

Integration is Key to Successful Direct Response Fundraising Campaigns

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Today, nonprofit development directors are charged with raising money in an increasingly difficult fundraising environment. Competition for dollars and government regulations require fundraisers to constantly look for new ways to reach out to potential donors, keep active donors engaged, and re-activate lapsed donors.

Nonprofit professionals today are burdened by decreasing direct response campaign budgets, while requiring an increased return from those expenditures. Efforts wasted on non-responsive donors and list segments, drain resources from the nonprofit's intended purpose and may inhibit funds from other sources from flowing into the organization.

The Integrated Approach

Coordinating all channels of donor base building—from telefundraising and direct mail to acknowledgment of donations—can be a daunting task, especially when a development director is managing the activities of more than one outsourced agency in either the direct mail or telefundraising channels. Each agency tends to champion the channel that it represents.

According to Stuart Discount, CEO of 1 2 1 Direct Response (1 2 1), integrating these channel activities is the key to effecting a productive campaign.

“Many nonprofit organizations use different agencies to manage their telefundraising and direct mail efforts,” Discount says. “By not having these integrated, nonprofits may be spending unnecessary money on both efforts. The key is that no single channel of fundraising can stand alone. A successful campaign integrates all channels and benefits from smarter segmentation strategies.”

Discount's experience with helping nonprofit organizations raise funds extends back to 1977. 1 2 1, operating in Philadelphia since 1988, is a marketing agency that has partnerships with dozens of nonprofit organizations. Their direct mail division is integrated with their contact center operations, enabling them to rapidly coordinate direct mail fulfillment response with daily telefundraising activities. This approach has helped organizations like the Multiple Sclerosis Association of America (MSAA):

“From the start, 1 2 1 Direct Response took a proactive approach to meeting MSAA's marketing objectives,” says Neal Zoren, Director of Direct Marketing for MSAA. “Its representatives took the time to understand how MSAA works as an organization and, from there, created an integrated phone-mail

campaign that has successfully reactivated lapsed donors, increased donor response to mailings, and showed us how to be more versatile with our donor file. Our direct fundraising programs are now operating with greater efficiency.”

Efficient direct response campaigns improve the financial condition of nonprofit organizations. Potential and current donors often examine a nonprofit's performance. These donors and large contributors want to be aware of the nonprofit's fundraising efficiencies, and many base their decision to give on that efficiency factor.

“The cost of fundraising is one of the most visible aspects of a nonprofit's public face,” says Discount. “It's important for those numbers to demonstrate fundraising efficiency.”

These numbers not only influence individual donors, but also have a crucial impact on valuable sources of funding, such as grants from foundations and the federal government. If an organization's fundraising costs are too high, it may lose the ability to tap into these important funds.

The Right Call “Do not call” regulations that have developed over the last several years have not blocked all channels, and have created some unique opportunities for nonprofits. For example, nonprofits still have the opportunity to send direct mail pieces to those who prefer not to be contacted by phone. Furthermore, nonprofit executives in states where regulations have indiscriminately restricted commercial and nonprofit phone contact need to identify potential donors who do not mind calls from nonprofits.

There is overwhelming evidence that telefundraising works well when managed correctly. Most donors are not put off by calls from organizations that they support, especially if the contact is done appropriately. Nonprofits need to ensure that every time a donor is contacted, there is a message to convey. Updating donors on what has been happening since their last donation keeps them engaged in the organization's mission and accomplishments. Effective scripting, well-timed calls, and educated telephone representatives can make a real difference in increasing the number and amount of donations, as well as establishing long-term relationships with donors and members.

Of course, there are donors who prefer contact through the mail and are more responsive to such approaches.

“Someone who requests no phone contact may still want to hear from you through different channels,” says Discount. “There is a certain percentage of people who are extremely responsive

to direct mail, and we can often determine that in our phone conversation with the potential donor. The right message, in the mail, to a potential donor who requests not to be contacted by phone, can yield extraordinary results via mail solicitation.”

The Right Tools for the Job How do nonprofits best determine the most effective way to contact each donor? Discount suggests focusing on segmentation and careful database management.

“There are lapsed donors who are more receptive to phone contact, and others who are more effectively re-activated by targeted direct mail. There are donors who are being marketed to inefficiently,” says Discount. “But the only way nonprofits can determine this is by analyzing the data collected from campaigns and strategically segmenting responders and non-responders by contact channel.”

Nonprofits should be calling lapsed mail donors and searching for the best approach to increase the average donation and response rate per segment. Remember that telefundraising is an interactive activity. When done properly, organizations can come away from a campaign with critical information about their donors and potential donors. When this information is entered into a well-managed database, a powerful tool for increasing response rates is created.

Discount also points out that effective campaigns do more than boost fundraising. They also promote an organization's brand, message, and agenda—educating the public about the mission and recruiting those who give in ways beyond monetary donations.

“There are also great ways to identify people who are generous with their time,” Discount says. “In conjunction with fundraising activities, nonprofits also need to think of recruiting volunteers or speaking directly to those who'd like to attend special events. This can be done all at once with a well-planned strategy.”

With successful strategies, nonprofits achieve their financial goals—which, Discount says, is the most important result at the end of each campaign and each day.

“We work with some great organizations that really help their communities,” Discount says. “Seeing these organizations thrive through the use of our integrated direct marketing approach is very satisfying.”

FOR MORE INFORMATION

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