

# Journal

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## Can't we teach donors how to behave? (And do we **really** want to?)

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Luke Vander Linden!

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February 7 & 8, 2013!  
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# Can't we teach donors how to behave?

(And do we **really** want to?)

**Our ground-breaking study uncovered how donors are using the options given to them.**

**ONCE UPON A TIME,** donors knew how to behave. When asked to write out and send in a check, many did. When we called them, many dutifully pulled out their credit cards. Or when told to phone in a pledge of support, they responded. Those were the days...

Luckily, those days aren't quite gone. But a recent study of over 8 million philanthropic transactions and mail records over the past 5 years uncovered some useful donor behavior that confirms that donors' "traditional" relationship with the organizations they support may be a thing of the past.

## **Response rates not looking so good (or so you think)?**

Like many organizations, you're probably tallying results to your last mailing. How did it do? Chances are your response rates are either flat or declining. A lot of organizations have seen a drop of as much as 20% over the last 5 years.

**But there may be a flaw in how you've been looking at those responses.** That number might only count donors who've responded the "old fashioned" way—by completing the reply form, writing a check, sealing the reply envelope, affixing a stamp and mailing it back in. You're not to blame—that's the way response rates have always been calculated.

Wait, you say. You also sent an *integrated* email. You probably have that response rate on your campaign report too. On its own line. Separate from the mail.

But what about all the things that aren't reported? Gifts on your website? Where did that money go? Did any "white mail" come in? Or calls to your donor relations department?

And what about those folks who got your integrated email but instead of clicking on it to contribute went back to the direct mail piece and transacted their gift through the mail? That'll make your email response rate look worse than it really is.



**Luke Vander Linden**

Vice President & Senior Marketing Director  
Carl Bloom Associates



Your direct mail response report probably isn't telling the whole story. Yet that's how many organizations judge the success of their direct marketing efforts. And it's time that changed.

## Integrated Marketing is Good

A large urban library in the Pacific Northwest has participated in a city-wide foundation matching gift program for the last couple years. On a single specified date, the foundation encourages city residents to go to its website and make a contribution to one of the hundreds of local organizations listed there. That date happened to coincide with the library's spring direct mail appeal. It had dropped nearly 50,000 pieces of mail just a few weeks before. The library raised more money from more donors than any other organization through the foundation's campaign that year. And fully half of those donors received some kind of direct mail from the library during their campaign. Coincidence? Maybe or maybe not.

Inspiring multi-channel behavior isn't totally new in the not-for-profit world and it has been the focus of a lot of effort especially over the past several years. Sending mail during a telemarketing campaign or following up with an email are more commonplace. And some organizations are using even more, and in some cases newer, tools to support older ones. Advertising, direct response TV, social media and other tools are being added to the mix.

We're all putting an extra emphasis on how best to integrate different channels. The internet ushered in this new way of thinking. But while the media may be new, the multi-channel strategy isn't. Now we just need to track the full effect of these smart strategies and tactics as they relate to donor behavior.

## Seek and You Shall Find

The truth is that people are still giving to the causes they support; they're just doing it in different ways. Which is why we undertook a major analysis to figure out just how donors are behaving when given other options or when other options are simply made available.

We partnered with 9 public broadcasters from all over the country—they ranged in size and geographic region and included both TV and Radio stations—to analyze over 8 million of their transactions and mail records going back to August 2007. Our study looked at traditional direct mail contributions, email responses, web and telemarketing gifts and even people who pledged their support during one of the stations' famous on-air pledge drives. We knew there would be some channel migration, but our study showed that over the last 5 years it has accelerated at an astounding rate.

**Where that migration was happening was also surprising. Conventional wisdom would dictate that current donors** would be the most likely to know an organization's web address and how to donate online. And they do—results show that on average, 7% to 8% of response to additional gift or appeal direct mail campaigns come in through a station's website.

But they're not the most likely. The number of direct mail-to-web converters is even higher for lapsed donors with greater than 10% of response to a direct mail piece coming in online. That's up from about 4% just 5 years ago.

What's more, an additional 4% to 5% of those direct mail responses came in through "other" ways—including the pledge drives and their donor services departments. And stations that sent email saw up to 8% of their responses from people clicking through to online donation forms (which shows that if your organization isn't sending emails, it could be missing out on some substantial revenue). [more ▼](#)

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# “DON'T LEAVE MONEY ON THE TABLE BY LIMITING CHOICES”

**But the real story is in acquisition.** Everybody's response rates are going down, right? Or maybe it just *seems* like they are. The reality is that gifts just aren't being counted correctly! On average, stations in the study are seeing up to 12% of their acquisition response come from the web, while “other” channels count for around 4%. These “lost” gifts represent a potential increase of 20% to 25% in response rate!

What organization wouldn't love to be able to count that “missing” money (and prove to leadership that response rates aren't as anemic as they may seem)?

## Keep marketing, but track response correctly too

Most organizations don't have pledge drives of course (although many are using Direct Response TV), but it's not the tools that matter; it's how you use them. Luckily many organizations are fairly forward-thinking in how they market to their donors. Now it's time to become equally advanced in tracking donor behavior.

Donors are still responsive to direct mail—they're just choosing to respond in a variety of ways other than by mailing back the reply form with a check. People have their preferences for the channels they like to use and if you don't give them an opportunity to use them, you're limiting the ways that they *can* respond and potentially leaving money on the table.

A large, national animal rights organization recently split their mailing universe into 4 groups: The first was sent only by postal mail, the second only an email and the third and fourth either got an email before or after the direct mail piece hit. It's no surprise that the joint email/postal mail panels won out when all of the response channels were combined (sending the email after the direct mail performed slightly better).

But what was surprising was how their donors chose to go online. Included in the postal mail piece was a “vanity URL”—a web address that goes right to a form to make donating and tracking donations easier (for example, “<http://www.animalsrpeople2.org/giveagiftnow>”). Of all the millions of direct mail pieces that went out with that address, only three people — 3 — chose to type all that in.

You can't fight human nature. If someone wants to go online, they will. If they don't, they won't. But very few people really like having to type a long URL into their browser. They'll either search or go to your homepage.

And match contributions to their original source. It's extremely important, and will lead to better reporting to your leadership; a clearer picture of how your donors interact with you; useful data for where your fundraising resources should be allocated; and potential for greater revenue, retention and a healthier overall fundraising program. ●



**Luke Vander Linden**

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Luke has 19 years of direct marketing experience, many spent at Thirteen/WNET New York where he conceived and managed an award-winning online fundraising and promotions program. He was also a Senior Account Manager at GetActive Software, now part of Convio, now part of Blackbaud.

Luke has conducted fundraising, outreach and constituent relationship management for many public broadcasting stations, including Connecticut Public Broadcasting Network and WNED, The National Association of Railroad Passengers, Montefiore Medical Center, Catholic Charities CYO of San Francisco, Clare (Ireland) County Council/The Cliffs of Moher, Save the Children, Oxfam, North Shore Animal League, and Environmental Defense.

Luke is a lecturer on integrated marketing and fundraising at New York University's Graduate and Continuing School of Philanthropy. He is also involved with several nonprofit and community groups as a volunteer including his local Lions Club and Neighborhood Association.

Luke serves on several Boards including The Delta Kappa Epsilon Club of New York (President), The Hundred Year Association of New York (Secretary), The Town of Bedford Republican Committee (Vice Chairman), The Bedford Hills Free Library (Trustee) and is on the Advisory Boards of The Log Cabin Republicans Hudson Valley Chapter and The Town of Bedford's Communications Committee and Recreation & Parks Advisory Board.