

Brilliant on the Basics Newsletter

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Acquisition Mail Applied with Success: Planning and Practices at Wisconsin Public Radio

In public radio, the words “direct mail” often refer to the letters we send to current members for renewals or additional gifts. But in the wider world of fund raising that term usually means “cold mail”—large drops of mail sent to rented mailing lists with the aim of recruiting new donors. Until recently, very few stations used “cold mail” to acquire members. The convenience and effectiveness of pledge drives stunted the search for alternative techniques.

Recently, stations have started to question the use of “drives” as the *exclusive* source of new members. Programmers have become aware of and concerned about the impact of drives on listenership. Development staff are illuminating the link between recruitment methods and retention rates. Specifically, fewer than half of the donors recruited through “pledge” renew for the next year, while *donors recruited through direct mail renew at significantly higher rates. Thus, when stations recruit members off-air,*

renewal rates improve and membership revenues become more stable. Recognizing this fact has been one of the most important achievements of the BoB Project.

Still, many people in the field question the efficiency and effectiveness of acquisition mail when applied to public radio. More importantly, most of us don’t even know how “cold mail” works.

To get some perspective, this issue of the *BoB Newsletter* examines the work of Peter Wallace, Development Director of Wisconsin Public Radio. Last year, Peter used acquisition mail to recruit 3,185 new members—equivalent to the recruitment impact of a five-day drive. Building its file with cold mail, WPR ranks #1 among the 18 BoB stations in member conversion (13% *of cume*) and #3* in overall renewals (65.1%). As you will see, Peter does this with inexpensive materials, clearly defined message points, and well chosen mailing lists.

* N. B.: The two stations with better renewal rates also use acquisition mail for recruitment.

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Direct Mail at Wisconsin Public Radio

An Interview with Peter Wallace, Director of Development Activities, WPR

MF: Peter, many people know about Wisconsin Public Radio, but they don't know about your work. What is your background in direct mail marketing as it applies to acquisition mail?

My first job in fund raising was with The Muscular Dystrophy Association. Even though they are best known for their telethon, during the years that I was there, they invested in direct mail as an adjunct to the telethon. They began to realize that a large majority of the people who would pledge to the telethon one year would not pledge the next year.

So, they were having a renewal problem based on a pledge structure-- much like the one in public radio?

Yes, and in fact they had not spent much time thinking about renewals. Then, they began to see that they were turning over a tremendous number of donors.

How long were you there?

Seven years. When I came to WPR in 1984, I started in underwriting. After about six months to a year, I started moving into membership, mostly in

pledge drives. Then I got responsibility for the full membership area. At that time, I had not thought a lot about acquisition mail. There was a woman on our staff, Joan Zieger, now at WPTV, who had been in development for a long time. She recommended to the Board that they begin investing in acquisition mail. She made a very strong case for doing that, and that sold me on the concept, but we didn't start doing it in a big way right away.

One of the things that distinguishes WPR's development operation is your use of acquisition mail. What's the size of your acquisition program?

It's grown substantially over the last few years. I would say that five years ago, we were mailing about 400,000 pieces per year. I just finished my plan for FY99 and the total pieces is up to 870,000. This does include some lapsed donors, which I put in my acquisition program because it's a much more systematic way for me to stay in touch with lapsed and prospect people. I found that the response has been pretty good for both lists. Out of 870,000 we might have 70,000 pieces to lapsed and prospects.

How do you come to a number like that? What goes into the calculation? Why choose that number instead of 500,000?

I am in a slightly better situation than some development directors in that I have a lot of freedom in coming up with my budget. But here's the way I do it: First, when I mail, I try to make a little more than I spend. Not a lot. But virtually every year, there's some profit in our mailing. Second, we try to do the mailing

inexpensively. Third, I try to have a quality message and low priced material. With that in mind, it's a matter of investing. The more acquisition mail I can do, the easier it's going to be to make my overall membership goal next year and the year after, because those mail-acquired donors are going to help my renewal program.

So, it's not just a matter of saying: "Okay 800,000 seems like a good amount." It's also a question of "How much physically and financially can I do? How many lists are there that I have confidence in?"

There's no disincentive for doing more. The way I do it, if I spend \$150,000, I'll make \$160,000. If I were losing money, it would be a different story.

As I understand it, not everyone in direct mail sees it that way.

I've heard it said "If you're making money on direct mail, you're not doing enough." And I understand that view. You're not doing it for the current year, you're doing it for future years. But I think that break-even is a good target for first year response. Because when you mail more, you start getting diminishing returns. By the time you start mailing to Road and Track Magazine or Boys Life... you start getting a half-percent response, you have to think "Why bother."

Does your mailing total—870,000 pieces—include follow-up letters, where you mail several times to the same list?

This year it does. I tested this for the first time last fall, and I was surprised to find that the follow-up mailing performed as well as the initial list. When I saw that, I realized that this process was like our renewal series. We send five or six or seven renewal hits to the same list, because we know that when somebody doesn't respond to one letter it doesn't mean the final answer is 'No'. Some people just didn't get around to responding...

The main thing is this: For any marketer, there are a finite number of good names and lists. It's silly to mail to them once and then move on to a list that is less productive.

After our May meeting, I talked with Catherine Sercl-Harvanko, who runs the direct mail program for Minnesota Public radio. She believes in mailing deeply to some lists... as many as five mailings to a single list may be worth the return.

That doesn't surprise me. Because if you're picking your lists correctly, there is going to be a large overlap among the lists. Over the course of the year, you may be sending five pieces of mail to many individuals, even if you're only mailing twice to what appears to be the same list.

Because I haven't done any of this, I didn't realize that, for example, if you send three different batches of acquisition mail to three different list sets in the course of a year, you probably have some duplication between the batches, right?

There is something in the direct mail business called "multi-buyers." What happens

Wisconsin Public Radio Acquisition Mail Schedule

Aug Mail	Pcs	Sep Mail-	Pcs	Oct Mail	Pcs	Nov Mail	Pcs	Dec Mail	Pcs	Feb Mail	Pcs	Apr Mail	Pcs
Discover	10000	AAAUW	4000	ASCPA	6000	AAAUW	3608	ASCPA	5412	Bicycling	5000	Bicycling	4882
Psychology	5000	Amnest Int.	3000	Alzheimer	10000	Amnest	4500	Alzheimers	9020	Considg/yomo	20000	Considg/yomo	8136
Backpacker	5000	Atlantic	7500	Arch Di-	7000	Atlantic	6765	Arch Di-	6314	Discover	20000	Discover	5695
Pet Sub-	5000	NY Review	2000	Audubon	7500	NY Re-	1804	Audubon	6765	Organic Gard	5000	Organic Gard	6102
Covenant	5000	Nature	13000	Bon Appetit	1300	Nature	11726	Bon Appetit	1173	Sat Eve Post	10000	Sat Eve Post	1058
Planned	10000	New	7000	Gourmet	8500	New	6314	Gourmet	7667	Vegetarian Times	5000	Vegetarian	6916
Nutrition	5000	Popular	6900	GreenPeace	7500	Popular	6224	GreenPeace	6765	Walking	14000	Walking	6102
Wisconsin	20000	Smith &	5000	Handgun	5000	Smith &	4510	Handgun	4510	Wis Demo	12000	Wis Demo	4068
PRMS	589	Scientific	7100	Planned	7500	Scientific	6404	Planned	6765	Eddie Bauer	20000	Eddie Bauer	6102
Lapsed	10000	Sierra Club	7000	J. Peter-	5000	Sierra Club	6314	J. Peterman	4510	Food&Wine	4000	Food & Wine	4068
Prospects	5000	Plow/Hearth	6800	Newsweek	30000	Plow/Hearth	6134	Newsweek	27060	Friends &	10000	Friends&Neig	24408
Multibuyers	10000	Wis Trails	21000	NOW	7500	Wis Trails	18942	NOW	6765	Milwaukee	25000	Milwaukee	6102
Bicycling	5000	Radio Store	10000	Pipedream	500	Radio	9020	Pipedreams	451	National Geog	8500	National Geog	407
Interview	5000	PRMS	1000	Smithso-	33000	PRMS	902	Smithso-	29766	Multibuyers	5000	Multi-buyers	26849
Environ-	5000	Lapsed	15000	Talbots	12000	Lapsed	15000	Talbots	10824	Readers Dig	10000	Readers Dig	9763
NOW	5000	Prospects	5000	Utne	5000	Prospects	5000	Utne	4510	Special Olym	15000	Special Olym	4068
Handgun	5000	Multibuy	10000	Williams	23000	Multi-	10000	Williams	20746	Time	20000	Time	18713
Met Mueum	5000			Multi-	8000			Multi-	7216	US News	20000	US News	6509
										Lapsed	15000	Lapsed	15000
										Prospects	5000	Prospects	5000
										Multi	10000	Multi	5000
Total	120589		131300		184300		123167		166239		258500		174948
Est. to Mail	90449		98475		138225		92375		124679		193875		131211
											Total		869289

is this: if you get ten lists, there may be someone who is on five of those lists. In essence, you have paid the list company to be able to mail to that person five times. You retain those people on multipli-buyer lists, and the next time you purchase a list, you don't have to purchase that name again. You've already bought the right to mail to that person four more times.

And I suppose the fact someone shows up on many lists is a good sign for you when you're prospecting.

A very positive sign. These are clearly people who respond to things through the mail. Think of it this way: If you think that people who read the New York Review of Books will be interested in public radio, and maybe people who are members of the Nature Conservancy might be interested, and people who read Popular Science would be interested, and people who purchase things through the J Peterman catalogue would be interested — What about someone who is on all those lists? That's almost guaranteed that this person is a public radio listener and that they have some money to give.

Let me go at this from another angle. How does all of this activity affect your overall financial efficiency? When you put the cost of acquisition mail into your fund raising budget, it tends to raise your "cost per dollar raised," because you're laying out almost a dollar to raise a dollar. How do you deal with the fact that you're going against the tide of developing more efficient

fund raising techniques?

From a snapshot point of view, that may be true. However, if you're doing this correctly, your renewal program will (ultimately) be **more** efficient. And, don't forget, the cost of pledge drives never appears on the books, but there is a very real cost to pledge drives-- in staff time, lost listener hours and so on. So, in part, you're trading those costs against the cost of mailing. When you look at it from that perspective, acquisition mail can be highly cost effective. It's easy to look at it and say "What a waste, you have a 99% failure rate. How could this possibly be efficient?" But that's not a complete picture. And as we increase our computer power and our ability to target mailings, we can cut down on the waste.

So, you don't see acquisition mail reducing your efficiency?

Not really. You're already sending ten thousand renewal letters and, what if you could improve the response by, hypothetically, a thousand people by including lots of high-renewing, mail-acquired contributors on your file? That is a lot more money coming in through the renewal mail. So if you can get beyond the first year, you can get some very powerful economies. Past the first year, I really don't think it has a negative impact.

Have you seen this with your current membership file?

Sure, our first-year renewal rate is among the best in the BoB group, and our overall renewal rate is good. Recently, we had program changes that negatively affected

renewals, but once that works its way through, our renewal rate may be even better. On the other hand, our dollar-per-gift average is not what it should be, and acquisition mail doesn't help that. It's very hard to recreate the emotional appeal of hearing one of your program hosts break into tears over the fact that "No one's calling" or "We're going to fall short of our goal." But that lack of emotion is one of the reasons that there's more repeat business. It's more of a rational transaction.

Where do you get your lists?

I work through a list broker, and we have a good relationship. He makes suggestions, but he doesn't completely understand what we're doing. I like to be able to choose my own lists. I go to other stations and see what they're mailing, and I go around to people who listen to public radio and see what they're reading. This is not brain surgery. This is something that requires experience and good intuition. But you get better at it over time.

You don't trade for lists?

No. We don't trade lists. That's a policy of our Public Radio Association. Perhaps if I asked them to change, they might change that, but we use the "non-trading" of names as a member benefit. It's the way we do it, and I can't say with certainty that it's the right thing. Occasionally, we find organizations that will not work with us because we will not trade lists. And I don't think that trading lists is a bad thing for stations to do.

Do you try to acquire other arts and cultural lists?

Yes we do. For example, Nutrition Action, The Center for Society and the Public Interest, Planned Parenthood, Covenant House. Public Radio Music Source is obviously an exceptional list. Environmental Defense Fund, National Organization for Women, Handgun Control Now, Metropolitan Museum of Art catalogue, Sierra Club... these lists are full of people who will give through the mail to non-profits.

So you've got your road map for mailing through... when? How far in advance do you plan?

The whole fiscal year. But that's not typical for me. One of the benefits of being involved in the BoB Project has been helping me to look at the full year landscape and not just the next two months. This is the first year that I have the entire program laid out ahead of time. And in that schedule I have some slots for re-mailing lists that test well in the early mailings. Some mailing lists will not work, and we'll abandon those, others will work well and we'll concentrate on them.

How do you keep track of that?

I have a spreadsheet for each mailing. Starting with the gross number of names purchased, then the net names after the merge/purge... the percentage of useful names... then the number of responses, dollars received, average dollar per response and "dollars per piece mailed." I don't figure the "dollar per piece purchased." I want to know how much

Analysis of September 1997 Acquisition Mailing at WPR

Source	Gross	Mail	Mail %	Re-turn #	Return %	Return \$	Average \$	\$/pc Mailed
W Sonoma	23020	13524	59%	92	0.68%	\$ 3,690	40.11	\$ 0.27
Smithsonian	33000	24564	74%	165	0.67%	\$ 5,975	36.21	\$ 0.24
S & Hawk	5046	2159	43%	22	1.02%	\$ 815	37.05	\$ 0.38
Nat Hist	5400	1605	30%	8	0.50%	\$ 230	28.75	\$ 0.14
Scientific Am	7100	2452	35%	33	1.35%	\$ 1,020	30.91	\$ 0.42
Audubon	7500	6477	86%	46	0.71%	\$ 1,515	32.93	\$ 0.23
Plow&Hearth	6800	4770	70%	27	0.57%	\$ 1,055	39.07	\$ 0.22
Nature Con	13000	7754	60%	105	1.35%	\$ 2,863	27.27	\$ 0.37
Talbots	12750	7752	61%	38	0.49%	\$ 1,585	41.71	\$ 0.20
AAUW	3800	2122	56%	43	2.03%	\$ 1,325	30.81	\$ 0.62
Sierra Club	7000	2481	35%	35	1.41%	\$ 1,096	31.31	\$ 0.44
Atlantic	7200	1202	17%	16	1.33%	\$ 575	35.94	\$ 0.48
Newsweek	30000	15547	52%	96	0.62%	\$ 2,920	30.42	\$ 0.19
New Yorker	7000	5145	74%	91	1.77%	\$ 3,275	35.99	\$ 0.64
Nat Geog Exp	8700	5737	66%	37	0.64%	\$ 1,170	31.62	\$ 0.20
NY Review	1450	518	36%	9	1.74%	\$ 365	40.56	\$ 0.70
Amnesty Inter	4500	2281	51%	58	2.54%	\$ 2,027	34.95	\$ 0.89
Pipedreams	560	230	41%	7	3.04%	\$ 295	42.14	\$ 1.28
Radio Store	9345	5825	62%	98	1.68%	\$ 3,709	37.85	\$ 0.64
Multi Buyers	7000	6134	88%	39	0.64%	\$ 1,175	30.13	\$ 0.19
Prospects	5971	5545	93%	40	0.72%	\$ 1,175	29.38	\$ 0.21
Old Lapsed/ Prospects	33664	32937	98%	128	0.39%	\$ 4,712	36.81	\$ 0.14
Lapsed	34589	32787	95%	666	2.03%	\$ 27,776	41.71	\$ 0.85
PRMS	289	148	51%	6	4.05%	\$ 205	34.17	\$ 1.39
WHAD List	53	31	58%	2	6.45%	\$ 45	22.50	\$ 1.45
Total	274737	189727	69%	1907	1.01%	\$ 70,593	37.02	\$ 0.37

Analysis of Acquisition Mail, September 1997

money I got back in relationship to the number of pieces actually mailed. If I'm looking at lists that generate fifty cents per piece mailed--that's really good. I'm definitely making money. If I see one that's twenty cents per piece mailed-- that probably a loser.

Who does your design work?

I do most of that. We use some pretty simple designs. Mostly on letterhead with logos and name and address. We include a very basic program grid. [We have two networks.] We do not provide return postage and we use a standard window envelope. I've seen some very attractive packages that I'd like to test some time this year. But... maybe it's my perception that people in the Midwest like the straightforward, somewhat simple design. They seem to be responding pretty well, but it might improve with more creative.

How often do you analyze the response to a mailing?

One of the most frustrating things about direct mail is that I want to look at the results the day it's mailed out.... Far before there's any valid information. And by the time we've got valid information, I'm on to something else. I tend to just grab time now and then... maybe once a month. Then I do a more thorough analysis in the spring. It can be very interesting to look at things that happen slowly over months. That's one of the nice things about acquisition mail. Once you mail it, it works on its own. And most of us spend so much time focusing on pledge drives that

happen all at once.

How long does it take to prepare a mail package?

Unfortunately, most of the time it's done pretty quickly. I have some standard letters that I've tested. Whenever I have time, I'll test another letter or another response card. And once you get something that works, your design and creative time is really cut. But you're still looking for "what can I improve that will do better?" Once you've started the program, it doesn't take that much time.

So, you just send the mail-house something that's camera ready?

Yeah... and I have had a few problems with mail houses, in the area of customer service. I prepare flow-charts that, I hope, will make it clear what needs to happen. It's a complicated process. You've got your house lists, your house-suppress list-- your active members-- and then you've got your prospects and lapsed. You've got to merge/purge all the lists. National change of address check... to make sure you've got the right address for people who have moved. And then, you've got the national Direct Mail Association list, which we have not used over the years. But we've got to start doing that. That's a list of names of people who have called up and said "Never mail to me again!"

Let's finish up with a few summary questions. First, for someone in the BoB group who has never done any acquisition mail, what advice would you give them?

[Long Pause] I'd probably show them a sample package that I've used, or show

Subscribe to Public Radio?

Do you subscribe to magazines? How about cable television? Your newspaper?

More and more people are beginning to look at their payments to public radio as a subscription to a valuable source of news, information, education and entertainment. They pay monthly, or in a single yearly payment, to assure that they are providing their fair share of support for Wisconsin Public Radio.

Unlike magazines, cable tv and newspapers, we won't cease providing our service if you choose not to pay. Payment for public radio is voluntary, but no less important than paying for other media services.

Here's why:

In Wisconsin, the largest single funder of public radio is listeners like you. The University, the State, Federal grants, and corporate support all fall well short of the voluntary contributions given by listeners to support the programs they have come to enjoy and on which they rely.

Public radio is undergoing a major transition from government funding to funding by the people who use the service... people like you.

Your subscription to Wisconsin Public Radio is important, because if funds from listeners don't continue to increase significantly each year, the programs we broadcast will be impacted, since the support from government sources is sure to continue going down.

So, what can you do? Take a moment to consider the importance of public radio in your life. Do you wake up to Wisconsin Public Radio? Is your kitchen radio set to WPR? How about

buttons on your car radios? Does A Prairie Home Companion conjure up warm feelings, or does the thought of Michael Feldman make you laugh? Do you value the news and discussion programs?

Rather than waiting for a pledge drive to persuade you to become a Wisconsin Public Radio subscriber, **consider getting out your checkbook, and writing a check** to go in the envelope we've provided. Decide now to be part of the solution to public radio funding *before* there is a crisis. Make public radio one of the good things you do for yourself, and for your neighbors.

How much you pay is less important than the mere fact of your voluntary subscription. We encourage subscriptions of \$7.50 per month, or more, but we realize that not everybody can afford that much. You may wish to join more than one thousand subscribers who make monthly payments automatically by electronic transfer from their bank accounts. We try to make it easy for you to be a part of public radio.

We hope you'll consider

Remember, without you,



subscribing today.

would just be **RADIO.**

PS: If you aren't yet a public radio listener, check out the back of this letter for schedules and stations

See the Response Card on page 10.

them something that Catherine's used, so they'd have a good starting point.

I'd urge them to be courageous, to be aware of the process.

Depending on market size, I'd probably encourage them to mail to... between 10,000 and 100,000 names. Most mailing lists have a 5,000 minimum rental, and in a small market you may have problems finding lists.

I'd encourage them to find a company that knows how to do merge/purge really well. We suppress four line addresses, because those tend to be libraries and businesses. Sometimes you can choose people who have joined the list recently. Those tend to be better.

You need a good, simple package. In your letter, you need to have clearly communicated message points. If you do that-- and you choose your lists properly -- your chances are pretty good that you'll get a good response.

*What **advanced** topics would you take up with people who have already developed an acquisition mail program?*

[Again, long pause] An awful lot of it is list selection. I get a lot out of talking

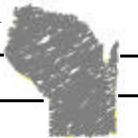
to other people who do acquisition mail for public radio, and I get a lot of good ideas from them. Some of the lists that I'm mailing to this year, I had never heard of. I started with magazines, then I got into environmental groups, now I'm getting into more charitable and political lists. I rented the Wisconsin Democratic Party list last year, and it did very well. That really wasn't a surprise. What was surprising is that it took me until last year to think of mailing to that list. So list selection is really the critical factor in doing well.

And re-mailing to the same list... that's something that's new to me, that's one way to be more efficient with your postage money.

Then I'd probably discuss the response card. That's another important factor. How do we construct the gift ladder? How many choices should we have? How should we position it on the page? All of those things are important. One thing I learned some time ago is *to assume that many people lose the letter and keep the card*. I try to make sure that the card says everything that you say in the letter in a highly abbreviated way, so there's no confusion.

Thank you for making a contribution to....

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RADIO**



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