



35 Years of Meeting the Challenge  
1970-2005

## CRM Excellence Highlights:

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## MSAA fundraising challenges:

- Re-activate lapsed direct mail donors.
- Test response rates to telefundraising lapsed mail donors.
- Enhance donor relations

*Tele-Response Center, Inc. and Multiple Sclerosis Association of America*

## MSAA Achieves Outstanding Tele-Response!

The **Multiple Sclerosis Association of America (MSAA)** is a national nonprofit charitable organization dedicated to easing the day-to-day challenges faced by thousands of individuals with MS, their families, and their care partners.

More than 400,000 people in the United States have MS, with 200 new MS diagnoses per day, and MSAA serves all constituencies affected by MS. It provides support via a comprehensive network of programs and services, including a toll-free Helpline; equipment distribution; home

modification; constantly updated, easy-to-read publications; diagnostic and follow-up MRI, and life coaching. It also has six regional offices and support groups throughout the country. MSAA's programs and services reach Americans in all 50 states and make a difference in their lives.

Individual gifts account for about 85 percent of the funds MSAA needs each year to maintain its programs and services. That's why it's so important that as many individual donors as possible are renewed each year. The primary

mechanisms for this are a combination of direct mail and telefundraising. Neal Zoren, MSAA's Director of Direct Marketing, says "Each year MSAA has a major challenge to meet and looks for creative ways to renew donors and grow our individual gifts program. That's why we consulted Tele-Response Center, Inc. We needed to try an integrated approach that blended media. When we did, it worked! We would have been happy to break even, but our expectations were exceeded! Two thousand renewals and a healthy net gain as opposed to further lapsed donors!"

## The MSAA CRM Challenge

MSAA took its direct mail program in-house in January 2003 and learned a lot about its donor. While it was successful at increasing overall response and average gift per campaign, it was going more and more to a core donor in key segments while less responsive donors in underperforming segments were, consequently, lapsing. This wasn't MSAA's intention or wish. "When we realized that some donors were coming back

to us loyally but others were not given frequent enough opportunity to give, we knew we had to make changes," says Zoren. "We wanted specifically to reach the donor who had given us a gift in FY 2003 but had not renewed in FY 2004. Since that donor had not responded to as many as eight separate mailings, it looked like the right time to incorporate integrated marketing, specifically using the telephone instead of the mail to ask these donors to continue

their support. Historically, MSAA had treated its direct mail and telefundraising donors separately. There had never been any cross-pollination between the two donorbases. We believed that each donor responded according to a preference for mail or telephone, and, thus, direct mail donors would not be responsive to telefundraising appeals, and visa versa. One of our challenges was to test that theory and grow our donorbase."



## The Tele-Response Center CRM Solutions

To help meet that challenge, we consulted with **Tele-Response Center (TRC)**. TRC had been assisting MSAA for over six years with a comprehensive CRM approach to its direct response from donors. TRC had been providing donor database management and analytics as well as customized donor acquisition telefundraising and direct mail fulfillment support. With more than 40 nonprofit clients since

its inception in 1988, TRC's nonprofit division specializes in a broad array of CRM support tailored to the challenges of nonprofits.

### CRM ANALYTICS:

TRC's President, Stuart Discount, and its SVP of Operations, Kirk Beyer, approached Neal Zoren and MSAA's Vice President of Development and Marketing, Terry McFarland, to ask if there was a way TRC could further help MSAA with its

direct marketing. Beyer came to MSAA with a proposal to analyze MSAA's direct mail donor file in order to uncover high potential re-activation segments. Working with Zoren to analyze and parse the donor file based on RFM (Recency, Frequency, and Monetary value), average gift and last gift date, Beyer suggested a concept test that would determine the receptivity, by segment, of lapsed direct mail donors to telefundraising appeals.

*"We needed to test the concept that historical direct mail donors would not be responsive to telefundraising." Neal Zoren, MSAA Director of Direct Marketing*

## Customer Segmentation Analytics: CRM Data Mining

TRC's Beyer and MSAA's Zoren worked closely to segment the lapsed donor file into segments that were differentiated based

on likely close ratio and donation value. They came up with the concept of "Red Light, Green

Light" segmentation to isolate high, medium, and poor return segments. A sample of that analysis is as follows:

SEGMENT	CPH	CONV %	AVG PLEDGE	HOURLY	DONORS	PEN%	HOURS	PLEGGED
A4	18	22.00%	\$5.00	\$19.80	3	0.00%	0.00	\$0.00
B4	18	22.00%	\$5.00	\$19.80	100	0.00%	0.00	\$0.00
C4	18	22.00%	\$5.00	\$19.80	300	0.00%	0.00	\$0.00
D4	18	22.00%	\$6.50	\$25.74	2,000	0.00%	0.00	\$0.00
E4	18	22.00%	\$10.50	\$41.58	4,000	60.00%	133.33	\$5,544.00
F4	18	21.12%	\$17.00	\$64.63	2,500	60.00%	83.33	\$5,385.60
G4	18	20.24%	\$28.00	\$102.01	4,000	60.00%	133.33	\$13,601.28
H4	18	17.60%	\$40.00	\$126.72	1,000	60.00%	33.33	\$4,224.00

## TRC Integrated Telefundraising and Direct Mail

After identifying likely target segments of the lapsed direct mail file, TRC designed segment contact strategies so that performance in each cell could be monitored closely. The key metrics that MSAA and TRC

wanted to track, by cell, were contact rates, conversion rates, average call duration, and average pledge (gift amount).

Furthermore, MSAA wanted to track the conversion rate from pledge to actual collected

gift.

TRC's integrated contact center and direct mail capabilities allowed for pledge fulfillment kits to be sent to donors within 24 hours of the pledge date, resulting in above average conversion rates.

## TRC MSAA Campaign Launch

Tele-Response Center, Inc. has three contact centers which it deploys on behalf of its nonprofit and commercial clients:

Philadelphia, PA:

72 Stations

125 Agents

Parkersburg, WV:

84 Stations

150 Agents

Weston, WV:

108 Stations

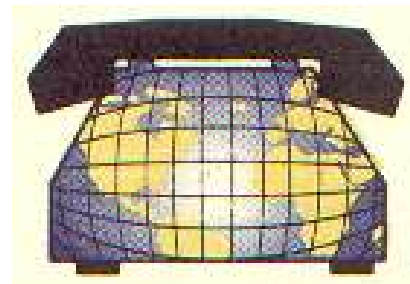
200 Agents

TRC's direct mail division is based in Philadelphia.

This unit is a turnkey direct marketing agency. It provides TRC's clients with total graphic design, copywriting, letter and envelope layout, as well as printing, perfering, folding, insertion, inkjet addressing, and other custom letter shop capabilities. By providing integrated contact center and direct mail solutions, TRC can respond more quickly to donor pledges, resulting in higher pledge conversion rates.

TRC has used both its Pennsylvania and West Virginia contact centers for

MSAA but recommended that the launch of the direct mail telefundraising campaign be done in its West Virginia sites because of a unique circumstance. A veteran Client Services Manager in Weston had recently been diagnosed with MS and had been helped by the MSAA support network to the point that she felt a closeness to MSAA. "She was, in fact, a member of the MSAA family," says Zoren. "Who could better oversee the launch of this campaign?"



Tele-Response Center, Inc.

## TRC Client Services: Scripting, Campaign Design and Tracking

TRC's great experience in donor acquisition with MSAA, along with its expertise in nonprofit fundraising direct response, ensured that TRC could provide creative ideas to assist Zoren in every aspect of the test. For optimal success the telefundraising and pledge fulfillment efforts had to use the same themes and strategies. By tying the pledge fulfillment copy to the themes of the telefundraising scripts, the conversion rate from

pledge to actual gift was increased, which led to higher than expected response.

TRC's Beyer worked closely with MSAA's Zoren to design the campaign's strategy. For example, Zoren suggested that the telefundraising script incorporate the number of MSAA clients served in the local area, a feature of his direct mail campaign.

TRC designated a dedicated Client Services Manager to oversee the implementation of the

campaign, including:

- Script design
- Campaign management
- Segment performance tracking
- Back-end analysis
- Pledge fulfillment
- Performance Reporting

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*"TRC was able to capitalize on its rich experience with MSAA in order to design script and calling strategies that really connected with our direct mail donors."*

*Neal Zoren,  
MSAA Director of DM*

# Campaign Tracking

*“TRC’s client services team was proactive about providing me with material updates and results”.*

**Neal Zoren, MSAA**  
Director of DM

TRC’s performance reporting capability allowed MSAA and TRC to monitor on a real-time basis, allowing TRC’s Client Services team to make very specific recommendations to MSAA relative to the performance of specific cells. “We were able to watch the test results very carefully so as to make

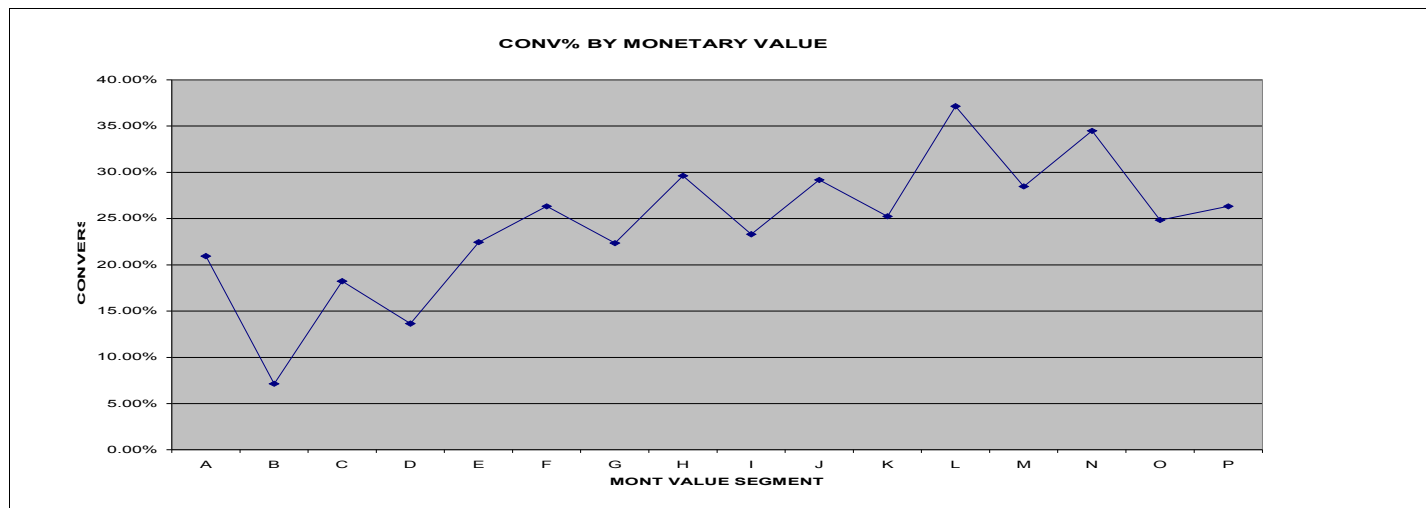
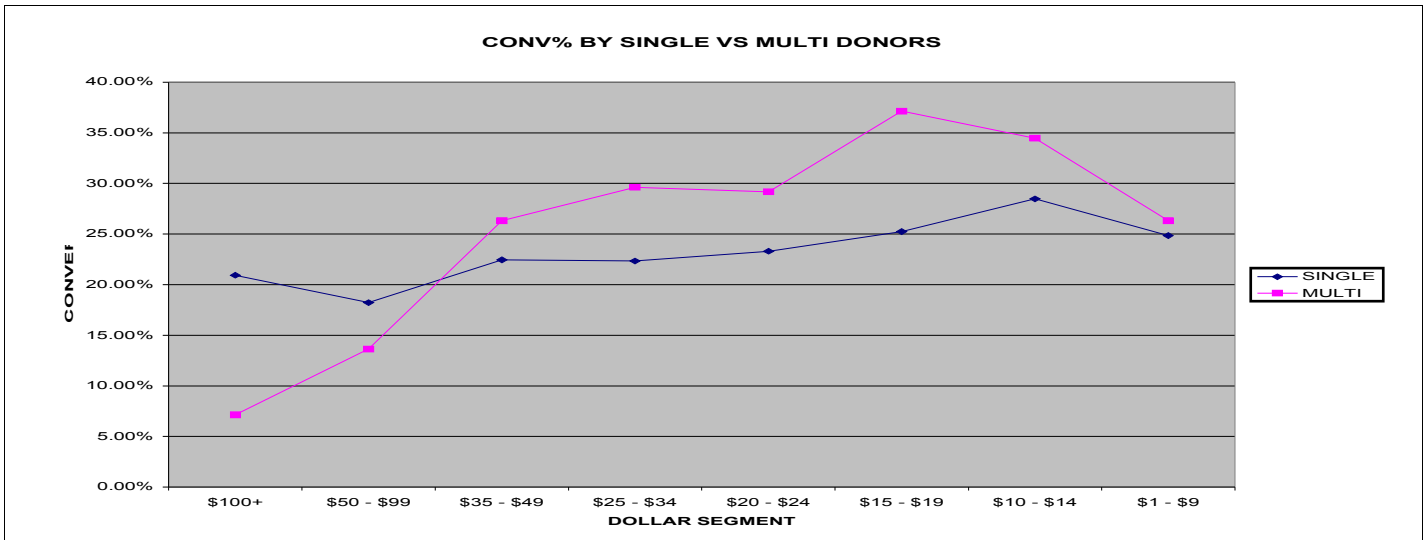
sure that poor performing segments were shut down before they exceeded our acquisition cost targets,” Zoren says. “Furthermore, TRC’s client services team was proactive about providing me with material updates and results.”

TRC provided MSAA with campaign performance information, by segment,

including:

- Contact/Hour
- Conversion Rate
- Average Pledge
- Pledge \$/hour

TRC provided simple, easy-to-read charts and graphs that helped MSAA to track results and react quickly to segment performance.



## CRM Excellence: Results for MSAA

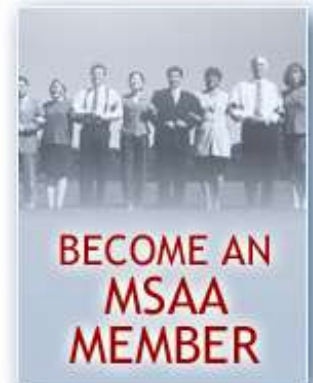
The primary objective of this CRM test was to determine if, and to what degree, lapsed direct mail donors could be reactivated by a telefundraising appeal. Zoren said, "It was important for MSAA to test integrated marketing and see how our donor base would respond. Working with TRC, we were able to design and execute a scientific test that helped us to uncover hidden opportunities while better serving our donor and beneficiary constituents. What we learned most was to let the donor tell us the medium by which he or she preferred to be

contacted, and that we needed to use both mail and telephone to be optimally effective with our donors."

Some of the basic conclusions from this test campaign were:

- ✓ Direct mail lapsed donors were receptive to telefundraising.
- ✓ Direct mail donor reactivation rates rivaled or exceeded renewal and reactivation rates of donors acquired through telefundraising.

- ✓ Telefundraising to the lapsed mail donors is a cost effective mechanism for reactivation.
- ✓ Many direct mail concepts can be used to make telefundraising more effective.
- ✓ Selected segments of non-responders to the telefundraising approach were more receptive to follow-up direct mail solicitations.



## CRM Hidden Gold

Based on the results of this strategy test, MSAA is in the process of rolling out an ongoing CRM strategy which incorporates both telefundraising and direct mail channels for lapsed donor renewal. Zoren estimates that this new strategy for donor reactivation should yield several thousand reactivated donors per year, and their gifts to the MSAA should be worth several hundred thousand dollars per year.

"One of the curious results was that we tested mailing

to a segment of our general telefundraising list that rejected the telephone channel. These "Do Not Call" segments responded at an unusually high rate when we appealed to them through the mail!" said Zoren.

As a result of the success of this CRM evaluation, MSAA will retain TRC to launch an ongoing lapsed direct mail donor campaign. According to Neal Zoren, "TRC's excellent performance in this complex CRM evaluation will also justify

our use of TRC for other donor acquisition activities in both the telephone and direct mail channels."



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*"TRC's excellent performance in this complex CRM evaluation will also justify our use of TRC for other donor acquisition activities in both the telephone and direct mail channels."*

*Neal Zoren, MSAA  
Director of DM*



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**We're on the Web!**

*See us at:*

**[www.teleresponse.com](http://www.teleresponse.com)**



## **Tele-Response Center, Inc., your CRM outsourcing partner**

This case study demonstrates how TRC approaches its client engagements. Each client is a partner with TRC in determining the optimal mechanism for interacting with clients, prospects, donors, beneficiaries, and other constituencies.

By utilizing state of the art technologies to analyze, understand, and interact with customers, TRC assists its clients to optimize its customer relationships.

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