Direct Mail and your Donor Base
the Nuts and Bolts of Successful Appeals

Presented by

Erica Waasdorp, A Direct Solution

New England Federation of Humane Societies

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About Erica Waasdorp

- Philanthropoholic
- President, *A Direct Solution*
- Raised millions of giving dollars
- Reader's Digest 'graduate'
- Author, Blogger, Presenter
- Rescue cat Mientje

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Why use "Old School" Direct Mail for fundraising?

- Proven **donors**
- **First contribution** often comes from appeal
- **Donors (humans) still like to touch stuff**
- Still generates **600% higher response** than email
- 92% of consumers go online after they receive direct mail

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Source: DMA 2015 Direct Mail report, 2015 Royal Mail report

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Why use "Old School" Direct Mail for fundraising?

- Online gifts 8% of all fundraising in 2017
- Offline 92% !
- Use combination to optimize

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Source: Blackbaud 2017 Charitable Giving report

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And…

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And…

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millennials respond to direct mail

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Metrics

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Metrics

ROI = Revenue/Cost

$5,000/$1,000 = 5 to 1

Cost to raise a dollar = Cost/Revenue

$1,000/$5,000 = $0.20

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Comparing Metrics

General Return of Investment for Fundraising Strategies

- Direct Mail Acquisition costs $1.15 per $1 raised
- Special Events costs 50¢ per $1 raised
- Planned Giving costs 25¢ per $1 raised
- Direct Mail (Prior Donors) costs 20¢ per $1 raised
- Foundations / Corporations costs 20¢ per $1 raised
- Major Gifts costs 5-10¢ per $1 raised
- Monthly Donors costs 2 – 5¢ per $1 raised

(James Greenfield, Fund Raising: Evaluating and Managing the Fund Development Process with addition by Erica Waasdorp, based upon actual figures provided by organizations)

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Start with previous results

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Create DM Plan focused on Four Elements

- **Target groups**
- Timing
- Creative & Production
- Results

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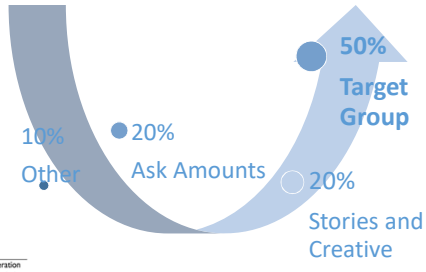
Results come from…



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Only 3 Ways to Grow your fundraising

1. **New donors:** Feed
2. **Lapsed donors:** Reactivate
3. **Existing donors**: More money, more often, ongoing

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New Donor Sources

- In-house prospects
- Donor lists
- Residents, Tax payer lists
- Subscribers, modeled lists, other

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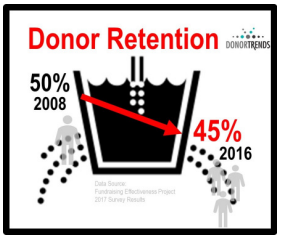
Yes, you can Reactivate Lapsed Donors



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Results may surprise you

Description	# mailed	#	Resp %	Cost to raise $
Lapsed donors, 25-60 mos, all	748	69	**9.2%**	**$ 0.21**
Deep lapsed, last gave 6+ years ago, all	977	44	**4.5%**	**$ 0.47**

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Get money more often, ongoing

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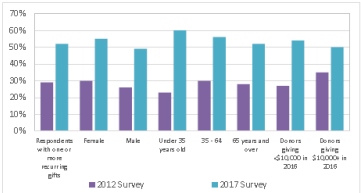
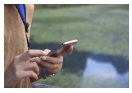
60 % of Donors Under 35 Give Monthly





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Ask to give monthly

- Email
- Appeals
- Flag in donor base and email
- Special recognition

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Get higher gifts , more often

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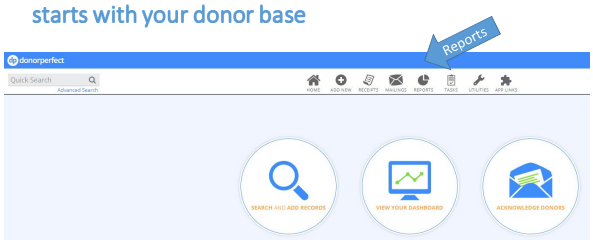
starts with your donor base



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Start with Recency and Frequency Report

Recency by Frequency / MAX_AMT
Multiple Givers
As of 3/20/2015

Amount Range	0-3 Months	4-6 Months	7-12 Months
$1.00-9.99	0	0	1
$10.00-24.99	3	20	0
$25.00-49.99	29	53	11
$50.00-99.99	56	100	22
$100.00-199.99	115	131	43
$200.00-499.99	81	64	48
$500.00-999.99	27	22	21
$1,000.00-9999.99	88	48	56
$10,000.00+	12	6	8
Totals	**411**	**444**	**210**

Source: Financial Reports Human Services Org.

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Identify segments for tracking

Criteria
H= High-end donor: gift in 0-24mo $500+
M= Monthly donors
B= Lapsed donor: last gift is 13-24 mo
C= Lost donor: last gift is 25-36 mo
D= Lost donor: last gift is 37+ mo ago
P= Prospects: all other persons in DPO

Source: religious organization

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Determine approach for each segment

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Output to include

- Donor ID
- Title, First name, Last name, Suffix
- Company/Organization
- Address 1, Address 2, City, State, zip
- **Last gift date, Last gift amount**
- Last gift source, Date added to donor base
- Email address
- Phone number

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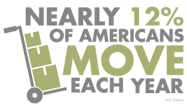
Keep your data clean



- Postage discount
- Run data through NCOA
- Ask for your NCOA'd data back from mail house
- Update your database

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Use your flags

- No mail
- Deceased
- Once a year
- Email only
- Cat owner…
- Dog owner
- Other…

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Four Elements in Direct Mail Plan

- Target groups
- **Timing**
- Creative & Production
- Results

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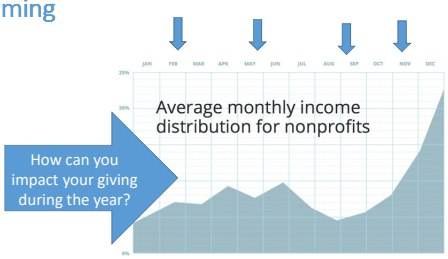
Timing



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Why donors don't give

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Mailing more often raises more $$$

	Net raised
2x a year	$51,227
4 x a year	$67,590
	32% more

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Four Elements in Direct Mail Plan

- Target groups
- Timing
- **Creative & Production**
- Results

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Create ask table based upon appeal type

- Ask 1 (donor's last gift)
- Ask 2 (last gift *2)
- Ask 3 (last gift *3)
- Ask 4 (Other $_____)

- For acquisition, start low
- Test

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Low ask for acquisition

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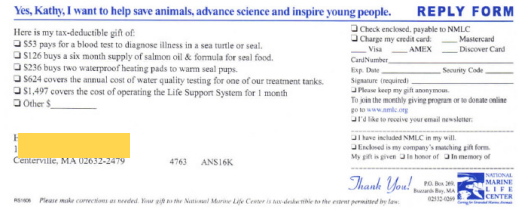
Prepare specific amounts to help guide the donor



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Use ask to upgrade

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Add personal notes

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Tweak your appeal further: add buck slip!

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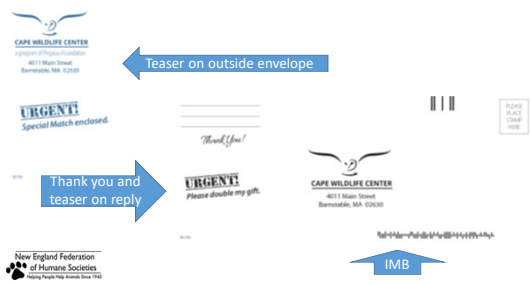
Use your envelopes



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What else helps improve results?

The Orenda Wildlife Land Trust has agreed to provide the Cape Wildlife Center with a $20,000 Matching Grant. That means they will match every donation we receive by November 15 up to $20,000. So, I'm writing to ask you to join us in achieving this generous goal.

- Challenge
- Urgency

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What else helps improve results?

The Orenda Wildlife Land Trust has agreed to provide the Cape Wildlife Center with a $20,000 Matching Grant. That means they will match every donation we receive by November 15 up to $20,000. So, I'm writing to ask you to join us in achieving this generous goal.

- Pictures of animals
- The P.S.
- Thank you!
- Refer to web site

P.S. Thank you in advance for your caring generosity. Your gift will help us save innocent lives.

PP.S. You can also give online at support.wlhoston.org/Mucosa. Thank you!

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Important things to consider

Personal Opinion = NOT Results	Type face	NO letters by committee
Write as you SPEAK	Aim at ONE	Length of letter less important than you think

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It's not about WE

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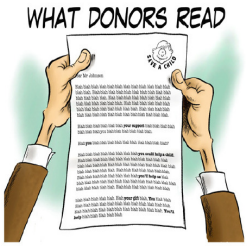
Donor centric YOU YOU YOU



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Create a schedule and stick to it

- Prepare
- Print
- Mail
- Analyze
- Add online

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You can only pick 2!

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General guidelines

- **Standard sizes** are cheaper
- More **colors** more expensive than less
- **Quantities**
- Consider printing for the year or at least several months
- Consider **postage** before printing (1/3 of overall cost!)
- If in doubt, check with mail house/post office!

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Cost and personalization

- Ideal: Personalized outside envelope, letter and reply form
- But, if cost is limiting factor, alternatives are:
  - Personalized outside envelope
  - Personalized letter and reply form with window envelope
  - What 'flies' the package determines the cost

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Use your time wisely…

- What's the best use of your time?
  - Meeting or calling donors?
  - Writing personal notes?
  - Stuffing envelopes?
  - Coordinating volunteers?

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If cost is a consideration

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Results still rock!

mailed	Response #	Response %	Gross revenue	Cost	Net revenue	Avg Gift	Cost to raise $
1,985	190	9.57%	$ 12,175.00	$ 2,492.33	$ 9,683	$ 64.08	$ 0.20

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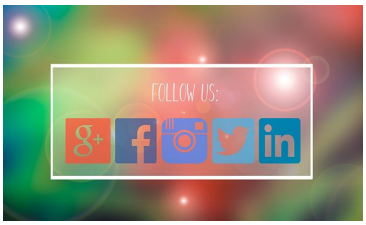
Use Email to follow up and social share



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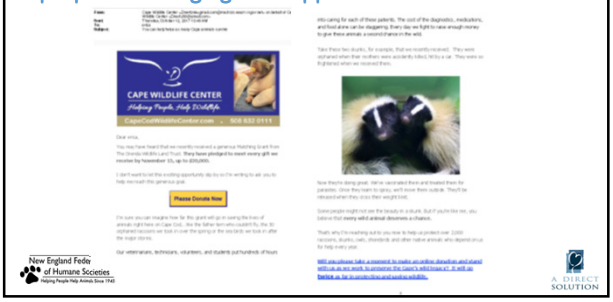
Repurpose messaging from appeal



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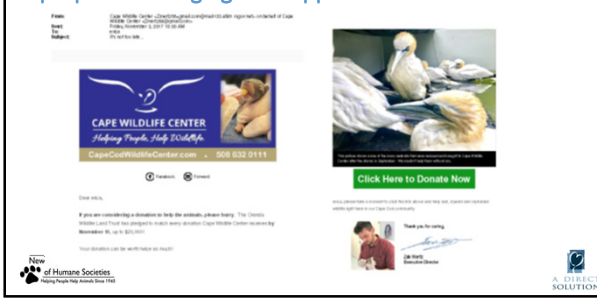

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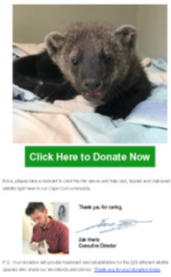

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How will you grow?

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Plan, Evaluate, Plan the next Appeal

Sample Organization/Typical Direct Mail Plan **Fyxxxx**

	Concept	Segment	Mail Quantity	Unit Cost	Mail Costs	Postage	Total Cost	% Return	Returns	Avg. Gift	Gross Revenue	Net Revenue	Cost to raise $	HOI
Winter appeal														
Donors	pack	TBA	2,000	$0.550	$1,100	$290	$1,290	7.00%	140	$50	$7,000	$5,610	$0.20	$5.04
Lapsed Donors	pack	TBA	1,000	$0.550	$550	$145	$695	2.00%	20	$50	$1,000	$305	$0.70	$1.44
Total			3,000		$1,650	$435	$2,085		160		$8,000	$5,915	$0.26	$3.84
Spring appeal														
Donors	pack	TBA	2,000	$0.550	$1,100	$290	$1,290	7.00%	140	$50	$7,000	$5,610	$0.20	$5.04
Lapsed Donors	pack	TBA	1,000	$0.550	$550	$145	$695	2.00%	20	$50	$1,000	$305	$0.70	$1.44
Total			3,000		$1,650	$435	$2,085		160		$8,000	$5,915	$0.26	$3.84
Fall appeal														
Acquisition	pack	TBA	5,000	$0.650	$3,250	$725	$3,975	1.00%	50	$38	$1,900	($2,075)	$2.09	$0.48
Donors	pack	TBA	2,000	$0.550	$1,100	$290	$1,290	7.00%	140	$50	$7,000	$5,610	$0.20	$5.04
Lapsed Donors	pack	TBA	1,000	$0.550	$550	$145	$695	2.00%	20	$50	$1,000	$305	$0.70	$1.44
Total			3,000		$1,650	$435	$2,085		210		$9,900	$3,840	$0.61	$1.63
Holiday appeal														
Donors	pack	TBA	2,050	$0.550	$1,128	$297	$1,425	10.00%	205	$50	$10,250	$8,825	$0.14	$7.19
Lapsed Donors	pack	TBA	1,000	$0.550	$550	$145	$695	2.00%	20	$50	$1,000	$305	$0.70	$1.44
Total			3,050		$1,678	$442	$2,120		225		$11,250	$9,130	$0.19	$5.31
Grand totals			9,000		$4,950	$1,305	$10,250	5.99%	530	$49	$25,900	$15,670	$0.39	$2.53

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My challenge for you…

1: Set your goal

2. Create a plan

3. Implement it for a year

4. Email me your results: erica@adirectsolution.com

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Never stop learning: Free resources

- Donate to other organizations in/out your focus area
- SOFII http://www.sofii.org/exhibits
- Conferences/Consultants/Webinars/Emails/Blogs
- Magazines and email newsletters (Market Smart, Analytical Ones, Agitator, DonorPro…)
- Your Data entry folks
- Your donor base

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" Direct Mail Doesn't Need to Make Sense. It Just Needs to Make Cents!"

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Source: Fundraising Day New York

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