

CHAPTER 1

Understanding Direct Mail Fund Raising

THIS CHAPTER will help you understand the importance and benefits of using the mail to keep in contact with donors and to ask for their support. It also highlights some basic steps one must take to raise funds—and friends—through the mail.

Direct mail can be the most exciting and rewarding way to keep in touch with your present donors and to reach new ones. Direct mail brings your organization to the doorstep and into the mailbox of the people who may be interested in your cause. If you learn how to use the mail effectively, you can reap exceptional benefits, find new friends for your organization, educate them, and build for the future of your cause.

But no organization is in a position to waste precious funds on direct mail if it will not bring a reasonable return to the organization. Once that piece of mail has left the office or mailing house, the organization has no control over what happens to it. Therefore, a great deal of time and thought must be invested in the preparation of the mail piece: who that piece is intended for, and how and when they will receive it. Will it touch the heart, catch the eye, and be opened? As Henry Rosso often said, “Touch the heart and ask the brain to send a gift.”

But if the people you reach do open the mail you send them, will they take the action you suggest—to send a donation to support your very important work? One way to ensure that recipients will respond positively is to approach them in a positive way. For example, “With your support we will be able to shelter twenty additional families during this cold winter.” In other words, let potential donors see a place for their donation in the work you are doing. I’ll discuss this issue in more detail in Chapter Five.

Why Mail to Individuals?

In the Preface, I mentioned the value of mailing to individuals. Over the years, 82 to nearly 86 percent of the funds raised for philanthropy have come from individuals; in 1999, individual giving accounted for 83.8 percent of the total of \$190.16 billion in donations (Kaplan, 2000). Roger M. Craver states, "By the estimates of some practicing specialists, direct mail is the medium that accounts for between \$20 billion and \$25 billion of the charitable educational and social change dollars contributed by Americans each year" (1991, p. 65). He also states, "The organization that asserts itself in learning the real purpose and proper use of this medium will reap significant rewards, discover new special-gift and major-gift prospects, educate its constituency, and reach its peripheral constituencies, thus making them more active contributors" (p. 65).

Individuals can learn about and support your organization through personal interaction. This strategy is used when we are asking the donor, face to face, for a special gift or a planned gift. It is a time-consuming activity and in most cases is used only to solicit large gifts. However, direct mail can be used to build your donor list so that individuals will become loyal—and possibly large—donors in the future.

The telephone can also be used to contact would-be donors or a committed constituency such as alumni. However, cold calling, calling someone you do not know or have not had contact with, is not usually a cost-effective way to raise funds. The donor list must be built. You can do this by looking for people who have an interest in your cause or have some link with your board of directors, your volunteers, or your staff. And of course, you should look for people who are in a position to make a donation to your organization.

Mail is a cost-effective way to raise funds and friends if you use it carefully. Mail makes it possible to reach the largest number of individuals, to let them know the need your organization addresses, and to ask for their investment in your cause. Other means of communication can tell the story of your cause—newspapers, radio, and television—but these media outlets do not give donors a quick and easy reply form they can use to give their support.

The experience of many fund raising professionals has shown that most nonprofit organizations lose 25 to 30 percent of their donors each year. Donors leave for reasons beyond anyone's control. The mail is a vehicle that keeps you in touch with your present donors and gives you the opportunity to acquire new ones. Direct mail builds a foundation or base of donors—it is most effective in bringing in a new gift, renewing gifts, and upgrading gifts.

Types of Direct Mailings

There are two types of mailings: (1) house list mailings (to people who have supported the organization in the past) and (2) acquisition mailings (to potential new donors). The latter type are also known as cold list or prospect mailings. Whichever type of mailing you plan to do, you must consider several questions:

- Why are we doing this mailing, and who are we trying to reach? What are the needs of our audience? What benefits will they derive from responding to this solicitation?
- How much will this mailing cost, and what can we expect in return?
- What will be the theme of this mailing? Do we have a story to tell that will engage the donor, or a problem that the donor might be interested in helping us solve?
- When should the package arrive in the hands of the would-be donor?
- Have we enclosed in the package a handy response form? Is it a clean package—one not cluttered with extraneous materials?
- Is the message clear and to the point?

Every mailing must be evaluated. This is done by keeping track of all mailings—when they were sent, the number mailed, what was in the mailing, and how the returns can be tracked. Mailings must have a code on the return piece or the return envelope. This process will be discussed in detail in Chapter Eight.

Timeline for a Mailing

If you are wondering how long it takes to put a mailing together and get it in the mail, here's a typical timeline. First, select the type of mailing (house list, prospect mailing, or special mailing) you want to do. The timeline for most mailings might look like this one for a house list mailing:

Task	Time Before Mail Date
Start copy and design work	12 weeks
Get copy and design approved	9 weeks
Send final letter, enclosures, and reply to printer	7 weeks
Check and approve blueline at printers	6 weeks
Have package at the mailing house	2 weeks

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There are variations, of course. If you are running the address labels yourself and volunteers are getting your mailing ready for the post office, you will have to make adjustments in the timeline. If this is a prospect mailing and you need to order mailing lists and work with a list broker, you should add at least four weeks.

The important thing is to make a timeline and give yourself an extra week or so for those unexpected challenges that always seem to pop up. As soon as this mailing is at the post office, start working on the next letter and mailing.

When do you count results? On an average, you can start counting your results in about six weeks and should have the bulk of your donations in three months.

Terms Used in Direct Mailing

Here are some terms used in direct mailing that you might not be familiar with.

Acquisition mailing: a mailing to persons who are not donors but are prospects for the purpose of acquiring new donors or members. These mailings are often called *prospect mailings*.

Annual fund development plan: an overall plan for fund raising that usually includes proposals to foundations and corporations, special events, a mailing plan, major gift solicitation, and phone-a-thons. This is a twelve- to eighteen-month plan.

Blueline: final proof before printing. The proof will closely resemble your final product, so you must examine it carefully.

Bulk mail: a third-class mailing of at least two hundred identical pieces per mailing. Nonprofit organizations pay a yearly fee for their bulk mail permit and are allowed to mail at a discounted rate (see Resources).

Business reply envelope (BRE, also called a wallet-flap reply envelope): an envelope that is preaddressed to the nonprofit organization. This envelope may outline ways to give a donation and has an opening for the donor's check or cash.

House list: list of names, addresses, and telephone numbers of donors compiled by the organization.

Indicia: a preprinted marking on each piece of bulk mailing that shows payment of postage by the sender. An indicia contains the organization's name and bulk mailing permit number; it may be used in place of a postage stamp or metered stamp.

Insert: any item, such as a brochure or pamphlet, that is placed in a direct mail package.

Layout: arrangement of text blocks, headlines, and graphics on a page.

Lettershop: a company that personalizes, labels, sorts, and stuffs envelopes in preparation for bulk mailings. A company like this is also referred to as a *mailing house*.

List broker: an individual or company that brings together owners of lists and direct mailers who use them.

List compiler: an individual or company that specializes in gathering names, addresses, and information from various sources to produce a customized list of prospective donors.

Merge-purge: process of combining two or more mailing lists into a single list and deleting duplicate names and addresses.

Nonprofit stamps: These stamps are a marketing tool for mailers who believe that donors will more readily open mail with a stamp than metered or indicia mail.

Sorting: arrangement of pieces in a bulk mailing by ZIP code to facilitate processing and more reliable delivery.

Tracking: maintaining records concerning various aspects of mailings such as response rate, date mailed, and location of respondents.

White space: areas on a page that have no printing on them.

Window envelopes: envelopes that have an opening through which an address printed on an insert is visible.

Your printer or list broker may also use special terms. Some printers will give you a booklet that explains the printing process and the terms used. If yours doesn't and you don't understand the terms, ask for an explanation.