

## Fundraising in tough times

*Fundraising is challenging enough in good times, but when the economy takes a turn for the worse, things get even tougher. Here Mal Warwick and Dan Doyle write how you can ensure your direct mail programme continues to raise money – and grow – when times are hard.*

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**S**o, what's a body to do in the face of a recession that's already making fundraising even more challenging than it usually is?

Here's what not to do:

Don't cut back on new donor acquisition, and don't economise on thank you letters or other donor cultivation activities.

In these respects, our advice is simple: Stay the course. There's no other way to ensure that your organisation will emerge healthy and poised for renewed growth when the recession is over.

But staying the course doesn't mean you can't find ways to cut costs while protecting your file's overall health.

#### Solutions

Here are five ideas you can use to make it through tough times with stable net revenue – and a growing programme.

1. Focus on list exchanges. Exchanging rather than renting to acquire new donors has two benefits. It's cheaper to exchange a name than to rent it, reducing your overall acquisition costs.

And in most cases, exchange names perform better than rentals in acquisition mailings, because they come from lists filled with donors who've shown they enjoy giving to a cause like yours.

2. Mail your lapsed file more deeply in your acquisition mailings. If it costs you less to reactivate a lapsed donor than to acquire a new one, you aren't mailing your lapsed file deeply enough.

Your lapsed names are free to mail, and reactivated donors can have higher long-term value than new donors because they have established relationships with you.

3. Focus on your highest-value donors. It can be tempting to skimp on personalisation to cut down on costs. But there's a core of your file – maybe 10 or 20% – that generates most of your net revenue. These are the donors you need to be certain receive your mailings.

You should also invest in inspiring them to respond, either with increased personalisation or by paying return postage. Don't make the mistake of cutting corners in your communications with your most

valuable donors.

4. Mass print. We've seen hundreds of tests where a different outer envelope has made absolutely no difference in response or revenue. If you can't think of a reason why you're producing different components from mailing to mailing, get rid of them. By printing in larger quantities, you can save money.

5. Reduce your postage expenses by making sure your mailshop is taking the fullest possible advantage of postal discounts.

The post office is making it more rewarding for you to do their work for them. Correct your file regularly to achieve the best rates.

Unfortunately, we're facing a recession at the same time as our most loyal core of donors is dying.

Demographic changes are undermining many of our assumptions about how best to communicate with our donors, what persuades them to give (or not), and what the future of fundraising may hold.

Clearly, what's in store for us in the future – recession or no recession – is not more of the same.

But direct mail fundraising is built on innovation. Every proposition is testable. Every great idea, with a disciplined approach, can lead to a stronger programme, whether it fails or succeeds. The paradigm may be changing, but the principles remain.

#### Danger

We believe the greatest mistake during these tough times will be to stick to what you know and retreat to a defensive position.

Cutting acquisition and not investing in building relationships with your donors are quick ways to create a direct mail programme that no longer justifies its expense.

So, whatever you do, keep trusting – and testing – your best thinking.

And good luck!

*This is an edited extract from an article which appeared in the February 2008 issue of Mal Warwick's Newsletter, Successful Direct Mail, Telephone and Online Fundraising™.*

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# The do's and don'ts of Successful capital fundraising



*Terry A. Murray is former chairman of Downes Murray International and recently retired president of DVA Navion South Africa.*

In the past few years I've become aware of a number of South African capital fundraising campaigns (mainly universities) which, in my opinion, are almost certainly doomed to failure.

The two which immediately spring to mind are firstly, a university celebrating 125 years since its inception, with the Vice-Chancellor making a public announcement in the 125th year that they were about to embark on a campaign to raise R125 million!

The second, which I stumbled on while surfing the internet, was a university foundation which announced a no less than R1 billion goal purely on the strength of a R400 million government grant!

## Embarrassment

I would love to be proved wrong, but, because both failed to adhere to the rules of successful capital fundraising, these campaigns will, I predict, disappear into the mire and be swept under the carpet in order to avoid the embarrassment of having to admit a total failure.

But it need not have been so: both these examples could have been a different story if they had followed just a few basic rules.

So here – in sequence – are the 10 key factors in preparing for a capital fundraising campaign:

1. Begin your planning at least four years (preferably five years or more) before the date on which the campaign is to culminate.

2. Develop a list of real and urgent projects or needs and put a realistic cost budget to each.

3. Prepare a draft case for support which describes your organisation, outlines the projects and provides logical reasons why they are worthy of support.

4. Commission an outside consultancy to conduct a feasibility and planning study. This absolutely vital exercise will involve one-on-one interviews with a carefully selected cross-section of all your key constituencies.

It will test the goals and projects for potential donor acceptance, the attitudes towards your organisation and your management, and the likely levels of support.

Most importantly, it will test the viability of the amount you wish to raise. The study will also seek influential voluntary leadership to assist with your fundraising efforts and usually will help to identify a potential 'champion' to lead your campaign (often a financially influential individual who is not a board or staff member).

5. Once you have the study results, you can adjust both the project's and the financial goals so that you remove the risk of failure.

6. Recruit the campaign 'champion' (whom the study has identified) to help form a planning or advisory group to bring together other financially influential volunteers who will help you raise the money.

This group will start by critically reviewing your draft case for support document, by using their knowledge and contacts to add to your list of potential donors and ultimately to 'open doors' or accompany you on calls to make the 'ask' for essential lead gifts to the campaign.

7. For the next six months to a year (or more, if necessary) focus on securing the largest possible major gifts using face-to-face calls. Remember to offer the opportunity to pledge amounts over three to four tax years as this will often secure you a larger contribution.

8. During this time it is absolutely vital that you respect the 'silent phase' which is essential to any capital campaign. Make no public announcements of any kind whilst all that has been described so far is happening.

In fact you should only plan to announce the campaign once you have secured 50 - 60% of the final goal amount. In this way you will stand a much better chance of obtaining the remaining money in smaller pledges from your wider constituency.

**“... steps which unfortunately are often ignored through lack of knowledge and proper guidance ...”**

## Announcement

9. Now you are ready to announce the campaign. This is the time to seek wider publicity so that everyone in your various constituencies has an opportunity to contribute to the campaign to the very best of their ability.

10. Finally, remember to plan a programme of thanking, recognition and stewardship of all donors well in advance. Major donors, in particular, often look for appropriate recognition – but be careful to sound them out first as many also like to remain anonymous.

So there you have it – 10 essential planning steps towards successful capital campaigns.

They are relatively simple to apply, could save you the embarrassment of failure, and instead, allow you to enjoy the feeling that comes from reaching an ambitious and important goal to provide for essential projects and needs. They go to prove the belief that, in fundraising, the right planning is often more important than the execution. ■

# Milestone Thinking

*On-target observations in brief*

Real charity doesn't care if it's tax-deductible or not.

*Unknown*

The more personal and sincere you are with the people you are cultivating, the quicker you will be able to make the ask.

*With acknowledgement to  
The NonProfit Times  
March 15 2008*

One fact always holds true in fundraising: you can only get money from people who have it to give. The more people you have associated with your nonprofit who have financial resources, the better your odds of securing more major gifts.

*With acknowledgement to  
Successful Fund Raising  
April 2008, Volume XVI No.4*

Pay attention to what donors have said about what kinds of messages they want to receive and acknowledge donors who have been giving online for some time, or who have helped to recruit others.

*With acknowledgement to  
The Chronicle of Philanthropy  
www.philanthropy.com  
3 April 2008*

Do your organisation a favour. Get your thick skin back from the dry cleaners and conduct a self-audit.

*With acknowledgement to  
Mal Warwick's Newsletter  
www.malwarwick.com  
May 2008*

To be a successful fundraising organisation, you should think of your donors as investors – as soon as their cheque is written they are a stakeholder in your mission.

*With acknowledgement to  
The NonProfit Times  
www.nptimes.com  
1 January 2008*

The work shortage that nonprofit leaders bemoan stems from a failure by many organisations to capitalise on the skills and values of a new generation.

*With acknowledgement to  
The Chronicle of Philanthropy  
www.philanthropy.com  
6 March 2008*



## Teaming up to create brighter futures

**F**or children and youth who live without good role models, life can be daunting, confusing and filled with many challenges.

But fortunately Big Brothers Big Sisters of South Africa (BBBSSA) works to match youngsters in need with carefully selected and trained adult volunteers in one-on-one mentoring relationships that help them to maximise their potential.

The work of BBBSSA focuses on providing a positive role model for children between the ages of six and 18 years, in a consistent, caring and supportive relationship.

And by helping to provide support based on individual needs, the programmes help to improve self-esteem, self-respect and respect for others, while encouraging youngsters to develop their own vision for the future.

All it takes is an hour a week – of support, playing games, talking about friends, going for ice-cream, helping with homework, career advice and most importantly, just being there to listen – to help turn young lives around.

Having matched their first youth in 2 000, BBBSSA has provided over 4 000 children in South Africa with mentors.

BBBSSA operates in Cape Town, Gauteng, Pretoria and KwaZulu-Natal.

Visit [www.bbbssa.org.za](http://www.bbbssa.org.za) for more information.

**(Readers are invited to submit photographs, together with a brief overview of their organisation's work, for inclusion in this regular feature.)** ■

*By volunteering just an hour a week, adult South Africans are helping children to maximise their potential, and giving them hope for a brighter future.*

## FUNDRAISING FORUM

**Fundraising Forum** is a regular newsletter dedicated to the enhancement of management, fundraising techniques and the promotion of community service, welfare and not-for-profit organisations of all kinds.

It is published by Downes Murray International and circulated, free of charge, to anyone with an interest in the growth and improvement of the non-profit sector and those served by it. In addition to regular features written by Downes Murray International staff, there are extracts from worldwide fundraising publications which are reprinted with acknowledgement to the publishers.

We welcome submissions for publication from all writers involved in not-for-profit work.

Visit [www.dmi.co.za](http://www.dmi.co.za)

# How to encourage donors to give again – and again

*Ever wondered what motivates donors to donate – and then to donate again? Bob Levey describes why he sends some organisations more than one gift a year.*

**I**t was that Sunday again – the day when all my tax forms were in hand and it was time to sort through the tax stuff. I started, as always, with charitable giving.

On a pad I wrote down the name of each organisation that got a cheque from our family in 2007. Opposite each name, I wrote the size of the cheque. Then I added up the amount.

When I reread the charitable giving list, I noticed that several organisations had attracted more than one gift during 2007 from me or my family.

That's true almost every year in our house. I suspect that we are not alone, either in our high-mindedness, our impulsiveness, our sentimentality, our passionate commitments, or our guilt.

In 2007, the Levey family gave again because of:

#### **Belief in education.**

I made my annual \$100 gift to my alma mater. Then I read in the alumni magazine that an anonymous alumnus had decided to give the college \$150 million, all for scholarships. So why would a second gift of \$100 from me make any difference, especially under the circumstances? Because I wanted to tell my college that even its less flush graduates care about educational quality and making sure that poor people have access to it. I gave again because I care.

#### **Belief in hot causes.**

A once-abandoned railway line runs near our home. It has been reclaimed, paved and turned into a 17 kilometre recreational trail. The trail is one of the most sensitive, healthful reuses of land I've ever seen.

Not only is it cool to walk in dense woods where coal trains once sputtered, but it's great to see a citizen board care for the trail and lobby to keep it safe from sillier uses.

But politicians want to build a light rail system alongside the trail. I made a second gift to the citizen's group to bolster its campaign against an action that would probably kill the trail's recreational availability. I gave again because it was timely.

#### **Belief in our family's past.**

Both of our children are heavily involved in performing arts. Both got their start in musical theatre at the local community college. Each year, our family gives modestly to support the programme at the college.

But because each of our kids enjoyed major success in showbiz during 2007, we gave a second gift of \$350 to go with our 'usual'

donation of \$100. I gave again because it was a way to say thanks.

#### **Belief in an important issue.**

The District of Columbia has been the capital of the United States since 1800. But its residents have never had full voting rights. Each year, I give to support one of the many organisations that work towards full voting rights.

This year I sent a second cheque because voting rights were nearly passed. I gave again because the timing was strategic.

#### **Belief in atoning for my own stupidity.**

My wife and I were invited to a fundraising dinner. I thought she had RSVP'd, she thought I had. In fact, neither of us had and we didn't go.

I sat down and wrote a cheque for double the modest sum we would have spent at the auction. I gave again because I was careless and guilty about it.

Please note that we are still relatively small contributors in the world of philanthropy.

But the human factors that made us repeat our gifts are the same elements that inspire plenty of other donors.

Our second gifts were all emotional. They were all the result of our hope for a particular result or at least to even the score.

They were all based on getting and staying informed. And any non-profit that doesn't keep its donors informed is betting against itself.

All our repeat gifts were based on firsthand experience with particular causes. I didn't give twice (or even once) to programmes that I know nothing about. I gave – and gave again – to programmes whose value I had seen myself.

It's entirely possible that I won't give twice to any of these causes this year. But I will probably give twice to several causes, either those or others.

No non-profit group is static. Its status and agenda change during the year – sometimes very sharply. I'll be listening and reading, and if some of my money can make a difference as a second gift, the cheque book is right beside me. It's ready. So am I.

*Bob Levey teaches journalism at the University of Memphis. He spent 36 years as a columnist and reporter at The Washington Post. He has also been a senior development executive and a long-time volunteer fundraiser for colleges, arts groups and health care institutions.* ■

*Adapted from  
The Chronicle of  
Philanthropy  
3 April 2008  
www.philanthropy.com*

# New rules of attraction

**T**raditional approaches to seeking new donors by mail or telephone are growing less effective and more expensive every year, yet online appeals are not raising enough to replace them.

Plenty of charities still raise most of their contributions with direct mail, but mass mailings are losing their power to attract new supporters.

Online fundraising offers a promising alternative, especially since people who make their first gift to charity online give one-and-a-half times as much as those whose first gift was made by mail, according to Target Analytics, a Boston company that conducted studies of both online and direct mail results. Repeat gifts by online donors also tend to be larger.

To figure out what approaches will attract first-time donors, many charities are hiring extra staff members to devise and test new ideas, and are upgrading software to analyse the results.

Fundraising experts agree that online fundraising has a long way to go before it becomes a successful way to attract new donors.

However, fundraisers have found some new approaches in recent months that are helping them better attract donors who can eventually become the lifeblood of an organisation. Among them:

## **Make pitches in person**

World Vision, the international relief group, asks people who make monthly gifts to 'sponsor' a needy child overseas to volunteer to seek donations from other people.

Two-and-a-half years ago, the charity started recruiting people to give presentations about monthly giving to their colleagues at work or church. People who give at least eight presentations a year are named 'Child Ambassadors'. Last year, volunteers recruited more than 4 000 new monthly donors.

## **Tap existing online donors**

Charities can take a lesson from the 'member-get-a-member' drives held by professional societies, says consultant Kevin Whorley.

Holding contests and offering prizes or other rewards can improve charities' ability to get donors engaged in finding new supporters.

## **Couple advocacy projects with online fundraising**

The Planned Parenthood Federation of America knew that anti-abortion protesters planned to show up at 10 of the charity's clinics over 40 days, so it used the occasion to start 'I am Emily X,' an online video diary and blog.

Visitors to the site were invited to post comments and messages to the clinics throughout the protest, and they were asked to pledge a small amount of money for each of the 511 protesters Planned Parenthood counted in front of its clinics.

## **Test fundraising elements of websites**

Amnesty International is using new software to randomly send online visitors to slightly different versions of a single web page so it can see which online elements do the most to persuade people to make a donation or visit other parts of the organisation's site.

After two months, Amnesty found a version of its donation page that increased the number of people who made a gift from 35 to 55%, says Steve Daigneault, managing director of Internet communications. 'I don't think many non-profits realise how important this is,' he says of the tests.

## **Get a celebrity to endorse an appeal**

Save the Children recruited 1 800 new donors and generated more than \$50 000 with an online campaign that enabled visitors to its website to download or send electronic Valentine's Day cards in exchange for a donation of \$1 or more.

But the holiday alone was not enough to make the online greeting cards work for the children's charity. The key to success, Mr Rossetti says, was actress Julianne Moore, who agreed to promote the online cards when she appeared on *The View*, a popular daytime current events show aimed at women.

## **Do a year-end campaign online**

Planned Parenthood has recruited thousands of new donors by sending a series of e-mail messages during the final month of the year. In December, before asking for any money, the charity sent 50 000 people a survey via e-mail to assess their interest in Planned Parenthood programmes. That was followed by two other e-mail messages: a holiday greeting and a link to a YouTube video slide show highlighting the charity's work over the past year. A fourth message asked for a donation.

The online year-end campaign has proven to be 'one of our primary recruitment methods' according to the organisation.

## **Promote online projects in social networks**

Internet Sexuality Information Services, an Oakland, California group, initially drew few entries when it asked people aged 15 to 30 to enter an online video contest to express their views on sex education.

That began to change after two staff members began combing through social-networking sites, commenting on blogs, searching online news outlets, writing to reporters, and sharing the group's own news - that it had received the first 10 entries, for example. By the time the deadline for entries passed three months later, the charity had received 70 entries.

While the video contest was not designed to raise money, the publicity efforts are helping the group attract contributions from new donors. ■

*As traditional fundraising methods falter, charities look for new ways to appeal to online donors, reports Holly Hall.*

*Adapted from  
The Chronicle of  
Philanthropy  
April 3, 2008  
Visit [www.philanthropy.com](http://www.philanthropy.com)*

# Five renewal ideas

*If you're struggling to reactivate lapsed donors, Stephen Dawson may have the solution.*

In every non-profit's donor file, there is a set of past supporters who have not made a gift in what seems like a long time – a year, three years, even five or more.

These donors might be people who were once regular supporters and even, perhaps, made significant gifts.

The problem this set of donors presents your non-profit is twofold: they represent a better opportunity for support than a pure acquisition group, and they are also donors in whom you have already made an investment.

Repeatedly sending these lapsed donors the same mail pieces that go to your current donors is an approach that you might have already tried without success.

These people have not, after all, made a donation in more than a year. The perennial dilemma for the fundraiser is the need to reduce costs while bringing in increased revenues, and recognising that for every lapsed file there is a point of diminishing returns.

However, there are some approaches that have proven both efficient and effective at reactivating.

## Telephone

1. Sometimes the best way to reactivate a direct mail donor is the telephone. When the direct mail approach has not worked for some time with a donor, there could be some issues that require interaction with that donor.

Short of a personal visit, the telephone is the most cost-effective and persuasive tool to answer any questions of those lapsed donors.

The passionate appeal of a fundraising professional can have a powerful effect on even lapsed donors, reminding them why they supported your cause in the past and convincing them to renew their relationship.

2. Bring your e-mail donors into the direct mail fold. Donors have preferences for their giving methods, and it is important to recognise them. However, multiple contact points can yield positive results until the donor expresses preferences.

A donor who has stopped giving through either direct mail or e-mail can be contacted through the other approach at nominal cost.

3. The world is 'going green'. Use recycled paper for envelopes and mail pieces. The appearance and substance of being concerned about green issues can be communicated effectively by any group by placing a 'recycled' mark on the envelope and the mail piece and, of course, by actually using recycled paper.

The 'recycle' tool is especially effective in combating the 'too much direct mail hurts

the environment' critique used so frequently against commercial and non-profit mailers.

This small change creates a positive image of the organisation immediately, which can get someone to open your envelope again – and thus, the door to your message.

4. People love to be thanked – even if their last gift was more than a year ago.

This issue is of vital importance for lapsed donors. Letting people know what their past support has helped your organisation to accomplish, and how much it is appreciated, will give them a better sense of attraction to the organisation.

It does not cost you anything extra to thank these lapsed donors, if you are still mailing them – but failing to thank them can cost you dearly.

5. Integrate, integrate, and integrate. Use direct mail, e-mail, and the telephone together to bring about the greatest results. Lapsed direct mail donors might have moved to being online prospects, or could need a more personal appeal.

The visibility – both in terms of graphics and actually being read – of the e-mail contact can be powerful.

Also, the personal nature of the telephone can best reinforce the message of the organisation's case statement in a way that reinforces, not replaces, the mail piece.

Younger donors are more in touch with media beyond the printed word, and reaching them in those channels has more meaning to them.

## Multi-channel

Using the three media together to send the same message reminds the donor in multiple – and more top-of-mind ways – that the organisation still needs and deserves support.

These tools can bring those lapsed donors back into the current category, and increase their likelihood of making a repeated gift after a subsequent appeal.

Direct mail has been and will continue to be a major revenue stream for non-profits, though the truly integrated campaigns will always have the advantages described above.

Everything in fundraising goes back to making your appeal to the donor in a manner that is meaningful and powerful. These tools can have a great impact, especially for people who have previously supported your cause.

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*Adapted from  
The NonProfit Times  
March 15, 2008  
Visit [www.nptimes.com](http://www.nptimes.com)*

# Retention rates: What to do about them

**D**onor retention is one of the most important statistics in direct response fundraising. But it can also be one of the most confounding.

If you've ever looked at a number you've been told is your retention rate – and you're not sure what to do about it – please keep reading.

By monitoring retention rates – and taking action to change them – you can greatly increase the health of your fundraising programme.

Donor retention is most often measured in a 12-month timeframe – either by fiscal year, calendar year, or a rolling 12-month period.

You can calculate your retention percentage by counting the total number of donors who gave a gift in the prior 12-month period and then counting the number from that same pool of donors who gave again in the current 12-month period.

For example, if 10 000 donors gave you a gift in your prior fiscal year, and 5 000 of those same donors gave a gift in the current fiscal year, the overall retention rate for your file is 50%.

## Three segments to watch

Retention rates vary greatly by type of donor, so you should calculate retention for several different segments within your file.

Retention can be calculated for any segment of donors (for example, sustainers or high-value donors) – but there are three major segments you should look at regularly to gauge the health of your direct response programme:

1. Continuing, or multi-year donors. These are donors who have given gifts in both of the 12-month periods prior to the current period. Typically, they will have the highest retention rate of any segment on your file.

2. New, or first-year donors. These are donors who gave their first gift ever to your organisation in the prior 12-month period. New donors have the lowest retention rates, as much as 40% less than multi-year segments.

3. Reactivated donors. By definition, reactivated donors gave a gift in the prior 12-month period, but did not give a gift in the 12-month period before that. The retention rates for reactivated donors should fall somewhere between multi-year donors and first-year donors.

## What's to be done?

Once you've calculated these retention percentages, what do you do with them? First, you should not blindly compare your retention rates to other organisations'.

The most widely published retention rates

are from huge direct response programmes subject to different dynamics than most fundraising files – and could mislead you into thinking your retention rate is healthier than it actually is.

In addition, your retention rate is the outcome of hundreds of decisions you've made about your programme and your fundraising needs over the past 24 months.

Even similar organisations may have different patterns of retention based on their new donor acquisition programme, mailing schedule, and the age of their direct response programme.

That means the best way to make decisions about your retention is to monitor the trends in your own file.

You should measure your retention rates at least once a year – and ideally every quarter. If you see your retention rates going up, you know you're presenting a compelling case to your donors, inspiring them to continue their support of your organisation.

## What if retention is slipping?

But if your retention rates are going down, you could have trouble. When you see the percentages dropping, what should you do?

First, take a step back and think about what's been going on in your programme. There are situations in which a decline in retention is part of a deliberate fundraising strategy.

If you've increased your acquisition quantity, you should expect both overall retention and first-year retention to fall, because you're being more aggressive in order to get less committed donors onto your file.

Similarly, if you begin using premium offers in your mailings, you'll see an increase in your response rates, but a decrease in your retention – as you attract transactional donors into the fold.

## Strategic action

But if you haven't made a change that explains falling retention, you need to take strategic action to reverse the trend.

And the actions you take should depend on the segments that are having the problem.

If your multi-year retention remains strong, but your new donor retention is dropping, you should increase your efforts to get a second gift from new donors as quickly as possible.

When you let your new donors wait for a year or even six months after their first gift

*By monitoring retention rates – and taking action to change them – you can greatly increase the health of your fundraising programme, as Peter Schoewe reports.*

*With acknowledgments to  
Successful Direct Mail,  
Telephone and Online  
Fundraising™  
April 2008*

*Visit [www.malwarwick.com](http://www.malwarwick.com)*

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# Retention rates

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before contacting them again, you're much more likely to lose them, wasting the money you invested in acquiring them.

## Increasing new-donor retention

A great way to increase new donor retention is to create a multi-channel conversion strategy, using a series of mailings, phone calls and, if possible, online outreaches.

A successful conversion series needs to be implemented regularly, and it should welcome the donors, present them with your most successful and compelling appeal, and invite them to give to you on a regular basis through a sustainer programme.

## Tailored messages

You should begin your conversion series within three months of the new donor being added to your file.

A conversion series can also battle dropping retention in reactivated donors, but you should be sure to tailor your messages to recognise that these donors already have a connection to you.

Citing the number of years they've been a donor to your organisation – or even sending them an anniversary card – can strengthen their renewed commitment to your work.

By far, the most disturbing trend to discover is that your multi-year retention rates are falling.

These are your most dedicated donors – and the source of most of the net revenue from any direct response programme.

## Is multi-year retention dropping?

Unfortunately, a decline in multi-year retention is often attributed to the wrong cause – that you're bothering your donors by getting in touch with them too frequently.

And you can easily create a retention

death spiral by cutting back on the number of times you give donors the opportunity to offer you their support.

Instead, you should focus on the offers you're currently putting in front of your best donors. Here are a couple of questions you should ask yourself:

- Do you have an active sustainer programme – in which donors can choose to offer their support monthly or quarterly?
- Do you invite donors to become sustainers online, through phone contacts, and through your acknowledgment programme?
- Do you ask all your donors to renew their support or their membership at least once per year?
- Are your appeals urgent and emotional? Are you using a copywriter who's allowed to express your need for funds without burying it in distant and institutional language?
- Do you have a multi-channel contact strategy for your donors – in which you give them opportunities to become fully informed about your work and, also, to interact with you in ways that go beyond offering a gift?

## Room for improvement

If you answer 'no' to any of the above questions, you have room to improve your direct response file – and should be able to turn around a decline in multi-year retention.

The investment you make to keep your most valuable donors will not only result in a healthier direct response programme, it will also increase your potential to realise major gifts and bequests.

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## “Reprinted with acknowledgement to ...”

**F**undraising Forum prides itself on keeping South African fundraisers right up-to-date with developing attitudes, trends and techniques, both here and overseas. We are grateful to the following international publications, which are regularly quoted and highly recommended:

- *Successful Fund Raising*, PO Box 4528, Sioux City, Iowa, 51104, USA, (12 issues per annum \$159) website: [www.stevensoninc.com](http://www.stevensoninc.com)
- *The NonProfit Times*, 190 Tamarack Circle, Skillman, NJ08558, USA, (\$129 per annum) website: [www.nptimes.com](http://www.nptimes.com)
- *The Chronicle of Philanthropy*, PO Box 1989, Marion, Ohio, 43306, USA, (24 issues – one annum at \$95) website: <http://philanthropy.com>
- *Successful Direct Mail, Telephone and Online Fundraising*. Subscribe for free at [www.malwarwick.com/newsletter](http://www.malwarwick.com/newsletter)

*Fundraising Forum is edited by Richard Solomon and Terry A. Murray and published by Downes Murray International.*

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