



# The Dirty Dozen: 12 Questions Nonprofit Leaders Ask about Direct-Mail Fundraising

*What you think you know about direct mail may be completely wrong. Here's what research reveals.*

BY THOMAS K. KELLER

**I**n the absence of solid information, nonprofit boards are good at guesswork about any aspect of fundraising, and most have no information to guide them when the subject is direct mail. Working from hunches, however, can reduce revenues.

Because direct mail is a marketing medium, it is amenable to research and testing. The most important thing research tells us is this: The way people *say* they react is often very different from the way they *really* react, as determined by measurable behavior. What matters when applying marketing techniques is how people actually respond, as measured by research, *not* what they believe about their responses.

Here are the questions volunteer leaders ask most frequently about direct-mail fundraising. The answers are gleaned from conferences at which such information has been shared, as well as the author's research.

**1 Do people really care whether our fundraising letter addresses them by name in the salutation and, possibly, elsewhere in the letter?**

For two decades, the efficacy of personalized letters has been a

proven fact. Without doubt, people realize that a computer generated the personalized letters they receive. However, they respond more often and more generously when letters contain address blocks and personalized salutations.

If possible, you should also use personalization to stress the relevance of your work in the donor's life. You could, for example, cite the impact of your work in the city—or even the neighborhood—where the donor lives. Telling people how their gifts will help someone in their own area has real power. Computer-driven personalization can meet donors' needs by showing how close to home your organization's mission really is.

Writing such highly personalized information into letters may sound complicated, but it's not. It might help to think of it as similar to a computerized mail-merge done by an office secretary, but on a high-volume scale.

**2 Shouldn't our letters share our organization's success stories rather than harping on the need?**

Fundraising is not public relations. While public relations strives to bolster the organization's image, the goal of fundraising is to get people to write checks.

A success story can be a vital component of a public relations message. But, in a fundraising medium, it is important to tell the story in a way that focuses on the continuing need.

There are, of course, effective ways to do this. For example, you could write letters from the perspective of former clients and have them sign the letters. The letters could explain the clients' situation before the organization's intervention, describe how that intervention changed their lives, and conclude with a strong emphasis on what still needs to be done for others.

This emphasis on continuing need is paramount. After all, that's why you're asking the donor to contribute.

A cardinal rule of fundraising is that "people give to people, not to institutions." Board members and other nonprofit leaders have an institutional perspective of the organization. Their vision of the organization is from the inside out. Remember, however, that *the donor's vision of the organization is from the outside in*. It is a bit much to expect a donor to make the mental transition from the institutional perspective to the needs of, say, an Alzheimer's patient or a child in the inner city. Such mental transitions will be even more diffi-



# CREATIVE FUNDRAISING IDEAS

## Make a Note of It

You can have any message pre-printed on Post-It Notes for use in donation incentives, premiums, awards, and fundraising campaigns. In addition, Post-it Note dispensers come in over 50 shapes, including buildings, trucks, and sporting equipment. For more information, contact Desktop Labels, 7277 Boone Avenue North, Minneapolis, Minnesota 55428-1519, 800-241-9730, <http://www.desktoplabels.com>.

## Check Out Private Schools

Only 17 percent of today's millionaires attended private schools, yet 55 percent of their children and grandchildren do. Review lists of parents and grandparents of children attending private schools. This list is an excellent starting place for research and cultivation of major donors.

## Seven Feelings Every Donor Should Have

Every donor needs to be: heard, understood, liked, respected, helped, appreciated, and valued. Thus, every fundraiser needs to: listen, empathize, validate, honor, serve, commend, and esteem the prospective donor. For more strategies every fundraiser should know, see *How to Get Million Dollar Gifts*, ASR Philanthropic Publishing, P.O. Box 782648, Wichita, Kansas 67278, 316-733-7470.

cult for lapsed donors and just about impossible for a prospective donor you're approaching for the first time. That's why it's up to you, as you create your fundraising letters, to make that transition for the reader.

## 3 Shouldn't our letters emphasize the principles underlying our mission?

Principles engage the head, while the decision to give is made in the heart. Of course, the intellect must eventually come into agreement before the pen hits the checkbook; but the initial decision is emotional. As you write your letter, remember that your objective is to "close the transaction." If you wish to share abstract concepts, you must do so in ways that lead to such closure.

## 4 Does the letter really need to include a photo or other visuals?

Please forgive yet another time-worn aphorism, but "a picture is worth a thousand words." While most people understand that statement intuitively, live market research done by direct-mail fundraisers validates the hypothesis that underlies this old maxim.

Testing shows that photos and graphics can be very effective if they support the organization's case. Photos are more powerful than drawings, because people see them as more "real." Both emotion and content are essential. While photos should be emotionally evocative, they must also convey meaning.

A good example is provided by charities dealing with poverty issues. Do their photos portray well-fed, smiling adults in nice clothing? No, they show children in ragged clothing, flies drinking from their tear ducts, stomachs distended by malnutrition. If such photographs disturb people, perhaps those people should be disturbed. These charities wouldn't be fulfilling their missions if they didn't do everything in their power to help affluent people understand the impact of poverty and hunger.

## 5 I like a one-page letter! Aren't our other donors like me? Aren't most of them too busy to read something we can't say in one page?

No. Research shows that one-page letters aren't as effective as longer letters. Two-page letters do best in today's direct-mail environment. Even longer letters frequently

succeed. (It's important to remember, however, that just because a letter is long doesn't mean it can ramble or drift away from the letter's purpose.)

## 6 Let's put our brochure in there. It explains everything there is to know about our organization.

Ironically, this idea is often voiced by the same volunteers and staff members who would hang their hats on the one-page letter. Brochures *almost always depress* response rates.

## 7 Shouldn't we toot our own horn? After all, the letter is about us, isn't it?

No. The letter is about the donor. Write it from the donor's perspective, addressing what the donor needs from the organization. Rather than describing how great your organization is, explain what goals the organization will achieve on the donor's behalf.

## 8 Don't we alienate donors when we ask for specific gift amounts?

Testing demonstrates that suggested gift amounts are remarkably effective in bringing donors into the



fold at acceptable gift levels and encouraging them to upgrade their gifts.

A few years ago, a number of organizations did some testing in an attempt to escape the imperatives of suggested asks. In almost all cases, when their research was complete, these charities continued using suggested asks.

## 9 Can't we save some money by using "bulk rate" instead of first-class postage?

You must look at this question from two perspectives—one involving postal delivery, the other involving donor response.

**Postal Delivery.** You get better delivery with first-class postage than with nonprofit rates. While deliverability of first-class postage approaches 100%, nonprofit rate deliverability has traditionally been a few percentage points less. That single factor is the great advantage of first-class mail, and higher deliverability alone can significantly change response rates. Even so, most charities find nonprofit rates serve them best in terms of overall net revenues, particularly in the case of acquisition mail.

**Donor Response.** Whether people respond best to first-class stamps, nonprofit stamps, or printed nonprofit indicia is something that each nonprofit must determine in its own testing. As a guide, however, stamps are better than indicia. When stamps are affixed to envelopes, you can expect similar results among low-end donors whether you use first-class or nonprofit stamps. Few, however, would suggest using anything less than first-class postage for any communication with high-end donors.

## 10 Must we refer to each donor's past contributions by the specific amount they gave?

Bringing the donor's gift history into the picture works, whether it's a reference to the donor's most recent

gift or total cumulative giving. This fact is supported in the results of testing by nonprofit organizations of all types. Donors get a feeling of appreciation from mention of their past giving. Such references also offer charities a platform for suggested upgrades.

## 11 If people give because they relate to our organization and its mission, why must we goad them on with "clubs" based on their gift levels and other forms of donor recognition?

Gift clubs and other recognition programs may seem corny, but they are extremely effective. Gift clubs let you keep raising the bar, challenging donors to stretch just a little more in their support.

How do you decide where to set the bars? Start by looking at other nonprofits in the community you serve. Check with nonprofits like yours in other communities to see what donor recognition platforms they use. That kind of benchmarking will be very helpful.

Look also at the demographics of your current donors. While most gift clubs are established with wealthier donors in mind, many organizations start recognizing donors at relatively low levels. Entry points for recognition might, for example, begin at \$100, \$250, or \$500.

Such thresholds make recognition programs accessible to middle class people, who can later be cultivated as planned giving prospects even when their current giving may never move into the four-digit range. They also bring recognition programs within sight for young professionals, whose current giving can grow significantly as their careers evolve.

It is critical to remember that the annual gift program is the field in which most long-term cultivation takes place. There are three factors that govern potential for significant

current giving or planned gifts: linkage, interest, and ability. These characteristics are sometimes referred to as the three Cs: connection, concern, and capacity. It is the pattern of giving established in the annual giving program that identifies the interest or concern factor. That pattern also indicates the direction of cultivation, particularly when viewed in tandem with capacity indicators.

## 12 Should we equate a gift amount to a specific result it can produce through our organization?

Habitat for Humanity can equate a gift of an exact size with anything from a box of nails to a completely constructed home. Few organizations enjoy Habitat's ability to create such a vivid picture in donor's minds. But when a nonprofit can make use of such a powerful tool, it only makes sense to put it to work. ■

### Selected References

- Hitchcock, Stephen, "How to Start a Giving Club," *Nonprofit World*, Vol. 10, No. 3.
- Katz, Wendy, "Tips for Testing & Analysis of Acquisition Mailings," *Nonprofit World*, Vol. 3, No. 4.
- Keller, Tom, "Avoid Disaster when Asking for Large Gifts," *Nonprofit World*, Vol. 18, No. 2.
- Muehrcke, Jill, ed., *Fundraising & Resource Development, Leadership Series*.
- Warwick, Mal, "How Big a Gift Should You Ask For?," *Nonprofit World*, Vol. 17, No. 2.
- Werner, Diane, "The Key to Direct-Mail Fundraising: Market Segmentation," *Nonprofit World*, Vol. 10, No. 1.

These resources are available from the Society's Resource Center at 608-274-9777.

*A freelance writer in Cincinnati, Tom Keller, CFRE, learned the direct-mail discipline at NCR Corporation and honed his skills to a sharp edge at the Disabled American Veterans and the University of Cincinnati Foundation. He can be reached at 513-231-9464.*

Nonprofit World • Volume 19, Number 3 May/June 2001  
Published by the Society for Nonprofit Organizations  
6314 Odana Road, Suite 1, Madison, WI 53719 • (608) 274-9777  
www.danenet.org/snpo