

Resourcing The Money: Developing High Value Donors Through Direct Marketing

Presented by Siân Mexsom and Tim Hopkins

July 2009

Speakers



Siân Mexsom

Age UK

A former Director of Fundraising at The Army Benevolent Fund Siân is currently playing a key role merging the Fundraising teams at Age Concern and Help the Aged.

Siân has over 15 years experience in fundraising experience primarily within the field of social welfare



Tim Hopkins

Managing Director at TW CAT.

Since 2001 has helped more than 50 charities achieve outstanding results in direct marketing fundraising. Tim has worked with ABF since 2005 and helped them secure a run of unprecedented fundraising success.

Contents

- What we want you to take from the session
- A brief overview of the Army Benevolent Fund's High value programme
- How you can build a successful programme based on our experiences
 - Understanding the audience and their motivations to give
 - Macro strategy, micro tactics
 - Creative messages that deliver results
 - Some key do's and don'ts
 - Establishing long-term relationships with supporters
- 10 things to test with your high value supporters
- Summary and questions

What we want you to take from the session

- Practical recommendations to help you set up or develop your high value programme
- Evidence to show your own teams that this approach delivers results
- A commitment from you to test at least one suggestion in the next six months

Overview

- The Army Benevolent Fund and TW CAT have worked together since 2005
- The work has focused on recruiting, developing and nurturing supporters
- We have seen significant growth in net income (by over 200% since 2005)
- The team has broken all existing fundraising records
 - Supporter recruitment achieves a 3:1 ROI
 - Warm appeals generate ROI's in excess of 16:1



Building a successful high
value programme

Understanding the audience

- Overview of ABF's supporter audience
 - 73% male
 - 70% are married
 - Age range 55-80 (although the age range is skewed to the lower end of the scale)
 - Empty nesters
 - Read quality newspapers
 - Household income £40K+.

Understanding the audience

- Demographics don't tell the whole story
 - Supporters are very intelligent and well informed
 - Many self made, have made their own success
 - Able to understand complex and detailed issues
 - Served with distinction in the armed forces and became very high ranking officers.
 - **Very** interested in the work and want to learn more
 - Fits in with qualitative research findings
 - Many supporters have direct or indirect experience of ABF's work
 - A deeply personal connection

Understanding the audience

- Why do they give?
 - A sense of obligation or duty?
 - A personal connection based on experience?
 - The desire to help or bring about change?
 - To show the world they care?

 - Or all of the above?

The needs of the audience come first

- The needs of the audience are the first and most important consideration
- Everything else (brand, creative treatment, key messages) is a secondary factor
- Can be a difficult challenge to incorporate but it will maximise income, and lifetime value

The needs of the audience come first

- High value supporters respond well to recognition and acknowledgement
- Supporters want
 - Personal feedback and thanks
 - Information and updates on their giving
 - A demonstration that they are making an appreciable difference because of their support.

Developing a high value programme

- Get support from the top
- Be prepared for many internal challenges
- Be committed to over turning objections

Developing a high value programme

- ABF's starting point
 - Less than 5,000 active supporters
 - No contact history
 - No cohesive fundraising programme to supporters
 - No data from which to base planning

Developing a high value programme

- *Macro strategy, micro tactics*
 - Key strategies for ABF
 - Maximise lifetime value by driving at donor income, not donor volume
 - Manage a smaller, more profitable donorbase
 - Recruit the donors who are willing and able to give the most.

Developing a high value programme

- Why?
 - Lifetime value and ROI
 - Normal or core supporters have a lifetime value that typically ranges from £150-£300
 - High value supporters average £1,000 – ABF's figure is £1,500
 - Higher returns on investment in the short term
 - Lower attrition and levels of donor dissatisfaction.

Developing a high value programme

- Recruiting the right supporters
 - The first gift is indicative of future giving patterns
 - Average recruitment gift for ABF supporters is £160
 - Primarily driven through direct mail using small volumes of a number of niche lists, although press and inserts have also been used successfully.

An example of the recruitment messages we've used

- Insert pack shot and discuss

Developing a high value programme

- What next?

Developing a high value programme

- Don't make silly mistakes at outset:
 - Don't ask for a low value regular gift
 - Don't give a generic thank you
 - Don't get their personal details wrong
- Get the basics right
 - Do personalise the thank you and call if appropriate
 - Do make sure you respond within 48 hours
 - Do ask your CEO to call very high value donors

Developing a high value programme

- Take a top down approach
 - Resource the money!
 - A simpler task to take a high value appeal to a standard value audience rather than vice versa
- Be specific
 - Use your understanding of your high value supporters to personalise appeals and make them relevant
 - Remember that their needs come first
- Don't be afraid to ask
 - No need to mail high value supporters less frequently
 - They crave information and are happy to donate

Developing a high value programme

- What makes a good high value appeal
 - 5 key points
 - Reflect the needs of your audience
 - Personalisation, personalisation, personalisation
 - Balance emotion and intellect
 - Need a strong story at the heart of any appeal
 - Support this with accurate, detailed and relevant facts
 - Make a clear case for support
 - Tangible asks wherever possible
 - Show clear outcomes and the impact of the work
 - Authenticity is key
 - Supporters will see through smoke and mirrors
 - If you make a claim, prove it
 - Provide real targets, backed up by evidence
 - Use appropriate language
 - Reflect the voices within the appeal
 - It's not marketing, It's a conversation with your supporters

An example of a successful HV appeal

From: Major General Sir Evelyn Webb-Carter KCVO OBE



Army Benevolent Fund
 Mountbatten House
 6-20 Elizabeth Street
 London SW1W 9EB
 Tel: 0845 241 4827
 Fax: 0845 241 4821
 www.armybenevolentfund.org

<Sample Name>
 <Sample Address1>
 <Sample Address2>
 <Sample Address3>
 <Sample Address4>
 <Postcode>

<Date>

Dear <Salutation>

Such is the volume of requests for our assistance at present here at the Army Benevolent Fund that we are all hard-pressed to answer the call placed on us by those in need.

As Controller of the Army Benevolent Fund it is precisely at times that this that I have to keep a sharp eye on where we are headed, what we are managing to achieve, and the resources we require in order to meet the need for our help. It is as a result of this sort of review that I am writing to you today to ask for your help.

When I had hoped was that as the troop level was drawn down in Iraq we might be able to report some small reduction in our outgoings. However, the sad truth appears to be that we are seeing more and more cases resulting from the continuing conflict in Afghanistan.

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SUPPORTING THE BEST

ARMY BENEVOLENT FUND
 Mountbatten House, 6-20 Elizabeth Street, London SW1W 9EB. Tel: 0845 241 4827 Fax: 0845 241 4821 Email: enquiries@armybenevolentfund.org

Roger Webb-Carter


Major General Sir Evelyn Webb-Carter KCVO OBE
 Controller, The Army Benevolent Fund

Dear General this is the presentation I give to groups such as CO Designates at Sandhurst. I wanted you to see how much I - and future Commanding Officers - depend on the Army Benevolent Fund for advice and practical assistance for our soldiers.

A CO's personal reflection on welfare in the current operational climate

Colonel Stuart Tootal DSO OBE

I commanded the 3rd Battalion the Parachute Regiment. We deployed in May 2006 and returned in October 2006.



Helmand Province has been and continues to see some of the fiercest fighting in Afghanistan.

Casualties from 3 Para's deployment to Helmand

16 dead
 XX seriously wounded in action

We were engaged in a number of high-intensity contacts as a result of which 16 soldiers were killed.

1

2

the realisation that they might not be able to continue with the job they loved was devastating.

“I am therefore asking you today to enable us to meet this increasing need. Such a request is not made lightly and I have asked some members of the Army family to help me to give a fuller picture than can be given by my own letter.

For instance, I have enclosed a letter from Colonel Stuart Tootal. Colonel Tootal commanded the Third Battalion the Parachute Regiment on their deployment to Afghanistan in 2006. The Battalion served with distinction in Helmand Province. However, over the course of their service 14 soldiers were killed, and 46 more were wounded, many of them gravely.

Acting in the finest Army tradition of standing up for his men, Colonel Tootal wanted to get the very best of care for every one of those who had been wounded, and to ensure that families were supported in their time of need.”



Major General Sir Evelyn Webb Carter
KCVO OBE

An example of a successful appeal

- Total volume: 40,957
- Total costs £28,448
- Total income £408,652
- Net income £380,203
- Response rate 11%
- Average gift: £90

An example of a successful appeal

- Total volume: 2,413
- Total costs £1,678
- Total income £117,605
- Net income £115,927
- Response rate 23%
- Average gift: £208

Why did the pack work?

- Connects with the audience
- Clear proposition
- Strong and clear asks
- Balances emotion and intellect
- It's not marketing

Developing a high value programme

- The value of knowing when not to ask
 - Donor care and positive feedback is absolutely fundamental
 - Supporters crave information
 - Tell them how their gifts are making a different
 - They crave recognition
 - A thank you from the CEO or chair of trustees
 - They want to be part of the organisation

Developing a high value programme

- The proof of the pudding ...
- Net income from DM programme in 2005 - £60K
- Net income from DM programme in 2008 - £450,000

Practical tips to add value to your high value programme

1. For your next appeal start with the high value version and then adapt that into the standard value version
2. Rather than use last gift, base the asks on the highest gift in the last three years
3. Test high value cold recruitment, looking to recruit new supporters with a £150 first
4. Spend some time with the signatory of the letter –reflect their tone of voice in the next appeal
5. Introduce an annual update which shows supporters how their gifts have been used
6. Measure their income levels over the next year – our experience shows they will give more
7. Invite all high value supporters to a celebratory event – even if they don't come its always nice to be asked
8. Call high value donors after your next appeal and gauge their feedback to the new approach
9. Test the high value approach on standard value donors – our experience demonstrates it will work
10. Look at your grand and trust fundraising applications – often a great source of information and an example of the level of detail that high value donors expect

Summary

- High value supporters are a fundamental source of income
- Look to recruit new supporters using a high value proposition
- High lifetime value, low attrition
- Potential source of major donors
- Find the right mix of value and volume in your acquisition and development programme

Resource the money



Thank you

Presented by Siân Mexsom and Tim Hopkins

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