



The Mysteries of Postage-Paid Envelopes

Should you include postage-paid return envelopes in your fundraising letters—or let donors pay their own postage?

Q:

Are there any studies available on the pros and cons of using postage-paid return envelopes when doing direct mail? What were the results of those studies?

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A:

There are two questions here, really. I'll respond to both.

1. Pros and Cons of Paying Return Postage

Postage-paid return envelopes don't get much attention in basic books on direct mail, and virtually none in the general texts about direct mail fundraising (including my own). From my experience, however, I can make some observations that may be helpful to you. First, let's briefly define what we mean by postage-paid return envelopes.

There are two common types of postage-paid envelopes: (1) business reply envelopes (BREs) and (2) pre-addressed envelopes with postage stamps or metered postage affixed. Both these relatively expensive devices are widely believed to increase response because they make it easier on the donor. In

other words, they're *convenient*. But the convenience is the donor's, not the mailer's. Many nonprofits report frequent delays in receiving business reply mail from the U.S. Postal Service. Permits and payment procedures for the service are another common source of dissatisfaction.

In addition to avoiding the drawbacks of business reply mail, pre-stamped reply envelopes may have an added advantage: Seeing the stamp, a donor might be impressed by the urgency or importance of the appeal.

It's more costly to use either type of postage-paid envelope (but especially those bearing actual postage stamps) than to simply suggest that donors put their own stamps on the envelopes. Although price is the most obvious disadvantage, there may be other drawbacks to paying the postage. Some fundraisers believe that supplying the postage gives the appearance of wastefulness and inefficiency and may turn off donors. If that happens, the mailer would pay an even bigger price.

2. Research on the Impact of Postage-Paid Return Envelopes

The "studies" you're asking about don't address any of the pros and cons mentioned above. In direct mail fundraising, we use a procedure called "testing" to determine what works and what doesn't. Through testing, many nonprofit organizations have *compared* results, using postage-paid return envelopes in some letters and non-postage-paid return envelopes in other letters and measuring the difference in returns.

In my experience, business reply envelopes usually produce marginally higher response than the "Please Place Stamp Here" variety. By contrast, return envelopes bearing "live" postage stamps frequently yield *much* higher response than either BREs

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or plain, pre-addressed envelopes. Double the response is not unusual. If the average contribution is significant, a big lift like that can add greatly to the net proceeds. That's why I often advise clients to test live postage on reply envelopes in donor appeals, especially those going to top donors.

Not everyone has observed similar results, however. I'm told by some fundraisers that they see little or no benefit in using live reply postage. And many nonprofits insist their response is *higher* if they require donors to use their own stamps instead of sending either BREs or live-stamped reply envelopes. I, too, have seen this happen from time to time.

But none of these tests, no matter how conclusive, can help us understand *why* one approach works better than another. "Why" is rarely known in direct mail.

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Note: Mal Warwick is the author of How to Write Successful Fundraising Letters, available through the Society for Nonprofit Organizations' Resource Center Catalog, included in this issue (or call 800-424-7367). For a review of his book, see page 00. He is also editor of the bimonthly newsletter, Successful Direct Mail & Telephone Fundraising. ■

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