



Lyons Direct  
Communications, Inc.

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## **COMMUNICATION EQUALS RETENTION**

Direct mail programs are proven, cost-effective vehicles for capturing and renewing donors. In fact, they account for approximately 75% of individual giving. However, direct mail can also be the cause of low retention among donors.

With many non-profits mailing quarterly appeals, this consistent solicitation can negatively impact a donors desire to give. This is not to say the number of appeals should be reduced, but that a donor- centered approach must be instituted seeking a balance between donor solicitation and communication.

Donor-Centered Fundraising is a proactive approach focusing on building relationships through communication. Timely and meaningful communication between solicitations has proven to increase retention and impact gift size. Communications including gift acknowledgements, personal contacts, newsletters, and e-mail blasts engage donors building a strong relationship essential to the success of future appeals.

Remember, it is the right of every donor to receive meaningful communication from the charity. "Philanthropy should not be measured by the size of a donor's gift but by the size of their heart."

It is simple! Meaningful communication means increased donor retention.

## GET THE MOST FROM YOUR DIRECT MAIL IN TODAY'S ECONOMY

The economic crisis is having a significant impact on nonprofit fundraising. Many nonprofits are experiencing a decrease of up to 30% in individual giving. As donors are faced with less disposable income, unemployment reaches an all time high, and the stock market continues to sink to new lows, it is no wonder there are fewer donors and gifts are smaller.

The most common question I am asked today is what course of action should nonprofits take? Should direct mail programs be eliminated temporarily? Absolutely not! While this will result in some immediate short-term savings, the overall program, in the long run, would suffer a significant loss of income and donors. The impact would take years of rebuilding your direct mail fundraising program. Growth will stop and donor retention will decrease. No fundraising program can succeed without donors.

Each year nonprofits experience an average loss of 30% of their donor database. Without active communication reaching, engaging and motivating donors and potential donors, income will decrease, as donors are lost. To keep income flowing, donors actively giving, and your program profitable, mailing must continue and the lines of communication must remain open. Remember the old saying...Out of sight, out of mind.

With no way to predict the outcome and length of this economic crisis, it is essential that nonprofits take conscious actions to lessen the impact both short and long-term on their organization. If you find yourself questioning your direct mail program, here are some suggestions that will help you successfully maintain and grow your direct mail fundraising program during these difficult times.

√ Know your Audience - Your donors are the most important asset you have. - Get to know them, identify their traits, wealth opportunities and interests. The more you know about your audience, the more you can personalize your message allowing for a more targeted appeal resulting in higher response rates and greater giving.

√ Limit Acquisition Lists -While it is important to mail to acquisition lists in order to maintain and grow your donor pool, it is essential that important list criteria be observed in an effort to decrease spending and increase your ROI. - Mail only to high performance lists that have proven successful in previous mailings. Include lapsed donors and warm prospects as acquisition lists, eliminating untested list rentals. Limit the number of acquisition names mailed. Mail only enough to maintain your current donor base.

√ Mail to Multi-buyers - Multi-buyers are highly responsive names that should receive special attention. Mail a follow-up mailing to names that appear on three or more lists.

√ Monitor Expenses - ROI can make or break your appeals success. - Avoid 4-color art if at all possible.

√ Follow-Up Mailing to Donors - Again, donors are your best asset! - Mail a follow-up mailing to donors who have not yet responded to the appeal. Include a handwritten note that suggests urgency and indicates they have not yet responded.

√ Monitor Expenses - ROI can make or break your appeals success. - Avoid 4-color art if at all possible. - Limit the number of inserts in the mailing to lower printing and mailing costs. - Choose standard size envelopes and try to avoid bleeds. Custom envelopes and bleeds can significantly increase costs and traditionally have not proven to increase response.

√ Mail During Months that are Historically Responsive Months - Spring and Fall

√ Avoid Testing Risky Copy - Stick with what has worked in the past.

## **IT IS BETTER TO GIVE THAN RECEIVE**

So goes the old adage “it is better to give than receive”. Now a new study by researchers at the University of British Columbia and Harvard University validate this.

Researchers started by asking 632 Americans to rate their happiness on a scale of 1 to 5, the higher the number the happier they were. Participants were asked to report their annual income, estimate how much they pay in bills, what they spend on themselves, and how much they give to charities. What they found was the more people spent on giving to charities, the happier they were.

Researchers then asked 16 employees of a Boston company how they spent their bonus. Those who spent their bonus by giving it to nonprofit organizations were much happier.

Finally, 46 students were asked to rate their happiness. Each was given an envelope containing between \$5 and \$20. Some were instructed to spend it on themselves and others to buy a gift for someone else. The result: those who were instructed to buy a gift for someone else reported greater happiness.

What does this mean to your fundraising program? Clearly your donors need to feel their gift will make a difference. And how do you do this? By stating the benefits of giving to your organization, telling donors where their gift is going and the importance of their gift, and most importantly by thanking them for their support.

## LEADERSHIP GIVING

A leadership giving program is an important component to any successful fundraising plan. Identifying individuals who have significant financial capacity as well as an interest in the organization provides an opportunity to significantly increase support by converting these individual donors into major gift supporters.

How do you do this?

√ First identify those prospects. Once identified, link these people with a program leader, possibly a trustee, a development committee member so someone outside of the Development Office, who will involve them and inform them about your organization.

√ Step Two: Introduce a Leadership Giving Society. This Society should include unique benefits and opportunities. A high-end brochure and specialized letterhead is a great idea to give this group its own identity.

√ Step Three: Develop a catalog of programs that need funding, include a wish list. Make sure the catalog contains a complete description of each program, cost, length of time the funding is needed to cover the costs and the importance of each program.

√ Step Four: It is important to remember that cultivation is essential to a successful program. Special events, invitations and personal contact must be maintained.

√ Step Five: Recognition is an important part of a good program. Donors at the leadership level should be treated special at all times. They should be listed separately in all donor listings and recognized at events. Creating a special newsletter for these individuals is a great way to make them feel important.

Finally, once the initial group of prospects are identified, be sure all information including letters, meetings and e-mails are tracked. Information including prospect's name, their solicitors, interests, and any actions taken must be recorded. This will help in future solicitations and can prevent over asking which can have an adverse effect.

## **CULTIVATING THE NEW DONOR**

New donors are important to any donor program, but once you have captured and identified these new donors the hard work begins. How do you continue to engage these donors and make them vested individuals within the organization? The following steps will encourage cultivation and help create a successful donor program.

1. Respond in a timely manner to their gift with a warm and personalized thank you.
2. Make sure some of your mailings are informative only - not solicitations. A quarterly newsletter, e-mail blasts, invitations, etc. are all ways of keeping donors involved.
3. Survey your donors to hear their views and ideas. Listen to what they have to say and incorporate their suggestions into your donor program.
4. Ask your donors how they would like to receive communications from you, phone, e-mail, mail, etc.
5. Always abide by a donors wishes. If they ask to receive only one appeal a year then be sure you do that.
6. Offer your donors a way to become more involved; volunteering, advising, committees, etc.

If you would like more information on creating better donor communication through newsletters, invitations and e-mail blasts, please give us a call at 781-934-9200 or e-mail us at [lyonsdirect@verizon.net](mailto:lyonsdirect@verizon.net).

## GET CLEANED UP

A database of accurate and reliable information is a fundraiser's most valuable tool, but so many of us suffer from vague, messy, and inconsistent data. Here are three tips for improving and maintaining your database:

- 1) Field definitions – define how each field is to be used and what type of information should be stored there.
- 2) Protocols – set a series rules for how to handle certain pieces of data and where you are to record certain types of information (i.e., how to enter a donor's interest, contact preference, handle former addresses, or where to record board committee involvement).
- 3) Security – Set security in the database that limits access to add or delete items in field tables.

These three steps will improve the reliability and usability of your data going forward. Once you can rely on your data you will have the information you need to segment lists, produce reports, analyze current programs and produce reliable income forecasting and budgets. It's a fundraiser's dream come true!

Lyons Direct is available to help you with your database. Our services include;

- database conversions,
- data clean-up or reconfiguration,
- acknowledgement system,
- software training, analytical and financial reporting,
- creation of custom reports and financial reconciliation.

Give us a call today and let us show you how to get the most out of your database. We are committed to guiding your development operation to find successful solutions.

## SELECTING THE BEST LISTS

How much thought do you put into the lists you use for your direct mail campaign? Lists account for 60% of your mailing's success thus they are the most critical element of the campaign—more important than your offer, the creative/copy, and timing. Some examples of lists and their effectiveness include:

**House Lists:** These are names you generate internally. Your donor list is your most valuable list—these folks are very familiar with the good work your organization does and have already given you a gift in the past. Even lapsed donors are more likely to give to your organization than a qualified name on a prospect list. Other house lists include prospects generated from your organization's special events, inquiries, visitor books, or former clients—these folks have shown some interest in you and should be included in your campaign.

**Compiled Lists:** These are names generated from a common source such as a phone book or census data. While these lists are the least expensive, they tend to have the lowest response rate. This low response rate is a direct result from the lack of experience these individuals have with responding to direct mail.

**Mail Order Buyer Lists:** These are names of people who have responded to direct mail in the past. You can custom order lists tailored to a specific interest. Since these folks have already demonstrated a tendency to respond to direct mail, these lists get better returns than compiled lists but usually cost more to get.

**Publication Lists:** These are names of people who subscribe to magazines. Again, you can purchase lists from special interest magazines related to your organization's mission. Although response will be better for these lists than compiled lists, mail order buyer lists may be stronger because those names have taken some action in response to a solicitation.

**Donor Lists:** These are names of people that have supported organizations through direct mail with a similar mission to yours. These lists may have the best response rate of any of the other lists, except for your house lists.

It is also important when purchasing lists to request lists that have been recently updated. This will provide you with more accurate addresses. In addition, make selections based on variables offered, such as income, this will provide better targeting and better results.

Lists are so important to your campaign and your ROI—don't leave it to chance. If you need help compiling, buying, or segmenting lists, give us a call at Lyons Direct.

## **BUILDING RELATIONSHIPS**

Every development professional knows that fundraising is all about relationships. But do we do enough to nurture these relationships on a regular basis? Most of us work in environments with limited resources in terms of both time and money. There's tremendous pressure to meet budget goals and we often focus on activities that have immediate monetary payoffs. For long-term success, we need to keep donor relations in mind. It's worth the investment!

√ Regular, ongoing communication is key to building and maintaining relationships with donors. How often do donors hear from you aside from solicitations? Donors value information from your organization. Newsletters, invitations, program updates, and e-mail blasts are just a few examples to include in a communication plan.

√ Technology allows a greater level of personalized communication – take advantage of it!

√ Offer donors giving choices to appeal to different interests – annual fund, capital, special projects, giving clubs, etc. And don't forget to recognize donors whenever you can.

√ Create opportunities for donors to become more involved in your organization in a non-monetary capacity. Encourage donors to volunteer, invite them to events, and involve them in activities that are meaningful to them.

√ Thank your donors early and often. Acknowledgements should be timely, warm, and sincere. Let the donor know exactly how their gift was used. Consider making some thank you phone calls for gifts over a certain dollar amount.

√ Conduct a donor/member survey. Other than their gift history, how much do you know about each individual? What are their main interests, what's most important to them, what do they value, what motivates them to give to your organization? The more information you have, the more effective your communications and solicitations can be.

Your direct mail program will greatly benefit from these efforts. Information about your donors will help segment your mailing list so every donor gets a targeted message and ask which is critical to a healthy ROI.

## FINDING NEW FRIENDS

Acquiring new donors is so tough but necessary. It is inevitable that your database will shrink every year as donors move, pass away, or change their giving priorities. You need to acquire new donors every year just to tread water. And you have to acquire even more to expand your donor base.

Direct mail is becoming increasingly popular – you need only look in your own mailbox to know that. One reason for this is the recent implementation of the national “Do Not Call” list. Many nonprofit and for profit companies that depended on telemarketing have turned to direct mail.

So how do you acquire a donor amid all that competition? It’s all about your list! You’ve heard us say this before, but 60% of your direct mail success is attributable to the quality of your list. You need to target the right people or the most wonderful offer or the most beautiful package in the world is not going to help you.

It may seem obvious but we are sometimes shocked to hear how many organizations do not collect the names and addresses of as many people who come into contact with their organization as possible. These are your best prospects and their names are FREE! They have already shown some interest in your organization by using your services, attending a program, or visiting your website. We can help you rent lists but your ROI will be much stronger with internally generated prospects, due to both the cost of rentals and the cold nature of the prospects.

The bottom line is this: figure out all points where people come into contact with your organization and have a mechanism in place to make sure you capture as many as possible.

## WRITING DIRECT MAIL COPY – IT'S NOT AS EASY AS IT LOOKS!

Good copy is important to your return on investment (ROI) - 10% of your campaign depends on the copy and creative. If people don't read your letter or if it's not inspiring and persuasive your income will suffer. Solid writing and the right layout will increase the likelihood of recipients reading at least part of your letter (let's face it - no one reads it all!) and responding positively to your request.

However, direct mail copy is a unique style of writing - not at all like writing an essay for your english professor. Here are just a few tips to keep in mind when you are writing or editing letter copy:

- √ Know your audience and keep them in mind when you are writing.
- √ Be clear, concise, and don't use big words - write at the 10th grade level.
- √ There is no hard and clear rule on length - take as much space as you need to state your case but if you go longer than one or two pages be sure you have something interesting to say - if not, you will lose readers and just increase your printing costs.
- √ This is not a business letter - people give to people so make your letter as personal as possible.
- √ Write your letter the way you would talk to someone - that means, it's okay to use contractions and sentence fragments, and to start sentences with "And".
- √ Use the word "you" as much as possible - the reader will connect more with what you are saying.
- √ Use short sentences and paragraphs and indent to create white space - the reader perceives this as easier to read and will be more likely to read more of the letter.
- √ Use underlining and bolding to draw the reader's eye to key information.
- √ Copy must convey a clear reason to give, the benefits of giving (offer), and a specific ask.
- √ A strong opening paragraph and a P.S. are essential as these are two of the only parts that people actually read In the P.S. restate your case, offer, and ask.

## TESTING 1, 2, 3

Testing is a critical component of direct mail - every campaign Lyons Direct undertakes includes a test. Each test is an opportunity to learn valuable information about what works well (or does not) and it is the best way to create the most effective package for each individual client we work with. As always, we want to increase your ROI (return on investment) with every mailing and that means increasing income while controlling expenses. Testing helps us to do that by identifying the elements that will increase giving and/or elements that are costly but don't really influence income.

ROI will also help you accurately measure your results. For example, we spoke with an organization that sent out two direct mail packages. One was their traditional 2-color executive package (control) and the second was a more elaborate, oversized 4-color package (test). At first glance, the 4-color piece appeared to have done significantly better than the control package - its response rate and average gift were higher and it raised more total dollars.

However, when we did an ROI analysis, a different story unfolded. Because the cost of the 4-color package was so much higher it negated the income realized with the higher response rate and average gift and actually had a lower ROI than the 2-color package. Our recommendation in this case - stick with the 2-color and continue to test other elements that may increase income without significantly increasing costs.

This is just another example of why Lyons Direct considers ROI - and testing - a critical part of any campaign we undertake.

### Tips for Testing

- √ Include a test in every direct mail campaign you do.
- √ Be sure to have a control package and a test package for comparison.
- √ Just about any element of a package can be tested - colors, 2-color versus 4-color; ask amounts; copy; design, package size, inserts; offers, lists, and timing to name a few.
- √ Randomly assign the packages.
- √ Code everything so you can analyze the data to determine what, if anything, was most successful.
- √ Measure your ROI for a comparison across packages with varying costs, response rates, and average gifts.
- √ Incorporate your findings into future campaigns to increase your ROI.

## **ALL YOU HAVE TO DO IS ASK**

Why do people give to your organization? Is it your honorable mission, your outstanding programs, your commitment to the community? Well, yes, those are all important factors in a donor's decision to support your organization. But the biggest and simplest reason people give is because they were asked.

Do not be shy about asking people for financial support! Your organization fills an important need in the community. Your supporters expect you to ask them for money, and if you are not asking, you could be leaving some serious money on the table.

Your members and donors should be asked for numerous gifts throughout the year. For example, members should be asked for annual fund gifts. Annual fund donors should be asked to make a contribution to that special appeal you may be doing. Ask your donors and members for a gift in addition to their annual support during a capital campaign. And always be asking donors to upgrade their support.

One of our clients was sending out membership renewals without asking members to upgrade their support. Their rate of upgrades was less than 2%. We suggested they include a specific ask at the next membership level in the renewal letter and on the reply form. In no time their upgrades shot up to 12%! There was no additional offer such as a premium to motivate members to upgrade - just a simple ask to do more.

Will people complain? You might offend a few but positive responses in the form of gifts will far outweigh the handful of people who complain - you will only lose money if you do not ask.

## **Making the Ask in Direct Mail**

- √ Be direct - this is not the time for subtlety.
- √ Ask for a specific gift amount based on the donor's gift history with your organization and any other information you may have about their capacity.
- √ The ask should appear at least twice in the letter and be sure to tell the donor what you are going to do with their gift.
- √ Don't forget a targeted gift string on the reply form.
- √ A direct mail letter must have a P.S. Research shows it is one of the first things a donor reads and our experience consistently shows that letters that contain a P.S. have higher response rates than those that do not.
- √ Develop a donor communication plan so you will know the right time to make the ask.

## **TAKING THE MYSTERY OUT OF THE MAILHOUSE**

The mailhouse, or lettershop, provides the functions of personalizing, sorting, addressing, merge-purging, inserting, affixing stamps, bar coding, and an assortment of other functions related to large-scale mail operations.

What does all that mean, and how can it help boost your ROI?

**Personalization** - A direct mail piece is more effective when it is personalized. Many variables can be personalized including, but not limited to, name, salutation, gift array, and coding. The mailhouse process can personalize and laser each letter and response device to maximize your response rate and average gift.

**Merge-purge** - Your data is cleaned up by eliminating duplicates and combining households so you are not wasting paper or postage.

**Addressing, sorting, and bar coding** - Whether choosing a closed-face or window envelope, the mailhouse process can address, sort, and code your addresses for bulk mailing and maximum postage savings.

**Inserting and affixing stamps** - Inserting and affixing stamps are automated, saving you a considerable amount of time and allowing you to reach many donors and prospects efficiently. Affixing stamps helps to increase the personalization of the piece. Additionally, non-profit bulk mail stamps receive priority over for-profit bulk mail.

The functions of our mailhouse are automated, making it a cost-effective tool in achieving your ultimate goal - a higher ROI.

Just think about never stuffing another envelope again!

## **DOES YOUR DATABASE MATTER?**

Your database is one of your most important tools for creating a personalized direct mail campaign that maximizes both response and average gift. It is the first step in creating a personalized letter and response device. In fact, 60% of a campaign's success depends on your lists!

A clean and efficient database is so important in saving you time and money in your direct mail campaign. But if your database is not perfect (and whose is?), don't despair! Lyons Direct will clean your data with sophisticated computer software by eliminating duplicates, merge/purging households, and checking for the accuracy of zip codes. We can even perform more miraculous feats such as separating first and last names so you can personalize your letters with a "Dear Mr. Smith" instead of a less effective "Dear Friend".

As always, a personalized ask is important and another area where good data is critical. By providing a donor's last gift or largest gift, an incremental gift array for each individual on your list can be created and included in the body of the letter and on the response device.

We can work with just about any type of database, in any kind of shape, but the more work you can do on the front end, the more you will save on both time and money.

## ALL ABOUT PRINTING...

Working exclusively with nonprofit organizations, Lyons Direct understands how important it is to stay within budget. There are several ways we can reduce costs without sacrificing quality or compromising design.

Choosing a design that utilizes two-colors effectively will not only keep costs down but when used efficiently, can give the appearance of three or four colors.

Careful selection of paper can also significantly reduce or increase costs. If the design calls for heavy ink coverage, is printed on 2-sides or requires many high resolution photographs, it may be necessary to choose a higher paper grade to get better results. Printing on a higher grade paper will ultimately result in increased costs.

Remember, when designing a mailing take into consideration size. Using standard envelopes and paper sizes will reduce production expenses and time. Carefully choosing design elements such as tints, bleeds, overlapping inks may also add to the cost of printing. While we are not suggesting eliminating these from the design, we are suggesting you consider how the cost will effect the Return On Your Investment.

There are two options when choosing printing: Traditional Offset or Digital. The question frequently arises as to which one is best. The answer depends on each individual job.

**OFFSET:** Offset printing is when a plate is made to transfer the image to a rubber blanket and then to the paper. It is best to use offset printing for the following results: For large quantities over 3,000 the cost per piece declines as quantity increases. Produces a high quality result. Produces a high resolution - great for photographs. High quality for fine lines, screens, tints. Ability to print on a variety of papers.

**DIGITAL:** Digital printing takes a single source of light to expose the image onto photosensitive material located on a drum belt, i.e.: high speed laser printing. It is best to use digital printing for the following results: · Small quantities under 3,000 since the cost per piece does not change with increased quantities. · Cost-effective for 4-color printing. Quick turn-around time.

## Important Words to Know

**BLEED:** Extra ink area that crosses the trim line so the color runs over the edge. This adds additional cost. Larger paper must be used and trimmed.

**COLOR SEPARATION:** The process of separating the primary color components for printing.

**FINISHED SIZE:** The final size of a piece after trimming.

**RESOLUTION:** Determines the dot per inch of an image. The higher the resolution the better the quality.

**ROI:** Return on investment. Income earned/Campaign Cost. This measures the success of a campaign.

**SCREEN:** A percentage of an image that appears behind copy.

**TINT:** A percentage of color.

**TRIMMING:** Cutting a printed piece to final size.

**VALUE:** Lightness or darkness of a color.