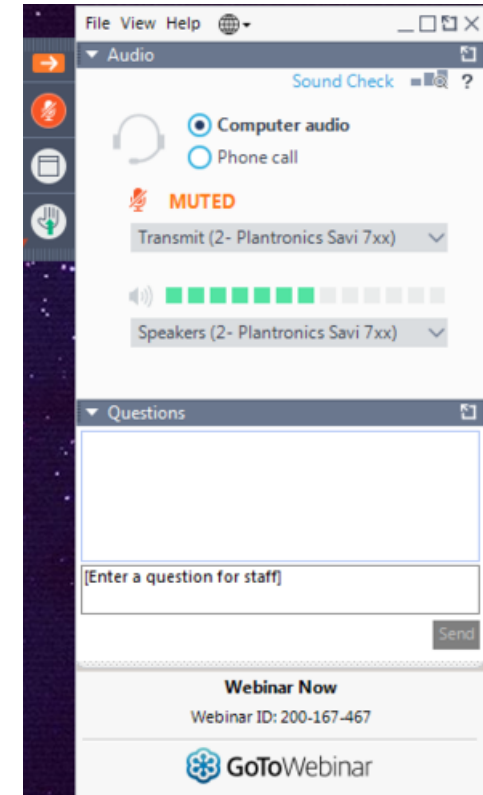




**Welcome to RKD Group's Webinar:**  
**Don't Cut Direct Mail  
Acquisition**

# We want your questions and comments!

Send your questions and comments by clicking this section of your panel





## **Max Bunch**

### **Executive Vice President, Client Service and Consulting**

A 35-year advertising veteran with 27 years of nonprofit fundraising expertise. As executive vice president of client services and consulting, Max participates in optimizing client performance and service across all channels.



## **Thalamus "T" Hill**

### **Senior Vice President, Analytics**

Thalamus "T" Hill serves as lead data scientist for RKD Group. T leads a team of analysts and statisticians to uncover areas of optimization and predict performance. T will work alongside your team to stitch together data and strategy, so that we can map the right path forward toward growth.



## **Anne Wiman**

### **Vice President, List Services**

Anne has more than 15 years of experience in multichannel fundraising and marketing. Anne utilizes her list brokerage, list management and media expertise to achieve insight-driven results and help our clients meet their donor acquisition goals.



## Here to discuss

- The impact of cutting acquisition
- Lessons learned from nonprofits who did cut
- Best practices to optimize your acquisition

# • A Tough Decision

- Loss of revenue from events
- Increased need for programs
- Upcoming recession will affect giving
- Loss of staff and volunteers



## The most infamous case


- Scrapped direct mail acquisition in January 2013
  - Brought it back 18 months later
- Lost **\$29.5 million** over the next 5 years



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“It’s tempting to look at things through a one-year lens, but the runway for direct mail acquisition is much longer than that.”

-Catharine Holihan, Managing Director,  
Direct Mail and Marketing Operations at  
American Cancer Society



“The best way  
to predict the future  
is to create it.”

Abraham Lincoln



# How will COVID-19 impact charitable giving?



- Concerned that COVID-19 impacts how organizations do their work – for all sectors
- Not planning on shifting their giving to different organizations – staying the course
- DAF contributors: 1) 33% will ramp up their giving 2) 59% will continue to contribute to charities they normally support



# COVID-19 Scenarios

1

## Virus recurrence, with muted recovery:

- 2020 GDP = **-8.1%**
- Return to Pre-Crisis Levels = **2023 Q1**
- Partially effective economic interventions, effective public health response

2

## Virus recurrence, with strong world rebound:

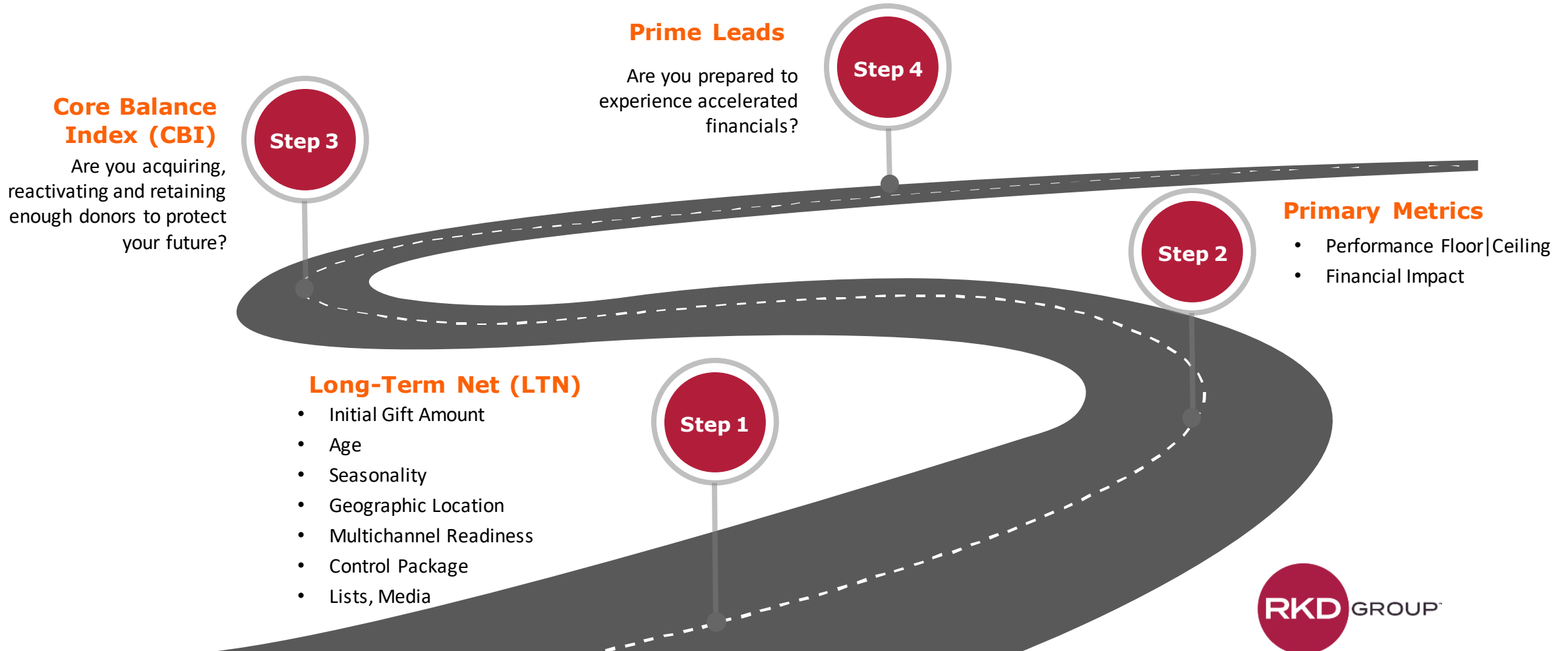
- 2020 GDP = **-7.9%**
- Return to Pre-Crisis Levels = **2021 Q4**
- Highly effective economic interventions, effective public health response

3

## Virus contained, growth returns:

- 2020 GDP = **-2.5%**
- Return to Pre-Crisis Levels = **2020 Q4**
- Partially effective economic interventions, rapid and effective control on virus spread

# What is your pathway to the next normal?



# Hidden revenue

Planned  
Giving  
**65%**

Mid-major  
Donors  
**50%**

Direct  
Mail  
**37%**

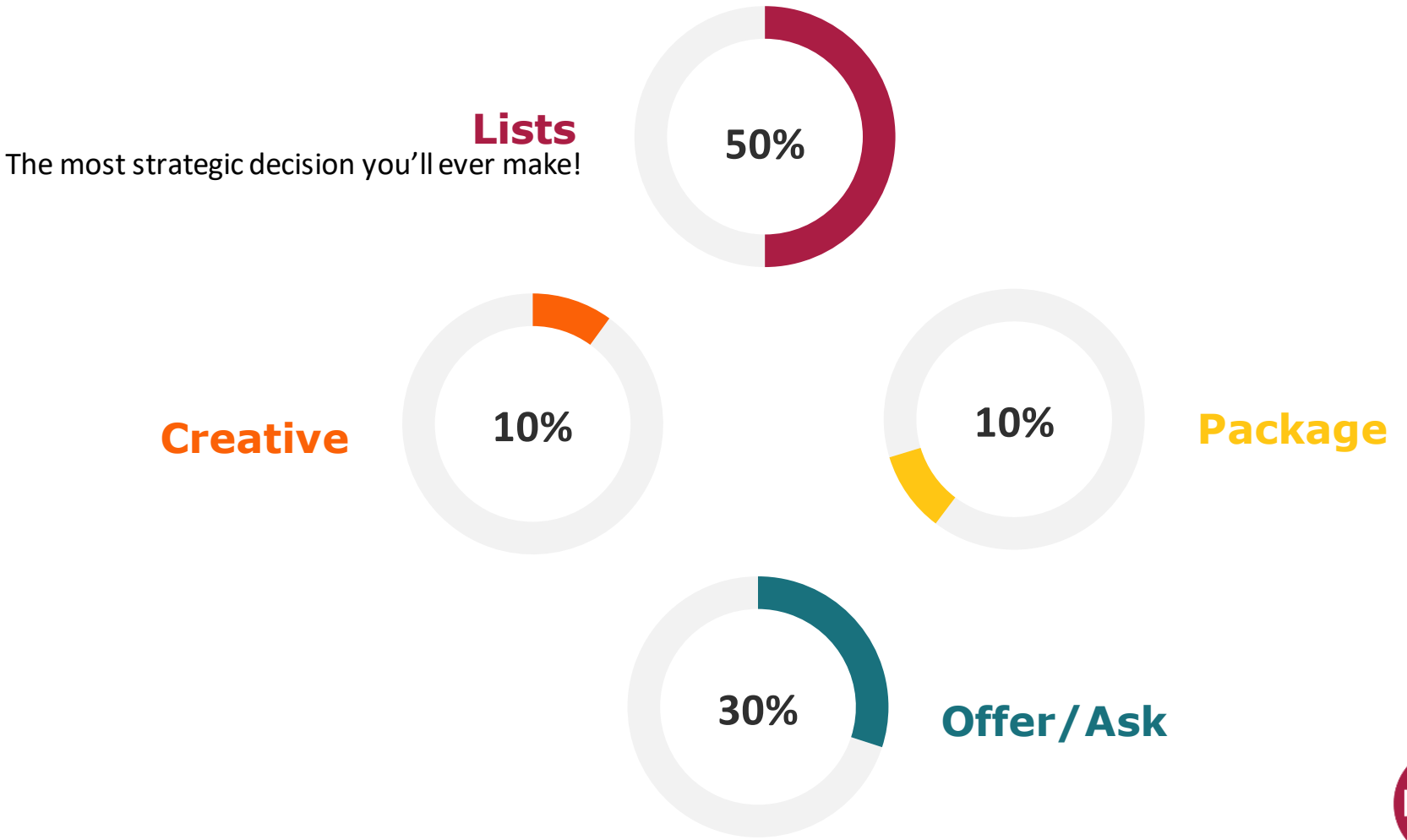


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# How to optimize acquisition

# What drives acquisition success?



# Lists

**The most strategic  
decision you will  
ever make!**

# List Optimization



Determine  
Key Metrics



Optimize Lists &  
Frequency



Utilize Co-ops  
to Lift Results



Analyze,  
Re-optimize, Repeat



# • Which metrics determine success?

Response rate alone can be misleading

1 <sup>st</sup> Gift Levels	LTN Value	% New Donors	Break-Even Point
<\$25	(\$91.43)	44%	Not in 5 Years
\$25-\$99	\$23.73	45%	48 Months
\$100+	\$627.09	11%	Immediately
	\$37.58	100%	

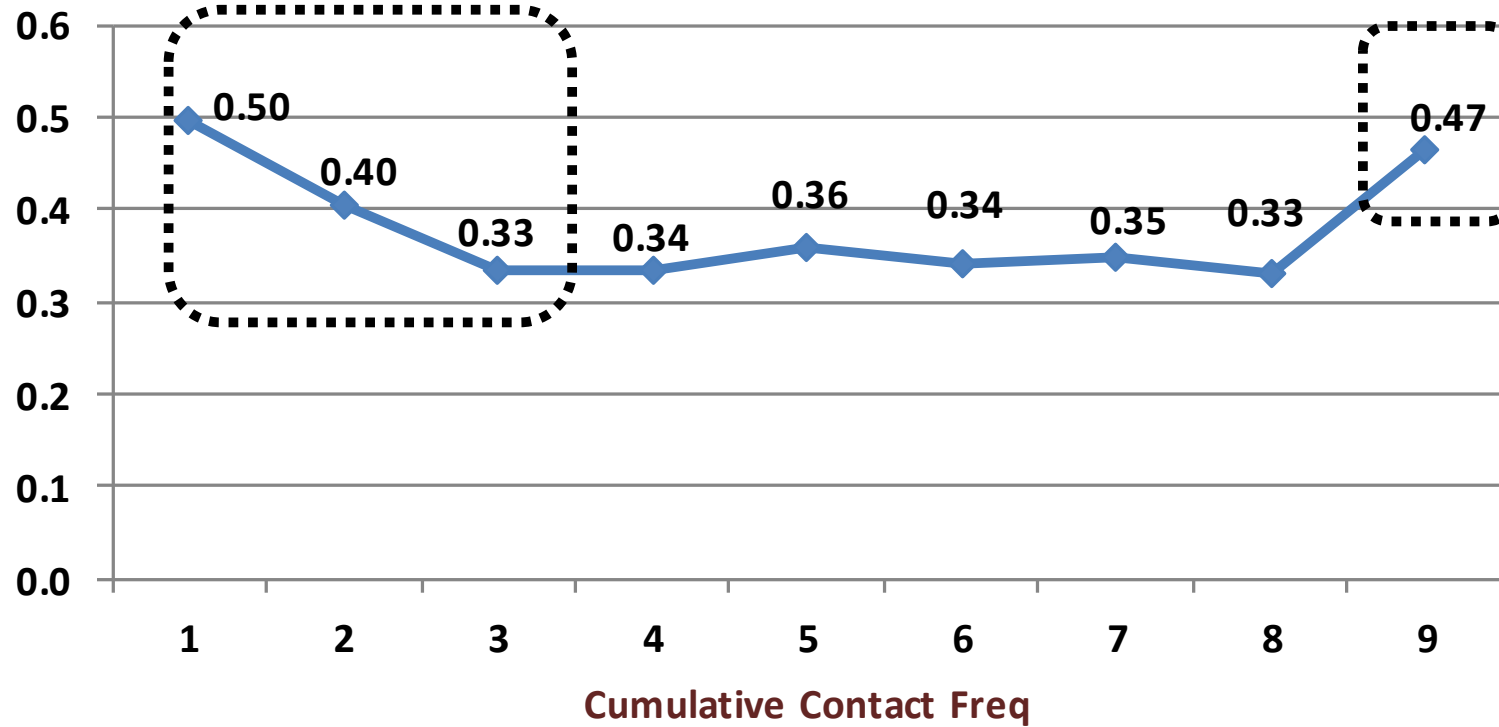
# • **Select lists to optimize LTN**

Forecast list performance for each acquisition using the most recent results.

- Optimize across all acquisition audiences
- Utilize lists above the LTN threshold
- Align lists with the best package
- Account for variances in seasonality

# Don't fear frequency

## ROI by Contact Freq



# • Lift performance with Co-op models

**Co-ops** continue to outperform other list sources – especially in delivering high donor value and better LTN.

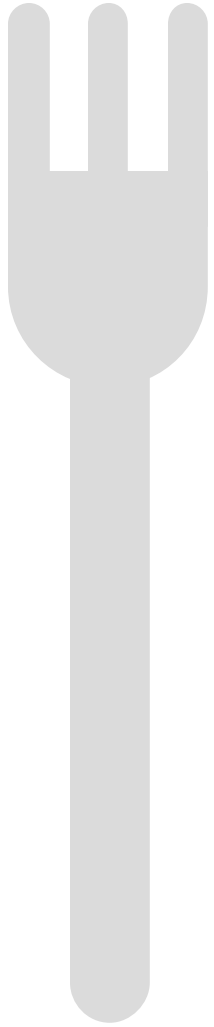
- Efficiently identify valuable new donors
- Recapture valuable lapsed donors
- Convert warm prospects into donors

# Offer/Ask

**What are you  
asking the donor to do?**

**What problem are you  
asking the donor  
to solve?**

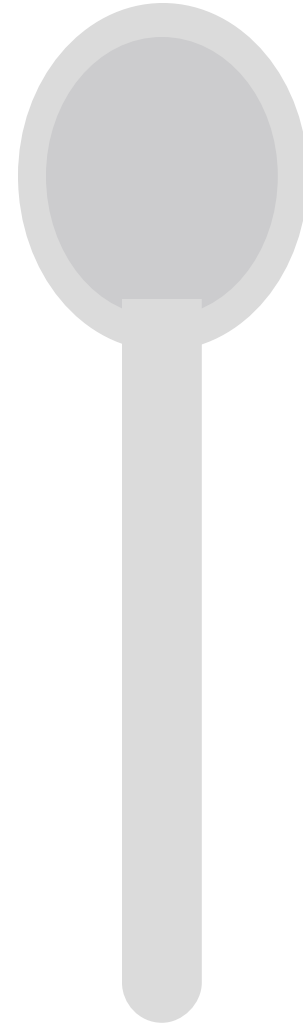
- **Offer**



**\$3 provides  
10 meals**

**vs.**

**\$3 helps fight  
food insecurity**

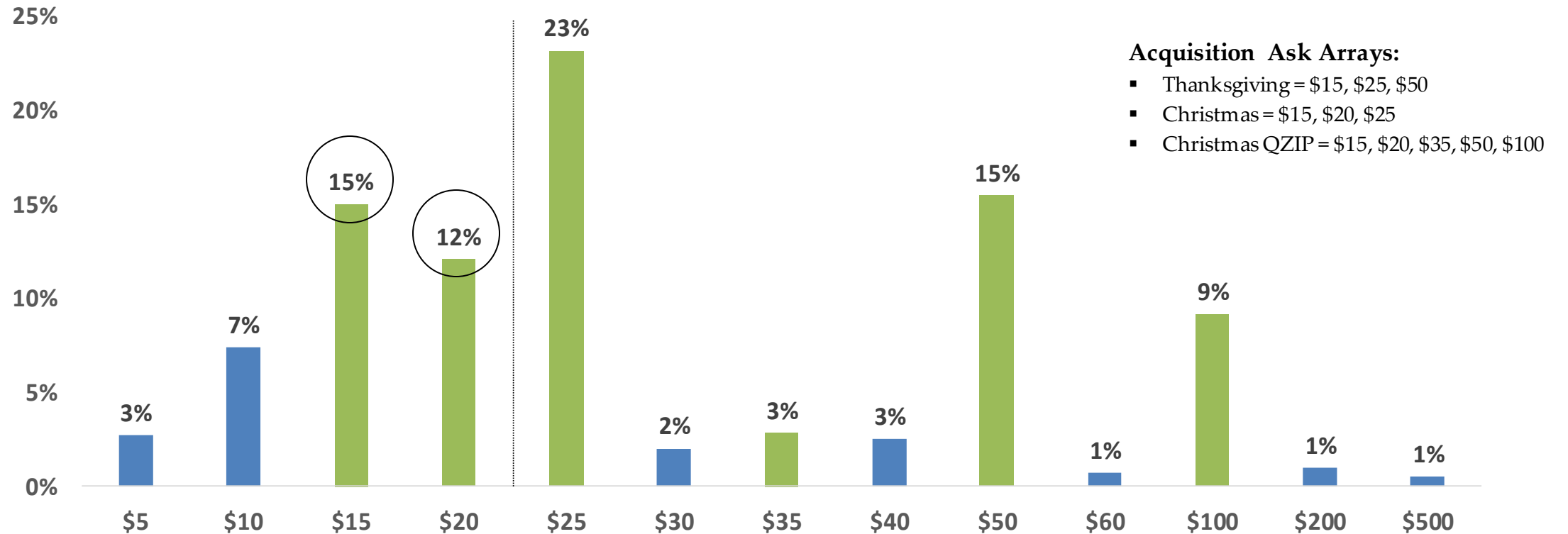


# Ask Array Optimization

**Spoiler alert:  
When it comes to money,  
be careful what  
you ask for.**

# First Gift History in FY19p

- 78% of the contributions are to the ask array options provided (green highlights).
- Test out of the ask array options of \$15 and \$20 as they do not lead to net revenue.





# Creative

**Support the offer  
and get the donor  
emotionally involved**

# • Creative

- Words matter - **\$5 provides vs. \$5 helps provide** – the one additional word inhibits response
- Photos matter – **The eyes of the recipient** can be a connector



# Package

**Perfecting the art of  
getting opened**

# • Package

- The fight between "getting attention" and "getting in the way"
- Packages often take on the characteristics of their content – labels, cards, bounce-backs, matching checks, vouchers, tickets, etc.

# Key Takeaways...

**Direct mail acquisition is a necessary long-term investment**

**Nonprofits who cut acquisition lose market share and revenue**

**Apply best practices to optimize your investment**

# Upcoming Webinars

**The Time is Now – Fix Your Data & Watch Your Fundraising Flourish**

**Featuring Cathy Folkes and Thalamus "T" Hill**

Hosted by The Nonprofit Alliance

July 9 – 12 p.m. EDT

**Thank You**