

You hate telemarketing, right?

Don't be so hasty! Here are some natural benefits we're seeing again and again...

A White Paper
by Jack Doyle



You hate telemarketing, right?

Don't be so hasty! Here are some natural benefits we're seeing again and again...

Below are multiple examples from three different organizations that are seeing the same positive lift in their fundraising from the donors their TM partners were NOT able to convince to make a gift pledge. So if you believe the fun begins with a NO, read on.

One take-away from this paper will be for you to determine if your donors are saying NO to you, the organization (I don't want to help anymore), or are they saying NO because they aren't comfortable giving over the phone to someone who called them.

Case Study A

Telemarketing calls are integrated into special appeal campaigns – so calling involves both active and lapsed donors. Expectations for outcomes are based upon each donor's prior giving, and whether or not they have ever given by phone. Donors who give in any way (email, online, mail or phone) are called and asked to give to the important campaigns of the year.

What happens? 1) You can't reach most of the donors, and 2) Most of the donors you reach say NO or Maybe or won't pledge an amount. If you were to do nothing else with these donors you'd be missing a big opportunity... directly and indirectly.

For this first group of donors who were NOT reached, one client sends a letter (the same letter package they send to pledgers as a confirmation of their intention) with a different message. That message is simply "we tried to reach you by phone to tell you about a special campaign underway that we're hoping you'll support." With a few sentences, the donor's importance to the success of the appeal is established, and the offer is made.

You're thinking, "They mail to people who look at caller-ID and don't pick up the phone."

Why bother?

They send out a lot of "we tried to reach you" letters over the course of the year, but to put it into perspective for what you might get, let's look at what they generate from those letters per 10,000 names mailed. Who doesn't want an extra \$25,000?

# TRY Letters	10,000
# Gifts Received	464
Dollars Received	\$31,734
Cost	\$5,900
NET Income	\$25,834



Next step: Test the “tried to reach you” letters with the group of donors who said NO or MAYBE, as a “thanks for talking with us” mailing.

Lesson learned: Your donors will do the right thing when they are in their comfort zone. Telemarketing is effective with some, but not all, at generating an immediate response. For those donors reluctant to give over the phone, the actual live call has made a positive impression on many that can benefit your fundraising. Give this a try.

Case Study B

This organization goes to the phone only to call its lapsed donors... live operators do not contact active donors. There are campaigns at various times of the year triggered by a lack of giving over the prior 13 months, etc. On the face of it, pretty traditional.

The telemarketing partner is provided multiple segments of donors based upon their lifetime giving preferences (seasonal giving, gift amounts, years of giving, etc.), so that each donor can be engaged in conversation about their full history of love and support... not just when and what they last gave. The ranking of the donors allows for the callers to respect the donors who have done the most over time; when one says NO to a caller, there’s still a reason to say thank you for all they have done and will do. There’s no harm done.

Why let a telemarketing caller back off from a “sale” and take no for an answer?

The live contact to a donor who has NOT given for over one year has benefits that are clear for the next year, as seen below. In this case, a lot of money is generated in gifts mailed in their regular appeal envelopes within 30 days of the completed call... from donors who said NO.

per 10,000 completed calls				
	Donors	90-Day %	Gifts	Revenue
Pledged Amount	1,598	92%	1,474	\$43,159
Pledged, No \$\$\$	1,467	44%	638	\$21,814
Contact, No Pledge	<u>6,935</u>	<u>39%</u>	<u>2,680</u>	<u>\$94,133</u>
	10,000	48%	4,793	\$159,106



In this table for results based on 10,000 completed calls, you see what is expected from donors who were reached by phone and either pledged a specific amount or pledged to give (but didn't indicate whether they would give what was asked). They are indicated on the first two rows of the three. These donors generated almost \$65,000 in giving, enough to cover the expenses of completing all 10,000 phone calls.

The number of donors who pledged a gift was about 30% of the names called; so we watched the giving of the 70% of the donors contacted who said they would not give to the caller. Clearly, many of them were not saying NO to giving again to the organization. Almost 40% of them did in fact make a gift and they generated over \$90,000 in additional giving (and this is per 10,000 completed calls). Every time we do a telemarketing call to lapsed donors, a six-figure total comes in over the transom in regular reply envelopes.

Maybe if Case Study B applies the learning from Case Study A... and sends out "we tried to call you letters" to all the lapsed donors they are unable to reach, there's still more income opportunity here.

Case Study C

We observed similar findings as above with another organization, but with a different twist. They were employing the services of more than one telemarketing partner in order to complete a lot of calls in a short window of time. In fact, more than 100,000 calls were completed within the given timeframe... and all partners were successful.

There were two donor segments in play here... donors who were coming up on the anniversary of their last gift (i.e. the phrase stop-lapse was used here to indicate an effort to intervene and get the donor to give before going 13 months without any giving), and then there were donors who had already lapsed and had not given in more than one, or two years.

		60-Day Revenue	%Pie	Next 6 Months	9-Month Revenue	%Pie
Pledged	2,371	\$31,846	59%	\$14,360	\$46,206	54%
No Pledge	6,978	\$19,747	37%	\$13,953	\$33,700	40%
Soft No/Maybe	208	\$536	1%	\$574	\$1,110	1%
INFO offer	443	\$1,733	3%	\$2,256	\$3,990	5%
	10,000	\$53,863		\$31,144	\$85,007	



These totals represent the outcome per 10,000 completed calls. Similar trends as we'd expect, confirmed pledges in the 20-25% range, with ~70% of those contacted opting not to make a pledge. However, within 60 days of the calling campaign, fulfilled pledges were coming in well, while income from those who said NO was significant. By the end of the calendar year, fulfilled pledges and subsequent gifts from donors contacted was running at the rate of \$85,000 per 10,000 donors... and it was approaching 50/50 in terms of what was generated from donors who said Yes versus donors who expressed a form of NO.

What about the names they tried to call, but were unable to contact? Well, this organization didn't use the "we tried to call you letters," but they did mail them regular appeals. In the same timeframe after the calling, their rate of income generation was \$35,000 per 10,000 donors... \$50,000 less.

The next chart indicates the increased rate of income generation from **names called** (regardless of outcome of the call) versus names not reached, from the time of the calling through the first anniversary of the initial call cycle.

		60-Day Revenue	%Pie	Next 9 Months	Total \$\$	%Pie
Not Contacted	10,000	\$9,205	19%	\$32,627	\$41,832	33%
Contacted	10,000	\$39,986	81%	\$46,117	\$86,103	67%
Impact of Call		\$30,782		\$13,490	\$44,272	

There is a measurable and positive impact made on your donors when talking with them.

When you review your choices for best practices to engage with your lapsed donors, or even those about to lapse, consider the impact you can have on your direct mail income stream after making contact with your donors by phone. Remember, the outcome of the call will generate some good gifts from donors immediately and many more gifts over the near-term.



Suggestions for your consideration

1. If you have a lot of lapsed donors, this can be an effective way to **reinvigorate their giving**, just by making a live contact... they know how to give.
2. Try incorporating **donor-satisfaction contacts** after a calling campaign is underway... prepare "we tried to call you" letters for the better donors who were not reached.
3. Try other donor-satisfaction contacts... prepare "**it was our pleasure talking with you**" letters for the better donors who said NO. (Maybe and NO pledges are sent a version of the pledge confirmation letter.)
4. **Prioritize you donors based on lifetime value**; there will be many times when letting a good donor say NO or Maybe will be the right thing to do. When you know you're dealing with the lower ranked one-gift donors, taking NO for an answer is not an option. Know what you can and can't accept, by ranking donors before calling.
5. **Let the donors think for themselves.** Long-standing direct mail donors and online donors can be called and produce positive outcomes. The positive outcomes will be based on how the donors want to give after the call... and as seen in these examples, many good things can happen. Avoid the practice of putting your donors in tracks (i.e. are you an organization that only calls telemarketing-acquired donors and doesn't mail them? Or doesn't call/mail online-acquired donors?).
6. Always remember... **donors enjoy giving.** Reminding them of all the good they have done and engaging them in a little chit-chat can revitalize their passion to help.

