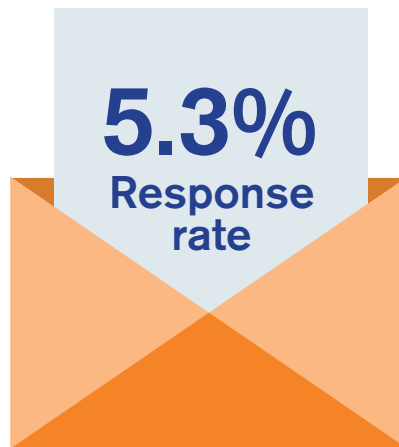




Direct **NONPROFIT** MAIL

A guide for those starting campaigns for the first time



DIRECT MAIL has a **5.3 percent response rate**: significantly higher than the other channels.

Despite all the hype around social media and email, nonprofit organizations often get the best results with direct mail.

- 0.1 percent of emails are opened.
- Paid search has an average open rate of 0.6 percent.
- Online display marketing has an average open rate of 0.2 percent.

Source: Nonprofit Direct Mail Marketing? Here's what you need to know in 2024. – Madx



Why do you use DIRECT MAIL?

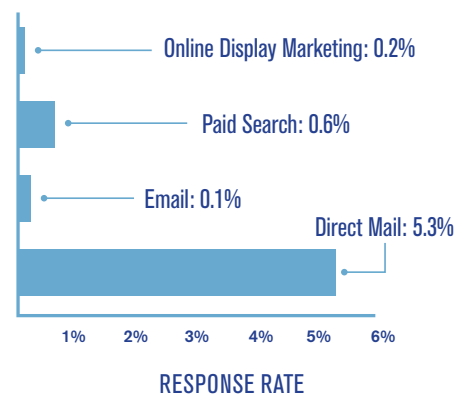


The single biggest challenge nonprofits face is fundraising. Direct mail campaigns, when executed correctly, are an essential tool for nonprofits to meet funding financial goals. In fact, according to a 2023 study, 74 percent of marketers believe the return on investment (ROI) for direct mail is higher than other channels, delivering the highest response and conversion rates for their organizations.¹

Why? Direct mail is a personal, tangible, targeted, measurable marketing strategy that can help you reach the right audience.

In fact, direct mail campaigns can help support your entire marketing strategy when combined with digital tactics to create a solid multichannel approach that yields big results.

Direct mail response rates for charities are surprisingly high when compared with other options.



Source: Study by NonProfitPro



How to get more **DONATIONS**, and more **DONORS**

For nonprofits, a big part of fundraising is about prospecting. How do you get more money from existing donors, and find more like them to support your cause? By adding direct mail to your campaign strategy. In fact, researchers of one study found that direct mail response rates were significantly higher than email, paid search and online display marketing.¹

To maximize response rates, however, you'll need to do your homework first before you send out a mailer. If you're going to be effective, you'll want to personalize your message to inspire donors, both old and new, to invest in your cause. This requires a clear understanding of who your audience is.

Using market segmentation tactics,² or breaking down large groups of donors into smaller donor groups or segments based on prevalent features of each group is one way to do this. These include performing an audience analysis to discover any trends related to donor activity; creating buyer personas to visualize who your donors are; researching and identifying market segment opportunities; and testing your campaign ideas.

Activities like these, when done continuously, further enhance your understanding of donor participation throughout the year so you can decide where and how you want to spend your dollars most effectively. Age, gender, income, occupation and marital status, as well as times of rapid change all impact donor participation. Understanding how these factors shape charitable giving over time will confirm the status of your existing customer base.

In drilling down on these details, you may uncover a new niche customer segment or new ways to serve existing markets. Armed with this perspective you can accurately tailor messages that are more relatable to your target audience, from the words you choose to the format you use.



**Individuals donated
\$319.04 billion in 2023**

Sources:
Ensor, K. (2023, October 6). 18 year-end giving statistics with surprising facts [2023]. Nonprofit Blog. <https://donorbox.org/nonprofit-blog/end-of-year-giving-S>

Find Your Perfect DIRECT MAIL FORMAT

We've shared how important it is to follow the data to find your audience (and your message). However, presentation is everything, and without the right one, your message may be rendered ineffective. Armed with your mailing list and segmentation strategy, it's time to choose your mailer.

75 percent of respondents feel special when they receive personalized mail. Targeting donors on a 1:1 level amplifies response rates by 50 percent or more.



Source:

www.ballantine.com/direct-mail-fundraising-the-secret-to-maximizing-donations-in-2023

The four most common types of mailers⁴ (and what they're commonly used for) are listed below. While postcards and letters tend to be the most popular, brochures and catalogs are also included:

- **Postcards** – Among the four, postcards are an easily produced, affordable way to get your message across. You'll have to keep it brief, however, as postcards don't offer a lot of space and are often overlooked. But they're a great reminder and information gathering tool for donors.
- **Letters** – Letters are flexible as they can accommodate just about any message, and can be personalized to address the recipient, along with your organization's letterhead and a handwritten signature. All of these qualities increase their perceived importance. Anything that comes in an envelope, however, is more expensive and easily overlooked if it is not opened by the recipient.
- **Brochures** – Somewhere in between a postcard and a letter in terms of perceived importance, a brochure enables you to expand on your postcard message and enhance it with colorful visuals capturing the work you're doing. They can be further personalized with your organization's logo and tagline, offering the design flexibility to advertise what it is you do and ask for support.
- **Catalogs** – Catalogs are the most flexible as they offer a lot of white space to play in. They're also the most expensive and time consuming to produce. Generally, nonprofits with large budgets use them to highlight campaign donations that designate beneficiaries with livestock, or a year's tuition, for example, depending on the dollar amount. They are also used for annual reports.



How to MEASURE ROI

Understanding your return on investment (ROI) for any direct mail marketing campaign is important. It's safe to say ROI commands the biggest attention of key stakeholders and members of leadership who are keenly interested in how many dollars your fundraising efforts are pulling in. Tracking response rates, conversion rates, and revenue generated helps to understand ROI, so you can adopt effective strategies and channels and optimize your marketing budget for maximum impact.



\$1.00 = \$3.00

Average fundraising ROI for nonprofits in North America is 3.0, meaning that for every dollar spent on fundraising, nonprofits generate \$3 in net income.

Source:

www.linkedin.com/advice/0/how-do-you-calculate-fundraising-roi-skills-fundraising#

So, how do you calculate ROI for a direct mail campaign? You'll need to divide your net income from fundraising by the total cost of your campaign.³ To do this, you'll need to calculate the following at the conclusion of your campaign:

- **To determine net income**, you'll need to subtract direct expenses, or money spent on fundraising activities (for staff, materials, postage, etc.) from the total amount of money raised.
- **Total cost** is calculated by adding direct and indirect expenses, or overhead for rent, utilities, etc.

From here, it's simply a matter of plugging these calculations in this simple formula (net income / total cost). **For example, if you raised \$50,000 from a campaign that cost \$10,000 in direct expenses, and \$5,000 in indirect expenses, your fundraising ROI would be:**

$$(\$50,000 - \$10,000) / (\$10,000 + \$5,000) = \$2.67$$

In this instance, every fundraising dollar spent generated \$2.67 in net income.

In summary, fundraising ROI is an important tool to evaluate your campaign and the sustainability of your fundraising strategy. It can be used over time to understand the strengths and weaknesses of your campaigns across channels, so you know where to invest to maximize returns. And it is a means to demonstrate campaign impact to key stakeholders, whether individual donors, or the board.

TRACK and ANALYZE

Measuring the performance of your direct mail campaigns is not just a post-mortem analysis; it should be an integral part of your strategic approach all year round. It empowers you to make informed decisions and refine tactics to ensure that every fundraising effort is a successful one.

How do you continuously track the performance of your direct mail campaign? First, you'll need to establish clear fundraising goals, as they will help you to identify the key performance indicators (KPIs) or the metrics you'll use to understand how successful your campaign is.

There are numerous metrics to consider; however, some of the most common KPIs you can use to measure and track the effectiveness of your direct mail campaigns include:

- **Response rates**, or percentage of responses from your target audience receiving your mailer.
- **Conversion rates**, or percentage of recipients who interacted with your mailer in a way that lead to a desired response.
- **Customer Lifetime Value (CLV)**, which is cumulative as it gives a more comprehensive idea of how your campaign is building a bridge to sustainable donor relationships.⁵



Of course, we've already touched on ROI (another KPI), and how to calculate it to understand return on investment, how many campaign dollars spent versus the amount of donations coming in.

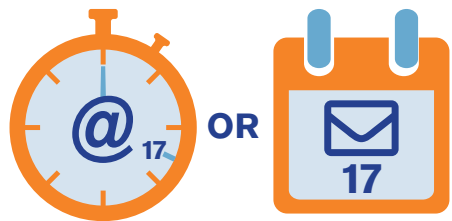
While direct mail campaigns can increase the amount of donations flowing through your nonprofit, one thing's for certain — their value can only be determined by tracking and analyzing activity that leads to optimization (and more donations).

SOURCES:

1. *Direct Mail Fundraising: The Secret to Maximizing Donations in 2023* – Ballantine
2. *Guide to building a segmentation strategy* – SurveyMonkey
3. *How do you calculate fundraising ROI?* (linkedin.com)
4. *Complete Guide to Nonprofit Direct Mail* – Nonprofit Fundraising
5. *How to Track Direct Mail Campaigns: Tracking & Analytics* – PostGrid



WHICH WILL YOU CHOOSE?



The average
lifespan of an
email is
17 seconds.

The average
lifespan of
direct mail is
17 days.

Source:
www.gostrata.com/stratabytes-blog/whats-the-value-of-direct-mail-in-2023

