

Micro Grants for Direct Mail Innovation   
2015 Guidelines & Application

The Micro Grants for Direct Mail Innovation provides project-based grants for the experimentation and implementation of new direct-mail marketing strategies. Grants will be awarded in amounts no greater than $4,000 to organizations that are current participants in 2015 Audience Analytics program and who have an innovative idea on their direct marketing strategies.This grant is designed to provide risk funds to test the direct-mail ideas that your organization has, but has lacked the resources to execute.

Audience Analytics provides participants with easy-to-use tools to better understand their current audience demographics and behaviors to identify best prospects for new audiences. The Micro Grants for Direct Mail Innovation is designed for organizations to utilize the insights gained from the Audience Analytics tools to develop and try new direct marketing strategies.

This grant is specifically for direct mail innovation and testing. Potential projects could include campaigns targeted to new audience segments through Audience Analytics research, evaluating different response rates based on changes to messaging and special offers to different audiences.

Successful applications will:

* Demonstrate how the proposed direct mail campaign is different from the organization’s current approach to direct mail
* Be based on insights gained from Audience Analytics reports and tools or will plan to use Audience Analytics in some way
* Track the results of the experiment using A/B testing, response reporting, or other suitable measurement systems, and explain how this experiment might influence future direct-mail campaigns or strategy.
* Utilize the free reports found in eMerge (Data Center come December) including, Demographic Report, Zip Penetration Report, Segmentation Penetration Report, and Crossover Report.   
   **We encourage applicants to include one of the following tracking methods in their proposal.**

**A/B Testing** is a methodology in marketing /advertising of using randomized experiments with two variants, A and B, where one is the control and the other the treatment in a controlled experiment. As the name implies, two versions (A and B) are compared, which are identical except for one variation that might impact a user's behavior. Version A might be the currently used version (control), while Version B is modified in some respect (treatment). *(source* [*http://en.wikipedia.org/wiki/A/B\_testing*](http://en.wikipedia.org/wiki/A/B_testing)*)*

**Source Reporting:** while this is not always the most complete way to track campaign performance, a source code report is one of the simplest ways to track the results of a campaign. To do this kind of analysis, you would print a unique promo code, discount, or other unique marker (be creative, how about a colored bar or circle) on your mail pieces for each unique list or segment that you were targeting. Your box office or visitor services staff as well as your online ticketing forms would capture the unique code at the time of the transaction. This analysis can tell you which lists are performing better than others. There are downsides to this method, but it is a good place to start if you’re new to campaign tracking.

**Response Reporting:** Response reporting is a way to track how well a mailing or campaign performed. This can be a time intensive and costly process, but in simplest terms a response reports take the lists of the people that you mailed to and cross references it to all the people who purchased over a certain period of time (typically 6 weeks) after the mail piece landed at the households. This will give you the best sense of who responded to your offer. If you are an Advanced Account participant, you are entitled to one free Response Report completed with the assistance of TRG Arts. You can learn more about response reports from TRG Arts at <http://www.trgarts.com/Whatwedo/DatadrivenMarketing/ResponseReport.aspx>

**Example:**

A dance company with a customer database of 2000 people decides to test out different discounts to see which motivates their customers best. They create an A/B test with two postcards, with two different calls to action (the part of the copy which encourages customers to do something — in this case, make a purchase).

* To 1000 people it sends a postcard with the Call To Action stating "50% offer ends this Saturday! Use code A1"
* and to another 1000 people it sends another postcard with the Call To Action stating "Buy One, Get One Free! Use code B1".

All other elements of the postcards’ copy and layout are identical. The company then monitors which campaign has the highest success rate by analyzing the use of the promotional codes (source report). The postcard using the code A1 has a 5% response rate (50 of the 1000 people used the code to buy a product), and the postcard using the code B1 has a 3% response rate (30 of the recipients used the code to buy a product). The company therefore determines that in this instance, the first Call To Action is more effective and will use it in future sales.

**ELIGIBILITY**

* Must be a current participant in the 2015 Audience Analytics program and represent an organization, collective, or group. Individuals may not apply.
* The Micro Grants for Direct Mail Innovation cannot be used for direct-mail campaigns completed prior to the application deadline.
* Participation fees for Audience Analytics must not be delinquent.

AWARD AMOUNTS

Applicants who are Standard Account participants are eligible to receive an award up to $2,000. Applicants who are Advanced Account participants are eligible to receive an award up to $4,000

**REPORTING REQUIREMENTS**

* Please notify the Cultural Alliance immediately of any major changes to your project.
* Within 60 days of completing your experiment you must submit a final report to the Cultural Alliance that includes a brief description of your experiments results and its influence on future direct-mail campaigns.
* Report forms are mailed to you with your award letter. They will also be available online.
* **All experiments must be completed and final reports submitted by Monday, June 30, 2015.**

**HOW TO APPLY:  
Please download and complete the application at** [**www.philaculture.org/micro-innovation**](https://www.philaculture.org/micro-innovation) **by Friday, October 24, 2014 by 5:00PM EST.** The grant may be used for any direct-mailing campaign experiment or strategy that meets the above criteria and can be used for any associated expenses with the project such as, mail house fees, consultation costs, design, printing, and postage. Applicants may only submit one application per grant cycle.

**APPLICATION SUBMISSION:**Email, fax, or mail completed applications to:

**Cultural Alliance of Greater Philadelphia**C/O Audience Analytics Micro Grants  
1315 Walnut St. Suite 732  
Philadelphia, PA 19107  
EMAIL: [britneyh@philaculture.org](mailto:britneyh@philaculture.org)

FAX: 215-557-7823

**2015 APPLICATION DEADLINE:**  
All applications are due on Friday, October 24, 2014 by 5:00PM EST

CONTACT INFORMATION

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*The Micro Grants for Direct Main Innovation are part of the Audience Analytics program, which is supported by   
The Pew Charitable Trusts.*



**Micro Grants for Direct Mail Innovation   
2013 Application**

Before you begin, please review the Micro Grants for Direct Mail Innovation Guidelines found at [www.philaculture.org/micro-innovation](http://www.philaculture.org/micro-innovation).

**Organization Name:**

**Contact Name:**

**Title:**

**Email Address: Phone Number:**

**Organization Background** (Please include mission and overview of key programs less than 200 words):

**Project Description (**Please answer the following questions to the best of your ability and in less than 800 words):

1. *Please summarize your project and how it is different from your current direct mail practice. Please include start and end dates for your project.*
2. *How will your experiment utilize information gained from using Audience Analytics?*
3. *Describe the goals of your project and how you will measure the results of your project.*
4. *What is your plan for further engagement with patrons that respond to this campaign? How*
5. *How might this project influence the way your organization conducts direct-mail campaigns in the future?*

**Project Budget**

Please provide information about your project expenses in the budget below. Any element necessary to conduct your project (e.g., postage, mail house fees, printing, 3rd party response reporting fees) is considered a project expense. **Total Expenses should be equal to or more than the Total Request from the Cultural Alliance**.

|  |  |
| --- | --- |
| **Project Expenses** | **Amount** |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
| Total Project Expenses  Total Request from Cultural Alliance | $ |
| $ |

5. *Will you be allocating existing funds or resources to this project? If so, please list amount and source.*

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