



## Direct Mail Acquisition

**Best Friends<sup>®</sup>**  
SAVE THEM ALL



# Direct mail acquisition

A Day in the Life of  
**Dogtown**<sup>®</sup>



Despite the increasing popularity of digital fundraising channels, direct mail acquisition is still the main driver of new donor acquisition at most organizations.

A healthy acquisition program is essential for a successful and growing nonprofit organization.



## Benefits of direct mail acquisition

- **Offsets lapsing donor pool.** Every year, you will have donors who gave last year, but not this year. Acquiring new donors helps offset this loss.
- **Grows your donor base.** It's important to grow your donor base year after year so you can meet increasing program and other organizational needs.
- **Supports donor pipeline growth.** Acquisition helps you acquire new donors of varying gift capacities, some of whom will eventually make a major gift or planned gift.



# Acquisition is an investment

Generally speaking, it costs more money to acquire a new donor than it does to keep an existing donor, or reactivate a lapsed donor. Initially, you will spend more on acquisition than you make back in donations. It pays off over time as new donors give additional and larger gifts.

You are investing in these new donors in hopes that they will give additional gifts and, over time, larger gifts.



# Response rates



Acquisition response rates are usually very low (around 1% or less).

Your goal is to obtain new donors, not necessarily obtain a good fundraising ratio. Response rates are important, however, when it comes to measuring package test results. *(More on that later.)*



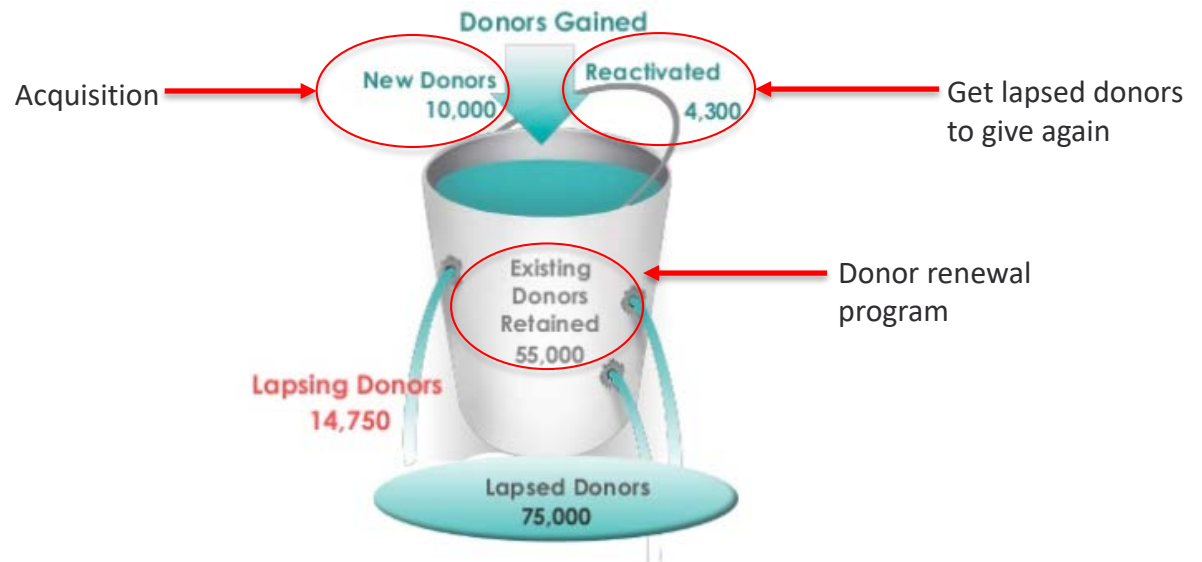
# A note about retention

Industry standard **donor retention rate** = 46%\*

This means 54% of donors who gave last year will not give again this year. This is the **donor attrition rate**.

It's important to get that second gift from your new donors within their first year. It's much harder (and more expensive) to get them to reactivate than to renew.

Acquisition, lapsed and renewal mailings all work together to prevent your bucket from being too "leaky."



\*Source: 2017 Fundraising Effectiveness Survey Report from the Fundraising Effectiveness Project



## A case study

In 2013, the American Cancer Society suspended its direct-mail acquisition program during a time of restructuring and transition. It was relaunched a year and a half later.

During the first year, there was an **11% decline in new donors**, and an **\$11.3 million decrease** in new donor revenue.

It is projected that the hiatus will have a \$29.5 million impact over the first 5 years. It also had an impact on retention rates the following year.

Source: [thenonproffitimes.com/news-articles/live-from-dma-direct-mail-hiatus-cost-ac-s-30-million/](http://thenonproffitimes.com/news-articles/live-from-dma-direct-mail-hiatus-cost-ac-s-30-million/)



# Where do you find new donors?

Work with a list broker! They are experts in new donor acquisition and can help develop a strategy that works for your organizational needs and budget.

Working with the list broker, you will rent lists of donors from other nonprofits. Commercial lists are available from catalogs, magazines, online stores, and other sources. You also have the option to exchange your list, which saves on list costs.

The goal is to rent lists of people who look like or are similar to your existing donors, in order to maximize the likelihood that they will respond.





## More on lists

It's standard practice for many nonprofits to exchange lists. Some organizations choose not to (Best Friends is one).

If you choose to exchange your list, you should have an option for your donors to opt out of having their information shared.



## Warm prospects

Dig into your existing non-donor contacts and target in acquisition as warm prospects:

- Volunteers
- Adopters and foster families
- Email subscribers for whom you have mailing addresses
- Advocacy supporters
- Event attendees

You can also ask existing donors to recruit friends.



# Industry resources

## **Data & Marketing Association (DMA)**

Your list broker and mail house should utilize the DMA suppression list and run it against your acquisition mail files. The DMA suppression list is a list of consumers who no longer wish to receive mail.

Consumers and donors have a few options to manage their mail communication preferences across many nonprofits and companies. We encourage you to share this information with donors and prospects who are unhappy with the mail they're receiving.

- DMA: [dmachoice.thedma.org](http://dmachoice.thedma.org)
- Abacus/Epsilon (data cooperative): [email\\_optout@epsilon.com](mailto:email_optout@epsilon.com)
- Wiland (data cooperative): [wiland.com/advertising-choices](http://wiland.com/advertising-choices)



# Lapsed donors

Many organizations mail their lapsed donors as part of their acquisition program. You can target lapsed donors with messaging that lets them know you miss them, and that asks them to renew their commitment.

A lot of lapsed donors actually think they gave within the last year. You can gently remind them of when they last gave. They're often surprised it's been so long, and appreciate the reminder.



We—and the animals—don't want you to go! Please renew your Best Friends membership today.

Dear [Donor],

We — and the animals — don't want you to go! Renewing your Best Friends membership today means you can continue to bring love and care to so many animals in need, and help to end the killing of dogs and cats in shelters nationwide by the year 2025.



# Acquisition packages

Thoughtful and compelling direct-mail acquisition packages are essential. For most of these prospects, it will be the first time they've heard of you, so you need to make a strong case for why your organization needs their support.

How do you determine which package is compelling? By testing, of course. Lots of testing!

Through testing, you will find your control packages, which are the packages that garner the best responses (and cost to acquire) over many tests. It's important to test your control packages from time to time to ensure that they are still your best packages.



# Acquisition packages: Tests

There are many different techniques you can test:

- Different ask amounts
- Colored envelope vs. plain envelope
- Premium vs. no premium
- Stories about different animals, different species
- Faux stamps, faux return address labels
- Full-color letter with images vs. plain letter
- Different teasers for the outside envelope
- Faux kraft (brown) envelopes
- And much, much more!

You will be surprised which techniques lift the response rate. Certain lists will respond better to certain messages or techniques.



## After they join

The first year after a new donor joins is very important. Do your best to foster a positive relationship with your new donors, and build that relationship over time.

- Quickly acknowledge their gift(s).
- Recruit volunteers to make thank-you calls.
- Send a welcome kit.
- Collect actionable information by including a response device in the welcome kit. Learn about donors' species or program interests.
- Collect their email addresses so you can engage with them online.
- Communicate the impact of their giving in future communications.
- Be sure to ask them to renew their gift before the first year is up.