



Best Practices in Member- and Customer- Focused Marketing

ASAE Reston Meeting

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A. Set Simple Goals/Address Key Impediments

- Right Message, Right Time, Right People
- Often we miss those key points
 - DM metrics: what drives effectiveness
 - 60% audience, 30% offer, 10% format
 - Often surprising to people who anguish over single words
- Key impediments:
 - Marketing discipline dominated by commercial/agency mindsets
 - Branding often an logo, image-driven thing
 - Insufficient focus on message and tailoring by audience
 - Our internal review process may be uneducated
 - We unwittingly design materials in an over-expensive manner
 - Lack of tracking means less focus on results
 - Insufficient formal/informal research means less alignment with real need

B. Define Your Business Model

- Know where money comes from/what drives value
 - Activity based costing principles:
what generates gross and net margin
- Get beyond 'top line' statistics:
 - Total revenue, expenses, per-member metrics
 - Average dues, attendance, registration revenues
- Incorporate incremental revenue into budget/plan
 - Include lifetime value into your calculations
 - Measure opportunity costs of *not* marketing
- Also consider:
 - How diversified are you *really*?
 - What % of companies participate & do so regularly?
 - What is the net margin of your primary activities
 - What is a member worth (now and lifetime value)?
 - What is your penetration today and how has it changed?

C. Define What Business You Are In

- Look ahead and beyond using current finances to define your business model & marketing goals
 - Often we live in the past: financial performance is a “lagging indicator”
 - Usage reflects what we train our members/customers to expect and receive
 - Familiarity breeds respect: members say they prefer what they’re used to seeing us deliver
 - Needs assessments research often=program evaluations
- Employ a more strategic, future-oriented focus
 - Visioning: where do we want to be
 - How to reach out to new ‘untrained’ member/customers
 - Link to/align with focus and ‘strategic planning’
- Ideally this process feeds a systematic marketing plan

D. Make Good Use of Mail

- Most efficient method of targeted communication
 - Supplements advertising, web: indirect communications
 - Repository for knowledge for current users/customers
 - Vehicle for introducing outside world—non-members, customers, employees of members
- Best applications
 - Personalized letters/forms, first-person dialogue
 - Repetitive/frequent communication, sequencing
 - Campaigns with measured effectiveness/tests & control
 - “Push media:” drives to other channels (call/web)
- Key errors/weaknesses:
 - Under personalization: postcards, ‘junk’ formats
 - Forgetting that ‘less is more’
 - Over-spending on inefficient production/design
 - Artificially constraining the external audience’s size

E. Determine When and How to Use Telemarketing

- Effective, often most overlooked/underused method
 - Very effective when managed systematically
 - High cost per contact but low *cost per acquisition/sale*
 - High-touch sales tool: 'when we care, we call'
 - Highly intrusive (can be a good thing)—cuts thru clutter
- Best applications
 - Reinstating lapsed and slow-renewing members
 - Late-cycle conference promotion to close the deal
 - Quick polling to measure attitudes/real-time issues
- Key errors:
 - Insufficient volume/frequency of use
 - Using amateurs: volunteer 'calling trees' work well on a high level for small numbers of people
 - Passive scripting: trying to tone down the appeal
 - Total outsourcing: inadequate screening/monitoring

F. Keep Expanding Your Use of the Web

- “Home” for the association—central to image
 - Repository for knowledge for current users/customers
 - Vehicle for introducing outside world—non-members, customers, employees of members
- Make best use for marketing applications
 - Maximize use of SEO/SEM to benefit from search
 - Costless dissemination of information
 - Discrimination by user class: filters/password areas
 - Facilitating transactions: registrations, joining, updates
 - Reciprocal links to other sites
- Avoid key errors
 - Over-control of content/too-insular focus
 - Poor/static content management/difficult updates
 - Insufficiently engaging, poor overly sales focused

G. Manage Email Effectively to Drive Traffic/Sales

- Don't underuse your most cost-effective communications
 - Supplement and coordinate with mail campaigns:
 - Great applications for early membership renewals, cultivational emails, 'soft frequency' for conferences
 - Crowded field: commonly understood best practices
- Best application
 - Customize content for the individual: tailor subject lines and intro paragraphs by segment (not by person)
 - Ability to test/modify in real time; easy/fast response
 - Natural integration with web: short & enticing
- Key errors:
 - Past overuse leads to high opt-out rates, requiring more mail, fax or phone to cover your audience
 - Insufficient audience management
 - Insufficient personalization or customization
 - Institutional feel: overuse of graphics

H. Set a Social Media Strategy

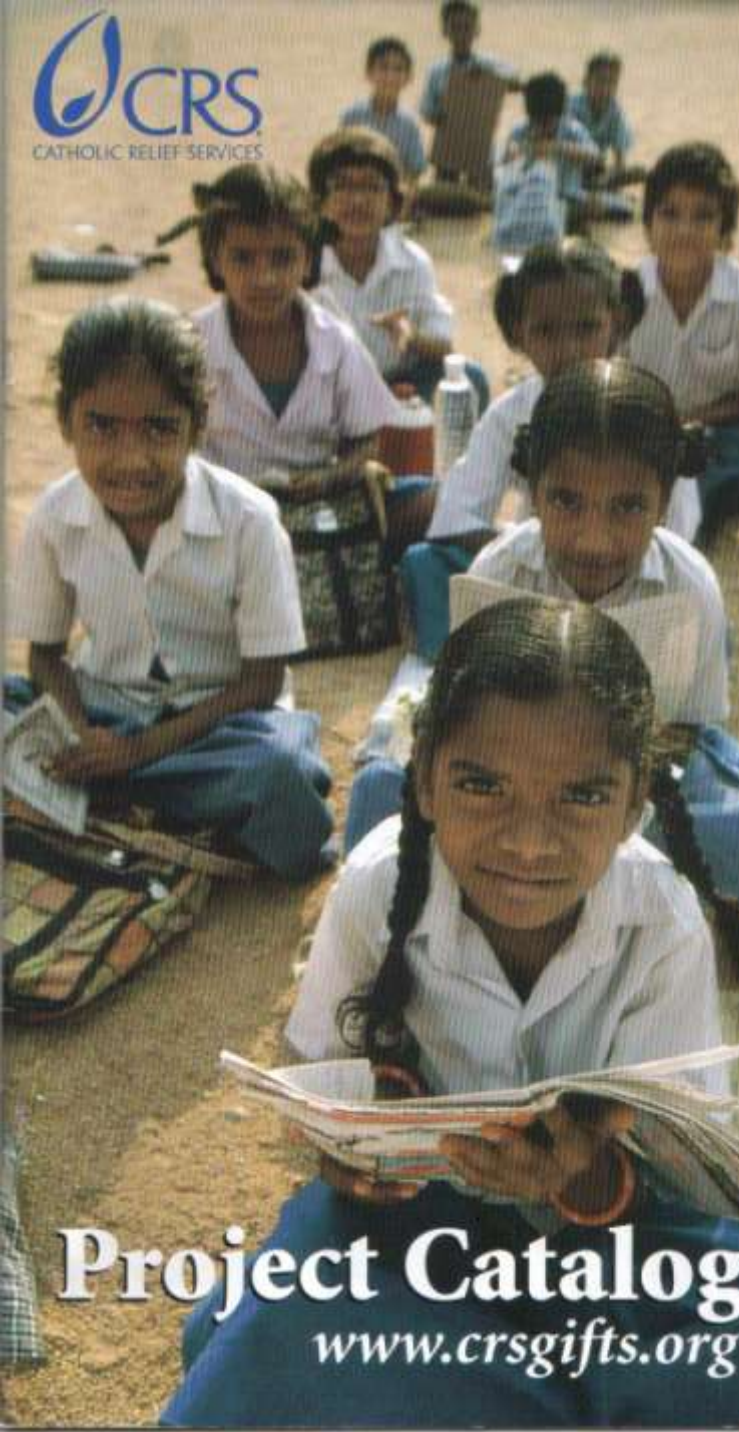
- Cheap/popular vehicle to connect people with minimal face to face contact
 - Not only young, but people in diverse locations
 - Increasingly meeting promise of distance learning, e-newsletters, even chapters
 - Systematically adapt your methods to cut costs AND increase value: education, communication, networking
- Best applications
 - Encouraging SIGs, affinity groups through Facebook, LinkedIn, etc.
- Key errors:
 - Trying to create/imprint on self-formed communities
 - Creating your own formal/controlled communities

I. Integrate Your Channels into an IMC Strategy

- Emulate the integrated marketing communications strategies of commercial entities
 - Disciplined, outcomes focused approach
 - Allocating resources based on return per channel
 - Model actual behavioral response: synergies/sequence
 - Factor this understanding into your use of channels
- Basically, make your marketing more DM-like
 - Develop logic and evaluation metrics within your program
 - Codify into an overall/program-specific marketing plans
 - Contact sequences designed to raise awareness/close sales
 - Example: broad based advertising, mail, teaser offers to encourage email signup, e-marketing then telephone
 - Adjust level of effort and expenditures by quality of prospect/member/customer
 - Not all are equal value, why spend identical levels of effort?

J. Make Your Messaging Memorable

- Review & where necessary, strengthen your message
 - Conversational language, conveying simplicity to convince, complexity to address diverse needs
 - First person voice, declarative statements ... good writing often resembles good speaking
- Consider the “Made to Stick” scorecard/principles
 - Is it simple?
 - Is it unexpected?
 - Is it concrete?
 - Is it credible?
 - Is it emotional?
 - Does it tell a story?
- Focus:
 - “If you say three things, you don’t say anything.”



Project Catalog
www.crsgifts.org

K. 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: home of the CRS online project catalog and updated information.

www.crs.org: home of CRS and its worldwide programming.

www.myglobalvillage.org: detailed information about select villages and programs.



Lucas and his dog Rey-Teconu, Guatemala

www.crsgifts.org

Gift of Hope

Project Catalog

2004 Fall/Winter

L. Use Effective Positioning to Be *Understandable*

- With prospects/unengaged members, objective approach
 - Identify sources of confusion and address them
 - Consider ASAE Decision to Join study
 - Primary demand vs. secondary demand: how we feel about associations affects decision to belong to *yours*
 - Many people don't know what an association is ... some are 'joiners' and others are not
 - Effective membership marketing requires explaining what you get out of it, what you have to put in
 - Recognize that new members are still in a trial phase
 - Use vignettes, examples, "owners manual" friendly tone
 - Example: large international charity
 - Donor base driven by emotional appeals
 - "Project Catalog" to present program examples
 - Served fundraising & education purposes'

M. Streamline Your Internal Creative Processes

- We often strangle our good messages in the crib
 - Bureaucratic review
 - Balancing conflicting viewpoints
 - Review process: too many parties and/or too many viewpoints
 - We avoid humor—unprofessional, risk averse
 - Reduced effectiveness: we don't have sex appeal, envy drivers, common subliminal aspects of commercials
- Gain greater message control/take risks today
 - Strong internal departments: focus on NOT emulating past campaigns/marketing of other associations
 - If you outsource, employ strong agencies
 - Responsibility for results tends to carry the day
 - Enlighten/educate CEOs/senior management/Board

N. Develop Effective Metrics/Evaluations

| Client Membership Acquisition Program: Sample Results Report | | | | | | | | | | | Prepared 5/24/2006 | |
|--|-------------------------|--|---------------|-----------------|--------------|-------------|-----------------|----------------|-----------------|------------------|---|---------------|
| 06B | | | | | | | | | | | First response received 4/10, doubling day 22 calendar days | |
| Package I: Control Package | | | | | | | | | | | | |
| 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 | | | | | | |
| Total Control Package | | | 16,352 | \$21,063 | 268 | \$79 | 1.64% | \$1,288 | \$8,492 | \$887 | \$9,379 | \$0.40 |
| Costs: \$2,250 creative/program management; \$8,373 production (est \$31 cents); \$1,794 postage (est 12.5 cents) | | | | | | | | | | | | |
| Package II: Test Offer | | | | | | | | | | | | |
| 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 |
| Total Test Package | | | 5,394 | \$5,604 | 74 | \$76 | 1.37% | \$1,039 | \$2,346 | \$313 | \$2,659 | \$0.42 |
| Costs: \$0 creative/program management; \$1,672 production; \$674 postage (est 12.5 cents) | | | | | | | | | | | | |
| Overall Campaign | | | | | | | | | | | | |
| | | | Mailed | Revenue | Gifts | Avg | Response | Rev/M | Cost | List cost | Tot Cost | CPDR |
| | | | 21,746 | \$26,667 | 342 | \$78 | 1.57% | \$1,226 | \$10,838 | \$1,200 | \$12,038 | \$0.41 |
| Comments: | | | | | | | | | | | | |
| 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

O. Make Better Use of Offers/Pricing

- The 'offer' should be simple and compelling
 - Example: membership (insert bundle here), 15-for-12 months, \$149 (off \$165 list price), act by October 31
 - Clearly define "the product"
- Build in variable offers by customer class
 - Encourage trial and adoption, reward loyalty
 - Incentives for early response: early bird or early renewal
- Employ price discrimination
 - Differential pricing according to ability/willingness to pay
 - Think: scaled dues in trade associations
 - Student, new member, recent graduate pricing
 - Might mean "pricing on the fly" (temperature sensitive Coke machines)
 - In associations, optional pay-in programs: voluntary contributions to a PAC, special advocacy fund, participation (personal & company) in fundraising programs

P. Increase Effort: Frequency & Types of Contact

- Past benchmarking studies of nonprofits/associations
 - Average # of contacts/campaigns per year showed programs were managing median of 20 efforts
 - Associations far less likely to use TM, direct mail acquisition, much more likely to use email

| Efforts | MEAN | MEDIAN |
|----------------|------|--------|
| DM acquisition | 4.5 | 3.4 |
| DM house file | 9.6 | 7.9 |
| DM other | 5.8 | 2.1 |
| TM active | 1.0 | 0.4 |
| TM lapsed | 1.3 | 0.4 |
| Email | 13.1 | 6.0 |
| Total | 35.3 | 20.1 |

- These were often high-scale programs
- Frequent changes to improve ROI; constant tweaking
- Repetition is key to recognition
- Over-contacting reduces results
- Key operational question: How much is enough?
- Avoid erring on the side of caution
- TEST and understand what drives performance to optimize your market

Q. Identify Addn Key Improvements by Product

- Example: conferences
 - We judge our health and form many of our impressions from our largest gathering
 - Odd, since a minority of members attend
 - But, generally #1 non-dues revenue source
- Reexamine your *marketing* (not programming) goals:
 1. Create a sense of indispensability—'if you're not there, you're conspicuous in your absence'
 2. Develop attendance and exhibits: latter follows the former, but marketing needs to support sales
 3. Position as 'signature event:' ensure attendees & non see it as one of many things the association does
 4. Maximize participation by addressing and overcoming the typical sales objections
 5. Use post-marketing: share content, show what you miss