

THE

DEPAUL

**BOX
COMPANY**

Marketing on a shoestring
Marketing Society 2014

Depaul UK / Publicis London

CARDBOARD BOXES SHOULD BE FOR MOVING, NOT FOR SLEEPING

How the development of a small business helped a small homeless charity find a sustainable response to the escalating homelessness crisis.



SUMMARY

Depaul UK is a charity that helps young homeless people get off the street, before it's too late. Youth homelessness is a growing issue in the UK and demand for Depaul UK's services outstrips supply.

It's easy to think that all charities operate on a shoestring budget.

But it's not the case. The top ten charities in the UK spent an average of £11m each on advertising alone last year.

That figure dwarfs Depaul UK's yearly income, let alone advertising budget.

But what Depaul lacks in financial capabilities, it more than makes up for in ambition. At the start of 2012, a challenging objective was set to double the number of bed nights that Depaul offers before 2016.

Inventive research confirmed to the entire team that a traditional advertising campaign wouldn't yield the results necessary to fund the expansion plan, and exploration began to find an alternative method for fundraising.

House movers were found to be an interesting segment – they hold the potential to be empathetic with our cause as they're experiencing (in a microcosmic way) a similar sort of upheaval to those without a home.

The British public have always associated cardboard boxes with those sleeping rough, and they also ordinarily use cardboard boxes to move house with.

We founded the Depaul Box Company with an initial investment of just £7,500.

The Depaul Box Company is a business that sells cardboard boxes to home-movers, with all profits helping the homeless move off the streets. Over 15,000 boxes have been sold to date, and sales continue to grow. Depaul are currently in line to meet their 2016 objective, and there are ambitious plans afoot for the Depaul Box Co in 2014 to help realise that ambition sooner.

We're confident that we have a solution for homelessness in the UK that is sustainably financed.

INTRODUCTION: IT'S COLD OUT THERE



Depaul UK is a charity that helps young people who are homeless get off the street, before it's too late.

80,000 young people experience homelessness each year, often through no fault of their own.¹

The choices facing a young person on the street are stark. They're cold, they're lonely and they're despondent. It's no surprise that 3 in 4 young people who spend more than one night on the street end up taking hard drugs.²

In the face of this, Depaul UK provides front line services for young homeless people nationwide. By front line services, we mean literally picking people up off the street at the moment when they are most vulnerable and finding them secure accommodation at a moment's notice.

Recent figures suggest there are 23% more people sleeping rough now than three years ago, with a disproportionate number of them aged 16-25³.

In this context, demand for Depaul UK services outstrips supply. Their ambition is to be able to double the amount of bed nights⁴ that they can offer to young homeless people by 2016.

We set about exploring fundraising strategies to meet this challenging objective.

DAVID DEPAUL VS. GOLIATH

There's a traditional approach for charity advertising.

You restate the problem and remind people of the injustice, ensuring you chip away at their conscience along the way, before asking them to help solve the problem by making a contribution.

Essentially it boils down to two things:

1. ENGINEER SYMPATHY
2. APPEAL FOR GENEROSITY

For a small charity like Depaul UK, this approach brings with it a number of problems.

Too many charities are asking too many of the same people to care about their issue above all others, without being able to explain why their good cause is any more worthy than the rest. It's hard to stand out from the other 163,153 charities trying to raise money⁵. To make matters worse, the scale of the competition is particularly daunting. The top ten charities in the UK spent an average of £11m each on advertising alone last year.⁶

But the sheer quantity of charity communications has had a much more profound effect too.

These sympathy tactics have resulted in an audience conditioned to shield off any 'guilt trip' attempts on sight, in an effort to protect their own personal well being.

We wanted to prove this shield existed, but felt sure conventional research wouldn't yield results – who would publicly admit in a focus group that they often ignore someone poor and disadvantaged out on the street?

To confirm the existence of this shield, we needed to hold a field experiment.



WALK A MILE IN SOMEONE ELSE'S SHOES

We took to the streets – clad in suitable attire that made us look like rough sleepers. Across two afternoons in central London, we pitched a spot outside the workplaces of friends and past colleagues.

It was a successful afternoon.
And it was also a painful one.
(And not just because we only collected a dismal 27p.)

It's deeply uncomfortable watching your own friends and colleagues actively turning their heads to avoid pangs of guilt, unwittingly walking right past people they've spent many happy days and nights with.

Our suspicions were correct: if the sight of homeless people on the street; cold, tired and hungry, makes people raise their 'sympathy shield', then an advert isn't going to help us all that much either.

We'd found our first useful consumer insight:
The majority of our audience are adept at shielding themselves from any 'guilt trip' attempts (including advertising) on sight.

Raising money by getting people to care makes perfect sense in theory, but in practice, most charities only succeed in making a marginal improvement.

And Depaul UK's growth strategy simply wouldn't be possible with a marginal improvement.

To double the number of bed nights by 2016, we needed a gear change – not small change.



SEARCHING FOR A NEW MODEL

We wanted to change the way Depaul UK financed its operations forever.

We'd uncovered that the traditional sympathy model wasn't going to work.

So we walked away from that strategy and started exploring new models.

But if you're not trying to push through a person's 'sympathy shield', what else can you do?

CHARITY BEGINS AT HOME

After much thought, we realised that our best plan would be to speak to people when that shield is lowered – perhaps when the audience felt a natural link with our cause.

We believed there existed a higher emotional ground to sympathy.
That we should instead speak to people during moments of empathy.
It moves our audience from a position on the outside, looking in, to a position where they may have an appreciation of what a homeless person is going through.

We started to explore times at which an audience might feel empathetic with homeless people.

We hypothesised those times would correlate with points throughout their life at which the value of home becomes much more prominent.



Through focus groups, we heard about the increased value that's placed upon home after extended business trips, or during family birthdays and the Christmas period. But there was one life-stage that our participants seemed altogether more animated about during discussion.

We uncovered that there was one moment where the value of home stands out most of all.

Moving house.

Your home is your shelter in every way imaginable.

And when you move house everything becomes chaotic.

For a little moment, you feel displaced.

For a short space of time, your shelter is gone.

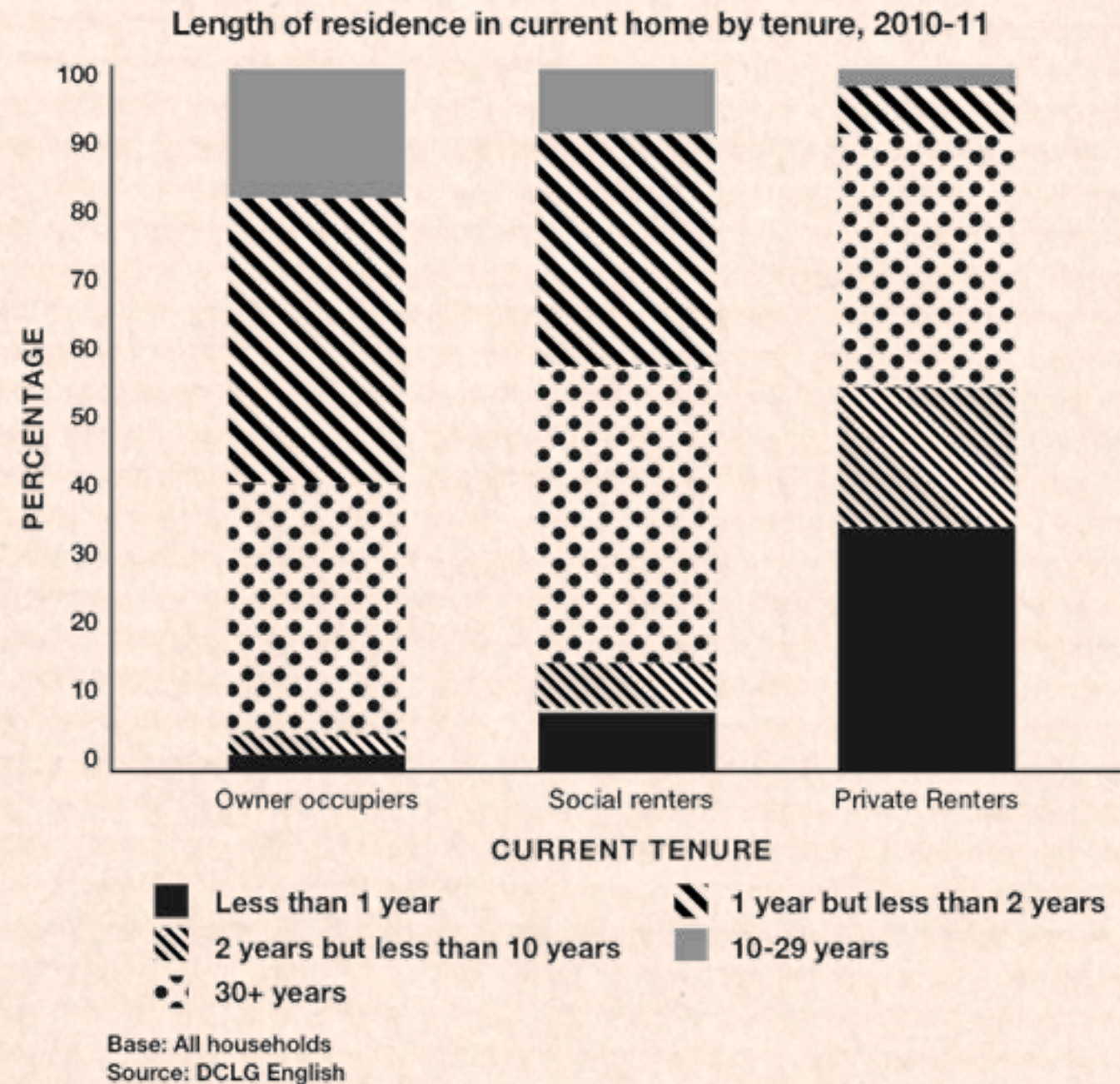
Home movers are experiencing (in a microcosmic way) the feeling of upheaval that young homeless people experience every single day.

We'd discovered home movers hold a latent empathy with homeless people.

And we had our second guiding insight:

People most understand the value of home when they are in the process of moving home.

SOMETHING FOR SOMETHING



Our work could have stopped there.

The potential audience figures were certainly large enough: 3.8 million households have either moved in the last 12 months, or are planning to do so in the next 12 months. 1 in 7 households moves every two years.⁷

We could have created an ad campaign targeted at home movers and hoped for the best.

But we spotted a second problem.

Further analysis of our audience showed that a home-moving state of mind doesn't prove particularly conducive to ad effectiveness.

House movers are so wrapped up in all the administration, legal tick boxes, tidying-up and packing-up that they don't have the capacity to take time out to donate to charities.

Despite that feeling of empathy, appealing for generosity simply wouldn't work.

After much thought, we worked out that the only way they'd take time to help our cause was if we worked out how to help them in some way.

We stopped seeking donations, and started searching for a way to offer some sort of utility instead.

CARDBOARD BOXES: HOMES FOR THE HOMELESS, USEFUL FOR HOME MOVERS

People associate cardboard boxes with homeless people. When winter draws in and there's no place else to go, it's the cardboard box that helps to protect a young homeless person from the elements.

And it's cardboard boxes that home movers need to transport things from one home to the next.

It was also in cardboard boxes that we found inspiration.



INTRODUCING THE DEPAUL BOX COMPANY

We founded the Depaul Box Company to sell cardboard boxes to people who are moving house. They're just like other boxes - a parity product in a highly commoditised marketplace, except for one big difference: all of the profit goes to helping young homeless people.

We weren't asking people to care. We were asking people to buy something that they'd need in order to move house, and presented them with a way to help a homeless person out at the same time.

Founding the company (and our initial investment in box stock) cost £7,500 in total.⁸ The production of subsequent box stock was funded using the profits of the first batch.



DEVELOPING THE OFFERING

Market analysis:

A brand by brand SWOT analysis made it clear that the marketplace was highly undifferentiated.

Competitors were all selling parity products:

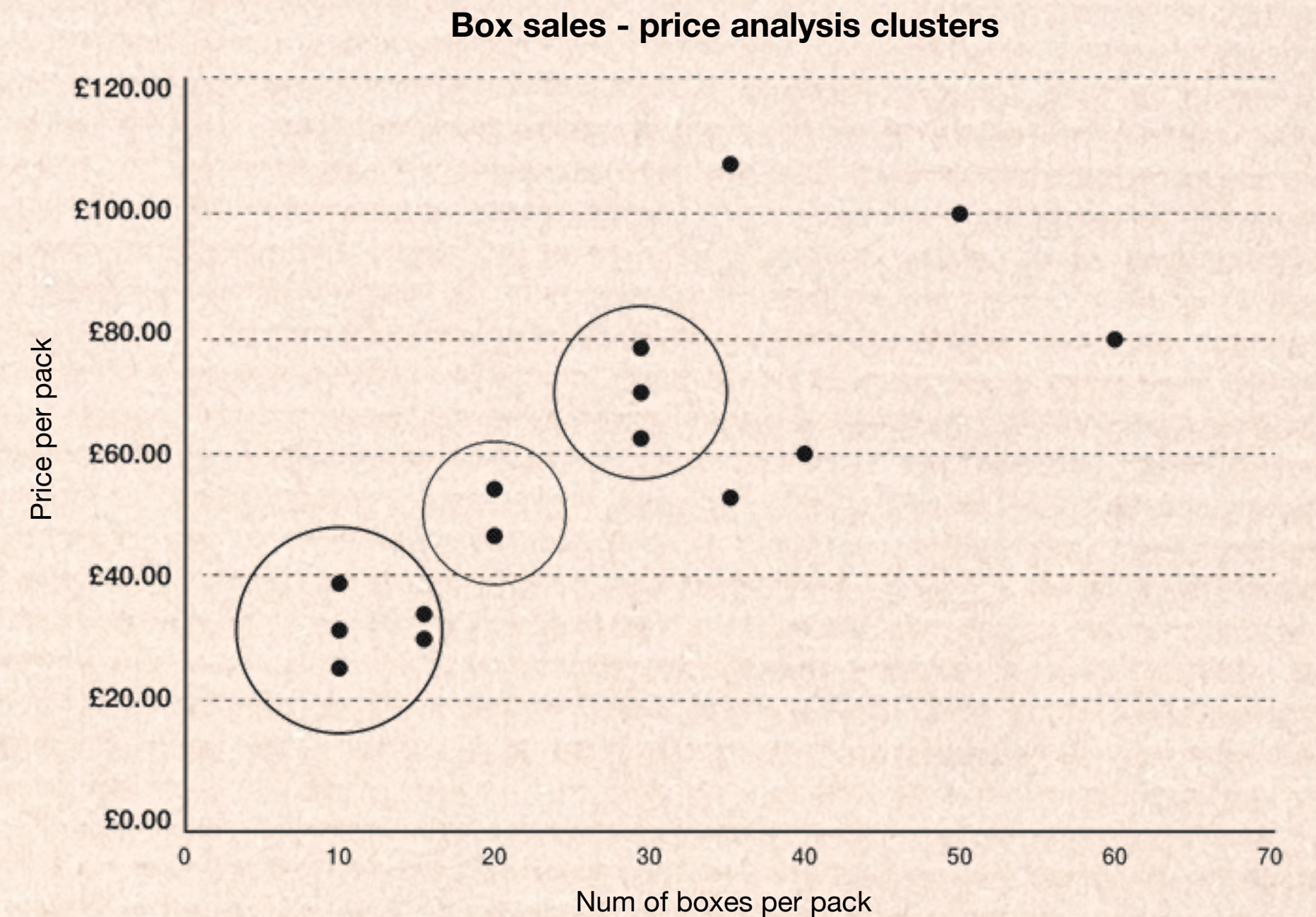
- Small, medium and large packs of boxes with 2 - 4 different sizes of box.
- A mix of single and double walled boxes to ensure adequate strength given the likely load for the different sizes of box.
- A free pen and tape to help with assembling and labelling the boxes.
- A non-specific commitment to using recycled pulp in the manufacturing process, with nobody able to ensure that 100% of source material was recycled.
- Sold online with free delivery anywhere in the UK.

Pricing analysis showed clear price point clusters around box packs too.

We made it our aim to ensure we were completely undifferentiated in almost every way.

We developed a parity product on every criteria except one.

We would stand out, as we'd be the only product in the marketplace which would donate 100% of the profits to helping young homeless people.



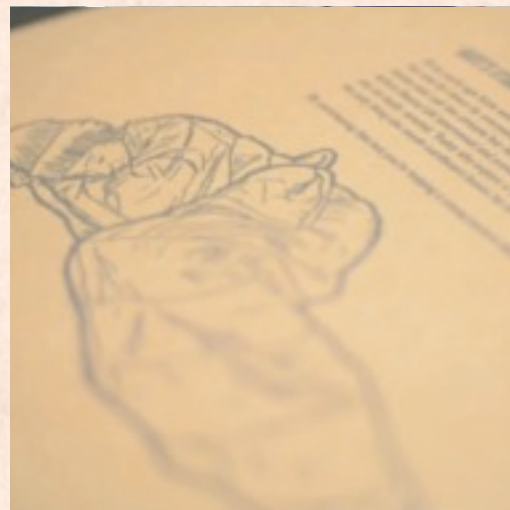
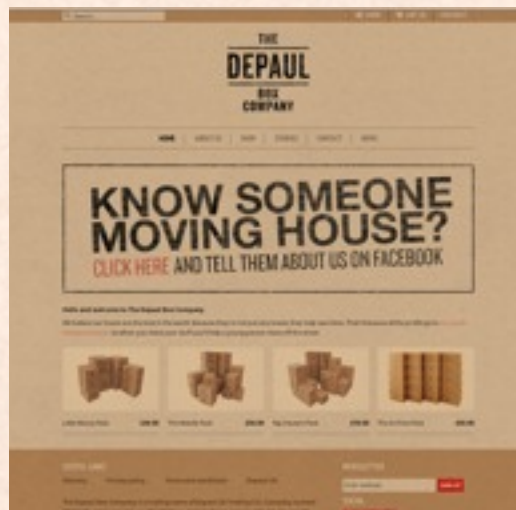
STARTING A BUSINESS ON A SHOESTRING

Manufacturing:

We needed a partner who could manufacture boxes that not only matched the specifications of anything else in the market, but also carried stories about young homeless people who have been helped by Depaul UK. After months of searching, we found a box company that could deliver exactly what we were after and we invested in plate-manufacture and our first batch of box stock – 2000 boxes.

Sales channels:

We worked with an existing e-commerce platform provider to ensure expenditure was kept to a minimum. A certain level of customisation was available to create a branded experience, and the website allowed sharing to social platforms, and data capture of customers to build the Depaul UK database.



PROMOTING A BUSINESS ON A SHOESTRING

Communications:

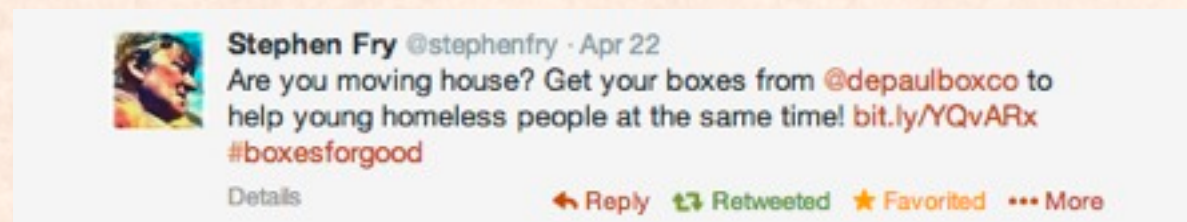
Once we had developed a working business model, we started to build a working communications model.

We started with the boxes themselves, which are a great canvas for telling a story about a young homeless person helped by Depaul UK.

Positioning images and stories of a young homeless person not only makes the person using the box feel good, but it ensures all of their new neighbours know that they're a good person too.

In the last six months, we've created a press and outdoor campaign to raise awareness of the Depaul Box Company, and the strength of the idea enabled us to successfully pitch for free media from media owners with unfilled bookings at the time of launch.

Our PR and social media campaign is built on the notion that the Depaul Box Company is a totally new way of raising money for charity. We want to make sure that as many people as possible know about what we were doing. We continue to use Depaul UK's owned media channels to create a groundswell of awareness throughout the country, and we've also targeted influencers and key opinion formers and encouraged them to talk about the Depaul Box Company.



THE BIRTH OF A BUSINESS

Depaul UK Trading CIC became a legal entity on 13th March 2013, and the Depaul Box Company began shipping boxes to house movers straight away. ⁹

The Box Company passed its incubator stage with flying colours, and to date, over 15,000 boxes have been sold. In December 2013, Box Co logistics was transferred to much larger warehouse premises.

Depaul UK and Publicis are hugely optimistic about the first half of 2014 for the Box Company, with a new communications plan ready for launch and the orchestration of new promotion partnerships with estate agents underway.

A tie-in with a leading property website is also currently under negotiation, and first discussions with physical-footprint retailers have begun.

The current sales trajectory suggests that we'll meet our 2016 target of doubling the number of bed nights available for young homeless people in the UK.

But perhaps best of all, from an initial investment of just £7,500, Depaul UK might just have found a sustainably financed solution for homelessness across the UK.



The new Depaul Box Company warehouse space



Some of the young people that Depaul have helped thanks to the Depaul Box Company



THANKS

WORD COUNT

Summary: 300

Paper: 1928

REFERENCES

1. Centrepoint - Youth Homelessness in the UK 2008
2. Youth Homelessness and Substance Use: Report to the Drugs and Alcohol Research Unit, Emma Wincup, Gemma Buckland and Rhianon Bayliss, 2003.
3. UK Government Street Counts 2011/2012
4. A bed night is defined as a single night of safe accommodation for a young person who might otherwise have ended up on the street.
5. Charity Commission for England & Wales 31st March 2013
6. Nielsen Adspend Data, 01 June 2012 to 31 May 2013
7. United Kingdom Statistics Authority, English Housing Survey "Households 2010-2011".
8. Initial investment: £7417. Subsequent expansion has been paid for out of company profit, not charity funds.
7. Company number 08443540