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# **BOOT CAMP**

## **Direct Marketing 101 to Improve Your Annual Results**

Diane Rafferty Jordan, VP Customer Success



# Agenda

Rethinking the Fundamentals

The Resource Question

Appeal Synergy

The Importance of Stability

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# RETHINKING THE FUNDAMENTALS

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# Your Strategy is the Result of Two Primary Activities



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# Your Strategy is the Result of Two Primary Activities



Where to spend each dollar

- Which channels
- Labor vs outreach
- Spending mix

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# Your Strategy is the Result of Two Primary Activities

- Some relationships are better
- Some are more expensive
- Optimal point of balance between acquisition and retention
- PDI and EVI provide framework



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# MOVING BEYOND MESSAGE

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# There are Four Factors in Direct Marketing Results

Message

It is the “offer”

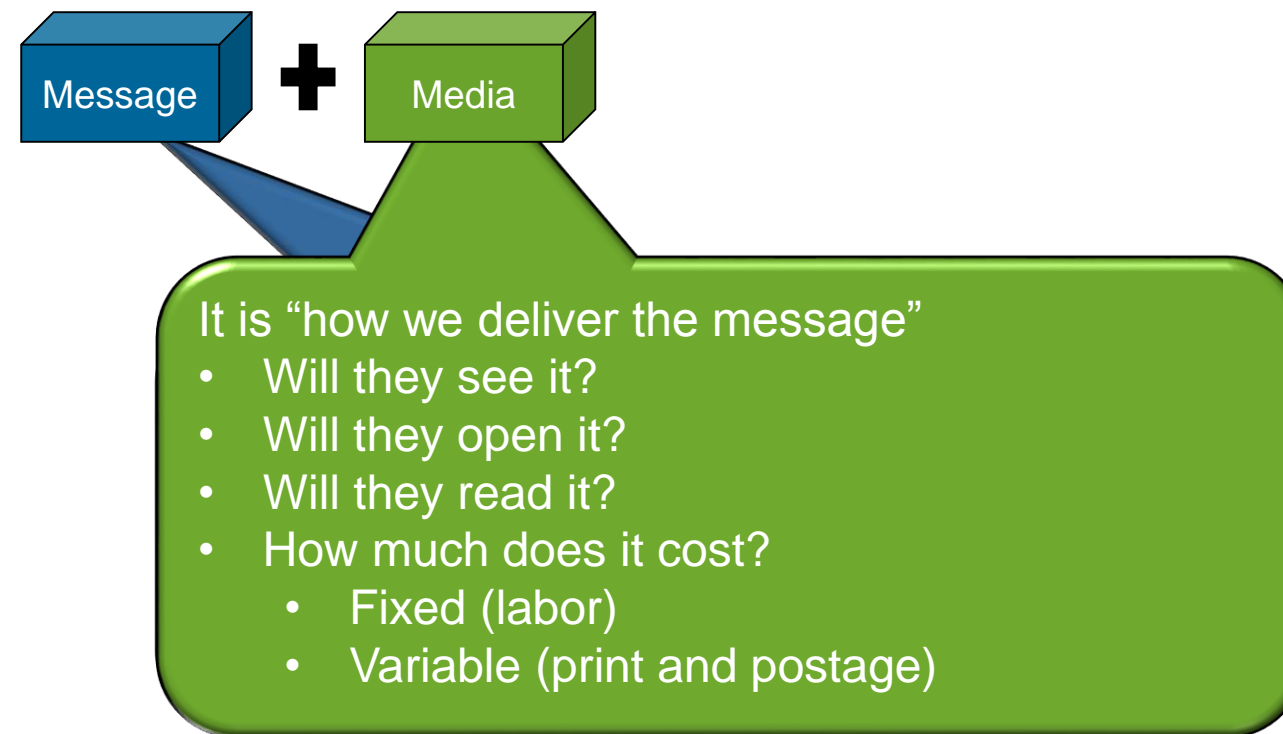
- What we say.
- Who is it from?
- Why should they care?
- What will they get?

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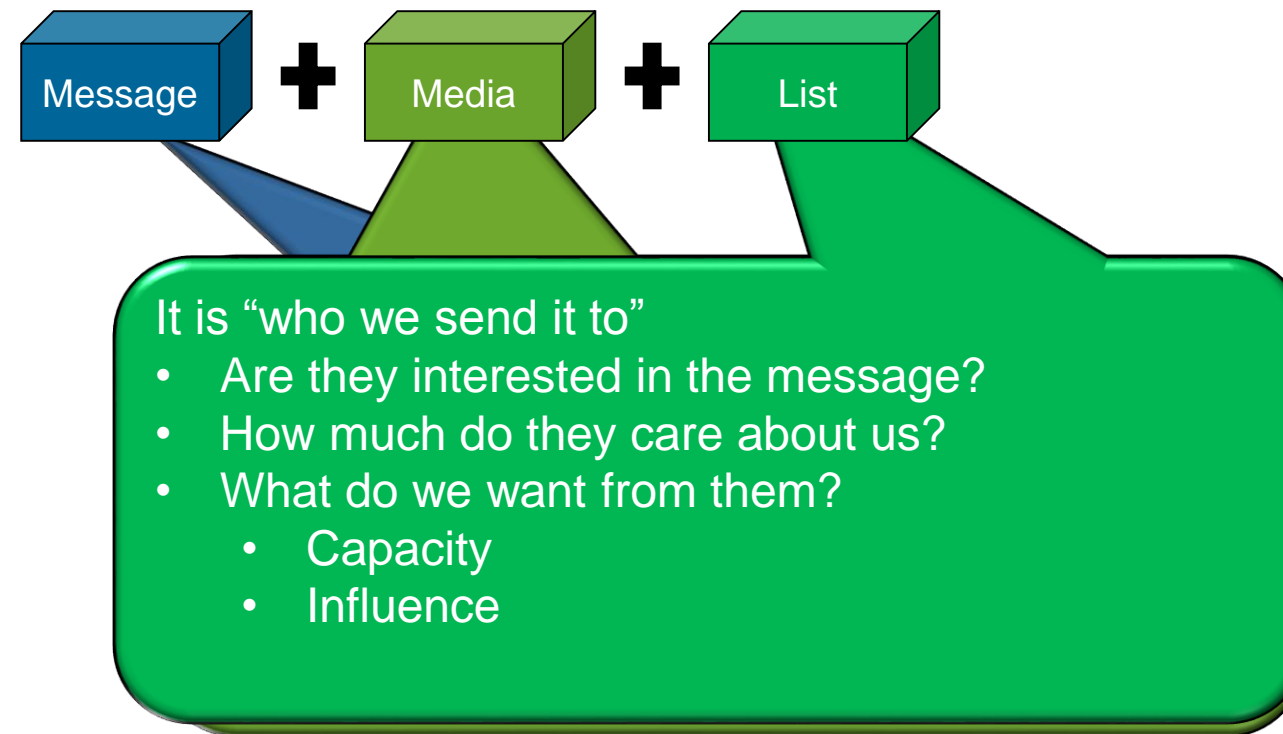
# There are Four Factors in Direct Marketing Results



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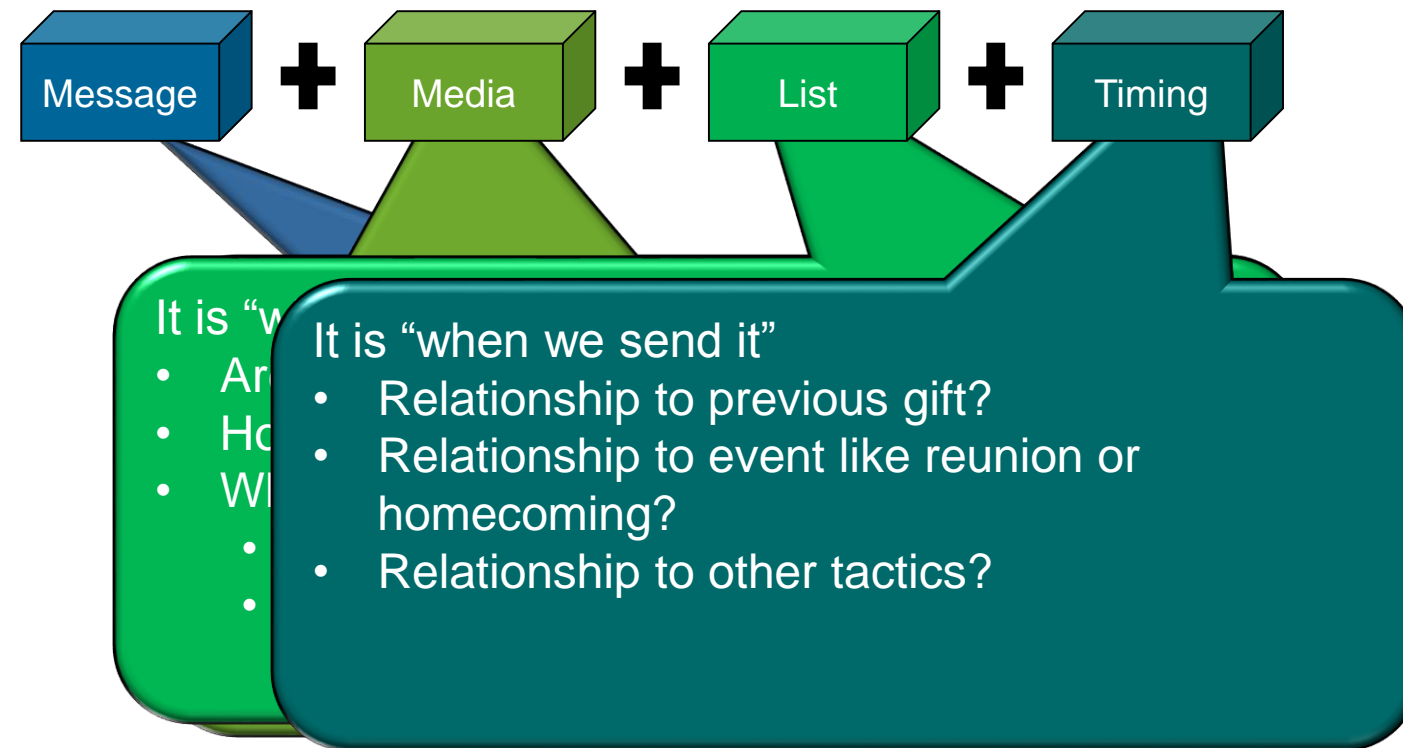
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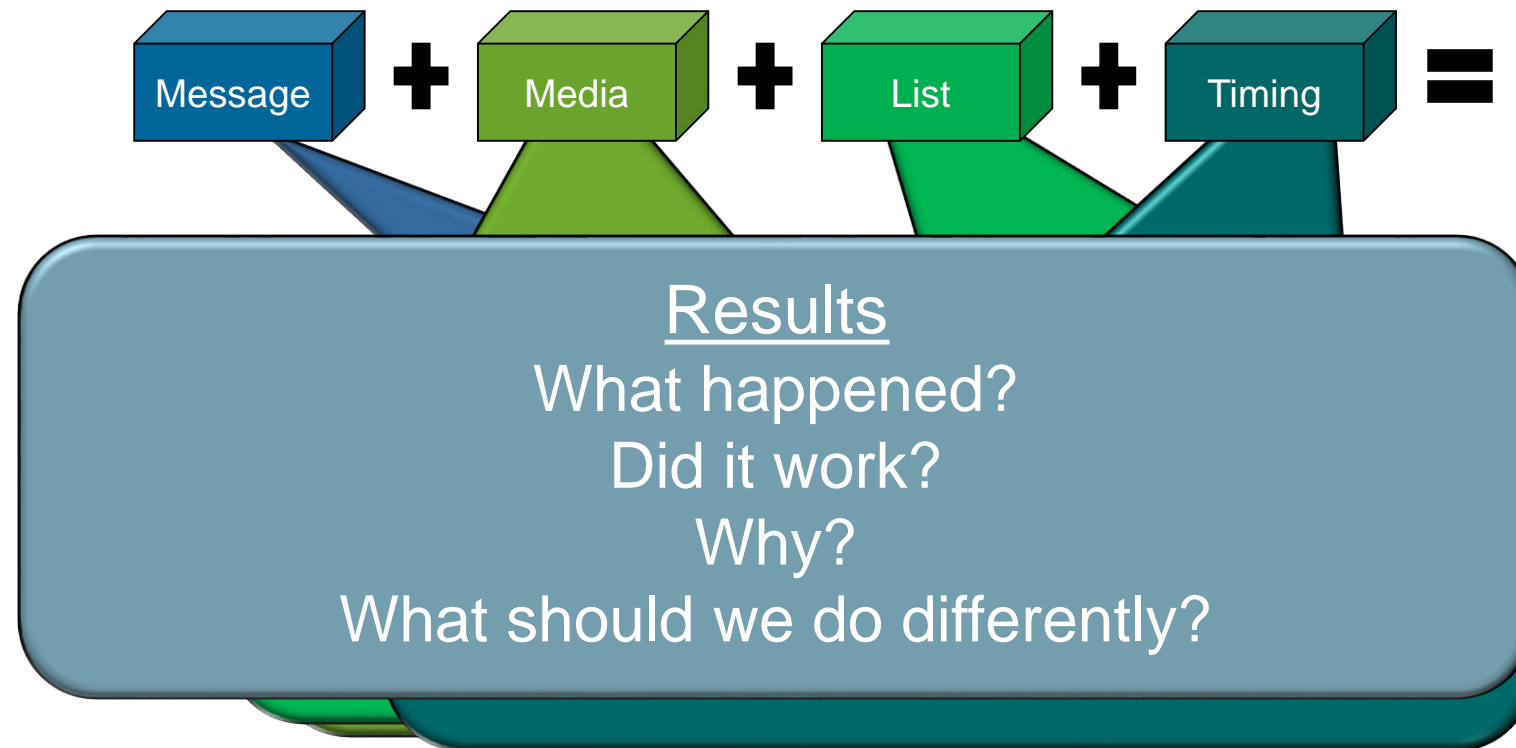
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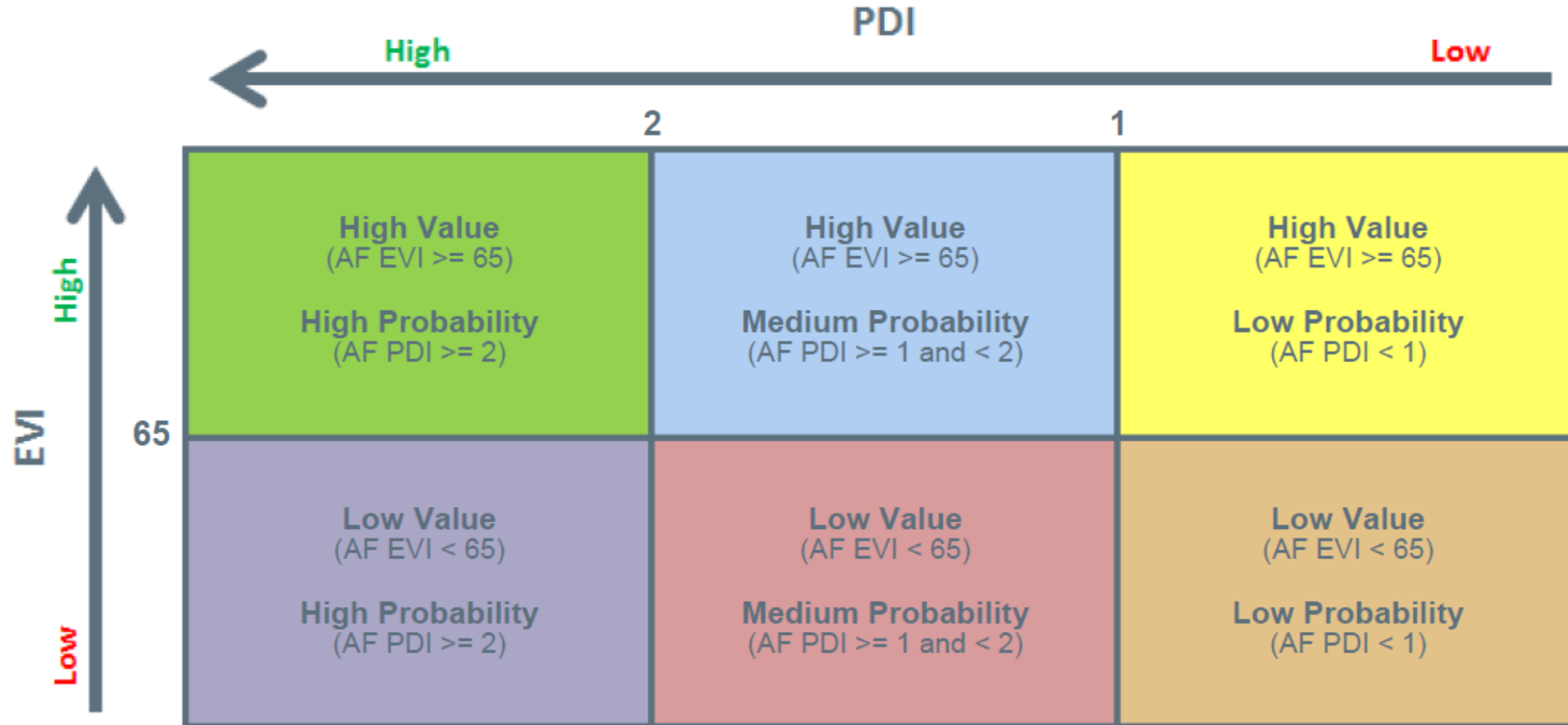
# There are Four Factors in Direct Marketing Results



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# Six Squares



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# An Example of List Segmentation

		PDI Segment																				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
		90-98	84-90	70-84	39-70	18-39	12-18	7-12	4-7	3-4	3-3	3-3	2-3	1-2	1-1	0-1	0-0	0-0	0-0	0-0	0-0	
EVI Segment	1	95-99	1,346	554	332	338	120	24	23	10	1	0	0	0	0	0	0	0	0	0	0	
	2	90-95	842	645	511	524	139	34	32	20	1	0	0	0	0	0	0	0	0	0	0	
	3	85-90	357	616	617	731	252	113	42	19	1	0	0	0	0	0	0	0	0	0	0	
	4	80-85	145	440	417	400	401	334	264	83	28	0	0	50	58	21	77	0	0	18	8	4
	5	75-80	26	135	132	138	463	638	377	339	33	0	0	87	152	41	106	0	0	36	30	15
	6	70-75	9	44	62	48	279	623	297	402	192	159	84	96	150	53	81	37	35	75	9	14
	7	65-70	4	24	30	34	208	228	225	145	232	304	324	367	160	91	96	121	49	84	18	4
	8	59-65	3	30	28	19	141	203	115	267	36	7	6	61	226	199	200	449	483	218	40	17
	9	55-59	4	10	23	30	28	43	124	184	491	384	209	275	129	94	118	101	132	165	192	12
	10	51-55	1	5	5	13	10	4	51	104	308	482	613	459	15	130	68	198	183	83	10	6
	11	45-51	1	9	25	21	18	20	54	37	47	9	13	30	204	181	245	778	592	333	74	58
	12	40-45	0	4	7	5	10	15	84	115	416	420	349	300	8	82	43	211	420	226	23	10
	13	36-40	1	13	33	32	24	23	60	57	192	200	220	179	302	283	195	234	231	169	185	115
	14	30-36	0	4	15	14	17	20	83	73	227	227	174	195	145	201	153	384	228	140	387	61
	15	25-30	1	23	18	30	40	44	54	51	49	3	1	43	372	481	231	204	365	258	271	209
	16	20-25	0	23	20	27	51	36	77	85	131	234	358	221	145	113	283	5	1	122	481	336
	17	15-20	1	13	10	23	18	20	40	50	133	233	297	195	219	328	262	14	21	175	375	321
	18	10-15	2	35	42	34	61	36	70	74	108	86	101	141	256	266	227	13	8	326	373	489
	19	5-10	1	52	102	76	82	55	113	123	83	0	0	46	205	146	347	0	0	262	237	818
	20	1-5	4	69	319	211	386	236	563	510	39	0	0	3	2	38	16	0	0	58	35	259

Color:	Segment Description:	# Constituents	Targeter Query:
Green	High Value, High Probability	13,357	AF EVI Greater Than Or Equal To 65, and AF PDI Greater Than Or Equal To 12
Blue	High Value, Medium Probability	4,963	AF EVI Greater Than Or Equal To 65, and AF PDI Is Between 1 and 11
Yellow	High Value, Low Probability	917	AF EVI Greater Than Or Equal To 65, and AF PDI Less Than 1
Purple	Low Value, High Probability	3,132	AF EVI Less Than 65, and AF PDI Greater Than Or Equal To 12
Red	Low Value, Medium Probability	17,022	AF EVI Less Than 65, and AF PDI Is Between 1 and 11
Orange	Low Value, Low Probability	15,572	AF EVI Less Than 65, and AF PDI Less Than 1

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# Possible Schema for Planning Segments



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# Possible Schema for Planning Segments



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# Possible Schema for Planning Segments



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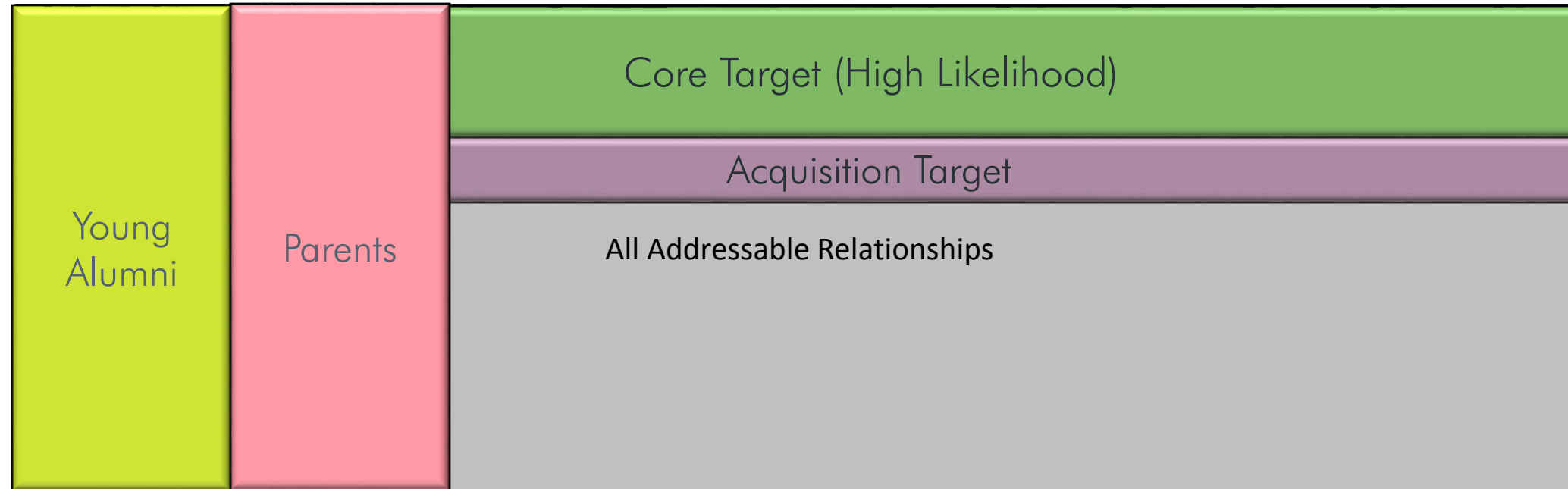
# Possible Schema for Planning Segments



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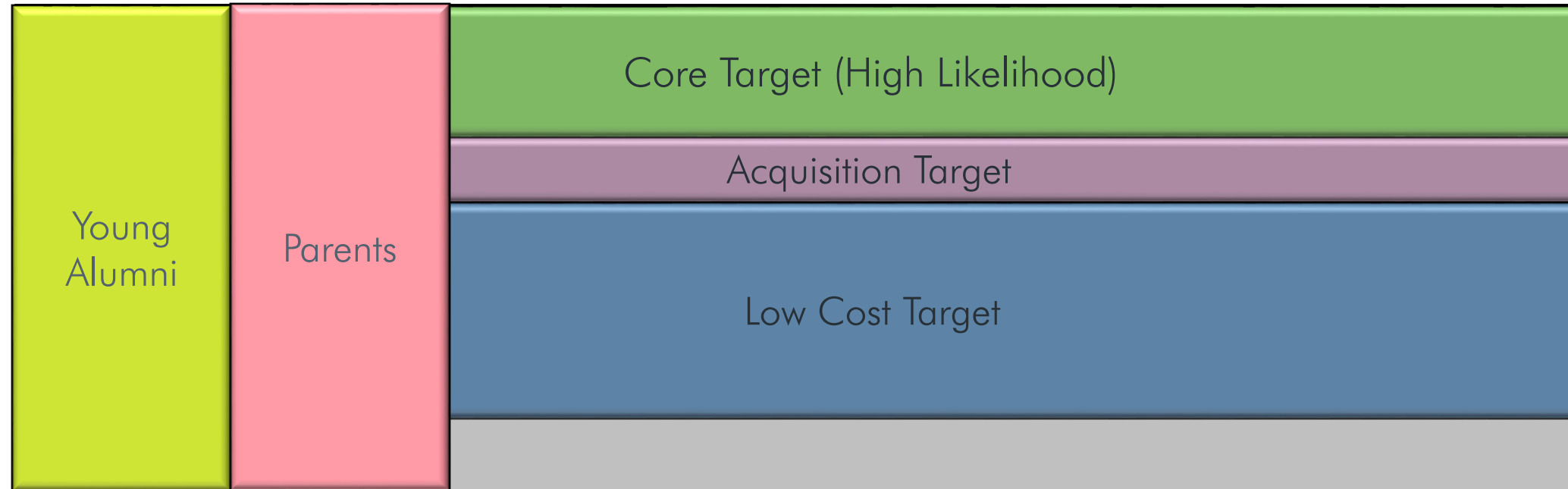
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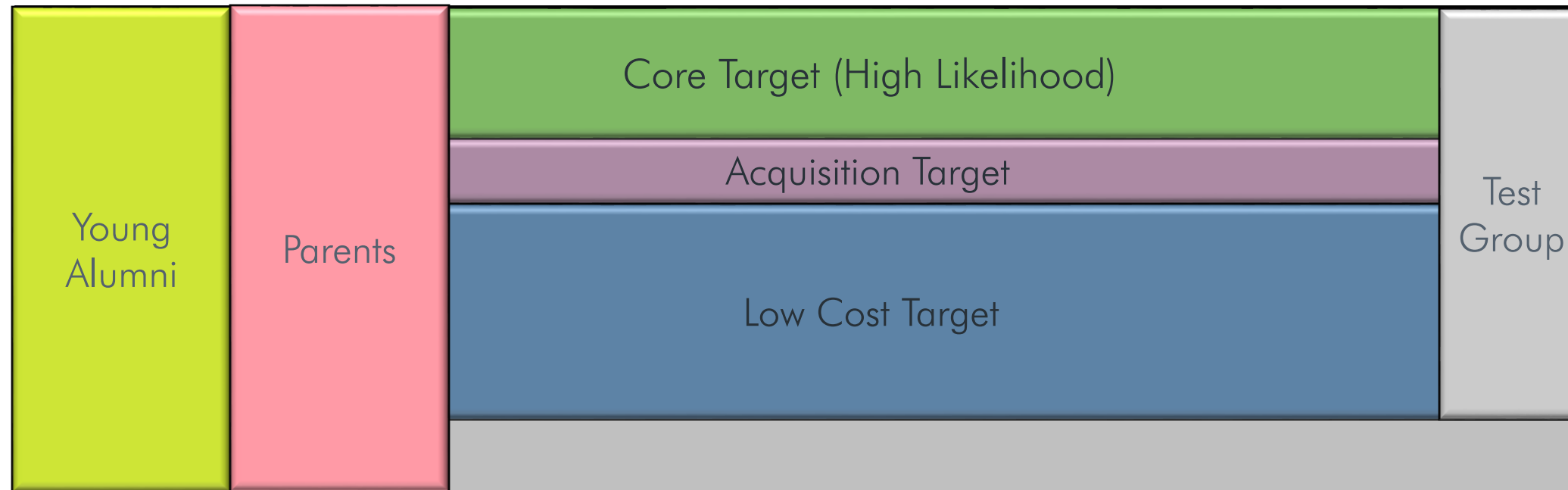
# Possible Schema for Planning Segments



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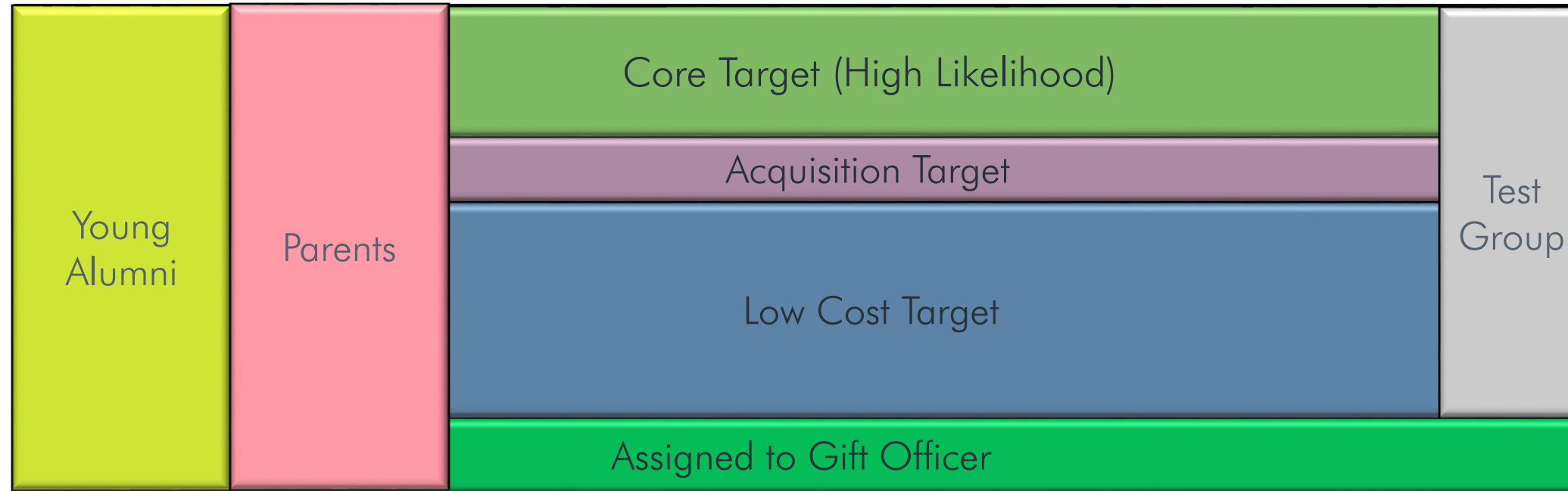
# Possible Schema for Planning Segments



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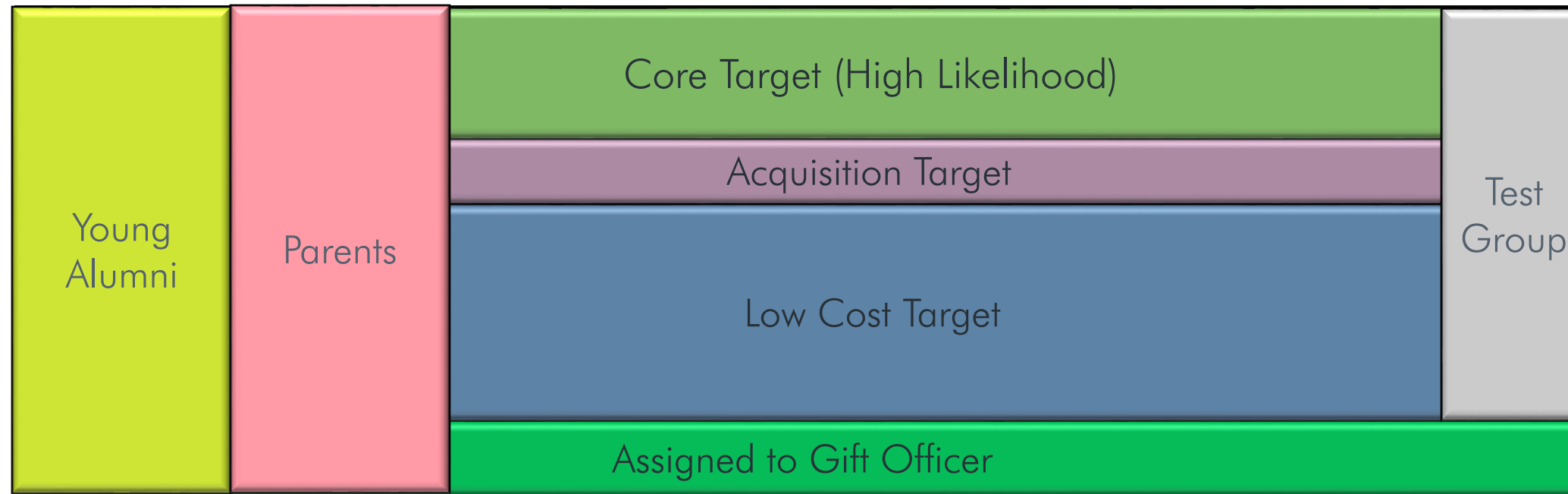
# Possible Schema for Planning Segments



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# Possible Schema for Planning Segments



After you have done the work to define your strategy, let me implore you...

**Don't Reboot Your Program!**

Evolve through testing, so you can establish your "cycle of progress"

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# THE RESOURCE QUESTION

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# Reeher Community Analysis of Channel Cost & Performance

Data from 2013 and 2014 September's Vista Executive Conference

Goal is to illustrate the value of choices in selecting channels

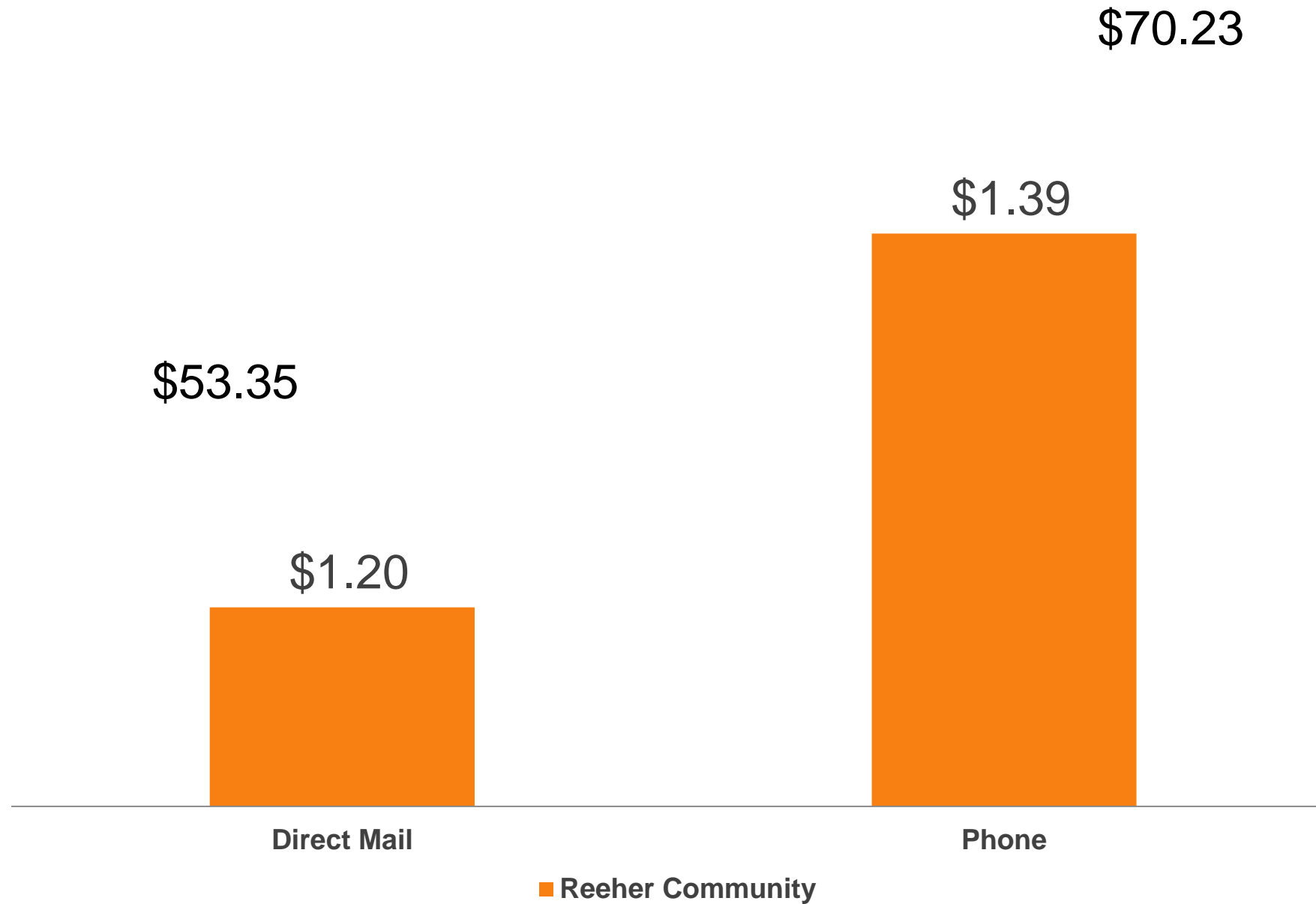
This is continuously evolving

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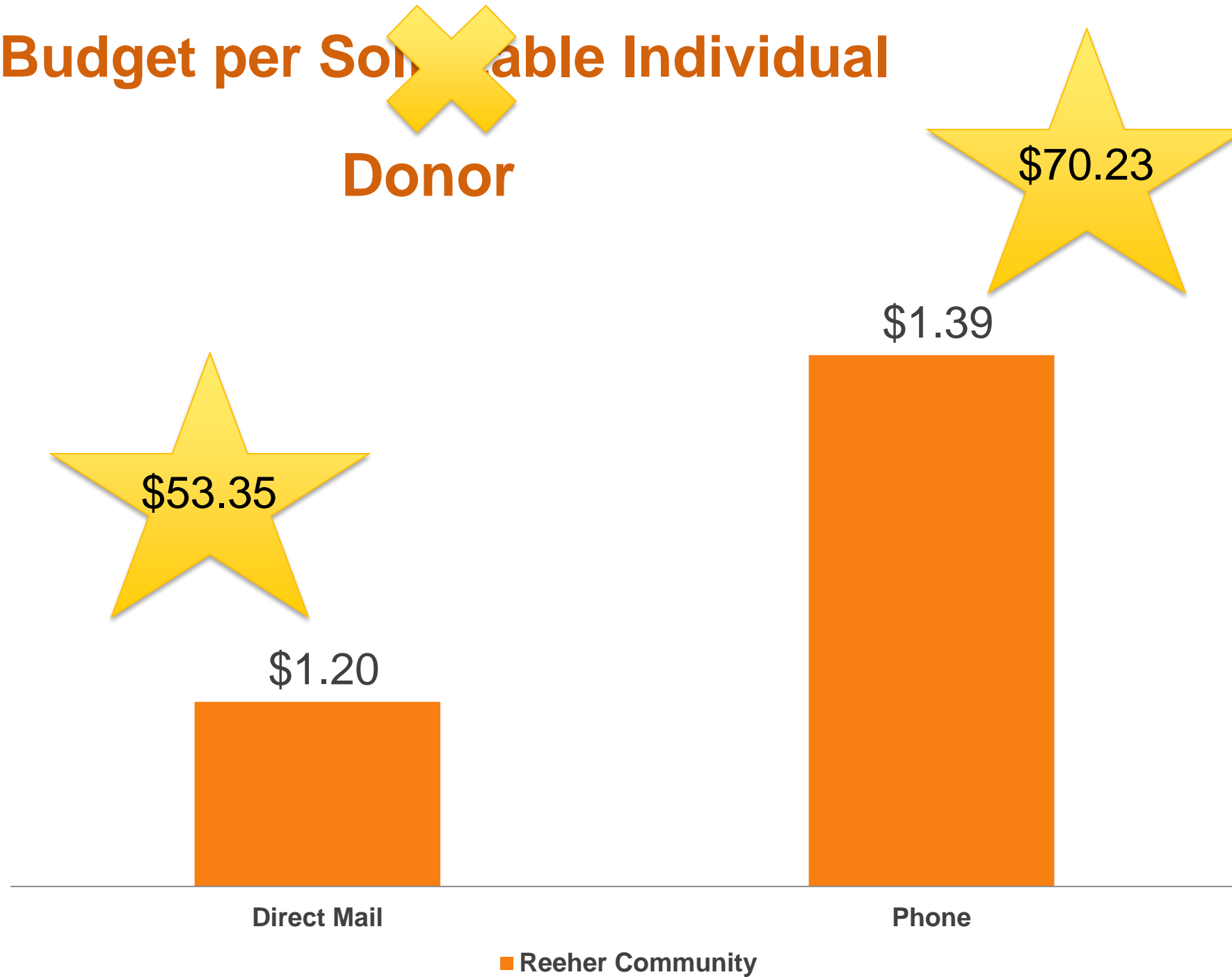
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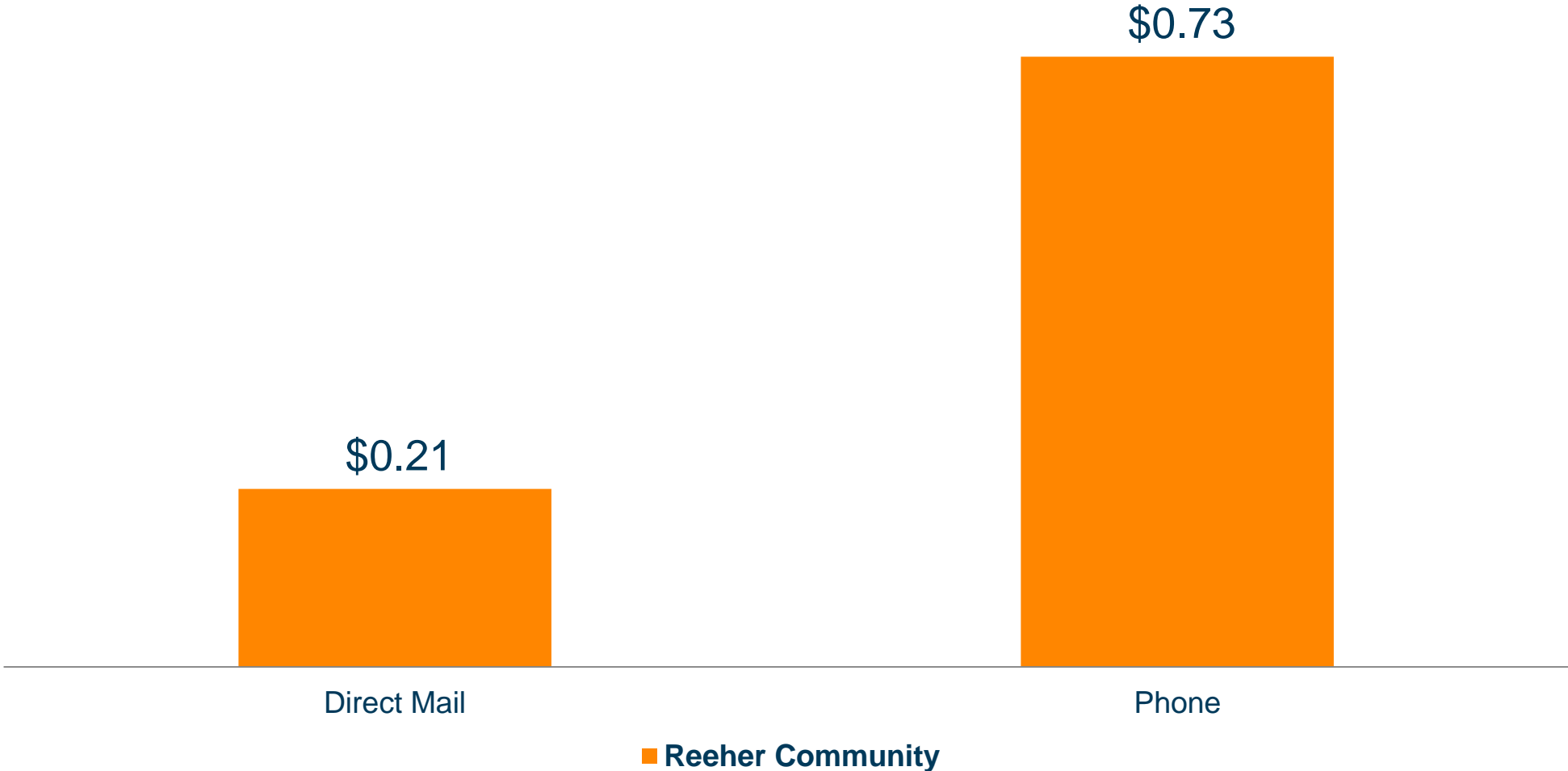
# Average Budget per Solicitable Individual



# Average Budget per Solicitable Individual Donor

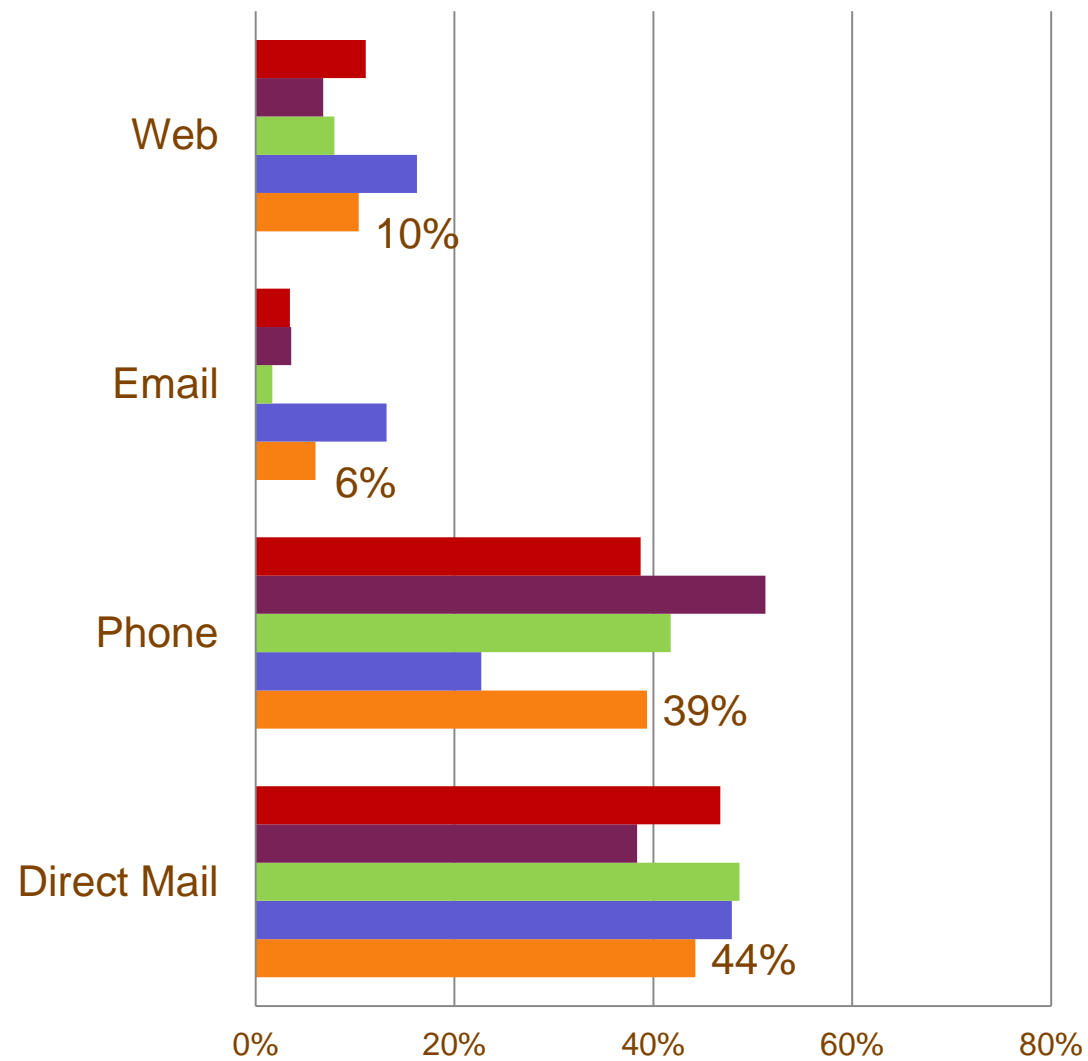


# Average Budget per Dollar Raised – Based on Source Channel

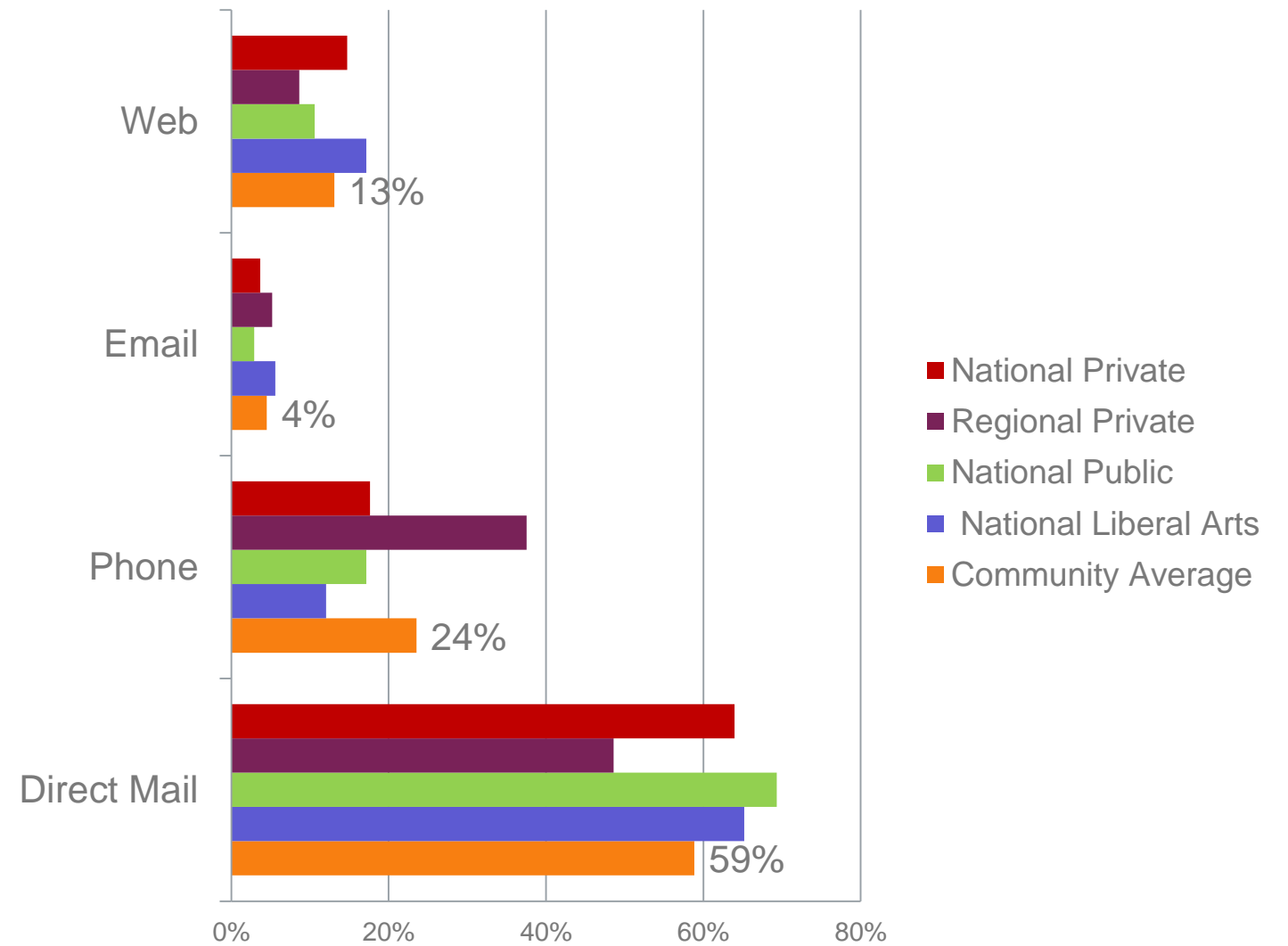


# Composition of Dollars and Donors from Direct Marketing Channels

## Percent of Donors by Channel

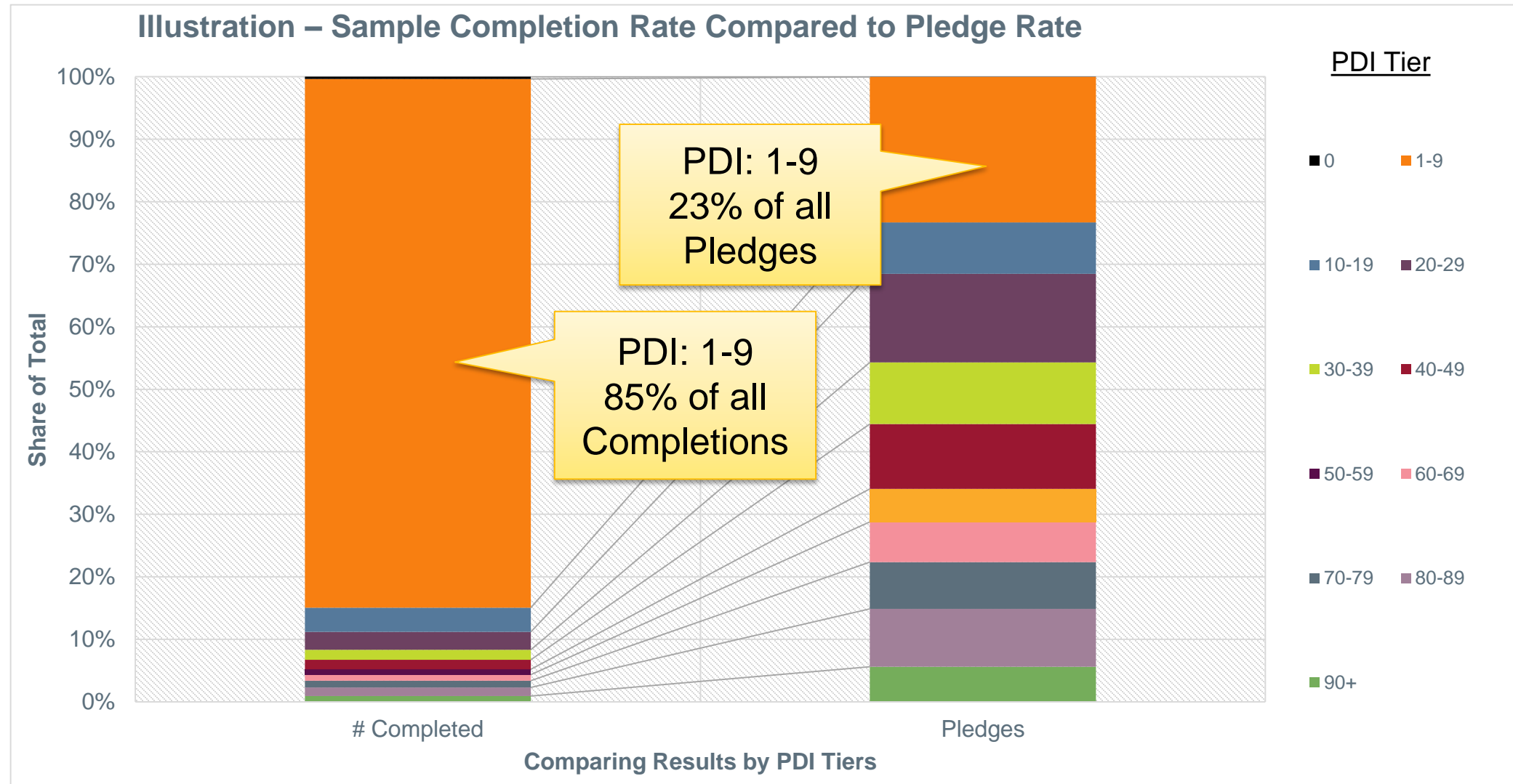


## Percent of Dollars by Channel



- National Private
- Regional Private
- National Public
- National Liberal Arts
- Community Average

# PDI Helps with Phone Capacity Allocation – Sample



# APPEAL RECIPE

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## Scope of the Study

### Goal:

- Determine a recommended channel cadence (aka recipe) for optimal solicitation results

### Analysis Inputs:

- Phone and direct mail from 7 institutions in the Reeher Community
- Phone data representative of the whole institution
- Direct mail limited to the pieces from central development offices – not schools or unit-specific

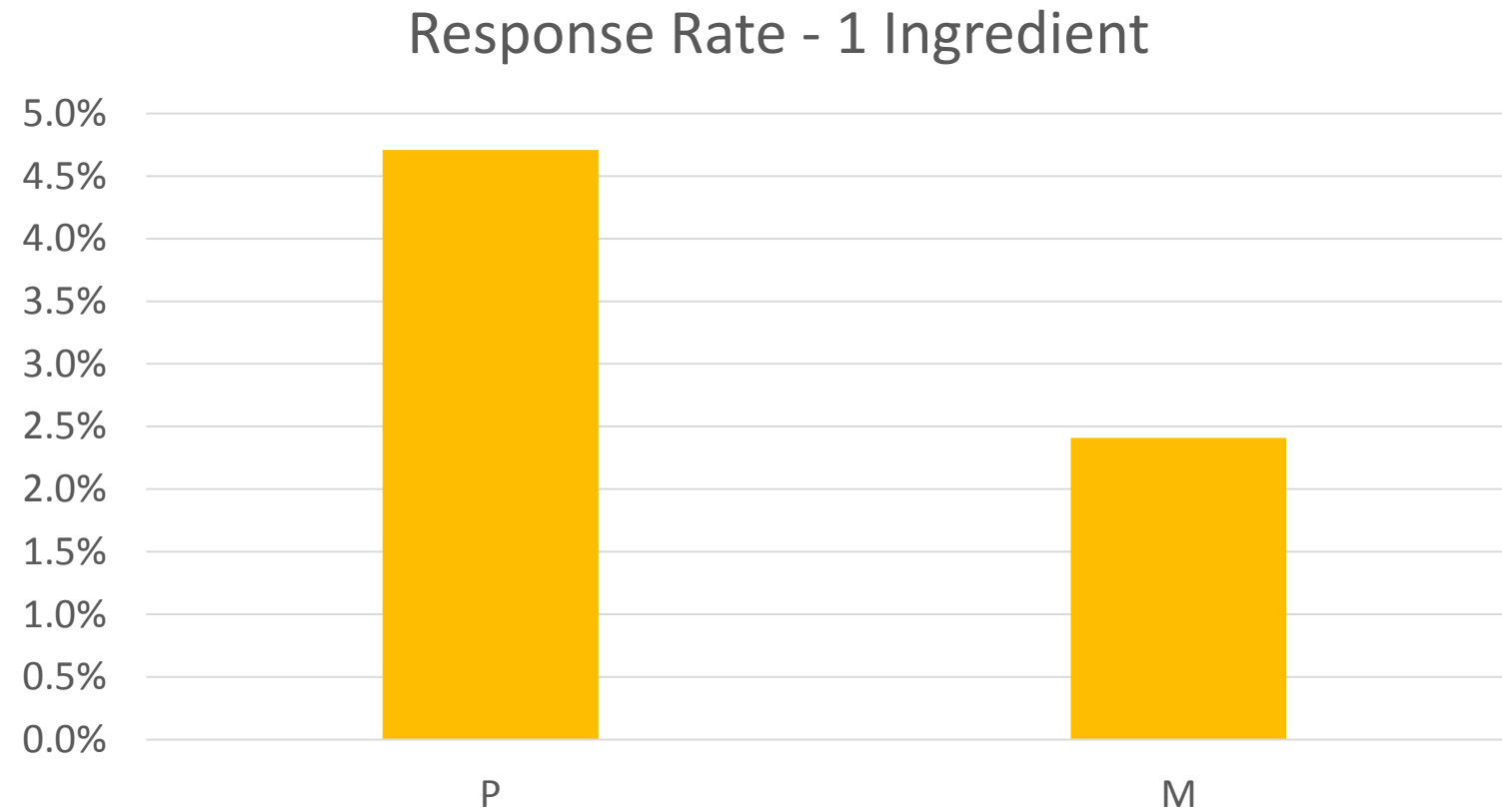
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# One Ingredient

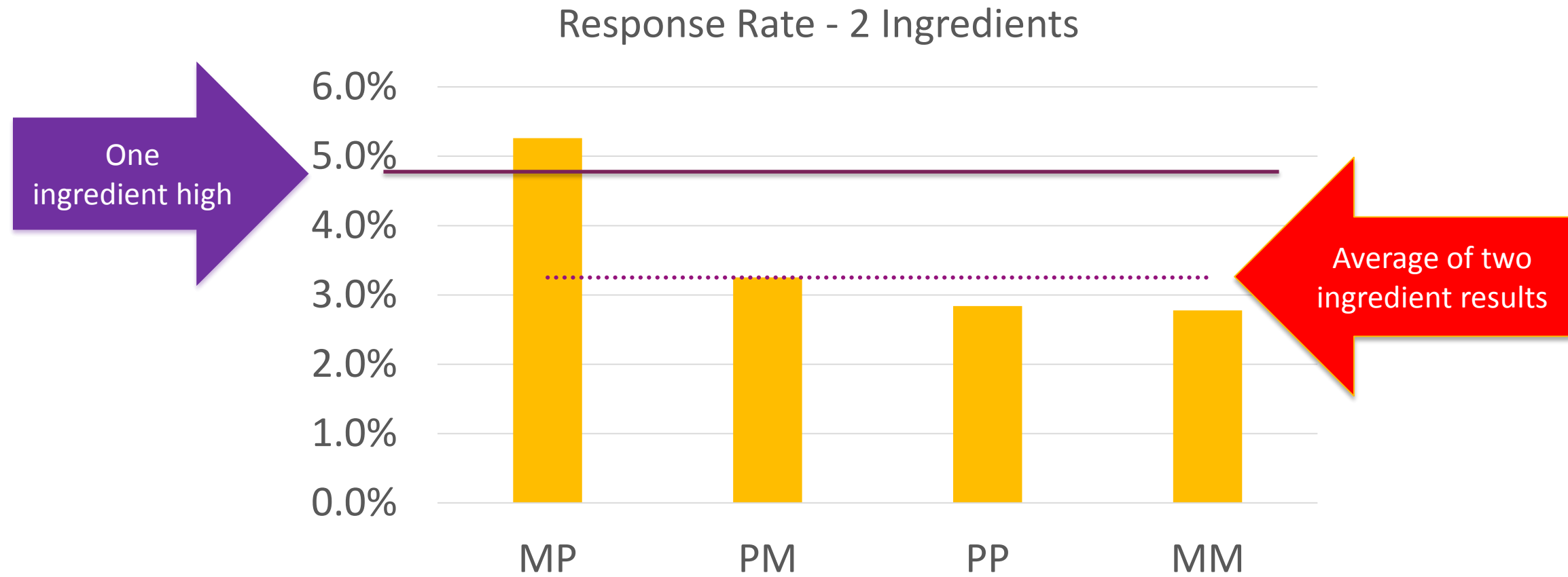


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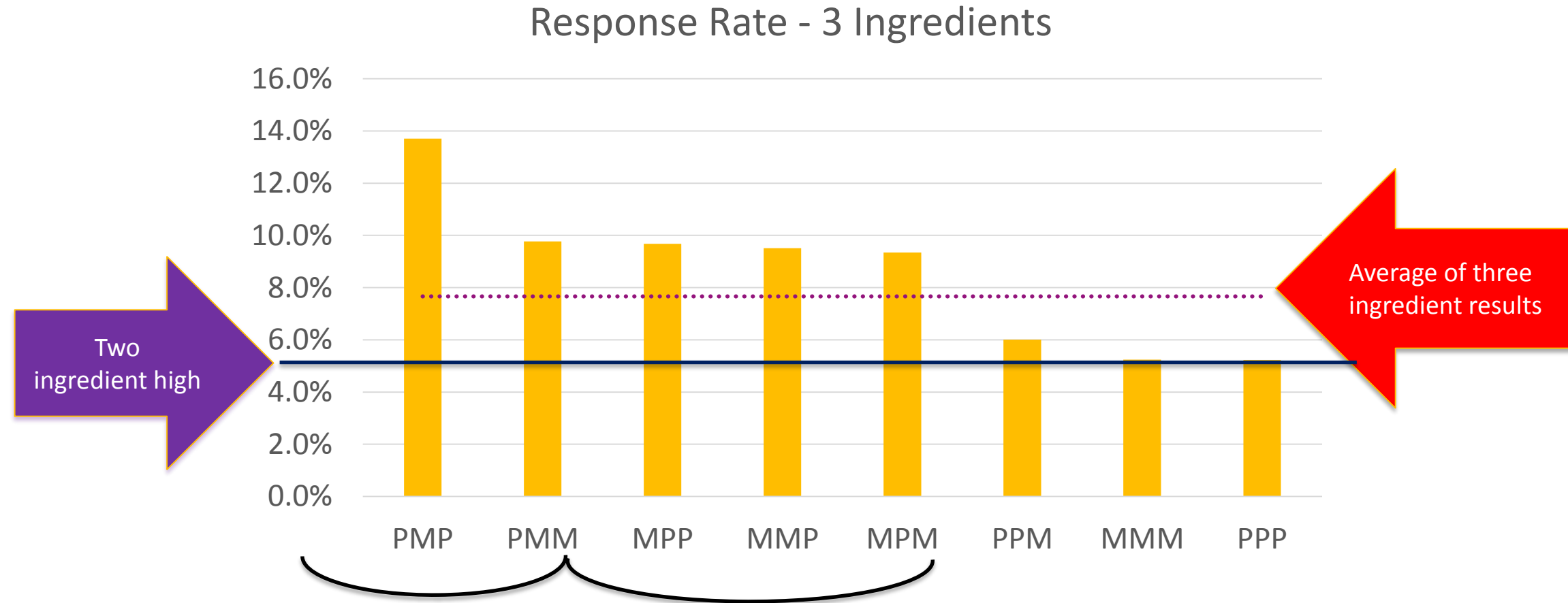
# Two Ingredients



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# Three Ingredients

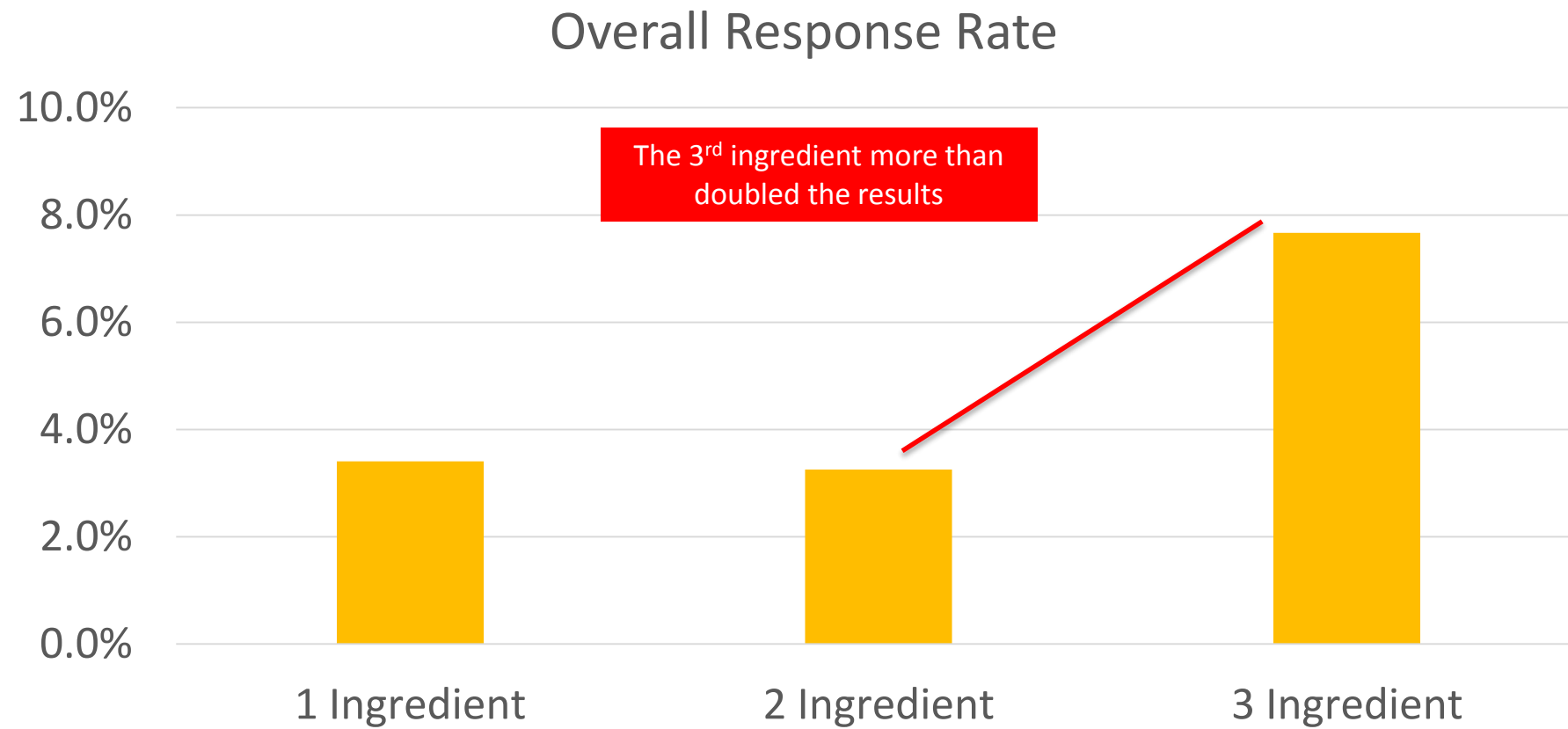


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# Overall Response Rate

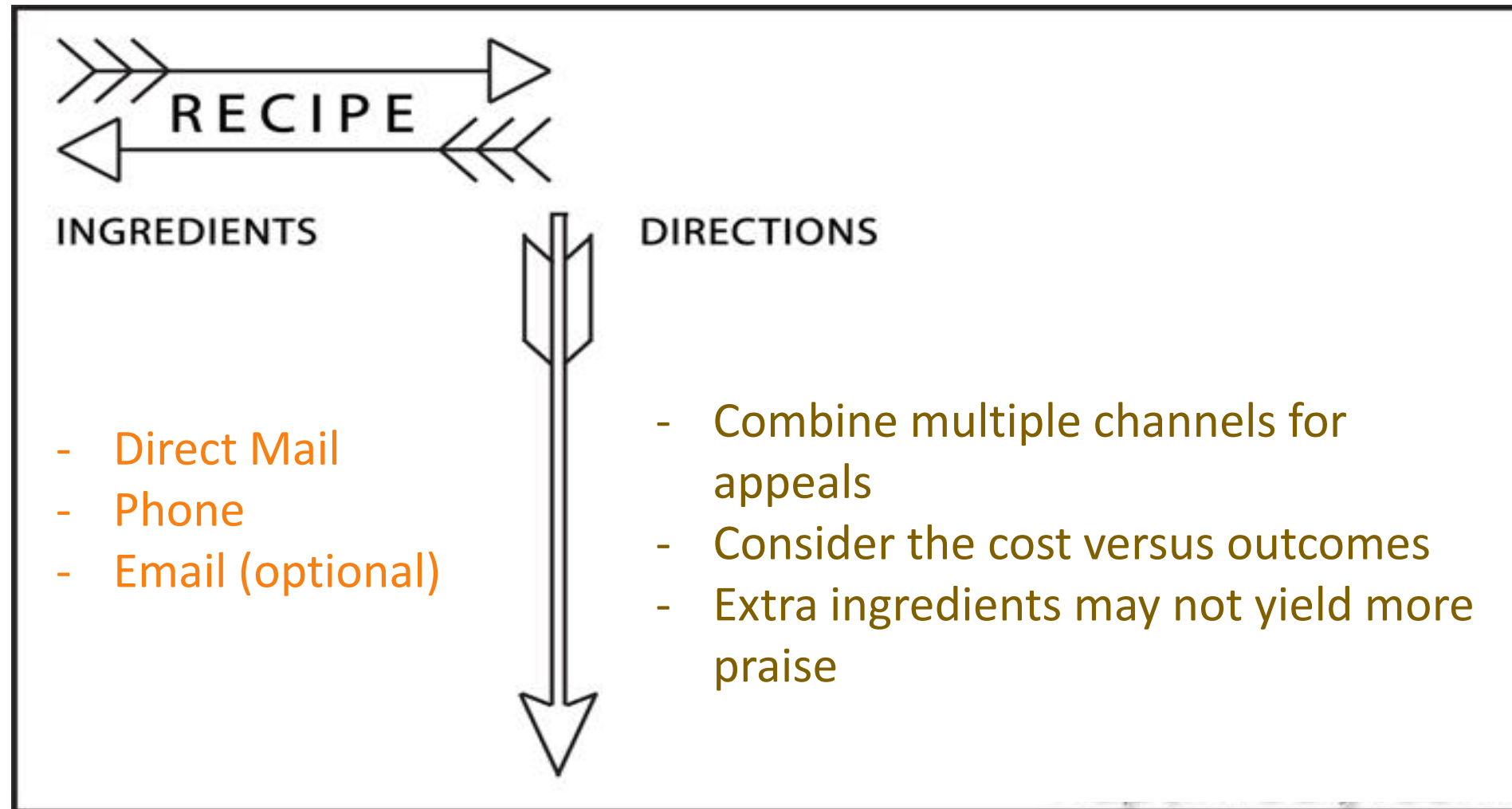


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## In Summary



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# THE IMPORTANCE OF STABILITY

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## Direct Marketing's Model

**Champion**



**Challenger**

## The First Step – Resisting Temptation

You are not a Mad Man, you are a Milk Man

Avoid Frequent Tactical Revision

“Gimmick” Donor Boosts

Undue Distraction with Social Media

Isolation from Alumni Relations and Major Giving

*By focusing on the core of your constituency with a repeatable, predictable “champion” strategy you will strengthen the long term health of the program.*



Questions?

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Thank You.

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