

Can organizations successfully generate and upgrade monthly donors? Two organizations prove that they can!

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At the recent DMA Nonprofit Conference in Washington, there were many sessions to choose from. One was on monthly giving, in which two nonprofits were happy to share their success stories AND results. We fundraisers are always extremely happy when they do because it gives us an indication of a winning or losing strategy, especially with monthly giving where the biggest challenge lies in selling the concept to the donors.

One of the largest US animal welfare organizations introduced a dog and cat sponsorship program a few years ago. Their message is asking the sponsor to adopt a special needs pet, developing a bond and providing long-term care. Multiple donors can sponsor the same dog or cat.

The heavy initial investment (on average twice that of single donor acquisition) in the sponsorship program enabled the organization to grow the net revenue to almost \$2 million, an increase of 92% in one year. Once the sponsor is on board, drop off is low and additional revenue starts building without much extra expense.

Through direct mail, direct response TV and web, the program grew to over 40,000 sponsors, giving via bill me (check) option, credit card and Electronic Funds Transfer (bank account). The typical offer is \$10 a month to save an animal. The sponsor receives a pin, a certificate with a photo of the sponsored dog and monthly updates.

Overall retention rates (which differ per medium used to acquire): EFT: 90%, CreditCards, 85%, Bill-me option: 60%. To offset the higher costs for this option, conversion is key.

One of the largest child-assistance organizations in the country with a base of some 85,000 active sponsors went discussed how best to deal with existing sponsors, focusing on:

1. increasing retention rate of existing sponsors
2. growing revenue from existing sponsors/upgrading monthly amount to two new levels.

To increase retention rate it's important to address the reason for termination and solve the problem through different strategies, from migrating check payers to EFT, to redesigning statements to make them easier to understand. One of the major factors they found is the communication between sponsor, child and field office. If the sponsor writes to the child, the retention rate is going to remain high.

The upgrade strategy was very interesting, trying to convert current \$24 Sponsors to \$28 or a special level of \$34. New sponsors were brought in for \$28, others were gradually converted via direct mail and telemarketing. Telemarketing results: no terminations, 40% upgraded to the \$28 a month, 30% upgraded to the higher level, 30% wanted to stay at the same level. Direct mail results seem very promising, but are still coming in. The special level seemed to appeal to many existing sponsors, generating an upgrade to \$34 a month.

This session proved to me that it pays to stay focused on existing donors and to ask for more without sacrificing retention and to never, ever stop improving, evaluating and creating new ways to meet challenges.

Erica has been with DMW since May 2000. Before that she was Marketing Manager Planned and Committed Giving at the International Fund for Animal Welfare, raising \$ 13 million a year from 170,000 sustainers internationally and in the US.

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