cycle ordering
- Credit card processing
- Shipping
- Item/inventory management
- Ability to set triggers on particular items to monitor them more closely
- Robust search capabilities
- 100% real-time reporting

We love to do demos and show the system functionality, so feel free to contact your account executive to set up a webinar and a real-time demo of our eStore.

FEVERUARY
Be sure that you are on track to be using the Intelligent Mail barcode (IMb) by May. Both the basic and full-service levels meet the requirement for automation discounts. Reply envelopes and cards also need the IMb, so check your inventories for old POSTNET barcodes. Ask your DMS account manager if you aren’t sure where you are in the Intelligent Mail process.

Watch for a possible USPS announcement about a rate increase that will take place in May.

MAY
The IMb becomes a requirement for virtually all discount mail rates, Reply Mail, and CONFIRM. The POSTNET barcode will be obsolete!

If the USPS reverts to its annual May price adjustment pattern, rates will increase in the middle of the month. If recent CPI trends continue, the increase could average about 2.5%.

AUGUST
The use of the USPS SUITElink feature in the CASS coding process becomes mandatory for automation discounts. SUITElink adds suite numbers to a significant percentage of business addresses.

OCTOBER/DECEMBER
The USPS will likely implement the new specifications for folded self-mailer letters.
Since 1990, the Communities Program has awarded more than $750 million in grants to thousands of agencies across the U.S., including $250 million in matching Foundation funds.

How does a Chicago-based charity help communities all across the country?
The Foundation has developed strategic partnerships with newspapers, broadcast media, and sports teams in communities nationwide. For example, our current holiday campaign features partners that include the Washington Post, the Los Angeles Times, the Orlando Sentinel, the Sun Sentinel (Ft. Lauderdale), Newsday (Long Island), the Denver Post, the Chicago Tribune, and Chicago-based WGN Radio.

Through these partnerships, we reach out to their readers, subscribers, and listeners, as well as local philanthropists within these communities, to raise awareness and stimulate individual giving.

The Foundation has recently refocused its grant-making efforts. Can you tell us more about this?
In looking at our past success, we decided that a greater impact could be made by focusing our work with partners on transitioning low-income families to self-sufficiency through programs that support youth education and health, literacy, strengthening and empowering families, workforce development, housing, and hunger. We are committed to making a difference in these areas.

What marketing vehicles do you use for your fundraising efforts?
Our most successful revenue stream is generated by direct mail, but we integrate our campaigns with a multi-channel approach. We utilize the power of electronic and print media with ads, feature stories, and free-standing inserts. We send email communications throughout the campaign, with the first email reaching donors right as mail is arriving in their homes. This year, we are also incorporating outbound telemarketing and text giving.

This is the second year that you are using the YOU campaign theme for your direct mail. Was it successful last year?
The YOU campaign approach was very successful in 2009 and helped us meet 85% of our goal in a very tough economy. We had greater donor retention, and most donors gave the same or more than their previous gift. We also saw an increase in lapsed donors giving again.

The design makes a bold statement that is absolutely true. YOU can help, YOU can give hope, and YOU can support those in need. It elicits emotion, which is where charitable giving derives from. We want to support the sentiments of compassion, generosity, and humanity in all of our efforts. It’s only with the generosity of our donors that we are able to make a difference.

We execute a two-drop strategy, mailing in mid-to-late October and then again in early December. We remail to any past donors that have not had a chance to reply and to any acquisition lists that prove to be successful in specific areas. In the second mailing we suppress any donors that have already given to this year’s campaign.

How has DMS helped you achieve your marketing goals?
DMS has been a great partner. Prior to working with DMS, each campaign used a different direct marketing service provider. With DMS’s assistance, we were able to bring all of our campaigns under one roof and achieve economies of scale to save money while also building our brand identity.

The production group at DMS is excellent! They not only helped us create print production efficiencies, but also provided a level of detail I’m always impressed with. They treat our campaigns as their own and go above and beyond to make sure we are producing a quality, effective piece.

The DMS analytic team has been extremely helpful in refining and building our acquisition...
strategies. The team analyzed past results, developed demographic stats, and identified areas where our list investment can give us the best return. With their help, we’ve seen strong results for acquisition efforts and effective testing.

DMS is truly an extension of the Communities Department, playing an integral role in the success of our campaigns. I consider them a major part of our campaign success.

**What are you “testing” with this campaign?**

New this year, we are adding an insert that provides more information on the Foundation, as well as each of the partners. We are also including a freemium “bookmark” test. I’m eager to see the results to determine if this approach provides any lift in response for certain audience segments.

As far as data goes, we are testing a couple of key variables that will allow us to profile our donors and hone in on our audience. With the help of DMS, we have identified opportunities in our mailing to segment our deep-lapsed donors, mailing some as lapsed and some as acquisition. In addition, we are varying the letter messaging and speaking to never donors vs. past donors differently. It also allows us to identify where in our donor cycle we need to focus our efforts to reach lapsed donors.

We are also testing acquisition vs. house files. Subscriber files have been supplied by our partners, but will they perform as well as purchased lists? If records are found in both lists, we are going to segment these records and use either the voice of the prospect or the subscriber.

Lastly, we are working with a few partners to test factual vs. emotional tone and messaging in our letter copy to determine which positioning resonates better with our donors.

These may seem like small tests, but each element allows us to understand our current donors and identify more potential donors just like them. Anything we can do to plug the “leaky bucket” of attrition and improve retention delivers revenue to the bottom line.

**My final thoughts…**

Talk about emotion...one of the best phrases I found in writing this article was a sentence from the McCormick Foundation's website. It says, “Philanthropy has always been about believing that a better life is possible.” It really gives me a feeling of empowerment, that I can make a difference. How about YOU?

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**QUIZ: Can you translate this?**

Effective May 2011, all BRM/QBRM/PRM and CRM must bear an IMb featuring a 6- or 9-digit MID.

**DMS Translation:**

The Postal Service is implementing a change to Reply Mail, with the goal of automating mail returned by end users whether full rate postage is applied (Courtesy Reply Mail) or will be paid by the mailer (Business Reply Mail).

If you include **Business Reply Envelopes or Courtesy Reply Envelopes** in any of your mailings, you will be affected by this change, which goes into effect in May 2011. The postal barcode on your current Business Reply Mail is called a POSTNET™ barcode. The software is being upgraded within the USPS system to transfer to an IMb, which is an Intelligent Mail barcode. Mailers – including DMS – currently use an IMb for outbound mail, which combines the benefits of mail tracking and sorting into one barcode.

**What is an MID?**

In order to use an IMb on your Reply Mail, mailers must have an MID. It’s your Mailer Identifier, a 6- or 9-digit number that uniquely identifies the mail owner or mailing agent. The MID is assigned by the USPS. Your account executive or account manager will be happy to help you obtain an MID or verify that your mail has the correct IMb.

If you are considering a large print run of components for long-term inventory, we can help ensure that your reply envelopes are up to date and contain the correct information to comply with the May 2011 regulations. Give your account representative a call, and we can provide the paperwork.
we hope you enjoy this issue of Frontrunner and have a happy holiday season.