Direct Mail Campaigns 101

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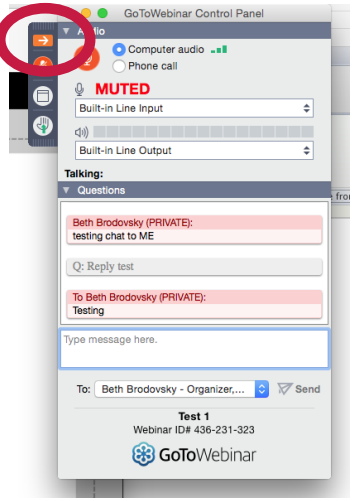
Yes, we are recording today's presentation

You will receive a link to the recording via email in the next 48 hours.

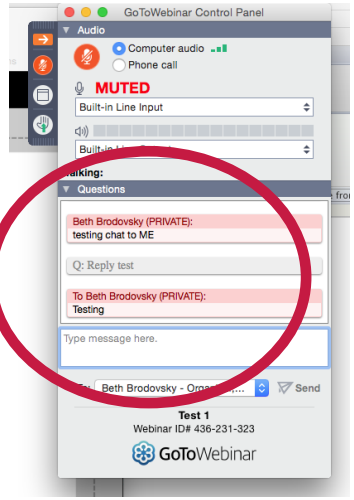
TIPS

Click the orange arrow if you can't see the tools



TIPS

Type your questions here



What We'll Cover

Direct mail **process** from A-Z

What is **segmenting** and why it's important?

What is new donor **acquisition?**

Tips on how to **tweak messaging** for various calls to action and recipients

What is Direct Mail?

Direct mail is a form of marketing that involves sending a physical piece of promotional material through the U.S. Postal Service or other courier service to a home or business.

Email marketing is the digital equivalent.

General Direct Mail Fast Facts

Source: Maddie Shepherd 12/16/20

1. Direct mail spend—at **$38.5 billion**—accounts for the largest portion of US local advertising spend.
2. US advertisers spend an average of **$167** per person on direct mail.
3. **70%** of consumers say direct mail is more personal than online interactions.
4. **54%** of consumers say they want direct mail from brands that interest them.
5. **42%** of recipients read or scan the direct mail they receive.
6. Direct mail response rates are **five to nine** times higher than any other advertising channel.
7. The average direct mail response rate for prospect lists was **4.9%** in 2019.
8. *Adding a name to your direct mail piece can increase response rates by **135%**.

Direct Mail Compared to Other Channels

General Return of Investment for Fundraising Strategies

- Direct Mail Acquisition costs $1.15 per $1 raised
- Special Events costs 50¢ per $1 raised
- Planned Giving costs 25¢ per $1 raised
- Direct Mail (Prior Donors) costs 20¢ per $1 raised
- Foundations / Corporations costs 20¢ per $1 raised
- Major Gifts costs 5-10¢ per $1 raised
- Monthly Donors costs 2 – 5¢ per $1 raised

(James Greenfield, Fund Raising: Evaluating and Managing the Fund Development Process with addition by Erica Waasdorp, based upon actual figures provided by organizations)

Nonprofit-General Direct Mail Fast Facts

1. Direct mail response rate to house files is 9% (compared to **1% email**, **1% paid** search, **.3% online** display, **1% social media**).
2. On average, Americans receive **605 emails and 16.8 pieces of mail** every week.
3. For every **36 emails** you receive on average, you get **1 piece of mail** in your mailbox.
4. The average **lifespan of an email is 17 seconds** whereas **direct mail's average lifespan is 17 days**.

Source:
Compu-Mail

Nonprofit Email Benchmarks vs Industry Averages

Average open rate for all industries vs. nonprofits

- Industry average open rate: 17.92%
- Nonprofit open rate: 20.39%

Average click-through rate for all industries vs. nonprofits

- Industry average click-through rate: 2.69%
- Nonprofit click-through rate: 2.66%

Average click-to-open rate for all industries vs. nonprofits

- Industry average click-to-open rate: 14.10%
- Nonprofit click-to-open rate: 12.99%

Average unsubscribe rate for all industries vs. nonprofits

- Industry average unsubscribe rate: 0.17%
- Nonprofit unsubscribe rate: 0.17%

Average bounce rate for all industries vs. nonprofits

- Industry average bounce rate: 1.06%
- Nonprofit bounce rate: 1.09%

Source: Campaign Monitor

Nonprofit-**Email** Marketing at a Glance

Best days for email marketing

- Highest open rates: Sunday
- Highest click-through rates: Tuesday and Saturday
- Highest click-to-open rates: Wednesday
- Lowest bounce rates: Monday
- Lowest unsubscribe rates: Monday

Worst days for email marketing

- Lowest open rates: Wednesday
- Lowest click-through rates: Monday
- Lowest click-to-open rates: Monday
- Highest bounce rates: Wednesday
- Highest unsubscribe rates: Friday

Source: Campaign Monitor

Nonprofit-Personalization Direct Mail Fast Facts

1. ***Adding a name** to your direct mail piece can increase response rates by 135%.
2. *60% of **donors value a personalized experience** when interacting with nonprofits, but only 44% are satisfied with the level of personalization they currently receive.
3. *59% of survey respondents said they **would give up to 10% more** for a more personalized experience; 25% would donate up to 25% more; and 8% said they would donate up to 50% more.
4. *Individuals who are given a variable ask amount based upon their previous gift are **20-50% more likely to renew** at the same level or increase their gift.

Source:
Compu-Mail

*Segmentation

- Segmentation allows you to separate your list into several groups based on donor/subscriber differences.
- You can segment based on gender preference, location, donation amount, loyalty, and much more. Segments allow you to create personalized and compelling direct mail for your supporters.

Potential Direct Mail Segments

- Current Donors
- Lapsed Donors
- Capital Donors
- Pledge Donors
- First Time Donors
- Volunteers
- Event Attendees
- Lifetime Donors
- Planned Givers
- Major Donors
- Monthly Donors
- Members
- Acquisitions (purchased/rented)
- Organization Specific – (pet owner, foster families for pets, veterans, military personnel, etc.)

Acquisition List

A highly targeted list of potential donors based on a selected list of criteria (age, place of residence, income level, kids, pets, political affiliation, etc.) use to cultivate 'potential/prospective' donors. Typical lists are a minimum of 5,000 contacts which usually include name and address with the occasional email.

*Considerations for tweaking messages to compel action among a variety of recipients (*segmenting*).

Frame the conversation through the lens of the donor/investor.

Use specific donor-centered rationales and examples when possible.

these both imply segmenting

*Donor-Specific Messaging

Past Impact = Assure
Present Impact = Engage
Future Impact = Inspire

Direct Mail Process from A-Z

Lists

Budget

Marketing

Calendar

Follow-Up and Tracking

LISTS

Segments, Access, Organizational Options

Lists – things to consider

- **What types of direct mail are you going to engage in with this appeal?** Snail mail only, email only, both?
- **Do you have the data to segment your lists?** Are you tracking age, gender, address, email, giving history/levels, how a donor got on your list, etc.?
- **How are you going to collect segmenting data going forward?** (birthdays, giving method, address, phone, etc.)
- **Do you have a strategy for growing each list you are going to use?** (website, social media, etc.)
- **How many individuals are on each list?** (establishing baselines helps with budgeting, goal setting, and ROI)
- **Do you have lists from various locations within your organizations?** (Habitat Affiliate vs Habitat ReStore, Member vs Program Partner, Donor vs Business Sponsor, Online Donor vs Planner Giver, etc.)

*Messaging

*Tweaking Messaging

Header/Salutation	Date, Address, Logo/Letterhead	**Specific:** Dear Mr., Mrs., Pastor, Missions Chair, Outreach Director, etc. **General:** Manager, Friend, Brothers/Sisters in Christ
State the Purpose	Keep this to one sentence.	We are reaching out today to request…
Share the Story	Craft a personalized message that encourage readers to identify with your mission and the people you serve.	a. Invite them to "Imagine" a particular situation and/or "Walk in the shoes of your clients" b. Share a specific success story c. Tie story into the greater need with phrases like "Every day "people like ___ come through the doors of [name of org.] seeking assistance, help, support, resources, hope, a new beginning, a brighter future, a warm bed,
Clarify the Need	Include current, relevant, and/or shocking community data, dollar or in-kind support needed and date you need contributions in hand. Share how your organization is addressing the need (vision, mission, impact data, etc.)	a. General heart-felt observation and/or reality check: Life is a struggle, the sad truth is, the reality is, many of our neighbors struggle to… b. Our dedicated team of staff and community volunteers has accomplished the following: number of clients served, miles traveled, volunteer hours logged, nights of shelter provided, meals served, jobs secured, etc.

*Tweaking Messaging *(continued)*

Invitation to Engage	Specific call to action.	a. We invite you to "become part of the solution, partner with us to do x, transform lives, save a life, etc. b. We need your help to…. c. It's a big job to take care of our community's neighbors and we need YOUR help.
Power of the Contribution	Break down small to large donation amounts; focus on the specific impact the donor will have if they respond positively to your request.	Your contribution of $25: a. has the power to b. allows our ministry to c. enables a child to d. empowers a woman to
Status Update	One sentence to assure donors you have community support/buy in.	We are excited to report we have already raised 50%, secured 20 sponsors, generated x support towards goal.
Final Call to Action	Specific ask or appeal	a. Donate, enclose your gift, pledge your commitment, etc… b. Please confirm your support/pledge/etc. c. Scriptural reminder/encouragement
Closing	Closing and signature	a. Warm Regards b. Sincerely c. Peace and Grace d. Your partners in ministry

Budget

determine cost estimate before committing to a campaign.

Budget– things to consider

- **Bulk Rate Permit –** annual cost
- **Postage –** added to bulk rate account prior to each direct mail of 200+ pieces
- **NCOA Updates** (*National Change of Address*) **–**
- **Design Costs, Printing, Mail House Services** - be sure to check with each provider to see which services they provide and compare costs
- **Purchase or rental of an acquisition list –** shop around and compare deliverables and costs
- **Thank-you letters/calls**
- **Data Tracking Tools**

Budget– Design & Printing

- **Custom fields for segmenting increases costs**
- **Determine labels vs print addresses on envelopes** (in-house or print house)
- **Minimum items in most direct mail (letter) campaigns:**

  Letter (# pages, front and back or 2 pages, etc., customization, color or b/w)

  Standard envelope (printing on envelope, color, b/w)

  Reply card (one-sided or two, full color, b/w, coding, customization)

  Reply card envelope (postage included?)
- **Consider if your appeal is black and white only, color, are you designing it or having it designed.**
- **Get quotes on print costs for the number of items and number of lists/segments**

Marketing

Marketing

- **Will you have an annual theme or one-off campaigns?**
- **Will you design content in-house or outsource?**
- **Is your marketing done at your printer or print-house, or is this a separate cost?**
- **Is your marketing part of a larger contract and is it possible to break out the cost to help determine the ROI of this income stream?**

Calendar

Calendar

- **What is the timeline for each piece of the direct mail process?**
- **Who is responsible for each task?**
- **Who is in charge of the calendar and managing all the parties involved?**
- **When are you determining your marketing calendar for the year?**
- **Be sure to include other items that correspond with direct mail (media coverage within 2 weeks of a drop date, post eblast, social media posts, follow-up with campaign updates/progress, etc.)**

Timeframe	Task	Deadline
Continuously	Build list of potential donors and volunteers Timely thank-yous to donors (phone and mail) Regular and relevant social media engagement Annual theme branding across marketing	ongoing
January 2020		
February 2020	✓ Timeline of donor and mail campaigns drafted and shared with FMC and Habitat staff ✓ Up-to-date with all thank-you phone calls and handwritten thank you notes ✓ Begin initial cleanup of donor database ✓ Begin clean up, automization and creation of systems to maintain email database and donor database	February 14th February 28th February 28th February 28th
March 2020	Draft postcard for Easter designed and approved Postcard to printer for Easter Mailing list for Easter postcard ready Final Spring letter composed/edited/approved Spring Appeal designed and approved from FMC Complete cleanup of donor database	March 13th March 17th March 20th March 20th March 30th March 30th
April 2020	Easter postcard drop Complete cleanup, automization and creation of systems to maintain email database and donor database Lynn has list ready for Spring mailer Marketing materials to printers and John Need some coverage in media before Spring Appeal drops Have content finalized for major donor build day Have materials printed in-house for major donor build Major donor build day invite drops Spring Appeal Drops Draft letter for Fall Appeal composed, edited and approved along with design Thanksgiving postcard designed and approved	April 2nd April 17th April 10th April 13th Between April 13-24 April 17th April 20th April 27th April 22nd April 30th April 30th

IN PROGRESS

Follow-Up & Tracking

What Shows Up in Your Mail Appeal Central Tracker

- **Appeal Name** (Spring 2021,Easter Postcard)
- **Description** (Spring Appeal, Donor Touch)
- **# of Solicitations**
- **# of Gifts**
- **Total Given**
- **Average Gift**
- **Cost** (track cost in a separate book so you can easily add the total to each campaign tracker)
- **Net**
- **Cost to Raise $**
- **ROI**
- if segmenting you also want to track # of solicitations in each list

Mail Appeal Central - Sample

Appeal	Description	# Sol	# Gifts	% Resp	Total Given	Avg Gift	Cost	Net	Cost to Raise $	ROI	ROI %
Fall 2020	Fall Mail Appeal 2020	1,303	37	2.84	$6,509.40	$175.93	$1,327.79	$5,182	$0.20	$4.90	390.24%
Christmas 2020	Christmas Mail Appeal 2020	1,714	99	5.78	$31,223.52	$315.39	$1,545.21	$29,678	$0.05	$20.21	1920.67%
Spring 2021	Spring Mail Appeal 2021			#DIV/0!		#DIV/0!		$0	#DIV/0!	#DIV/0!	#DIV/0!
Thanksgiving Postcard	Donor Touch Only	3,234									
Christmas Postcard	Donor Touch Only	3,203									
Easter Postcard	Donor Touch Only	0									
	Appeal Totals	**9,454**	**136**	**1.44**	**$37,732.92**	**$277.45**	**$2,873**	**$34,860**	**$0.08**	**$13.13**	**0.80%**

Individual Campaign Tracker- Sample

Appeal	Description	# Sol	# of Gifts	% Resp	Total Given	Avg Gift	Cost	Net	Cost to Raise $	ROI	ROI %
Fall 2020	**Overall**	1,303	37	2.84	$6,509.40	$175.93	$1,327.79	$ 5,181.61	$0.20	$4.90	390.24%
	Current	260	26	10.00	$ 4,714.60	$181.33	$264.95	$ 4,449.65	$0.06	$17.79	1679.43%
	LFYBUNT	120	3	2.50	$ 850.00	$283.33	$ 122.28	$ 727.72	$0.14	$6.95	595.13%
	SFYBUNT	602	8	1.33	$ 944.80	$118.10	$ 613.45	$ 331.35	$0.65	$1.54	54.01%
	Churches	253	0	0.00		#DIV/0!	$ 257.81	$ (257.81)	#DIV/0!	$0.00	-100.00%
	Guests Not Given from HITK	35	0	0.00		#DIV/0!	$ 35.67	$ (35.67)	#DIV/0!	$0.00	-100.00%
	ReStore GIK	33	0	0.00		#DIV/0!	$ 33.63	$ (33.63)	#DIV/0!	$0.00	-100.00%

August 25th | 2 pm est

Custom Direct Mail Appeals

Q + A

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