

DIRECT FORUM

August 2020

VOLUME 16 ISSUE 8

Direct Forum is a free email newsletter containing useful direct marketing tips, news updates and how-to information. It's convenient, informative and I am not trying to sell you anything!

- 1. Out of Sight. Out of Mind. This is True to all Relationships, including those with **your Donors or Customers.****
- 2. The Washington Post's Annual Neologism Contest.**

- 3. Results of mailings featured in my July issue.**
- 4. Video of the month: **UK says no more.****



**Out of Sight.
Out of Mind.**

**This is True of all Relationships,
including those with your
Donors or Customers.**

Ever wonder what will happen when you stop using direct mail to communicate with your donors or customers?

1. You will lose money.

Direct mail continues to generate the lion’s share (80%) of revenue compared to any other channel. It is the single largest source of revenue for charities by a longshot.

Direct marketing revenue by channel



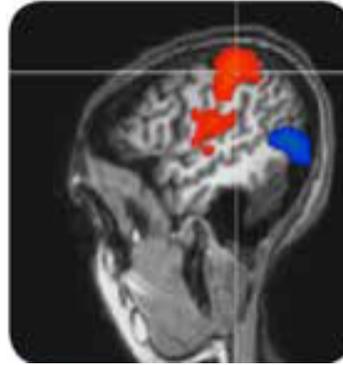
Data from Blackbaud’s “2017 Charitable Giving Report” | Credit: Gabriel Group

And for every \$167 spent of direct mail in the US, marketers sell \$2,095 in goods.

(Source: 2018 Global Trends in Giving Report)

Why is direct marketing so effective?

There are many reasons:



First and foremost, it has been scientifically proven that the tactility of direct mail allows the brain to retain long-time memory comprehension better with printed material compared to digital. More emotional processing is involved with paper content. In other words, tangible materials leave a deeper footprint in the brain. This has been illustrated by Millward Brown at Bangor University in studies using MRI (Magnetic Resonance Imagery).

Next, check who your donors are.

Chances are that a large segment of your donors are Boomers (ages 49 to 67); they generally represent 43% of total giving and 40% of them gave in response to a direct mail solicitation.

The Matures in your database (ages 68+) generally represent 26% of total giving but 52% gave in response to a direct mail solicitation.

Generation Y (born between 1984 and 1996) may represent 11% of total giving and Generation X (early 1960s to late 1970s) represent 20% of giving according to Blackbaud.

These younger audiences are important to cultivate for the future and may need a multichannel approach. And direct mail is a huge part of that mix.

If nearly 70% of your donors demonstrate a preference for direct mail, don't stop fishing where the fish are.

Don't confuse online solicitation for online giving.

A study by the Direct Marketing Association (DMA) showed that average response rates from direct mail at 4.4% are a whopping 37 times higher than average email marketing rates at a mere 0.12%. Other studies show the same disparity although the open, click-thru and other online response rates vary slightly.

Online giving as a percentage of total fundraising is only 8.7%, according to Blackbaud's "2019 Charitable Giving Report". While that figure keeps growing, it is just a few points above the 7% of total giving reported back in 2012.

Most direct mail solicitations encourage online donations. They include a direct link to the charity's website. We all know that many prefer to donate directly by going to the charity's website.

In fact, according to Blackbaud's "50 Fascinating Philanthropy Stats," 32% of online donors will make their next year's gift offline.

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2. Your donor file will shrink.

Normally the percentage of active donors in your database will shrink by up to 15% each year.

We know that donors move, lose their jobs, get divorced, retire or even pass away. This is inevitable. Donor attrition is the main reason you must continue with a direct mail program each year whether it is two or six mailing solicitations every year. If you cut direct mail, the number of active donors in your database will shrink—guaranteed.

Over the last 10 years, donor and gift or dollar retention rates have consistently been weak—averaging well below 50%. The donor retention rate was 45.5% in 2017 the same as the year before.

(Source: afpfep.org: 2018 Fundraising Effectiveness Survey Report)



Another danger is when your Board of Directors wants to eliminate direct mail.

You may have heard them say:

- Direct mail is too expensive.
- We believe you can do it all online.
- Too much hassle with the logistics of printing and mailing.

If your Board of Directors decides to slash or eliminate direct mail from your budget because they're misinformed and they think they are saving money, you can tell them that cutting direct mail does save money in the short-term.

However, a year later your revenue will plummet. That's because for every current donor you lose, you also lose revenue. And for each current donor you keep or every new donor you could have acquired but didn't, because you eliminated one of the best forms of donor acquisition, you will lose revenue.

A year later at least 7% of your donors will have stopped giving and you will notice that your bottom line

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has become smaller. Two, three, four or five years later, the missing income from all the new donors you never acquired will be as obvious as a FORECLOSURE sign stapled to your front door.

3. Your lifetime donor value will suffer.

How much is a lost donor worth? Find out by calculating how much a typical donor gives to your charity during the donor's lifetime. It's likely to be hundreds of dollars or, in some cases, thousands.

How many of these donors are you willing to lose each week without replacing them?

The donor that you don't acquire today won't respond to your most successful direct mail appeals. She won't join your monthly giving program in two years. She won't give you a major gift in eight years. She won't leave you a bequest in her will when she passes away.

The majority of donors who join monthly giving programs, make major gifts and leave bequests, are annual donors. Most were acquired through

direct mail. They have a high lifetime value only because they gave that first new gift. If you don't get that first gift, you don't get the new donor. And if you don't get the new donor, you don't get any of the revenue that follows.

A study by Good Works shows the following:

- **Direct mail revenues grew in 2019 by more than 5% from the previous year. And average gift amounts jumped by nearly 7%. However, the response rate has stayed relatively static (a decrease of just 0.13% over 2018). Donors that do give via mail gave more money, more often.**
- **Direct mail donors are loyal, with an average renewal rate of 66.46%!**
- **While response rates are lower in smaller charities, they enjoy the largest average gifts of \$136.00.**
- **Programs with acquisition mailings fared better overall. Active donor files grew by almost 2%. Those who did not invest in acquisition saw a decrease from 2018 in response rate and number of gifts, and their active donor files shrank by nearly 5%.**

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And according to Pareto's 2018 Benchmark Report:

- **Direct mail helps build a relationship with your donors.**
- **Direct mail still delivers the largest volume of new donors (48% in 2017).**
- **Direct mail is still the number one method used to target middle donors (those giving \$1,000 –\$5,000) and critical for generating bequest leads.**
- **Direct mail donors, when converted to monthly donors, are the most valuable monthly donors by far with the lowest attrition rates.**

4. Your charity will suffer without replenishing new donors.

Bloomerang published its findings as to why donors lapse, and they concluded that 53% of donors stop giving due to the charity's lack of communication.

Finally, direct mail very accurately targets and personalizes your message to your audience. These approaches can be effectively measured and tested, and emended. Also, direct mail has a much longer shelf life (six to eight weeks) as a

call-to-action than other channels according to the Royal Mail.

This is what happens when you stop using direct mail.

Case in point: When the American Cancer Society (ACS) decided to pause their direct mail donor acquisition program amidst an organizational restructuring, between January 2013 and June 2014, this was the outcome:

- **New donors dropped by 11%;**
- **New donor revenue dropped by \$11.3 million in the first year;**
- **The five-year impact on income was: \$29.5 million loss in revenue;**
- **Even the ACS Relay for Life raised \$25 million less than the previous year;**
- **That's not all. The ACS usually gets more than \$51 million in planned gifts from direct-mail donors. It will take years for the future loss of planned gifts to run its course.**

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As ACS discovered the hard way, direct mail is a crucial source of longer-term income and can seriously affect—in good and bad ways—the overall sustainability of your fundraising program, not to mention a decline in your donor file that begins to collapse.

In the past almost 41 million pieces of mail were being sent each year by the ACS.

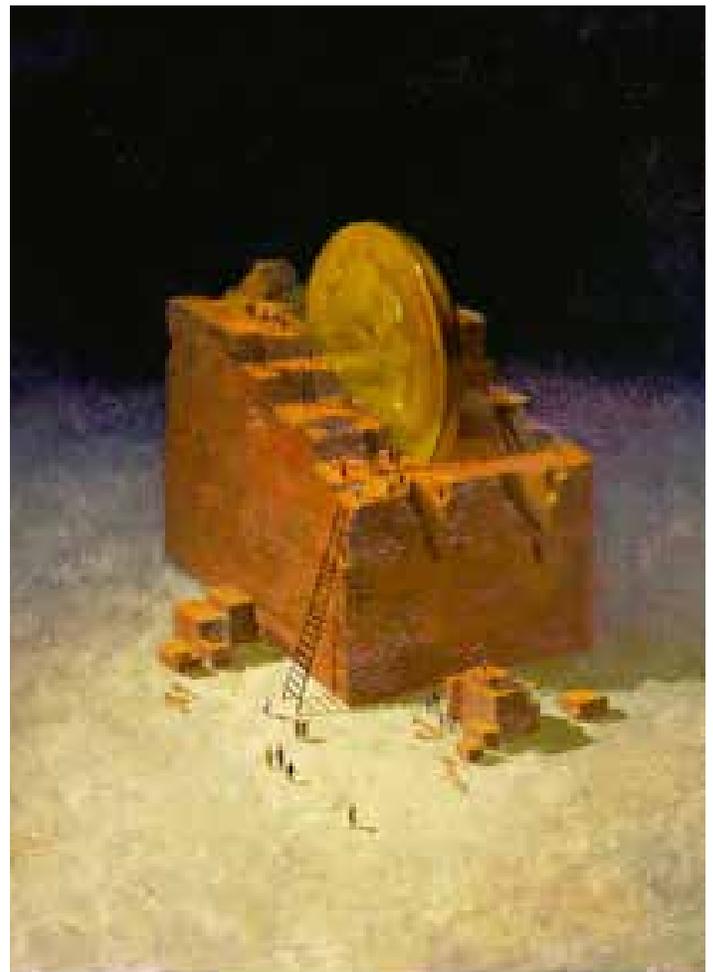
The lesson to be learned is that rather than reducing direct mail programs because they are no longer raising enough money, the challenge for fundraisers going forward is to reduce the costs of direct mail to generate the highest net revenue.

It's never too late to restart using direct mail again to raise funds for your charity.

The key to maintaining a strong donor base is continued connection with your current donors.

Donors want to feel like they are more than just dollar signs to an organization. They want to feel

included, part of a community, part of a mission, and that starts with a human connection especially right now with COVID-19 challenges causing most of your donors to spend an inordinate amount of time at home. Now might be a good time to revisit your direct response marketing and fundraising strategies. It could be a very effective tool in your fundraising toolbox.



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Results of the mailings featured in my July issue.

1102 Broadview Avenue
Toronto, ON M4K 2S5
Phone: 416-425-6348 x 224
www.massey.ca

Ms. Sample
1234 Any Place
City, Province, A1A 1A1

Dear Ms. Sample,

Soon it will be Father's Day, but not all children have a father.

How do you celebrate Father's Day when that paternal connection is missing?

Children often see their father as a symbol of protection, strength, stability, emotional connection and love, **but this is not the case with many young families here.**

A large number of the young women come from broken homes, have unhealthy relationships, and raise their children...

A large number of the young women come from broken homes, have unhealthy relationships, and raise their children on their own as single mothers.

YES, I want to help young moms start a new and better life today!

Here is my gift of \$XX \$XX \$XXX or \$_____ to help single mothers like Aria raise their children.

Method of payment #1 I have enclosed a cheque payable to Massey Centre

Method of payment #2 I prefer to use my charge card: VISA MasterCard American Express

Card Number: _____ Expiry Date: _____

Name on card: _____
Signature: _____
Phone: _____
Email: _____

I prefer to join the Best Start Monthly Giving Program (at the back)
You can even make your donation online at www.massey.ca

1102 Broadview Avenue, Toronto, Ontario M4K 2S5
Phone: 416-425-6348 x 224; Fax 416-425-4056

Receipts are issued for all donations of \$20 or more.
Charitable Registration No. 11928 13687 RR0001

*...are able to...
...when you have a son, because how can I teach my little boy to be a man? The best I can do is teach him to be a better person than his father. I will teach him to grow up to be a good man, a man that I envisioned for myself.*

Aria's story is like many I have heard before, a single mother struggling to play the role of both mother and father, when they are still growing into adulthood themselves.

continued over...

HEART HOUSE HOSPICE
1-855 Matheson Blvd E, Mississauga, ON L4W 4L4

Losing your partner is the hardest thing

Losing your partner is the hardest thing. You keep reliving all the moments from when you were together. Now, the loneliness is the worst part. I go to work every day, but when I get into my car for the drive home, I break down and cry because I know I am going to an empty house. I have cried every day – the tears start to flow and I do everything I can to slowly put them back in. Now, with the help I am receiving from Heart House Hospice, I am learning to be at peace with the inevitability and unpredictability of life – learning to be at peace with my tears.

When we found out that John had bladder cancer and as things got worse, we were referred to Heart House Hospice by our Palliative Care Doctor. I got in touch with Heart House Hospice in Spring of 2019. They sent Anna, one of the counsellors, to talk to us. She was wonderful. She spoke to both John and me. She wanted to know how we were feeling, and if we had any concerns. Heart House Hospice also provided a volunteer who came to our house and sat with John once a week. He really enjoyed her visit and it gave me a break to either go out and do some shopping or just to take a nap.

I knew I couldn't handle the grief by myself; I needed help. Luckily, I met Peggy, a bereavement counsellor at Heart House Hospice and started 1-on-1 counselling and it helped. I was able to tell her how I was feeling without being judged. Peggy told me about a Bereavement Circle that was starting and I joined hoping to meet people going through the same things as me. I now look forward to these sessions every week. I don't cry as much anymore, and I try not to dwell on the past. Instead I try to remember John now for the good times, the fun times, and his laughter.

The people at Heart House Hospice are amazing. Even during these unpredictable times, they still are continuing to support the Brampton and Mississauga communities through Covid-19. They are caring and understand what you are going through. Their programs from counselling to Spa Days have been a great help for me now that my husband has passed away. Heart House is always thinking of ways to help us connect more easily. They recently added a Hospice Palliative Care Helpline: 905-667-1865 to help everyone grieving or searching for resources for family and friends that need support right now. I feel everyone should support Heart House Hospice; it's a different level of caring than what is provided in a hospital and they are continuing to care for us even during Covid-19. They need our support now more than ever.

Sincerely,
Mary Carbone

Over please...

P.S. As I said before, the people at Heart House Hospice are amazing. Even during these unpredictable times. Your gift now will help them continue to work for our community.

YES! HEART HOUSE HOSPICE NEEDS US NOW MORE THAN EVER.

Here is my gift of \$35 \$50 \$100 \$250 \$500
I prefer to donate \$ _____

Help us save money by opting in to receive your tax receipt by email. Please provide: Please charge my credit card: VISA MasterCard

Your email address: _____
Your phone number: _____

I have enclosed a cheque payable to Heart House Hospice

Please charge my credit card: VISA MasterCard

Card Number: _____ Expiry date: M J Y Y

Name on card: _____
Signature: _____
Telephone: _____
Email: _____

We DO NOT sell, trade, or share our mailing list.
To volunteer, please call 905-712-8115.
Please return this form with your donation in the postage paid envelope.
Official receipts will be issued for gifts over \$25.

THANK YOU!

Heart House Hospice: 1-855 Matheson Blvd. E., Mississauga, ON L4W 4L4
Tel: 905-712-8115 • Fax: 905-712-4029 • Charitable Tax No. 13215011 RR0001

To help all year long, select the monthly giving option on reverse.

Massey Centre: The donations to the Father's day mailing were over 255% of the total investment for that piece. Now that is what I consider a good Return on Investment.

Heart House Hospice: To date, the Heart House Hospice mailing has totaled \$4,365.00. Not bad considering that Covid-19 is still part of our life.

A correction:

Last month, I also featured a small charity called, **Armagh**. I have been informed that the entire campaign was purely an eblast effort and not a direct mail appeal. Congratulations to all those involved in creating that wonderful campaign.

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The Washington Post's Annual Neologism Contest.

Once again, The Washington Post's winning submissions to its annual contest in which readers are asked to create words and provide definitions.

I hope you enjoy them as much as I do.

Guiltar: A musical instrument whose strings are pulled by your mother.

Eruditz: A philosophy professor who can't figure out how to work the copying machine.

Skilljoy: The would-be friend who's a bit better than you at everything.

Sparadigm: A model panhandler.

Nword: Something that gets you in really deep trouble.

Onisac: A dark, often smoke-filled chamber in which elderly Homo Sapiens deposit their nest eggs before dying.

Errudition: Comical misuse of big words. "Madam, your dress looks positively superfluous on you tonight," he said with amazing erudition.

Percycution: Giving your child a name he will hate for the rest of his life.

Coughin: A small enclosure designed especially for smokers.

Treadmillstone: The unused home gym that keeps staring at you.

Crapplause: A polite but unenthusiastic expression of approval

AHA HAHA: When you finally get the joke.

Carecrows: Women who are so devoted to their men that they frighten them away.

Typochondriac: A paranoid proof-reader.

Prob-solutely: A definite maybe.

Ignorial: A monument that nobody visits.

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Video of the month: UK says no more.



The Coronavirus pandemic has affected every aspect of our lives, with one of the most troubling statistics to emerge from the crisis being the dramatic rise in domestic abuse reports.

In the UK, the number of domestic killings has doubled during lockdown and calls to domestic violence helplines have increased by 120% – with traffic to their websites tripling.

Here's the link:

<https://youtu.be/MwOVvcreyeU>

Credits

Advertising Agency: MRM, UK
Chairwoman and CCO: Nicky Bullard
Creative Director: Jon Wells
Account Director: Sarah Tille
Director: Calum Macdiarmid
Producer: Tim Francis
EP: Laura Gregory, Adam Collins
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To post a comment, please include your name, email address and your thoughts.

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