

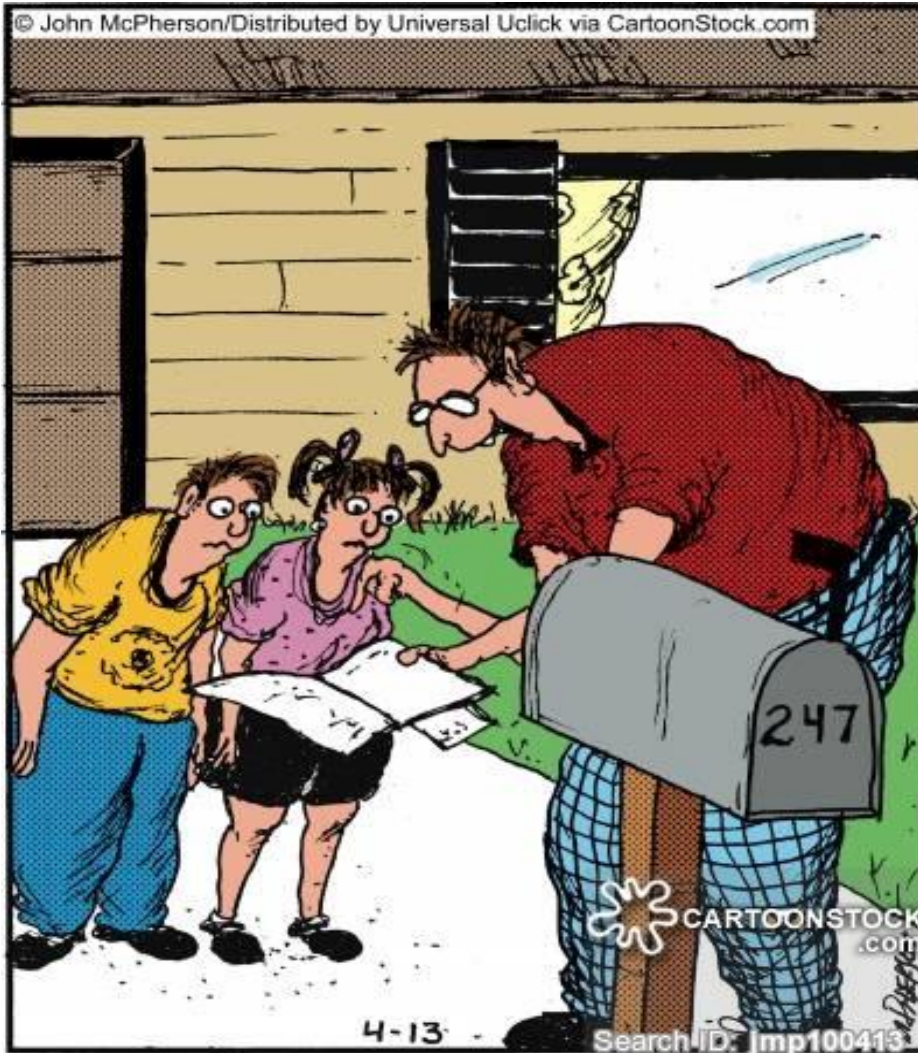


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Making the Case for Direct Mail In the Cyber Age

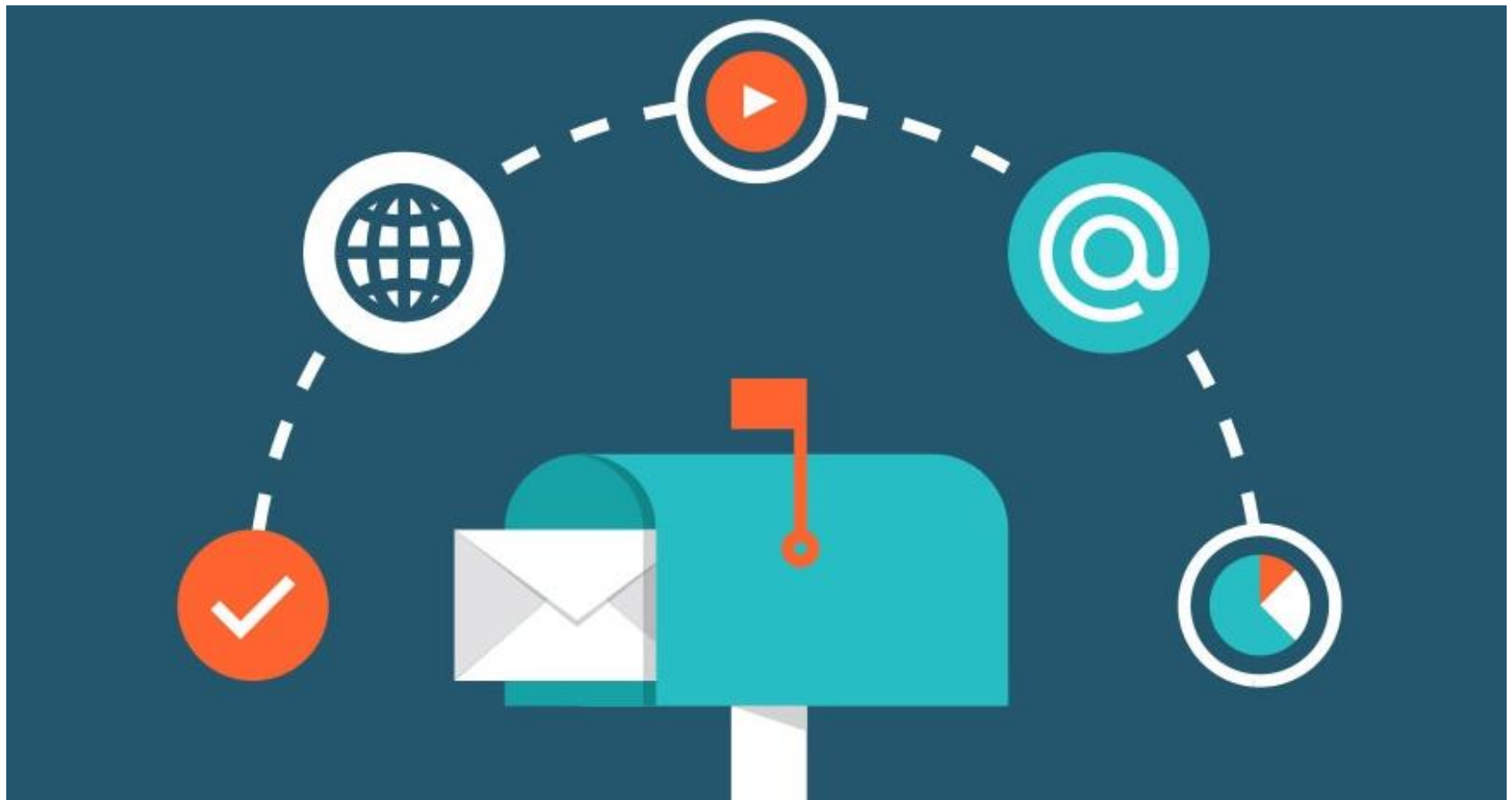
Amy Sukol, CFRE | September 28, 2017



“See kids? This is a LETTER. A LETTER. Back when I was a kid, people would send these all the time. There was no such thing as e-mail.”

Today's Conversation

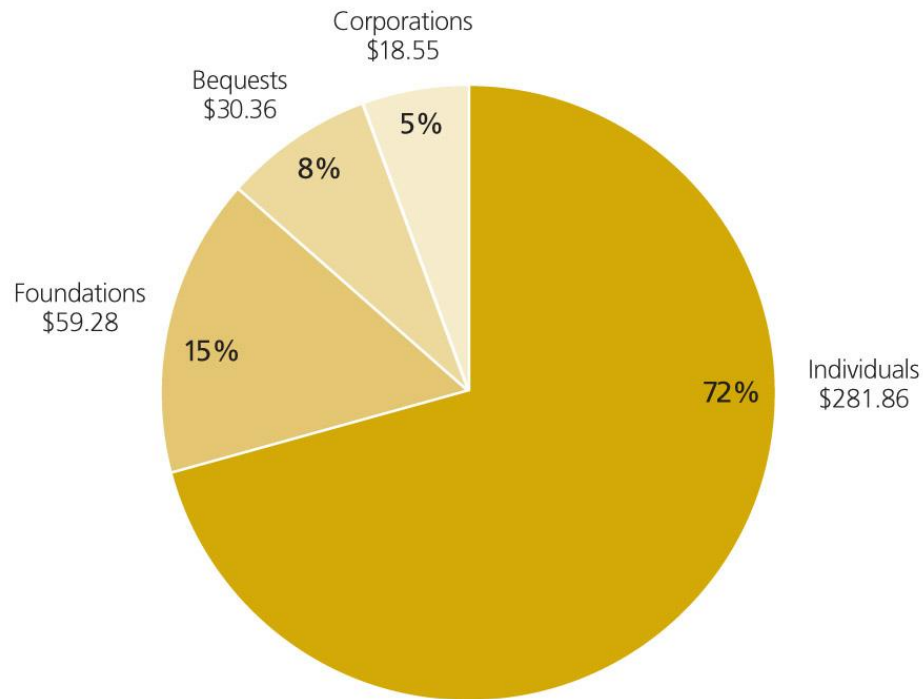
- Why direct mail
- How to get started in the mail
- The anatomy of a well-crafted direct response program



The Value of Direct Response

In Today's Multi-channel World

2016 Contributions = \$390 billion



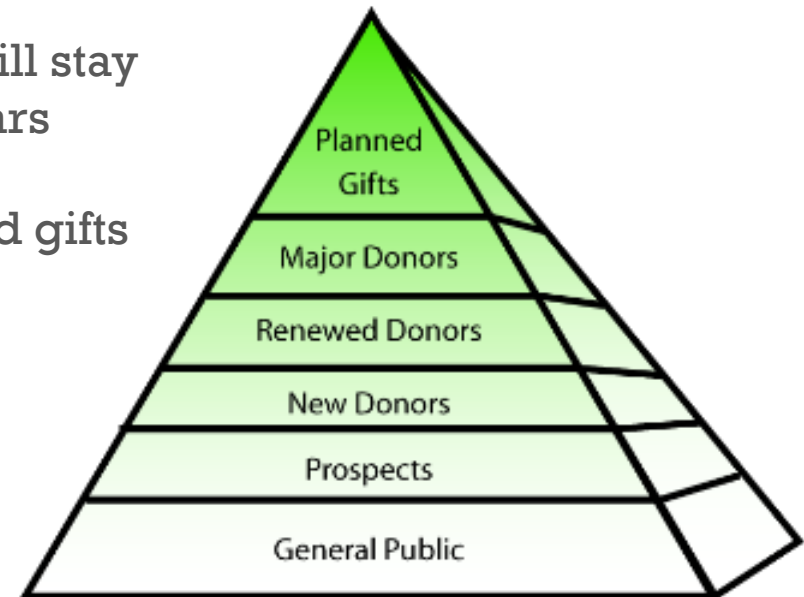
- 72% of total giving in 2016 was from individual donors
- \$46 Billion went to human services organizations

SOURCE: GIVING USA

Get Your Piece of the Pie with Mail!

Direct Mail...

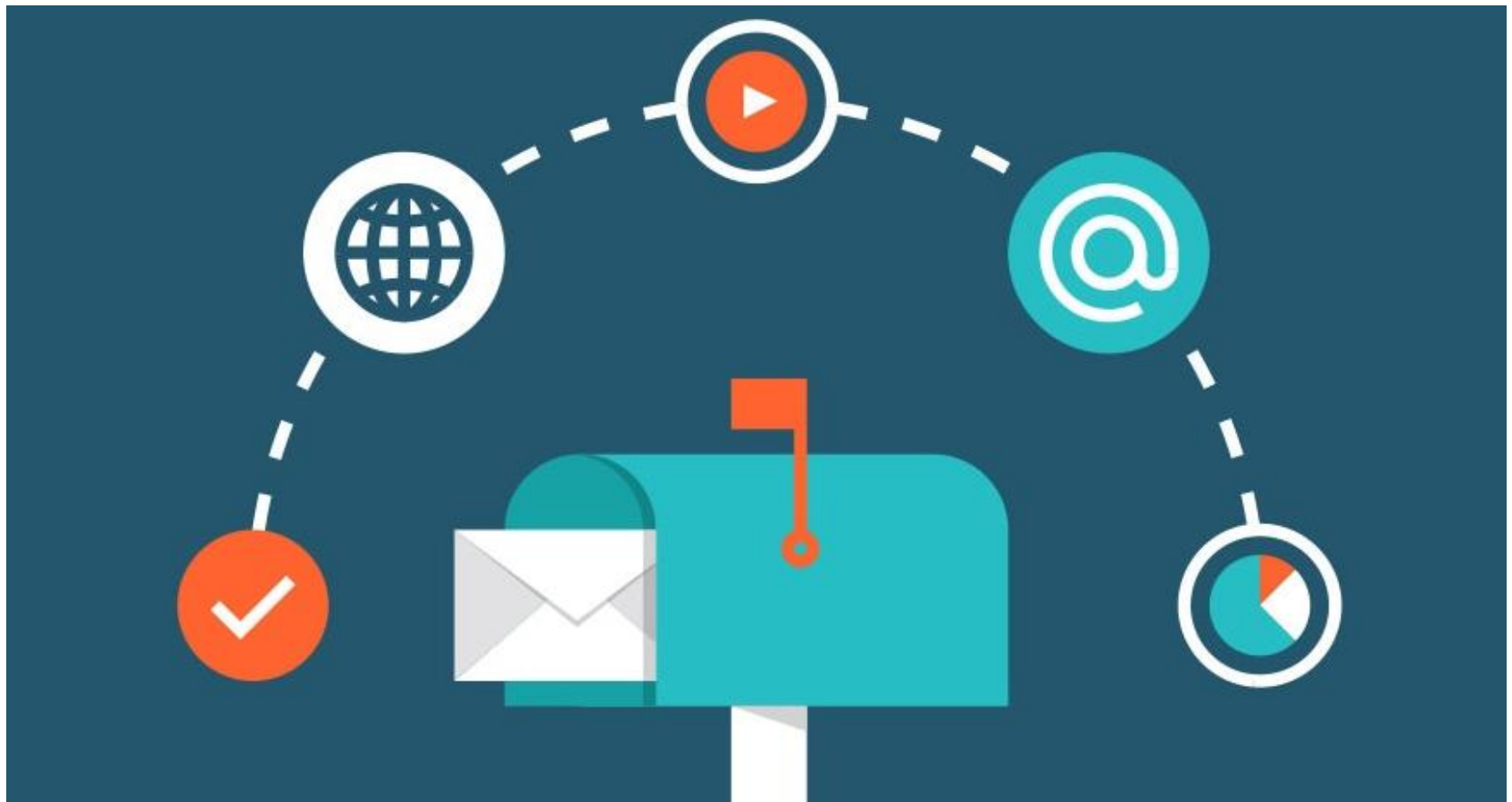
- Provides a broad base of support of high quality donors
- Builds a base of supporters who will stay with you and upgrade over the years
- Is a pipeline for major and planned gifts
- And – it's measurable!



“Can’t We Just Do It All Online?”

- In 2016, only 7.2% of giving was online*
- Direct mail is still the most cost effective way to acquire new donors
- Donors acquired through the mail have higher retention than those acquired online
- The most effective programs use online and offline channels in concert to drive donations

* Blackbaud Institute for Philanthropic Impact, 2016 Charitable Giving Report



Getting Started in the Mail

Is Direct Mail Right for You?



- Do you have broad **name recognition**?
- Do you **provide a solution** to a problem?
- Do you have a demonstrable **track record**?
- Do you have a natural **constituency**?

Is Direct Mail Right for You?

- Can you **afford to lose 50%** of your investment in the test?
- If the test is successful, can you **afford to roll out** the program?
- The ‘asparagus’ principle...



Yes? Then Test!

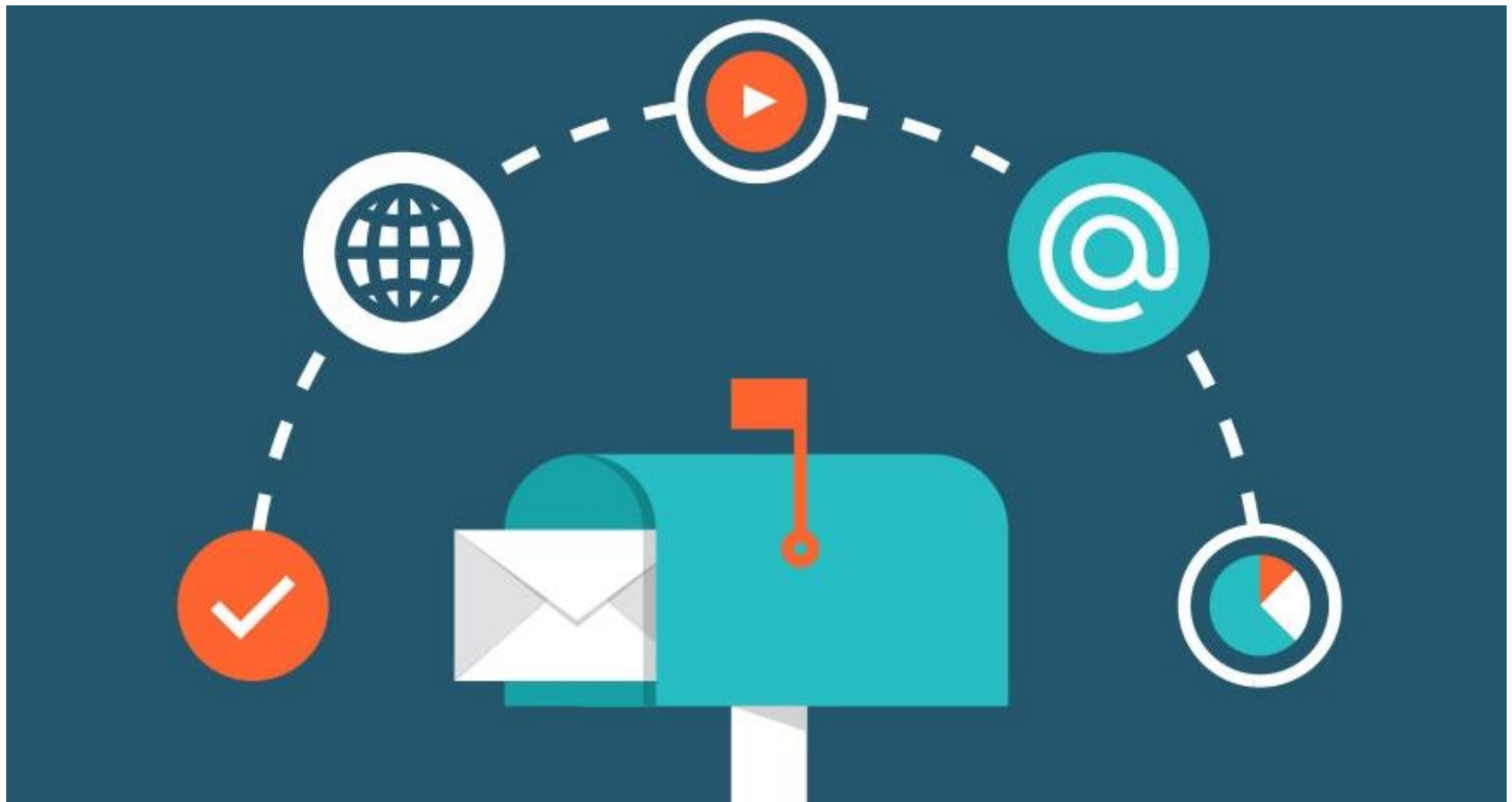
- 75,000 piece test
- 15 lists of 6,000 names
- Lists chosen from across your best markets
- One package is mailed to all names
- One test can be conducted



Be Ready to Cultivate and Steward



- Prepare your **infrastructure** – data base, call center
- Prompt, personalized **acknowledgments**
- Strong website and **donation page**



Anatomy of a Well-crafted Program

Two Parts to Your Program



Prospects

- People who have NEVER given to your organization
- Prospect mailings bring in new donors, generally at an investment
- Letters are longer and assume the prospects knows nothing about you



Donors

- People who HAVE given to your organization (donors)
- Donor mailings inspire additional gifts and generate net revenue
- Letters are shorter and assume a level of knowledge and affinity

Why Is the Letter So Long?

- Streakers
- Strollers
- Studiers



Messaging Matters

Prospect Letters

- Must **capture the person's attention** within the first 10 seconds.
- Assumes the reader **knows very little** about you.
- Needs to be long enough to **tell your story** well.

Donor Letters

- Assumes the reader knows a bit about you and is **interested in learning more**.
- Is part of your **ongoing conversation** with your donors.
- Needs to be long enough to **tell your story** well.

Design Matters

- Design should be plain and simple.
- Should look like a letter from your organization.
- Shoot for homey-looking — not commercial.
- Should NOT look like an artist created it.



The Ask Matters

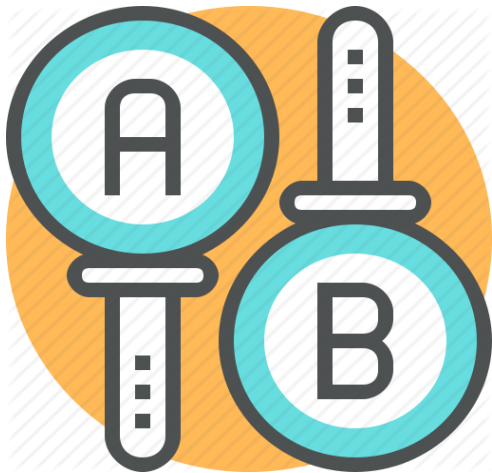
Prospects

- Include a broad range of suggested amounts. *Example: \$25, \$50, \$100, \$500, Other: \$____*
- Test the first amount — \$5 more or less might improve results
- Always include “Other: \$____”
- Can be preprinted

Donors

- Include a range of gifts based on the donor’s most recent gift. *Example; for a \$50 donor, use \$50, \$75, \$100, Other \$____*
- Always include “Other: \$____”
- Should be personalized for maximum effectiveness

Testing Matters



- Every mailing is an **opportunity to learn and perfect** your program
- Test **every aspect** of the package from the letter length to the type of postage to the first ask amount
- Test only **one element at a time**

INSERT TEST: 1 Bookmark vs 2



The Very Best Gift is in Your Hands

11_16 Acq
Pat Q. Sample
Company Name
1730 Rhode Island Ave, NW Suite 301
Washington DC, 20036

50 RIF Reading Is Fundamental

Change a Child's Life Through Books ... for just \$3!

Yes, Carol! I will help RIF bring the joy of reading to kids who need it most! I have signed the card below and am enclosing it with my contribution of:

\$24 \$36* \$51 \$105 \$255 \$500 \$1,000 Other \$ _____

*With a gift of \$36 or more, you'll receive our signature RIF book tote - free!

Chris Q. Sample 11_16 Acq
1730 Rhode Island Ave, NW
Suite 301
Washington, DC 20036

Please make your check payable to Reading Is Fundamental and return it with this form in the envelope enclosed. To make your gift by credit card, please see the reverse. You may also donate online at www.RIF.org/help.

I prefer not to receive the book tote.

ID SOURCECODE 1234567890

Please sign the card below. It will be given to a child receiving his or her very first RIF book!
Please do not tear off. RIF staff will give your card to a child receiving his or her first RIF book! THANKS!

Hoping you have fun adventures with the turn of every page.

Happy Reading!

50 RIF Reading Is Fundamental

There is a children's literacy crisis in America. Please help RIF.

Dear Friend,

If you can read this letter, consider yourself very lucky.

I don't say that lightly. You see, in America today, there is no certainty that a child will grow up able to read beyond the basic level. The stark truth is:

- One in three 4th graders cannot read at grade level.
- Nearly two-thirds of low-income families own no books for their children.
- Forty million adults have difficulty reading a simple story with their child.

In fact, in some low-income neighborhoods, there is only one age-appropriate book for every 300 kids!

For the sake of our children, our grandchildren and the future of our country, we need to fix the literacy crisis in America. And, the solution is really not so difficult: the key to improving kids' reading is to give them books that they will enjoy reading!

That's why I'm writing to you today with an urgent request from Reading Is Fundamental (RIF), the nation's largest nonprofit organization working for children's literacy.

Please, help put new need, and open the door to tax-deductible donations.

You might be surprised. For every \$3 you give to RIF, you can sponsor 8 deserving children.

For many kids, the book is the only thing they have ever owned.

Sadly, providing books for America's most at-risk children has been the premier organization Congress is no longer providing the level of funds it once did. That means the future of our flagship faces, and hope in the eyes of boys and girls across the country.

Will you help?

P.S. For centuries, reading has been the premier organization Congress is no longer providing the level of funds it once did. That means the future of our flagship faces, and hope in the eyes of boys and girls across the country.

P.P.S. I hope that the enclosed bookmark will help you see the difference between a young reader and a young reader who has never read. Please let me know if you're able to send a gift of \$36 or more; you'll also receive RIF's exclusive book tote - free!

2 Bookmarks Win!



Reading is Fundamental
November 2016 Acquisition

Test: Test - 2 Bookmarks

Control: Control

Mail Date: 11/21/2016

First Gift: 12/20/2016

Gifts Through: 8/25/2017

Number of Weeks: 35

Days of Returns: 248

	Quantity	Gifts	%Resp	Gross	Avg Gift	Gross/M	Cost	Cost/M	Net	Net/M	CTA
Total November 2016 Acquisition											
Control	44,250	336	0.76%	\$18,590	\$55.33	\$420	\$18,026	\$407	\$564	\$13	(\$1.68)
Test	44,249	389	0.88%	\$19,964	\$51.32	\$451	\$20,035	\$453	(\$71)	(\$2)	\$0.18
<i>90% Confidence Interval</i>		<i>0.78% - 0.98%</i>				<i>\$400 - \$502</i>				<i>(\$5.08) - \$6.79</i>	

TEST: Envelope

Control



Test



Test Wins!

Dorot

November 2016 Acquisition

Control: 2x+ Multis - Control

Test: 2x+ Multis - OE Test

Mail Date: 11/9/2016

First Gift: 12/6/2016

Gifts Through: 9/12/2017

Number of Weeks: 40

Days of Returns: 280

	Quantity	Gifts	%Resp	Gross	Avg Gift	Gross/M	Cost	Cost/M	Net	Net/M	CTA
Total November 2016 Acquisition											
Control	17,187	96	0.56%	\$3,363	\$35.03	\$196	\$6,631	\$386	(\$3,268)	(\$190)	\$34.04
Test	17,186	118	0.69%	\$4,257	\$36.08	\$248	\$6,631	\$386	(\$2,374)	(\$138)	\$20.12
<i>90% Confidence Interval</i>		<i>0.55% - 0.83%</i>				<i>\$197 - \$298</i>					<i>\$10.60 - \$34.51</i>

TEST: Reply Form

Control

 **CHESAPEAKE BAY FOUNDATION**
Saving a National Treasure

Yes, I Want To Help Save the Bay!

Yes! I want to do my part by joining the Chesapeake Bay Foundation. Together, we can help restore and protect the Bay. Enclosed is my charitable gift of:

\$18 \$23* \$35 \$100 Chesapeake Champion \$ _____

** A gift of this much or more will really help!*



 Mr. and Mrs. John Q. Sample control
1234 Main Street
Address Line 2
Address Line 3
Anytown, US 12345-6789

Please make your check payable to the Chesapeake Bay Foundation
6 Herndon Avenue - Annapolis, Maryland 21403 - 888/SAVEBAY (728-3228) - cbf.org

***** S A M P L E *** 1234567893456789**

PLEASE DO NOT PEEL APART. TEAR AT PERFORATION.

Test

 **CHESAPEAKE BAY FOUNDATION**
Saving a National Treasure

Yes, I Want To Help Save the Bay!

Yes! I want to do my part by joining the Chesapeake Bay Foundation. Together, we can help restore and protect the Bay. Enclosed is my charitable gift of:

\$18 \$23* \$35 \$100 Chesapeake Champion \$ _____

** A gift of this much or more entitles you to all the benefits of membership!*



 Mr. and Mrs. John Q. upgrade test
1234 Main Street
Address Line 2
Address Line 3
Anytown, US 12345-6789

Please make your check payable to the Chesapeake Bay Foundation
6 Herndon Avenue - Annapolis, Maryland 21403 - 888/SAVEBAY (728-3228) - cbf.org

***** S A M P L E *** 1234567893456789**

PLEASE DO NOT PEEL APART. TEAR AT PERFORATION.

Test Won!



Chesapeake Bay Foundation
May 2017 Acquisition

Control: Label Control

Test: Label Ask 2 Laser Copy Test

Mail Date: 5/9/2017

First Gift: 5/16/2017

Gifts Through: 9/1/2017

Number of Weeks: 15

Days of Returns: 108

	Quantity	Gifts	%Resp	Gross	Avg Gift	Gross/M	Cost	Cost/M	Net	Net/M	CTA
Total May 2017 Acquisition											
Control	70,892	387	0.55%	\$10,722	\$27.70	\$151	\$29,191	\$412	(\$18,470)	(\$261)	\$47.73
Test	71,551	396	0.55%	\$12,729	\$32.14	\$178	\$29,463	\$412	(\$16,734)	(\$234)	\$42.26
90% Confidence Interval		0.49% - 0.62%				\$157 - \$199				\$34.47 - \$52.10	

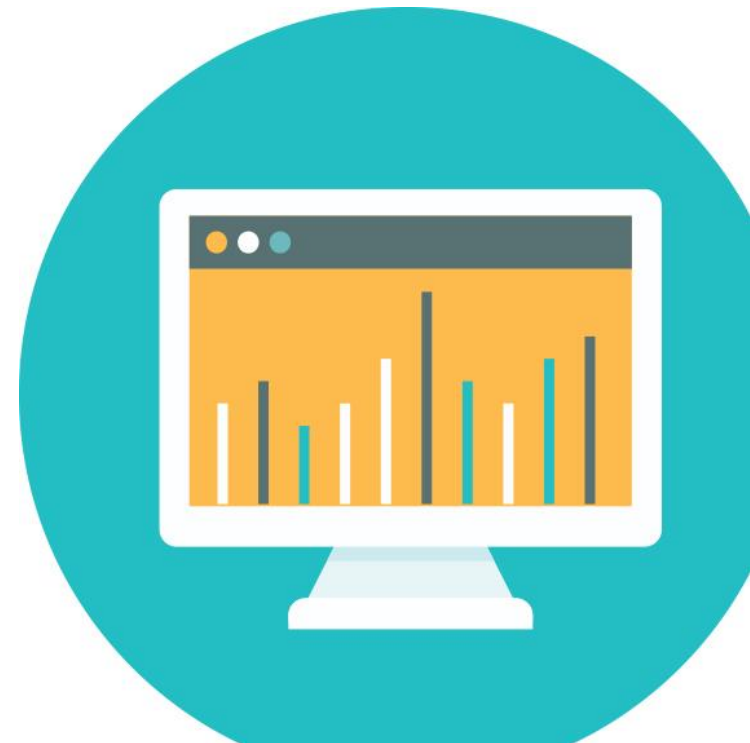
Multi-channel Matters

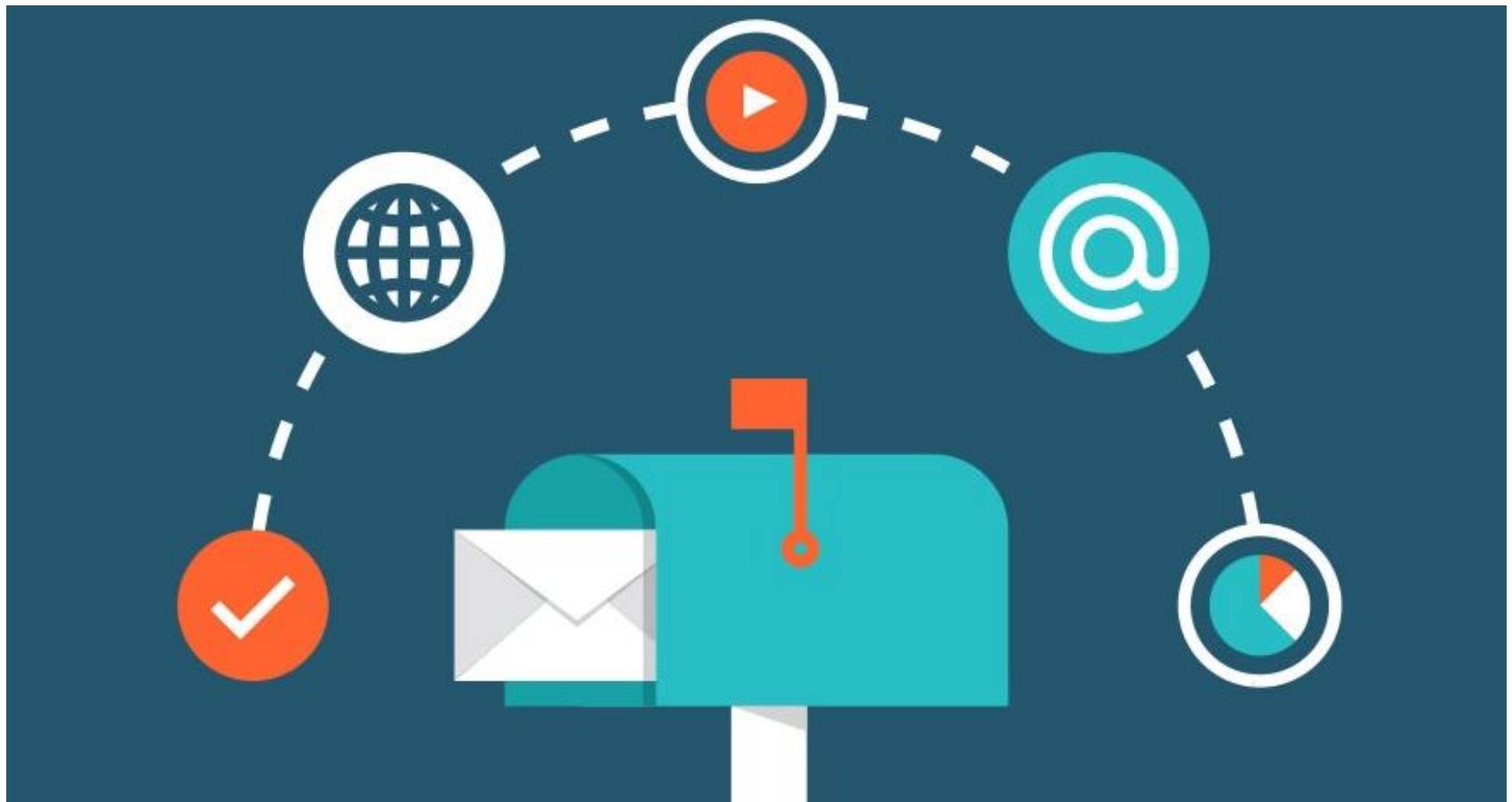
- **E-append** your mail file
- Craft online messages that **support** your mail program
- Make sure your donation page is simple and **mobile optimized**
- **Match back** online donations to prospect lists
- Don't fall into channel **silos!**



Measure and Adjust

- Create **projections** for every mailing
- Look at **ROI** and **donor retention**
- Make sure **analytics are driving your strategy** – NOT EMOTION!





Creating a Path for Upgrades

Direct Mail Donors are Excellent Planned Giving Prospects

- **Market planned giving** in your appeals and acknowledgements
- Send targeted planned giving mailings to **long-standing donors**
- **Cultivate donors** for length of giving ... not just size of gifts



Look for Diamonds

- Include **upgrade opportunities** in your mail program
- Some donors will self-select for upgrades
- Append your file with **wealth-screen data**
- **Call** donors who upgrade
- **Keep mailing** them until they give a really big gift!



Thank You!

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