



***Using metrics  
and research  
to improve your  
direct marketing***

**DMAW**

**October 2008**

**Kevin Whorton**

***Whorton Marketing & Research***

***info@kwhorton.com***

***301-312-8938***



AMERICAN OSTEOPATHIC ASSOCIATION



Nonprofit Federation



The National Office Products Alliance



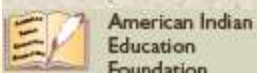
AMERICAN COLLEGE OF RHEUMATOLOGY  
EDUCATION • TREATMENT • RESEARCH



Southwest Indian Relief Council



SOCIETY FOR HUMAN RESOURCE MANAGEMENT



# What Do You Do When ...?

- The Board wants you to explain a sudden drop
- You need to explain membership trends to your committee
- New leadership or management wants “everything different”
- You know what the problem is, and need to articulate it
- The Executive Director sets a goal for 15% growth in tough times
  
- You notice a sudden drop in your renewal rates, and you don’t know why
- You have to “fix” a problem you don’t understand yet
- You have to launch a new acquisition program and don’t know where to start
- You conduct a member needs assessment and it doesn’t square with your membership stats/trends

# Observations and Assertions

- Many AMS/membership reports seem inadequate
- Our goal as marketers is to understand the individual
  - Convert their experience into compelling insight
    - Determine how services add value to membership and how they don't
    - Drive pricing, bundling decisions
- Identify “hooks” for new members/purchasers
  - Measure and *diagnose* attrition
  - Understand penetration:
    - Expand the universe where possible
    - Focus where congruent with our niche/ability/services
    - Determine why (or who) will never join/buy

# What Are You Doing Now?

- How often do you report statistics
  - Internally to staff
  - Externally to Board, committees
  - How good is your coverage, and do you track the right things
  - How much detail is in the report
  - How much acceptance of “your definition” of membership
  - Is membership seen as a driver of other revenue (conferences, publications, sections)
- How does your association conduct research
  - How do you report results internally, to members
  - How does it match the data in your database?
  - What kinds of monitors/”early warning systems” are in place

# Effective measurement: solid metrics

Client Membership Acquisition Program: Sample Results Report											Prepared 5/24/2006	
06B		First response received 4/10, doubling day 22 calendar days										
<b>Package I: Control Package</b>												
Mail	Segment and Description	Mailed	Revenue	Gifts	Avg	Response	Rev/M	Other cost	List cost	Tot Cost	CPDR	
D01	1 List Source A1-ABC Donors: Control	3,650	\$3,075	41	\$75	1.12%	\$842	\$1,896	\$353	\$2,248	\$0.62	
D01	2 List Source B1-NMBA Members: Control	2,962	\$3,132	36	\$87	1.22%	\$1,057	\$1,538	\$274	\$1,812	\$0.49	
D01	3 Test List Source A6-ABC Lapsed Donors: Control	1,450	\$1,458	18	\$81	1.24%	\$1,006	\$753	\$89	\$842	\$0.52	
D01	4 Test List Source B2-NALA Members: Control	1,004	\$375	5	\$75	0.50%	\$374	\$521	\$97	\$618	\$1.39	
D01	5 Test List Source C2-Licensure Names: Control	3,111	\$3,948	47	\$84	1.51%	\$1,269	\$1,616	\$75	\$1,691	\$0.41	
D01	6 Internal lapsed '02-'05: Control	1,850	\$3,525	47	\$75	2.54%	\$1,905	\$961	\$0	\$961	\$0.27	
D01	7 Internal lapsed pre '02: Control	2,325	\$2,625	35	\$75	1.51%	\$1,129	\$1,207	\$0	\$1,207	\$0.46	
	Web joins, attributed to mail campaign		\$2,325	31	\$75							
D01	Unallocated/white mail		\$600	8	\$75							
<b>Total Control Package</b>		<b>16,352</b>	<b>\$21,063</b>	<b>268</b>	<b>\$79</b>	<b>1.64%</b>	<b>\$1,288</b>	<b>\$8,492</b>	<b>\$887</b>	<b>\$9,379</b>	<b>\$0.40</b>	
Costs: \$2,250 creative/program management; \$8,373 production (est \$.31 cents); \$1,794 postage (est 12.5 cents)												
<b>Package II: Test Offer</b>												
Mail	Segment and Description	Mailed	Revenue	Gifts	Avg	Response	Rev/M	Cost	List cost	Tot Cost	CPDR	
D02	1 List Source A1-ABC Donors: Control	1,825	\$1,875	25	\$75	1.37%	\$1,027	\$794	\$176	\$970	\$0.77	
D02	2 List Source B1-NMBA Members: Control	1,481	\$1,575	21	\$75	1.42%	\$1,063	\$644	\$137	\$781	\$0.61	
D02	3 Internal lapsed '02-'05: Control	925	\$1,425	19	\$75	2.05%	\$1,541	\$402	\$0	\$402	\$0.26	
D02	4 Internal lapsed pre '02: Control	1,163	\$729	9	\$81	0.77%	\$627	\$506	\$0	\$506	\$0.81	
<b>Total Test Package</b>		<b>5,394</b>	<b>\$5,604</b>	<b>74</b>	<b>\$76</b>	<b>1.37%</b>	<b>\$1,039</b>	<b>\$2,346</b>	<b>\$313</b>	<b>\$2,659</b>	<b>\$0.42</b>	
Costs: \$0 creative/program management; \$1,672 production; \$674 postage (est 12.5 cents)												
<b>Overall Campaign</b>												
		<b>Mailed</b>	<b>Revenue</b>	<b>Gifts</b>	<b>Avg</b>	<b>Response</b>	<b>Rev/M</b>	<b>Cost</b>	<b>List cost</b>	<b>Tot Cost</b>	<b>CPDR</b>	
		<b>21,746</b>	<b>\$26,667</b>	<b>342</b>	<b>\$78</b>	<b>1.57%</b>	<b>\$1,226</b>	<b>\$10,838</b>	<b>\$1,200</b>	<b>\$12,038</b>	<b>\$0.41</b>	
<b>Comments:</b>												
Test to rollout lost 20% for ABC Donors, lapsed donor segment better--may be "cherry picking" or encountering rapid fatigue with repeat names.												
NMBA members have large universe--rollout in next campaign.												
Discontinue test of NALA names and reconsider names from similar list sources.												
Continue to work lapsed names hard going back as far in time as possible.												
Test offer worked better with control lists--split run next campaign with test offer to prospects, existing control/offer to lapsed.												
Web joins are a small proportion of total; consider package modifications to encourage more web/e-tie ins.												

- Source coding
- Metrics/targets
- Defined expectations

# Metrics: Big Picture/Strategic Measures

## 8 Basic Categories

1. Trends over time: declines/gains
2. Relative to competition: growing/declining share
3. Relative to universe: proportion of total
4. Subjective measures: aesthetics/internal opinion
5. External perceptions: awareness/satisfaction
6. Institutional perspective: strategic congruence
7. Sector-specific: areas of greatest/least strength
8. Investment perspective: future potential growth

## Key Questions/Issues

*"Research doesn't provide answers so much as it provides us with better questions to ask"*

These always have to be answered

Even if we never ask the questions

# **Case Studies**

Mini Case Studies:  
Examples Applied to Programs/Campaigns

# Case Study I:

## **AMHCA (American Mental Health Counselors)**

- Audience Research
- Performance Tracking
- Membership Marketing
- Conference Marketing

# Association Description

## AMHCA

- Professional association: short history of existence
  - #1 slowly growing: reinstatement ↓ acquisition ↑
  - #2 strong competition: ACA, state chapters
  - #3 low penetration: 6k members/80k universe
  - #4 dissatisfied with past creative: garish, no brand
  - #5 external: decent awareness: web, 3x/yr mail
  - #6 strategy: very concerned with growth, business model
  - #7 sectors: strong with students, tougher with practice
  - #8 future: expect product diversification, membership needs new techniques

# Program Description

## AMHCA

- Membership marketing program
  - Splashy, joint publication-membership offer
    - Replaced with combo 15-for-12, \$15 discount
  - All mail, no integration or e-acquisition
    - 0.45% acquisition, 1.1% lapsed reinstatement
  - Campaign economics
    - 30-45,000 pieces, \$0.52 cost per contact:
    - Nonprofit Standard postage, licensure (free) lists
  - Kept ongoing creative minimal
    - Initial tests inconclusive
    - Limited leeway on changing offers
    - Temptation to “change it up” periodically



## American Mental Health Counselors Association

As an individual, you make a difference in the lives of a great many people.  
Together, we can do so much more.

Cara L. Chinchar, LCMHC  
65 Howard Street  
Burlington, VT 05401-4818

Dear Cara,

We are currently reaching out to professional mental health counselors who are not currently members of the American Mental Health Counselors Association, in the hope that you will consider joining us today.

Think back to when you first became a mental health counselor, and everything you have done and learned since then. You'll quickly understand why we take our role so seriously, and why we need your support. Although we have done so much to increase the public understanding of mental health, there is so much more left that we can accomplish together.

Cara, we know that your work as a professional mental health counselor has never been more challenging. Once, we could devote our energy and talents to work with clients to help them improve their lives. Today, we have to worry about so much more ... increasing costs, client access, licensure, staying informed, even malpractice suits.

At AMHCA, we exist to help you address all of your professional challenges. You need the benefits designed exclusively for you and offered only by the AMHCA—the one association dedicated exclusively to the needs of professional mental health counselors.

- Benefit from our work to win reimbursement for you under Medicare and Medicaid.
- Enhance client access to your services with our unrelenting support.
- Enjoy more respect and recognition through AMHCA's growing network of private health plans and managed care advocates.
- Gain access to our affordable malpractice insurance coverage and more.
- Save money on insurance by using our online Health Insurance Marketplace or by using our exclusive Member Advantage Insurance Protection Plan with John Hancock helps to secure your future financial crisis.

Membership in AMHCA is an honor held by the best mental health professionals, an invaluable resource, professional credential, and a source of information.

I invite you to review the enclosed brochure and visit our website at [www.amhca.org](http://www.amhca.org) for benefits in greater detail, and join today. Joining AMHCA—the only national association exclusively to your interests—as the **best decision you can make** to ensure the growth of our profession.

We realize that you probably belong to one of our network of thirty other organizations in close collaboration to advocate for your interests and your right to practice. To belong at national and state levels, we offer special joint discounted membership. Please contact us in the enclosed brochure to learn if you can benefit from this arrangement today!

801 North Fairfax Street, Suite 304 • Alexandria, Virginia 22314 • Phone: 703.548.8902

Early Results		Resp.	Rate
Lapsed	4,048	19	0.47%
NBCC	6,842	21	0.31%
States	26,533	77	0.29%
Total	37,423	117	0.31%
Rev. Total, per M		\$16,380	\$438

### Joint State Chapter/AMHCA Dues

For many of us the services of the AMHCA network reflect a combination of national services and state-level benefits. We also offer joint state chapter dues at a discount of 20% before for the following states.

If you wish to join both today, please indicate the appropriate amount on the attached form.

Arkansas.....	\$172
District of Columbia.....	\$148
Florida.....	\$220
Iowa.....	\$164
Michigan.....	\$184
Missouri.....	\$176
Montana.....	\$204
New Hampshire.....	\$184
Oregon.....	\$184
South Carolina.....	\$164
Vermont.....	\$204
Washington.....	\$204
West Virginia.....	\$164

**Please also indicate if you want to learn more about other services of AMHCA:**

- Annual Conferences
- Professional Advocacy Programs
- Professional Liability Insurance
- Other Services (please specify)

### AMHCA Membership Categories

**Clinical Membership**—Master's Degree or higher in Counseling or a related field covering the basic principles of mental health counseling from a regionally accredited institution.

Primary work is in the direct delivery of counseling services. Hold state licensure or certification if available, or Certified Clinical Mental Health Counselor if licensure/certification is unavailable in your state.

**Regular Membership** required credentials: Master's Degree or higher in Counseling or a related field covering the basic principles of mental health counseling from a regionally accredited institution.

**Student Membership**—Enrolled at least half time in a graduate program in counseling or a related discipline.

**Student Membership (Extended)**—Graduate work completed in three years or less. Currently in first year of practice.

**Associate Membership**—Primary work responsibilities in human resources/personnel.

### What Our Members Say About Us

Don't just take our word regarding the quality of our service to the community. Here are just a few of the comments from our members:

*"When I moved from community mental health to private I wondered where/how I would connect with colleagues. Then I found you. The wonderful thing is that you target mental health issues directly."*

*"I love what you do for me and the communications you send to me. Your organization became the foundation of our state's licensing the Professional Counselor."*

*"AMHCA does an outstanding job representing the interests of mental health counselors."*

*"AMHCA has always been extremely responsive and helpful to any questions, concerns, or needs I have expressed."*

*"You folks are proactive and very engaged in furthering the profession. My AMHCA membership provides great value for the money."*

*"I really appreciate the lobbying and advocacy in keeping on top of supporting our profession in Washington DC."*

*"I'm very proud of what we have accomplished in Illinois and AMHCA has been very supportive."*



**AMHCA is a community of more than 5,500 mental health counselors. You and your colleagues make an important impact on the lives of Americans, and AMHCA strives to make a difference for you in your profession.**

### Contact Us Today

We welcome your questions and feedback: please contact the AMHCA office at (800) 326-2842, or e-mail us at [Imorano@amhca.org](mailto:Imorano@amhca.org).

We look forward to serving your needs for years to come.



American Mental Health Counselors Association  
801 North Fairfax Street, Suite 304  
Alexandria, VA 22314  
[www.AMHCA.org](http://www.AMHCA.org)

Images © 2005 JupiterImages Corporation



American  
Mental Health  
Counselors Association

The Community for Professional  
Mental Health Counselors





We hope that you will choose to learn more about AMHCA.

For more than 25 years, AMHCA has served the professional needs of mental health counselors exclusively.

Profit from AMHCA's work to get you recognized under Medicare, other federal programs, and healthcare plans.

Enjoy more recognition through AMHCA's growing collaborative relationships with professional organizations, government agencies, and consumer groups.

AMHCA is dedicated to your success and growth of our field. AMHCA strives to support its members with programs and services that expand our professional knowledge and service to our clients, help us to manage our work, and provide opportunities to network with our colleagues in mental health counseling.

AMHCA also works for universal recognition of our profession and for third-party reimbursement.

Your membership makes these efforts possible. And most of our members find that involvement is key: they more they put in, the more they get out. Attend events. Serve on a committee. Submit an article to The Advocate. Contact your lawmakers to support AMHCA's legislative work on your behalf.

We exist to advance practice and to serve your needs. We hope you will join us today.

Sincerely,

W. Mark Hamilton, Ph.D.  
Executive Director & CEO

**Involvement is the Key**

When you join, you can dramatically increase the value and benefit you receive with active participation. Here are just a few of your benefits:

**Giving You a Voice ... In Washington and State Capitols**

1. Profit from our work to **win reimbursement** under Medicare and leading health plans.
2. Enhance client access to your services with our unrelenting support of **mental health care parity**.
3. Enjoy more **respect and recognition** through AMHCA's growing collaborative relationship with private health plans and managed care advocates.
4. Receive late-breaking legislative, public policy and court opinion news from the **e-News from Washington** electronic newsletter.
5. The AMHCA Office of Public Policy and Legislation works with Federal and State governments to **protect your interests**.
6. Our Federal Legislative Advocacy Network **grassroots program** enlists members to convey our needs as professional mental health counselors directly to legislators. Affordable Peace of Mind.

**Affordable Peace of Mind**

7. Gain access to low cost **malpractice insurance** coverage. With our affordable professional liability insurance protection, you can continue to practice securely.
8. Our online **Health Insurance Mart** can help you locate the most affordable rates in your state and our exclusive Member Advantage program offers other insurance programs as well.
9. Our **Long-term Care Protection Plan** with John Hancock helps to secure your future in the event of a debilitating health crisis.

**Stay In Touch With Peers**

10. Participate in **networking events** with your affiliated chapters in thirty states

11. Attend timely presentations and discuss issues with your peers at our **Annual Conference**. In 2006 this program is held in St Louis, MO. Visit our web site for future locations

**Continue Your Professional Development**

12. The **Advocate** monthly newsletter features research highlights, legislative bulletins, licensure updates, practice advances, and association and chapter news.

13. The **Journal of Mental Health Counseling** quarterly journal provides practical knowledge and illuminating background from in-depth research on clinical studies and counseling practice.

14. Keep your state license requirements current with at least 11 **continuing education credits** a year through AMHCA **Journa Learning** quiz in each monthly newsletter.

15. At **www.AMHCA.org**, online educational courses help keep you current and provide the CE credits that you need for license renewal—up to 60 credits each year through our online workshops alone covering more than 20 topics.

At AMHCA, we are here to help you address your challenges.

You need the benefits designed exclusively for you and offered only by the AMHCA—the one association dedicated exclusively to the needs of professional mental health counselors.

**Membership Inquiry Form**

**Yes!** I want to join AMHCA today!

I have enclosed my dues for the following:

- Clinical: \$155
  - Regular: \$155
  - Associate: \$60
  - Student/Extended: \$60
  - Retired: \$60
  - AMHCA plus State\*
- \*Refer to reverse for definitions

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

**Provide the following contact information:**

E-mail Address: \_\_\_\_\_

Business Telephone: \_\_\_\_\_

I certify that I have met all the criteria for my membership category. I pledge to uphold and abide by AMHCA's Code of Ethics (please review [www.amhca.org/ethics.html](http://www.amhca.org/ethics.html)).

Signature: \_\_\_\_\_

**Payment Method:** (Professional dues may be tax deductible.)

Enclosed is a check or money order payable to AMHCA.

Please charge my membership dues to my:

- Visa
- MasterCard
- American Express
- Discover

Amount authorized \$ \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Card #: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Please print name as it appears on card.

**Mail your application to:**

AMHCA c/o Wachovia Bank  
P.O. Box 758717  
Baltimore, MD 21275

**Fax:** 703-548-4775

**Call:** (800) 326-2642 ext. 103, or (703) 548-6002

Please detach here and mail.



American Mental Health Counselors Association  
801 North Fairfax Street Suite 304  
Alexandria, VA 22314  
800-326-2642  
[www.amhca.org](http://www.amhca.org)

**An Urgent Message for Mental Health**



**AMHCA Membership Invitation**

**Yes, I accept your invitation to join an AMHCA member today!**

**Special Membership Offer: 15 Months for the Price of 12**

- Clinical Member: ~~\$155~~ **\$139\*\***
- Regular Member: ~~\$155~~
- AMHCA plus State dues\*: **\$204** \*refer to reverse for definitions

**\*\* special offer if you act by April 15**

Cara L Chinchar, LCMHC  
65 Howard Street  
Burlington, VT 05401-4818

VT



Send me information for the special Annual Conference rate of \$275 for first time members.

**1- AMHCA Code of Ethics**

I certify that I have met all the criteria for my membership category. I pledge to uphold and abide by AMHCA's Code of Ethics (please review [www.amhca.org/ethics.html](http://www.amhca.org/ethics.html)).

Signature: \_\_\_\_\_

**2- Please provide your updated information below:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Business phone: \_\_\_\_\_

**3- Please refer to the reverse for payment information.**

# Analysis/Strategy

## Conference

- Research/audience analysis
  - No “core”: only 20% are repeat/year to year attendees
  - Awareness: 1) state assns & mail, 2) less peer or email
  - Low price, yet only 3.5 (5-pt scale) agree "well-priced"
  - 86% would recommend attendance to peers
- Marketing campaign analysis
  - Low volume: 1x mail to membership; 12x e- to 3,000
  - Confusing graphics: not a strong tie-in to conference
  - Skyline images/late dissemination ('all speakers final')
- Strategy
  - Increase frequency/reach
  - More intimate graphics or cleaner look
  - More intimate tone, better pre-marketing to speakers
  - Add first timer and day pricing

# Outcomes

## Conference

- First year: 45% increase in attendance
  - Set record for speaker proposal submissions
  - 30% used first-timer discount; few one-day rates
- Marketing campaign
  - 2x mail to 10k/15k: members, past attend, cert. counselors
  - No impact on e- program, poor web (pdf's only)
  - Low-end graphics: 2-color budget but well organized
  - More aggressive print advertising campaign
  - Earlier dissemination: #10 “introduction” package
- Prognosis: nowhere near out of the woods
  - Location: San Diego low appeal (similar to New Orleans)
  - No CA licensure: purely member & surrounding states
  - More e-, less mail to ensure ROI
  - Need to create habit, increase meeting's profile

# Conference Brochure

6x9 package

- Converted from self-mailer format
  - Provided brochure insert, freestanding reply
  - Not enough consistency in graphics
  - Joint member (\$380), daily (\$250), 1<sup>st</sup> timer (\$295)
  - What will future effect be of offers, better graphics?

## AMHCA 2007 Conference Registration Form



**Mark Your Calendar Now!**

*Growth  
Out of  
Adversity*

**July 26-28  
Hotel  
Monteleone,  
New Orleans**

**Save Money By Registering Early!**

**REGISTRATION FEES:**

Fees are all-inclusive. Registrations must be postmarked by the deadlines indicated below to qualify for discounts.

<b>AMHCA MEMBERS</b>	<b>NON-MEMBERS</b>	
<input type="checkbox"/> \$355	<input type="checkbox"/> \$425	Early Bird ( <i>Act by May 15</i> )
<input type="checkbox"/> \$389	<input type="checkbox"/> \$475	Regular registration ( <i>Act by June 15</i> )
<input type="checkbox"/> \$450	<input type="checkbox"/> \$525	Onsite/late registration
<input type="checkbox"/> \$250	<input type="checkbox"/> \$250	One-Day Fee ( <i>Act by June 15</i> ) Specify: <input type="checkbox"/> Friday <input type="checkbox"/> Saturday
<input type="checkbox"/> \$85		Pre-Conference Workshop: Ethics/Risk Management
<input type="checkbox"/> \$175		Student or retirees
<input type="checkbox"/> \$125		Spouse/Guest*
<input type="checkbox"/> \$295	<input type="checkbox"/> \$380	Special first-time attendee member rate ( <i>act by May 15</i> )

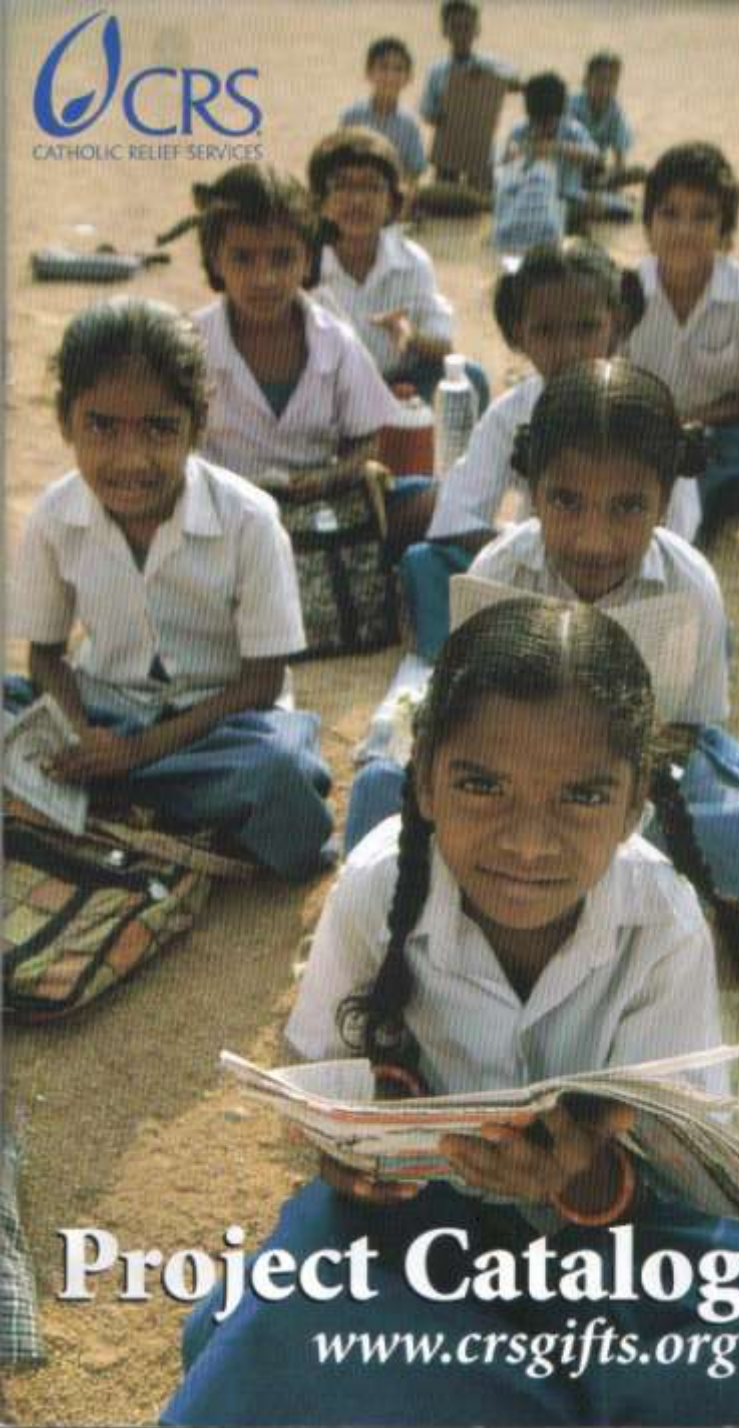
# Case Study II:

## **CRS (Catholic Relief Services)**

- Quick Program Review
- Analysis of Donor Motivations
- Program Innovation
- Results

# Typical Large Donor Program

- 350k donors, \$55MM unrestricted giving
  - High-frequency program: mail, phone, e-, web
  - Multiple tracks: mid-level, lapsed, monthly programs, mini-magazine, renewals, acquisition
  - Acquisition program: 10-12 million pieces annually
  - Costs per contact: \$330/M house, \$420/M acquisition
  - Very mature: irrelevant to describe too much here
- Key point: methods used to evaluate program
  - Positioning and segmentation studies
  - Determine place with non-members and reasons for giving
  - Benchmark results with competitors to determine response rates, average giving, revenue per contact
  - Periodic internal sunset reviews of programs



**Project Catalog**  
[www.crsgifts.org](http://www.crsgifts.org)

# Effective design

## Catholic Relief Services

### Mission Statement

The fundamental motivating force in all activities of Catholic Relief Services is the Gospel of Jesus Christ as it pertains to the alleviation of human suffering, the development of people, and the fostering of charity and justice in the world.

CRS gives active witness to the mandate of Jesus Christ to respond to human needs in the following ways by:

- Responding to victims of natural and man-made disasters
- Providing assistance to the poor to alleviate their immediate needs
- Supporting self-help programs which involve people and communities in their own development
- Helping those it serves to restore and preserve their dignity and realize their potential
- Collaborating with religious and nonsectarian peoples of goodwill in programs and projects which contribute to a more equitable society
- Helping to educate the people of the United States to fulfill their responsibilities in alleviating human suffering, removing its causes and promoting social justice.



Visit our websites:  
[www.crsgifts.org](http://www.crsgifts.org): home of the CRS online project catalog and updated information.  
[www.crs.org](http://www.crs.org): home of CRS and its worldwide programming.  
[www.myglobalvillage.org](http://www.myglobalvillage.org): detailed information about select villages and programs.



*Lucas and his dog Rey-Isaac, Guatemala*

[www.crsgifts.org](http://www.crsgifts.org)

## Gift of Hope

Project Catalog

2004 Fall/Winter

**OCRS** CATHOLIC RELIEF SERVICES

2003 CALENDAR

Changing Our World,  
One Life at a Time



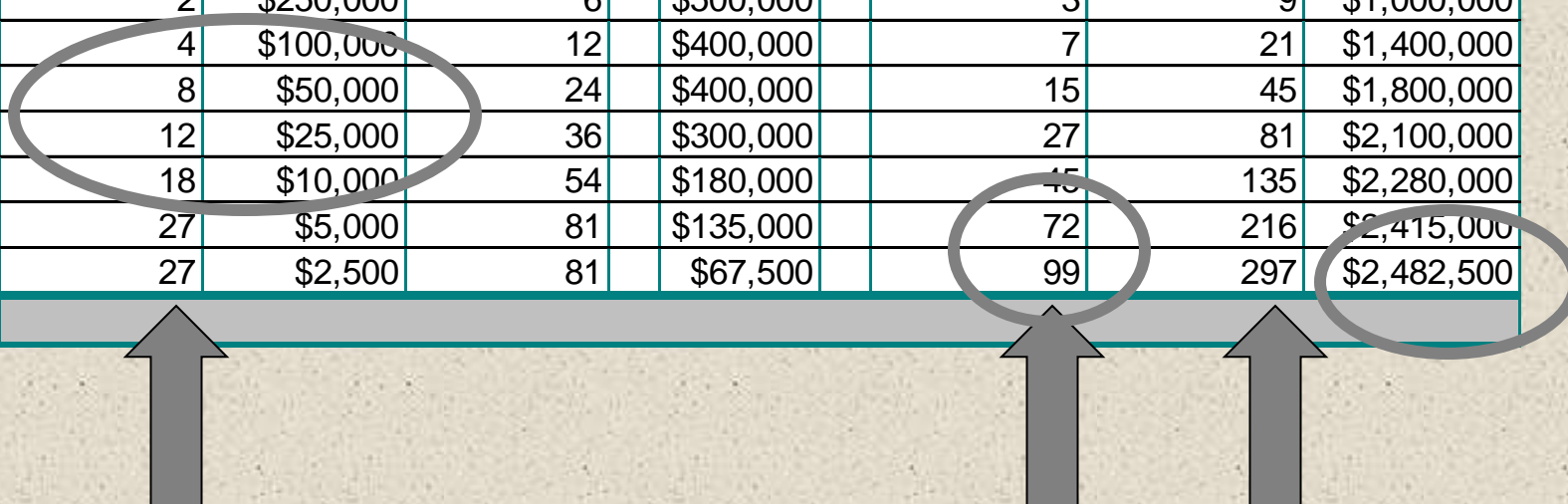
CELEBRATING 60 YEARS OF SERVICE TO THE WORLD'S POOR

# Feasibility: Fundraising

## Typical Major Gift Program Assessments

*Gift-Range Table*

<i>Number of Gifts</i>	<i>Gift Range</i>	<i>Number of Prospects</i>	<i>Total Gifts</i>	<i>Cumulative Number of Gifts</i>	<i>Cumulative Number of Prospects</i>	<i>Cumulative Total Gifts</i>
1	\$500,000	3	\$500,000	1	3	\$500,000
2	\$250,000	6	\$500,000	3	9	\$1,000,000
4	\$100,000	12	\$400,000	7	21	\$1,400,000
8	\$50,000	24	\$400,000	15	45	\$1,800,000
12	\$25,000	36	\$300,000	27	81	\$2,100,000
18	\$10,000	54	\$180,000	45	135	\$2,280,000
27	\$5,000	81	\$135,000	72	216	\$2,415,000
27	\$2,500	81	\$67,500	99	297	\$2,482,500



Often our methods for projecting performance are very similar for programs with high-dollar asks: if you're responsible for sponsorship sales or foundation fundraising you're probably very familiar with these techniques.

# Donor DM control package

## #10 carrier “EMERGENCY APPEAL”

- Insert: quote/photo of Pope John Paul II
- BRE
- Double buckslip: reply/letter
- Special insert: Africa emergency insert/teaser
- Affixed precancelled stamp



- Very simple package
  - Not terribly creative
  - Message is disaster focused-  
brief history of CRS
  - Inserts for the Catholic audience
  - Cross on OE/recently tested into  
new logo, lifting response

# TEST: MESSAGE/FORMAT

Only change to package: Small token included, shows through window  
Attention-getter, tested best attached to reply  
Worked better with "traditional" audiences



Catholic Relief Services

## URGENT UPDATE

Dear Sophia,

This is not an easy letter to write.

And the fact is, if I had another choice, I would not be sending it to you at all.

However, if I don't write, if I don't ask for help... millions of children will suffer.

Children in Malawi, Zambia and Zimbabwe -- where drought and severe weather conditions have led to severe food shortages.

"People are suffering. We have come through the first months of the year, known as the 'hungry season,' only to find a harvest that is far below expectations," a CRS worker in Southern Africa reported.

"In desperation, many are now eating the seeds that were to be planted for next harvest -- which is still some 10 months away."

What will these children and families eat when all the seed is gone? They will have no food unless you help.

I'm also writing on behalf of the 8 million babies who will die this year from causes that are treatable and preventable -- 4 million of these babies will die in their first month of life!

Catholic Relief Services has programs to prevent these deaths. Programs that give babies the shots they need to protect them from disease. Programs that spread the word about the importance of breast feeding, clean water, and other practices that sustain life.

*But until we reach more villages, babies will sadly continue to be lost. And countless young children are victims of war... in the Holy Land, in Colombia, in Afghanistan.*

(Over, please)

109 West Fawcett Street • Baltimore, Maryland 21201-3443 • [www.catholicrelief.org](http://www.catholicrelief.org)

Free Book

## Send a gift — Save a life!

\$25 can help provide milk for a hungry child for a year. Please share generously and save lives. Thank you.

Yes, AL, here is my urgent gift to help CRS expand programs that save lives:

\$15  \$25  \$35  \$50  Other \$ \_\_\_\_\_

I do not wish to make a contribution at this time.

Please use a credit card or check to make your gift. Please make your gift payable to Catholic Relief Services.

**Catholic Relief Services**  
201 Box 17152  
Baltimore, MD 21290-17152  
[www.catholicrelief.org](http://www.catholicrelief.org)



Sophia Schwartz  
P.O. Box 97  
Greenbank, MI 48738-0097  
48738-0097

900337675ARCO7013464

# TEST: PREMIUM

Only change to package: Small token included, shows through window  
Attention-getter, tested best attached to reply  
Worked better with "traditional" audiences



# Testing results: package comparison

## Results of head to head tests

	A	B	C
# Mailed	364,945	150,000	50,000
% Response	0.71%	1.23%	0.77%
Average Gift	\$36.48	\$23.73	\$55.52
Rev/M	\$257.26	\$292.99	\$424.76
CPDR	\$1.38	\$1.54	\$0.93

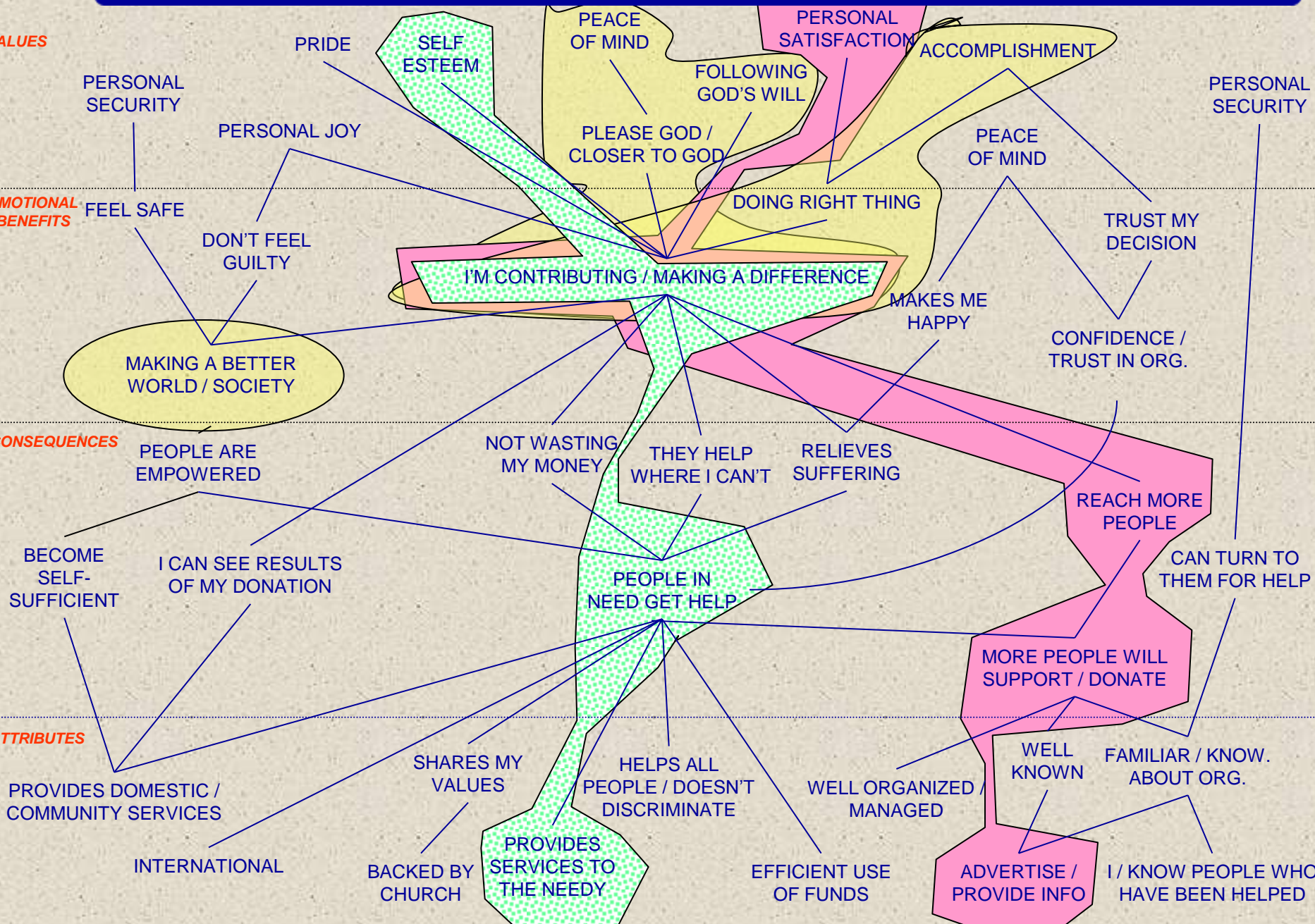
- A: New Refugee Control
- B: Control with Gold Angel Token
- C: Urgent Letter Package

**VALUES**

**EMOTIONAL BENEFITS**

**CONSEQUENCES**

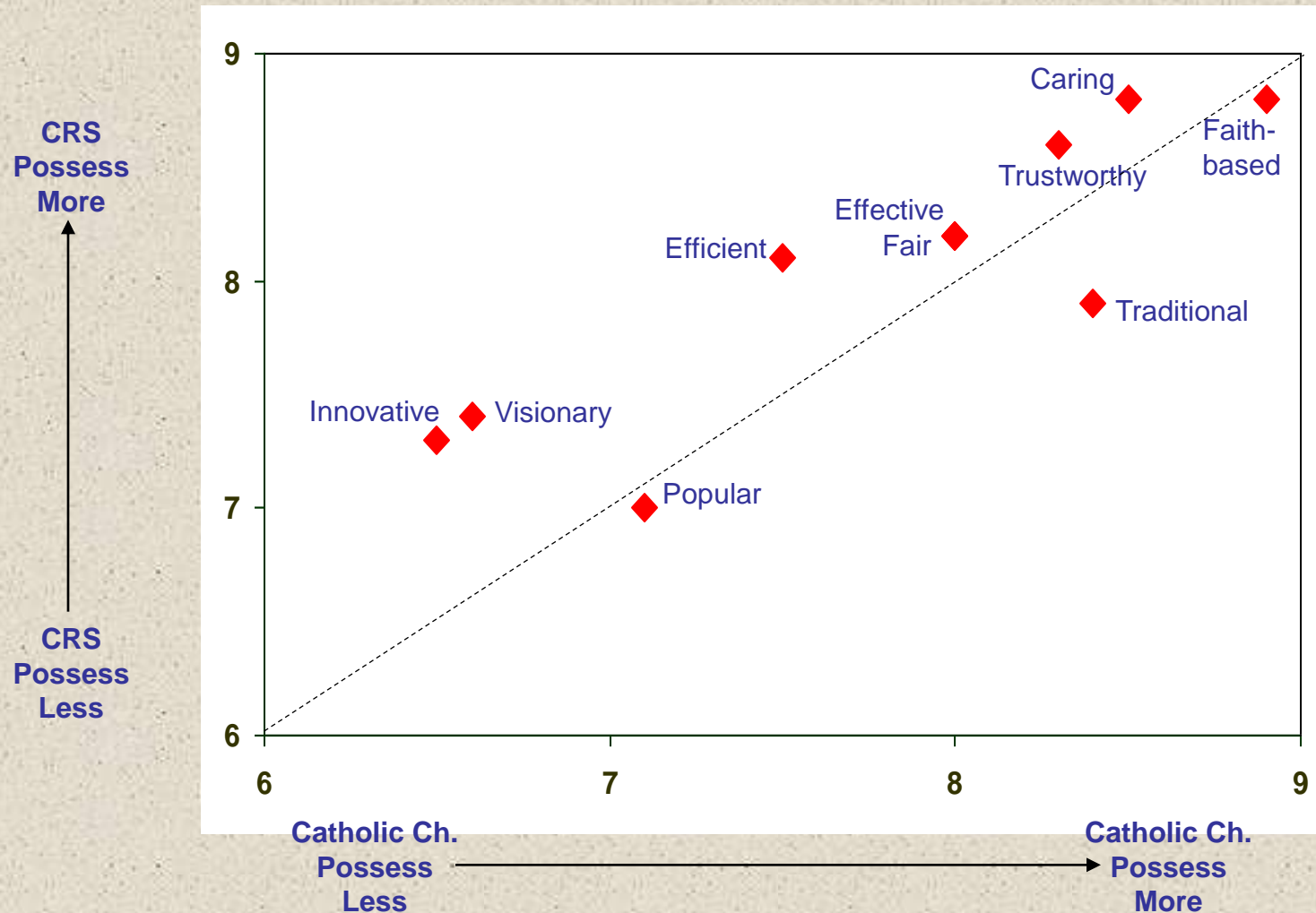
**ATTRIBUTES**



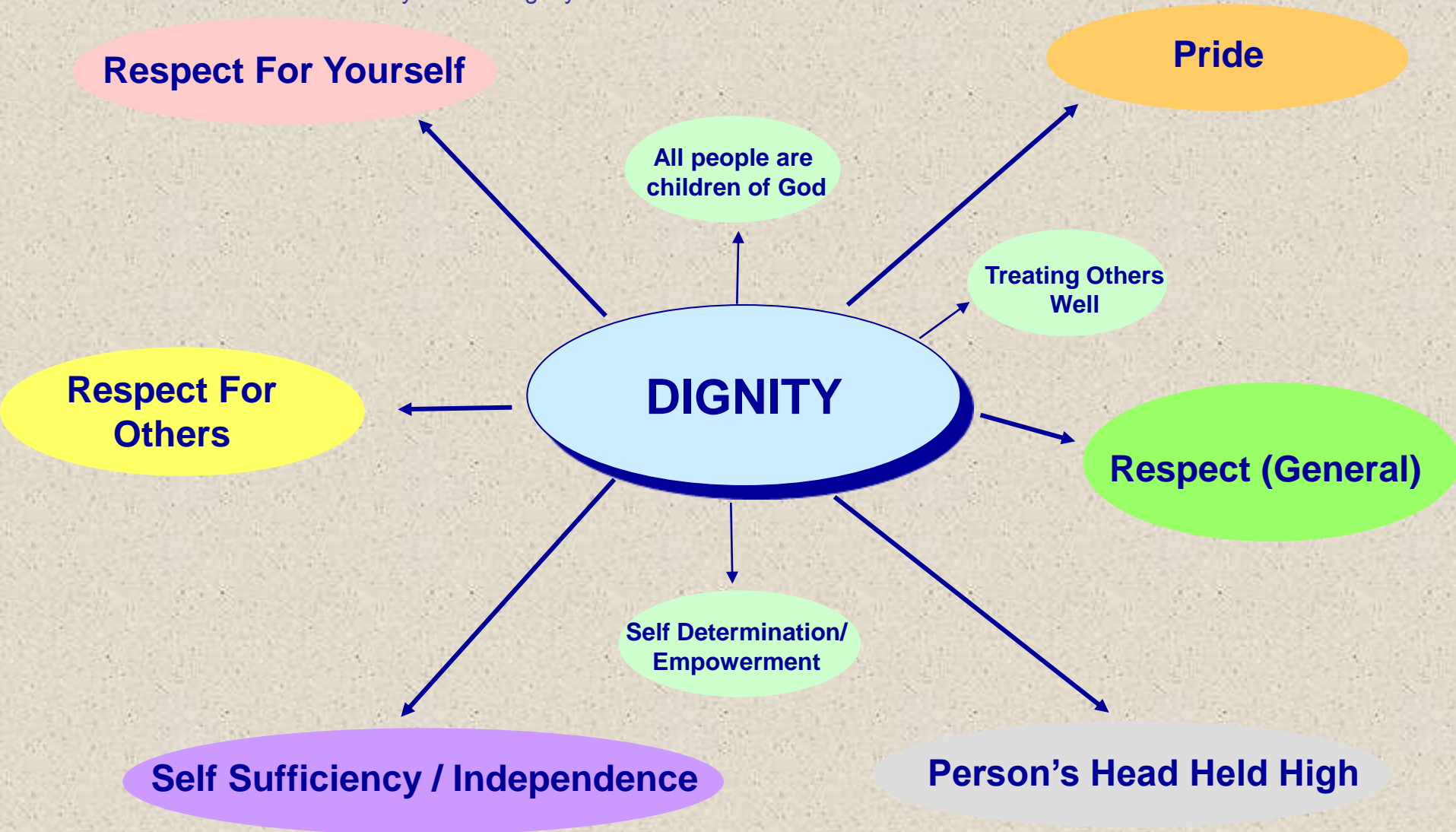


# Leadership Traits Performance – CRS & Catholic Charities

**Performance** - “Now, I would like you to rate Catholic Relief Services / Catholic Charities on how well it has or possesses the characteristics we just talked about. Please use this scale, where 1 = Does Not Possess at All and 10 = Totally Possess



“What comes to mind when you hear Dignity?”



NOTE: Those elements in the outer circle had greater than 10% mentions; those in the inner circle had fewer than 10% mentions.

# Linking To Research

# RESEARCH: “Looking Behind the Curtain”

- How many of you conduct **regular member research**?
  - How well does it fit your “business”?
  - What kinds of vehicles do you use?
    - Written/online surveys, focus groups, depth interviews
    - Situation reports, trend analyses, environmental scans
  - Do the findings enlighten
    - Or is there a disconnect for specific decisions and applications?
    - Are you able to maximize the value of your investment?
    - Are the results tactical or very strategic/long-term?

# Common Ingredients Of Member Research

- **Needs Assessments:**

- Usage/awareness
- Brand image
- Importance/satisfaction
- Perceived value
- Affiliation/involvement/  
relationships/engagement
- Communications/impediments
- Competition/  
relative performance
- Interest in new services
- Drivers/motivators
- Media/format preferences

- **Other Projects:**

- Specialized studies:  
readership, education
- Targeted member segment  
studies
- Targeted non-member studies
- Alternative techniques: phone  
surveys, depth interviews,  
focus groups
- Demographic profile/tags or  
“member censuses”
- Targeted product  
development:  
subscribers/users

# Avoiding Common Mistakes

- **Common Mistake**

- Loading up on surveys
- Asking about everything
- Accepting low response rates
- Bias toward “smile sheets”
- Editing for only “actionable items”
- “Nothing new learned”
- “Missed some things”
- Lack of time trend

- **Simple Solutions**

- Apply length limits
- Avoiding “laundry lists”
- Small samples, repetitive effort to secure response
- Asking tough questions
- Including questions with long-term implications
- Assess & manage client expectations
- Do “wishlists” up-front
- Compare “old data”

# Things You Should Know With Research

- **Things you can't tell** from your database
  - Opinions
  - Perceptions
  - Changes of mind
  - Differences across segments
  - Externalities: other memberships/value
- **Things that link** to your database
  - Decision support
  - Feasibility
  - Verification/validity
  - Link to probable retention
  - Evaluation/growth potential
  - Incidence/prevalence

# **Metrics**

Big Picture/Strategic  
Specific/Tactical Performance

# Declines/Gains

## Indicator #1

- Our marketing programs are “ruled” by budgets
  - In turn our budgets are generally determined by:
    - internal views: what represents a reasonable proportion allocated to marketing
    - past performance
  - So we track performance closely
    - Keeps us accountable
- **Key Measures:**
  - Financial 'lagging indicators': year-to-year and long-term changes in revenue
  - Behavioral indicators: response rates, clickthroughs, read rates, conversion rates
  - Finer grain indicators: segment-level, seasonal patterns

# Relative to Competition

## Indicator #2

- Some focus shaped by how we perform relative to others
  - Associations/publishers/meeting sponsors
  - Debating what to do with ‘opportunities’ posed by collapsing/closing competition
- **Key Measures:**
  - Market share gain or loss.
  - Tracking overlapping memberships or tendency for members to attend, read other events/publications (survey)
  - General environmental scan techniques:
    - Visiting sites, tracking press releases

# Relative to Universe

## Indicator #3

- We should be concerned with ‘primary demand’
  - Growth/shrinkage in industry/professions served
  - Relevant universe rarely changes
    - Defined geography: state, national, international
- **Key Measures:**
  - Environmental scan techniques:  
Broad indicators such as government statistics
  - Draw distinctions between overall and feasible universe
  - Estimate universe by meaningful segment (market entry, younger members)

# Subjective Evaluation

## Indicator #4

- Understanding and influencing internal opinions
  - “Marketing is doing well” often reflects aesthetic opinions
    - Need to be ‘marketing educators’
    - DM drivers: list/audience, offer, then format
- **Key Measures:**
  - Conduct and remind staff / committees of test results  
Demonstrate what works best
  - Tap into “Who’s Mailing What”/Market Relevance
  - Develop sample file—  
but common practices ≠ best practices!!
  - Conduct copy & package evaluation focus groups

# External Perceptions

## Indicator #5

- Further refine your universe
  - Identify ‘sales objections’ and other attitudes
    - Determine their prevalence
  - Measure awareness
  - How much effort is required to achieve awareness and positive image?
- **Key Measures:**
  - Consider conducting a syndicated survey: we relied on Campbell monitors for our donor sector
  - Conduct segmentation & positioning studies
  - Measure attitudes of non-customers and profile them

# Institutional Perspective

## Indicator #6

- Tying into long-term strategies
  - Occasional seismic shifts driven by strategy
  - Strategic planning process may support repositioning, new market entry
  - Generally a good idea to support association
- **Key Measures:**
  - Exercises comparing your marketing effort to future focused strategic plans and/or research
  - Lending support if you run the market research function
  - Strategic plans need reality checks: 'Will It Sell?'
  - Measure early adoption: forecast success/resource needs

# Sector-Specific

## Indicator #7

- Tracking strong segment-level performance
  - Understand differences in appeal by market
  - With stagnant budgets, plans, you still some opportunity through ‘portfolio selection’
    - Choosing the markets you serve best
- **Key Measures:**
  - Traditional RFM and list level performance (response rates, rev/M)
  - Tracking first-year conversion & long-term retention by sector/segment

# Investment Perspective

## Indicator #8

- Planning for the future (outside #6)
  - Accounting for long-term value
  - Communicating this (budget justification)
  - Ensuring sufficient budget for tests/'fail-forwards'
- **Key Measures:**
  - Estimate straight line lifetime value  
Membership:  $(1/1 - \text{renewal rate}) \times \text{annual dues}$   
Conventions/publications: factor in repeat attendee or subscriber rates
  - Measure actual first-year conversion rates
  - Incorporate cost of sales or servicing costs
  - Rightsize: don't oversell marketing program's impact

# **Tools:**

**Statistics Specifically for  
“Membership Math”**

# STATISTICAL TOOLS:

## Sophisticated Techniques, Simple Answers

### **Cross-tabulations**

- Shows simple relationships between variables

### **Multiple regression:**

- $X=f(x,y,z)$  or Membership=function of dues level, presence of competition, penetration, service mix
- $R^2$  “explains” relationship between one variable and everything driving it
  - Projections and forecast models

**Correlation:** relationships between two variables

### **Other techniques:**

- Logistic regressions: “yes/no” predictions
- Logarithmic: coefficients=*percentage* contribution
- Dummy variables: use to measure seasonality, time trends, effects of one-time shifts

# KEY CONCEPT: Lifetime Value

- **What a member is worth** once acquired, taking attrition patterns into account
  - Defined as the reciprocal of your renewal rate:  
 $1/(1-\text{renewal})$
  - Example: ASAE average figures show:  
90% retention,  $1/(1-.9)$  or  $1/.10=10$  years
  - Financial perspective: ongoing revenue stream far in excess of cost to acquire
    - If dues are \$120, acquired donor is really worth \$1200 or a discounted net present value
  - Exceptions:
    - High reinstatement, “oscillation,” or mergers (in trades)

# KEY CONCEPT: Leveraged Value

- **What a member is worth** annually to the association, taking all behaviors into account
  - Ratio of dues to non-dues attributable to members
    - Direct and an acceptable definition of indirect
  - In ASAE, 40% is dues revenue, 60% non-dues
  - If the member makes a substantial proportion of purchases, every dues dollar is “worth” \$1.50
    - Note: don’t overlook associate member contributions, even if dues/non-dues distinction is blurred

# KEY CONCEPT: Contingent Valuation

- Technique for measuring **perceived value**
  - What would a person be willing to pay “a la carte” for the direct benefits of membership (open ended)
    - Zero is also an acceptable answer
  - Take into account indirect industry/professional benefits to “typical” company or individual
- Critical for articulation of the value proposition
  - Ratio of value to dues paid key component of communications plan
  - Remind members of how their peers value membership

# KEY CONCEPT: Conjoint (Tradeoff) Analysis

- Research method used to measure consumer **willingness to make trades**
  - Frequent use in commercial world, some elements applicable to us
    - If you take away services, how is perceived value affected?
    - Sunsetting programs to focus
      - Need to take into account how many members rely on that one service, even if low overall interest
      - “Merchandising” total program

# KEY CONCEPT: Demographic Tagging

- Using data collection to retain information on characteristics for specific individuals
  - Develop **aggregate profiles**: overall, by member segment, purchaser/attendee profiles
  - Collect variables relevant to the member, not “one size fits all”
  - Understand/track acquisition results, long-term attrition
  - Save yourself and members time in survey design and analysis (one-time collection)
  - Drive stratified samples and sub-samples
  - Drive 1:1, targeted communications (primarily for larger associations)
- Possibility: collect psychographics/motivators
  - Example: Allegiance targeting system
  - Commercial appends or survey data overlays

# KEY CONCEPT: Sensitivity Analysis

- Projecting/**forecasting** the effect of future changes
  - Measures of **price elasticity**
    - Percentage change in membership  
÷ percentage change in dues
      - Percentage change in *anything* in response to a change in price (registration, etc)
  - **Common objection:**
    - Too expensive, requires specialized software, outside expertise
      - » Simple answer: too important not to use tools
    - Properly a committee/Board decision, not “technical”
      - » Decision rule: “In absence of information, the loudest voice prevails”

# SPECIAL TOPICS:

## Data to Influence Decisions?

- Going electronic: preferred, or convenient?
- Raising prices: disaster, or necessary technique
- Associate member development
  - Paying for good, effective business development
  - Interactions with community of practice/industry
- Members/customers as distinct constituencies
  - “I only want the journal”
  - “I don’t mind paying extra for the good conference”
  - Akin to permission marketing, let the individual find their level
    - A non-member customer may be worth \$1,000 a year in revenue in your database

# **Research About Us**

3 Broad Based Surveys of Association  
Program Performance

# 2001 Study of Trade Associations

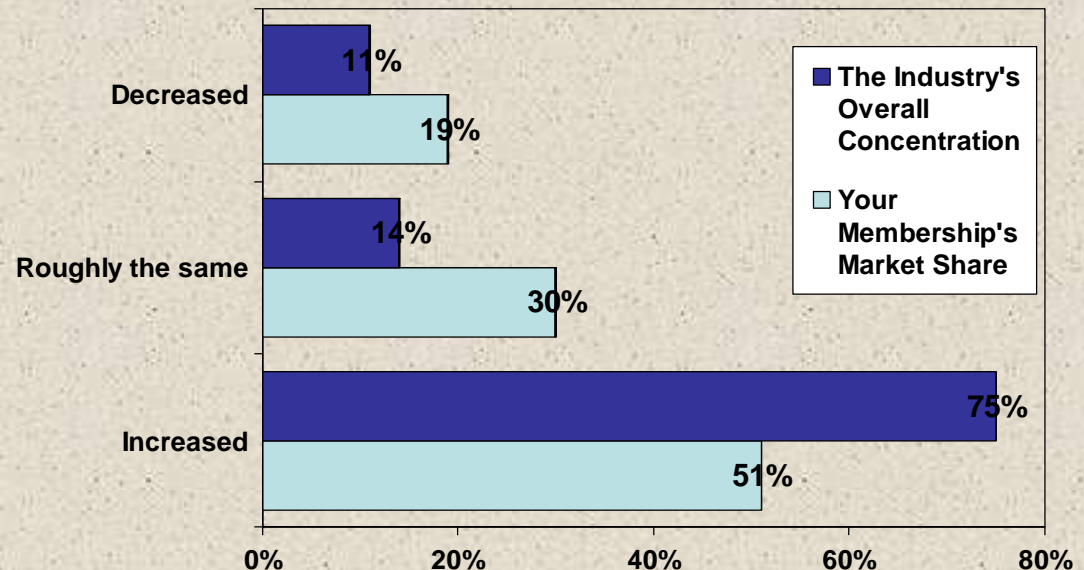
## Consolidation Study for ASAE

- **Trades: under-examined segment**

- Examined financial structure
- Membership penetration
- Reactions to critical issue: industry consolidation, M&A activity
- Shrinking markets
- Potential impact on marketing programs

Revenue	
45%	dues
15%	associate dues
20%	exhibit fees
10%	registrations
5%	investment
5%	collateral/ancillary sales

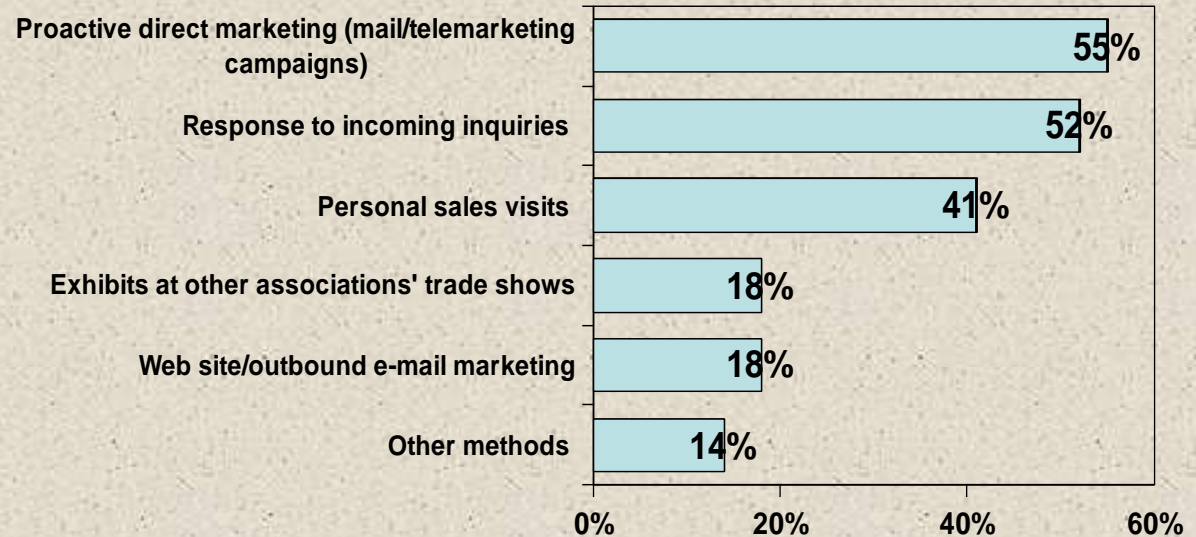
Expenses	
40%	government affairs
20%	conference related expenses
25%	general overhead/ staffing/infrastructure
15%	service specific expenses



# Trade Association Study

## Marketing Tactics & Responses

- Most rely on a mix of marketing and sales.
- Many are not proactive at all.
- Response to changing conditions becomes more challenging.



- **Reactions/Issues:**

- 64% indicated no direct competition: lack of urgency?
- 73% concerned with lost operating revenue from dues; less than 40% concerned with lower willingness to pay, exhibitor revenue, other ancillary issues
- Most would increase recruitment but also diversify services, focus on retention
- Few of us move aggressively into new markets, change dues structure, or reduce expenses.

# #2: 2006 Study of Nonprofit Programs

## Revenue & Frequency

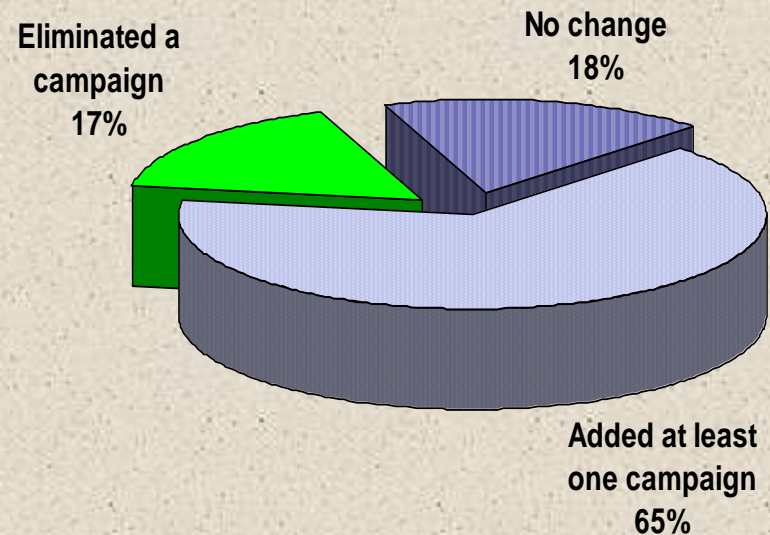
### 70 participants

- 12 human services or relief, 10 faith-based, 8 voluntary health, 20 other charities, 19 membership associations
- Averages below include zeros: 15% no DM acq, 34% no DM other, 60%+ no TM, 24% no email

1-Year \$ % Chg.	Median
DM acquisition	2.9%
DM house file	1.7%
DM other	1.2%
TM active	0.3%
TM lapsed	0.3%
Email	3.7%

Total Efforts/Campaigns	Median
DM acquisition	3.4
DM house file	7.9
DM other	2.1
TM active	0.4
TM lapsed	0.4
Email	6.0
Total	20.1

### Changes Over Past Year:



# Program Profiles

- **Average program**

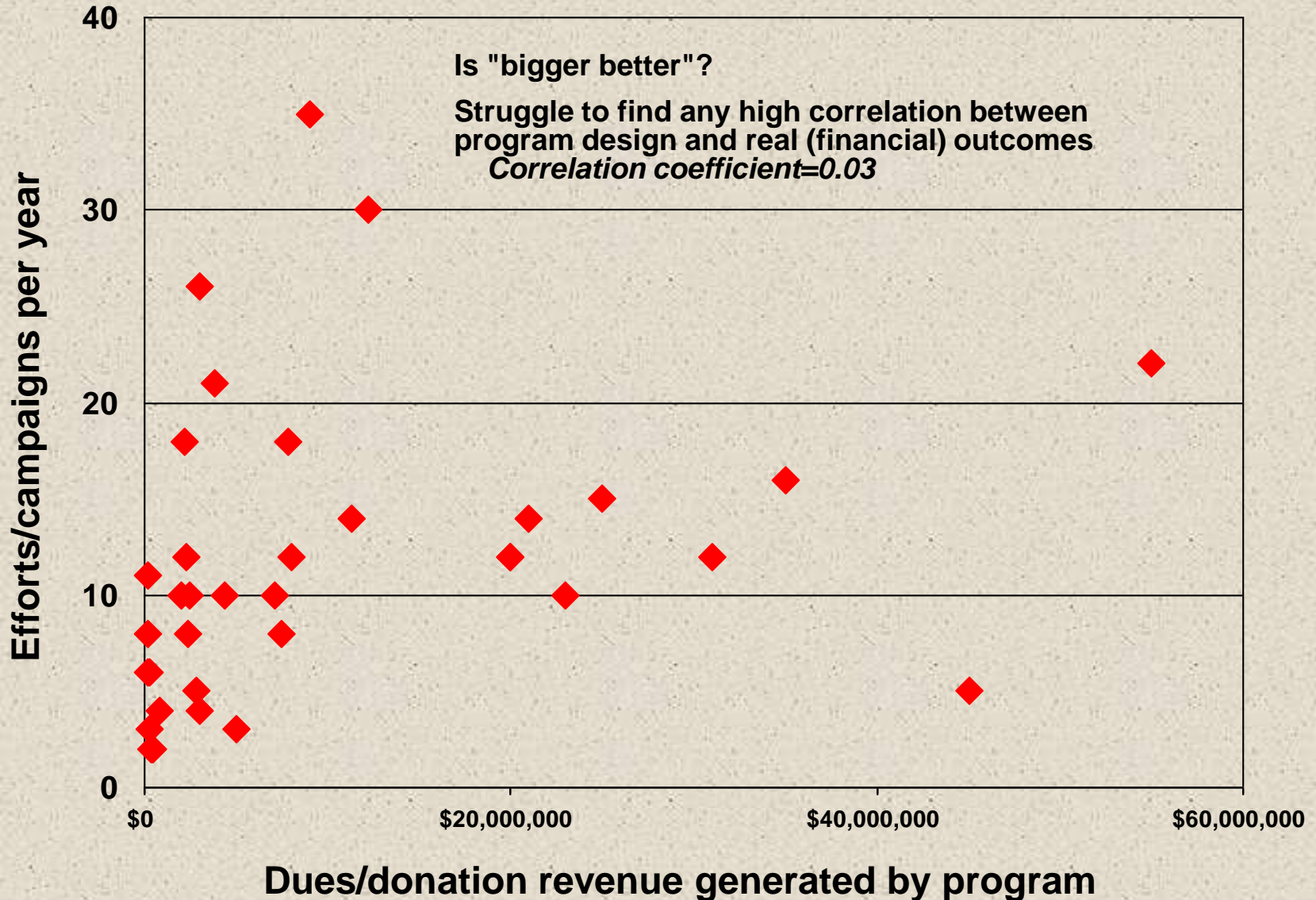
- Reasonably productive, good revenue per average donor and securing multiple gifts per name on file.
- Efforts conducted typically low-cost/good economies of scale.

<b>Average (mean) DM acquisition mailing</b>	1,407,096
<b>Average (mean) DM house file campaign</b>	220,984
<b>Average lapsed donor mailing</b>	223,253
<b>Average low dollar mailing</b>	34,265
<b>Average telemarketing to active donors</b>	42,305
<b>Average telemarketing to lapsed donors</b>	10,713
<b>Average size, broadcast email campaign</b>	81,683

<b>Program Size/Productivity</b>	<b>Mean</b>	<b>Median</b>
<b>DR program annual expenses</b>	\$3,992,108	\$1,158,651
<b>DR program annual revenue</b>	\$14,583,418	\$3,400,000
<b>Approximate Cost Per Dollar Raised</b>	\$0.43	\$0.35
<b>Average revenue per active donor</b>	\$64.20	\$60.50
<b>Average gifts per active donor</b>	3.06	1.83
<b>Revenue per contact</b>	\$11.89	\$6.50
<b>Revenue per campaign</b>	\$347,171	\$86,275

# Individual Program Analysis:

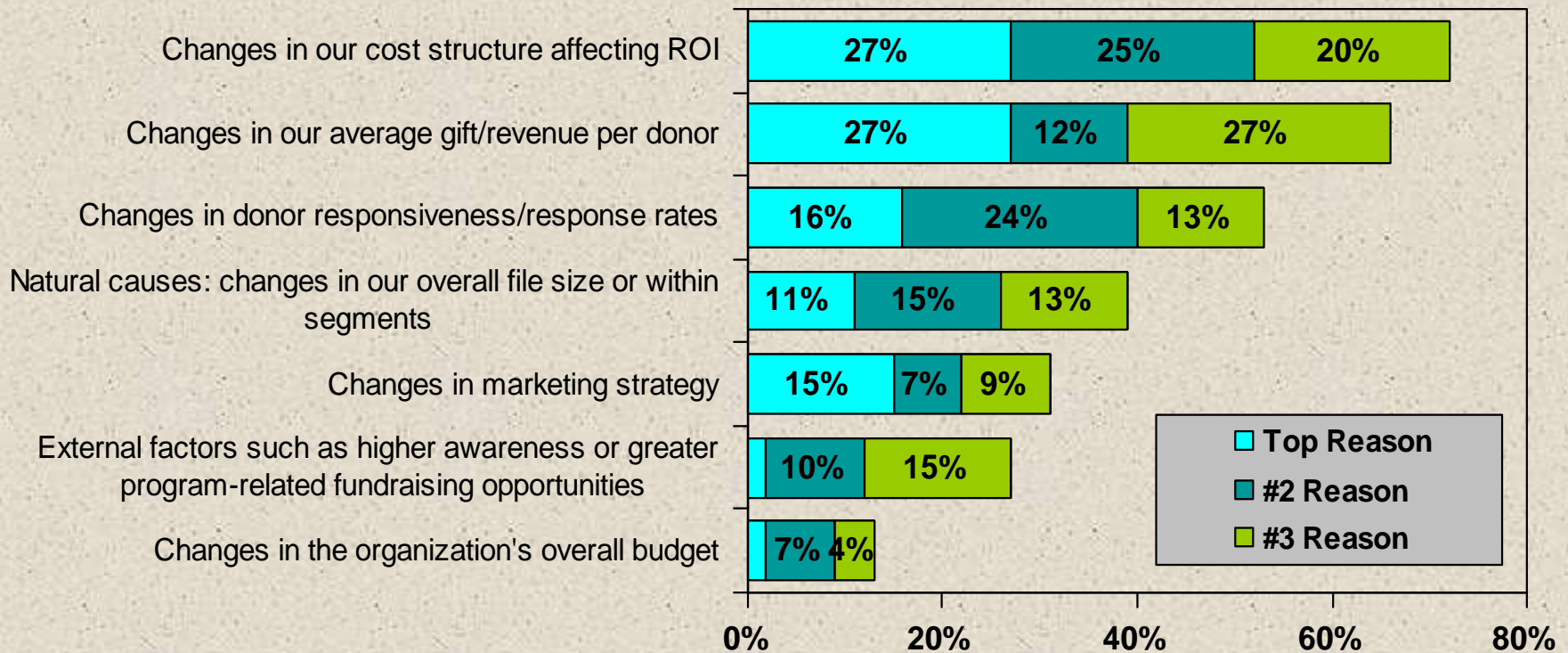
Relationship of # of Campaigns to Gross Revenue



# Size/Factors Driving Changes

- Association/nonprofits included some very large programs
- Somewhat diverse, but heavily mail-reliant
- Changes are reactive to external characteristics: gift size, overall return, response.
- Rarely do we proactively change strategy or budget levels.

Overall Program	Mean	Median
Total Contacts	18,350,334	1,737,500
Total Acquisition Volume	12,569,379	300,000
Total House File	2,642,416	175,000
Total Telemarketing	93,415	-
Total Email Volume	1,731,708	51,200
Total Lapsed/Low Dollar	1,007,529	3,500



# 2007 Study of Member Acquisition

## 175 participating associations

- Benchmarking for rightsizing exercise for large association
- Evaluated variety of marketing methods
- Measured cost per contact, cost per acquisition
- Critical points: word of mouth is critical: accounts for almost half of members
- Largest number indicate member recruitment as #1 source
- Our DM campaigns and web/search programs account for a relatively small proportion
- Strong factors shaping size/range of tactics we can use

Membership Recruitment	#1	#2
Direct mail	19%	14%
Electronic (email/Web)	21%	32%
Direct/personal sales by staff	17%	21%
Recruitment by members	35%	22%
Other methods	9%	11%

Source of First Exposure	Share
Word of mouth from others	46.4%
Direct mail campaigns	10.5%
Attendance at events	16.4%
Advertising/publicity	5.2%
Web site visits: search engines	11.0%
Other venues/sources	10.5%

# Member Acquisition Programs

- Programs vary considerably by size: profile included some state level associations and natl/intl. trades
- Not seeing much growth, but solid programs, accounting for long term value
- 12% are extremely and 60% somewhat satisfied with performance
- Most common recent/anticipated changes:
  - Adding new technologies/capabilities
  - More sophisticated use of our database
  - Adding new membership campaigns
  - Increasing frequency, traditional channels
  - Increasing membership marketing budget

<b>Program Size</b>	<b>Mean</b>	<b>Median</b>
<b>Current members</b>	23,761	2,515
<b>Members last year</b>	23,284	2,600
<b>Retention rate</b>	84.9%	86.0%
<b>Acquired members</b>	5,146	300
<b>Avg dues rev/mem.</b>	\$1,606	\$264
<b>Annual acq. revenue</b>	\$479,900	\$165,000
<b>Est. gross LTV</b>	\$56,243	\$2,220
	<b>Mean</b>	<b>Median</b>
<b>Campaigns/efforts</b>	4.6	3.0
<b>Contacts/campaign</b>	38,700	1,100
<b>Response rate</b>	NA	2.3%
<b>Contacts-annual</b>	351,100	3,750

	<b>Mean</b>	<b>Median</b>
<b>Overall budget: membership marketing</b>	\$198,300	\$50,000
<b>Total recruitment expenses</b>	\$86,600	\$30,000
<b>New member acquisition cost</b>	\$152	\$95

# Member Acquisition Programs

- 37% indicate overall membership increase;
- 52% about the same
- 11% decreased
- By segment, students, associate/suppliers, and international less likely to grow
- Market penetration is roughly 50%
  
- Key issues
  - What is the industry awareness?
  - What share of tracked prospects are viable?
  - What are the attitudes of the former members?
  - What proportion of growth is necessary for replenishment?

Important Driving Factors	#1	#2
Value proposition	44%	25%
Increased competition	19%	31%
Industry trends	14%	13%
Generational differences	7%	12%
Employers reimbursing dues	5%	13%
Other factors	11%	6%

Market Statistics	Mean	Median
Estimated universe	110,500	10,000
Prospects in database	11,790	2,000
Membership Penetration	47.6%	50.0%
Market Statistics	351,100	3,750

# Conclusions from Research

## Key Tenets

1. Programs vary greatly: driven by history & internal factors such as budget. Not rightsized per se.
2. Comparing across programs: not as helpful although averages good for benchmarking
3. Programs do fluctuate over time: adjusted to reflect circumstances, optimize performance
4. Any effort with metrics is likely to pay off: ask big questions, avoid subjective evaluations
5. Consider economies of scale, efficiency & effectiveness of potential program changes