

MARCIA FELDMAN
& ASSOCIATES



Direct Mail As a Fundraising Tool

Presentation to
Houston Postal Customer Council Conference
May 22, 2003

OVERVIEW

- Environment that affects all fundraising
- Critical Success Factors needed before initiating an appeal
- Direct Mail as a fundraising tool
- Internet synergies that complement direct mail fundraising

FUNDRAISING ENVIRONMENT

- Most fiscally challenging times since the 1980's
- Higher demand for health/welfare services despite declining funding
- Focus in giving on basic health/welfare over arts



FUNDRAISING ENVIRONMENT

Houston's corporate giving down from mergers (especially United Way) making direct mail an even more important tool

CRITICAL SUCCESS FACTORS FOR NONPROFIT ORGANIZATIONS

- Strong, unique mission
- Effective programs driven by need
- Adequate public awareness within target audience



FUNDRAISING BASICS

Fundraising is
marketing and sales.

To successfully raise funds
for an organization...

KNOW YOUR:

- Cause
- Audience
- Offer

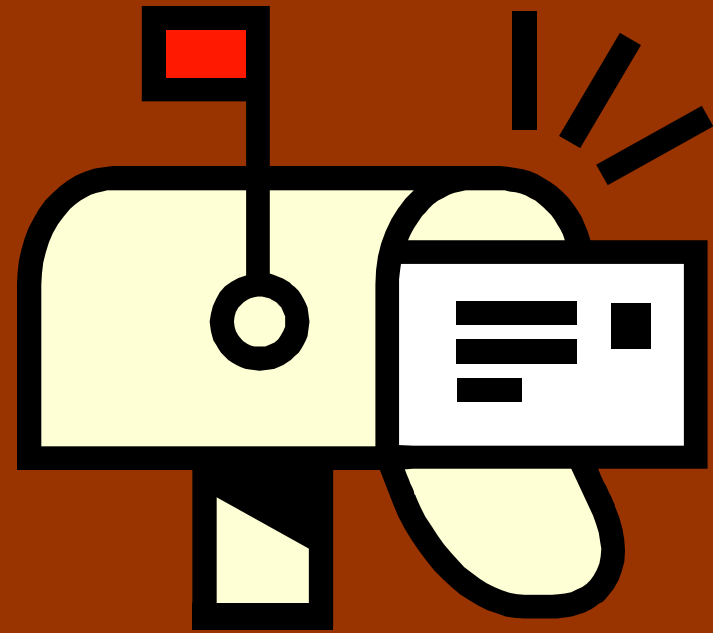


YOUR CAUSE

- What are you in business to do?
- Whom do you serve?
- Are you unique?
- Do you do a good job?
- How would the world be different if your organization did not exist?

WHY DIRECT MAIL?

- Target marketing efforts
- Contain costs
- Build a donor base
- Identify planned giving candidates
- Develop an informed constituency



YOUR TARGET AUDIENCE

- Individuals give an estimated \$30 billion in small donations to non-church charities
- Many donors give to more than a dozen charities a year
- People 55 or older make up the majority of nonprofit donors today

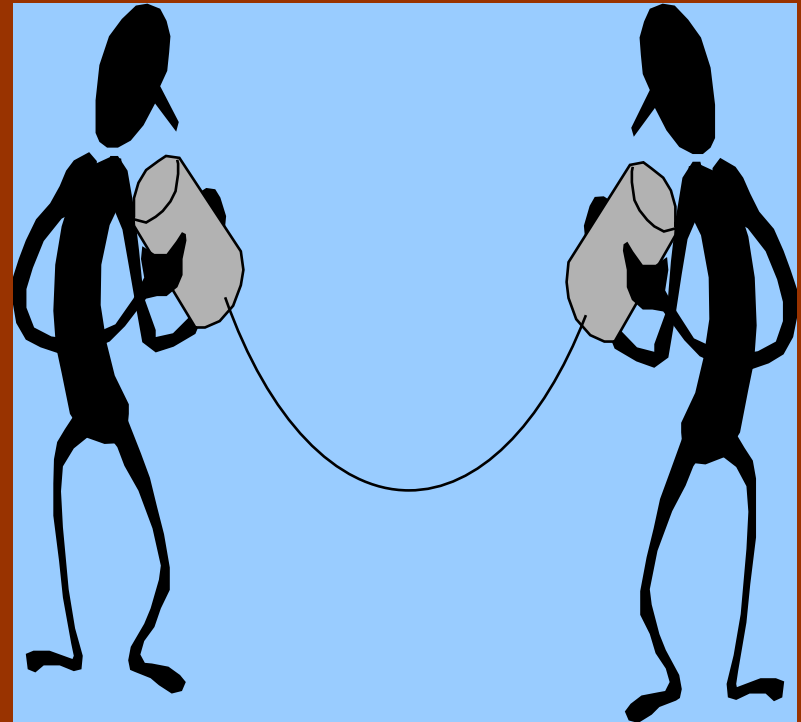


ELEMENTS OF AN APPEAL

- “Brand Awareness” – 50%
- Quality of lists used – 25%
- Request/offer – 10%
- Copywriting – 5%
- Package design and format – 5%

HOW TO DEVELOP BRAND AWARENESS

- Consistent logo & message
- Paid advertising
- Use clients & staff
- Strong public relations
- Newsletters
- Special events
- Speaking engagements
- Direct mail
- Internet - a great website!



Lists: Critical to Direct Mail Success

- How good is your donor file?
- Who are your best prospects?
- What available lists target these potential donors?

Examining Your Donor File

Look at:

- Source of donor names
- Frequency of address correction
- Data entry personnel
- Format data is maintained
- Duplications



Examining Your Donor File

(continued)

- Salutations
- Gender use
- Upper/lower case
- Length of records
- Number of address lines
- Giving history: lapsed vs. current

Prospect Lists

- Donated lists: what format is available and why would they give to your cause?
- Exchange lists: will your board allow this?
- Rented lists: response, demographic, and cluster
- Rental lists limitations: available quantities and mail date

The Offer

- Use a single appeal
- Project benefits to client and the community at large
- Project benefits to donor both tangible and intangible -- should special recognition or premiums be used?



Copy Strategies

- Provide concrete examples of success
- Write like you talk
- Use short sentences/paragraphs
- Italicize key phrases
- Inject emotion & sense of urgency
- Refer to pictures
- Repeat important points or phrases



Copy Strategies (continued)

- Refer to awards or other recognition that establish credibility
- Use powerful statistics appropriately
- Mention what a gift will do & what donor recognition is available
- Use a strong PS

The Package Design

- Decide level of personalization required
- Use snappy tag lines and photos on outgoing envelope if appropriate
- Select appropriate package style and quality
- Consider use of “before & after” pictures



Package Design (continued)

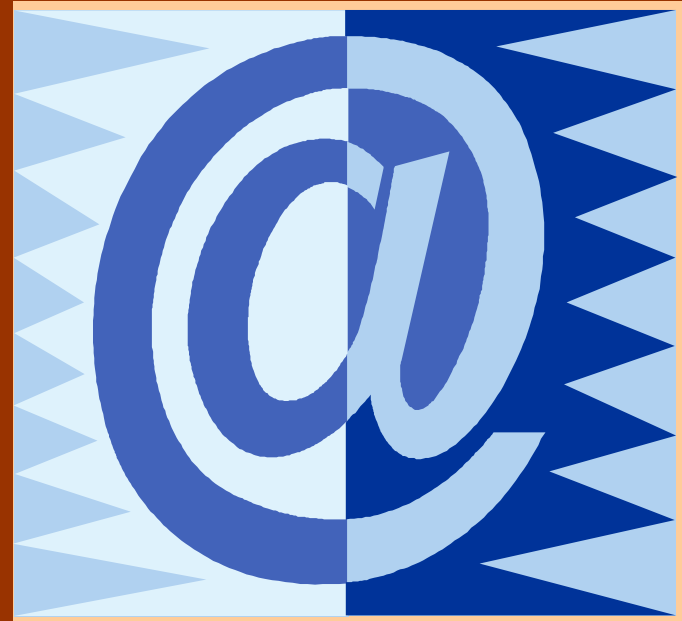
- Make sure the reply device is easy to use and include opportunity for:
 - Memorial/honor gifts
 - Charge card info
 - Corporate matching gifts
 - Request for planned giving materials
 - Email addresses and phone number
 - Correct name for recognition
 - Opt-out for premiums

Other Package Design Considerations

- If using a window envelope ensure that address & bar code do not move easily
- If mailing bulk, use FIM & bar code on reply envelope
- Reply envelope can be first thank you
- Consider use of live stamp, indicia, or meter

Connecting Direct Mail and Internet Donations

- Use direct mail to obtain email addresses
- Display website address on all direct mail pieces
- Advertise online tools in direct mail pieces
- Invite donors to opt-out of paper newsletters and thank you's



Websites Provide

- Broad exposure
- Low ongoing costs
- Dynamic information
- Interactive communication
- Online donations/
campaigns



THE FOLLOW-UP to both Direct Mail & Website Contributions

- Say “thank you” at least as much as you say “please”
- Prompt, personal acknowledgment letters
- Prompt, personal phone calls
- Personal calls where no solicitation is being made
- Be accountable and share information about the impact of the donor’s investment

THE DIRECT MAIL/Website PROGRAM

- Should not be taken for granted
- Should be constantly reviewed for content and design
- Should offer donors the opportunity to upgrade and become major donors



CONCLUSION

- Direct mail continues to be the largest source for new individual donors
- Direct Mail is a long term investment in a fundraising program
- Direct Mail is a technical skill requiring thought and skill

