

Brilliant on the Basics Newsletter

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Behind WAMU's continuing membership growth: Measured change and the application of direct marketing skills

One profound change to come out of the "BoB Project" is a re-definition of the basic skills needed for membership directors. People can no longer be content to run good pledge drives. If you want to be "brilliant," you need to be good at a variety of marketing disciplines— direct mail, telemarketing, and customer service.

For years much of this was viewed primarily as grunt work, such as running labels, licking envelopes, processing checks. Then some of the larger stations started using outside consultants. Salaries rose and a few people actually came into the business (mostly in PTV) with direct marketing experience. Often, they got results.

Future Fund projects, like BoB, are sharing those results and focusing attention on the critical role of non-pledge activities, including direct mail and telemarketing, especially in member retention, additional gifts, and re-acquisition.

WAMU got a jump on this change three years ago, when it recruited a former alumna, Elizabeth Kloss, to be

its Membership Manager. This issue of the BoB Newsletter focuses on her work at WAMU. Elizabeth started her direct marketing career with The African Wildlife Foundation. As soon as AWF's outside consultants recognized her potential, she was "poached" (by Bachurski Associates, Inc). There, she became account rep for the NOW Legal Defense and Education Fund, Americans for Democratic Action, and The Center for Marine Conservation, among others.

When Elizabeth joined the BoB meetings, she was introduced (privately) by AMU's Development Director, Kay Tuttle, as a "direct marketing wiz." After getting to know her, no one would argue with that description.

Much to our regret, Elizabeth will soon leave WAMU for graduate school in Political Science. That is a terrible loss for BoB, WAMU, and public radio. She is one of the best in our business. I asked her for one piece of advice that I could apply, and she said "13 point type. Don't make them reach for their glasses." [What do you think?]

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An Interview with Elizabeth Kloss Membership Director, WAMU-FM, Washington

MF: When you came into WAMU how did the direct mail program look to you in comparison to what you had seen before?

EK: Much more simple.

Did you immediately start making changes?

No, I spent the first year learning the existing program. At that time, the segmentation was very basic. They did one lapsed telemarketing program, and that was all that they did with lapsed donors. They really didn't do any lapsed mail. They didn't segment the additional gift mail.

I'm jumping ahead here, but, looking back on that experience, would you agree that until recently public radio fund raising has not kept pace with the developments in the broader non-profit fund raising world?

To some extent. But you also have to remember that any changes we can make here [in our mail programs] have less impact here than they do on highly mail-responsive files. When you start with mail responsive files or files that are created entirely from mail,... it's very different. You get a much bigger bang from making the right kind of changes. For example, additional gift

mailings will tend to be more responsive from mail-generated lists. So, it's really a matter of perspective.

Did you keep making changes as you mastered the WAMU system?

Yes. I like to change things. I enjoy that. I like to try new things. I think that the BoB meetings may have made Kay a little more comfortable with change. And, combined with the increasing financial pressures at the station,

What were some of the changes that came about because of your participation in Brilliant on the Basics?

The big BoB meeting was in February and we changed our renewal program starting in May. First, we moved up the first notice from the eleventh month to the tenth month, then we moved telemarketing to the second hit.

But you were running a very good station before BoB, with much success. Why didn't you make that change earlier?

We didn't want to seem too aggressive. And our program was doing fine. We position our station a little differently, more personal, and... less aggressive. We're very sensitive about how our campaigns come across to listeners. So, it was part of our general approach. And, as I said, at that point, we didn't *need* to be more aggressive, because we were making our goals. A lot of things have changed since then, and things are getting tighter now.

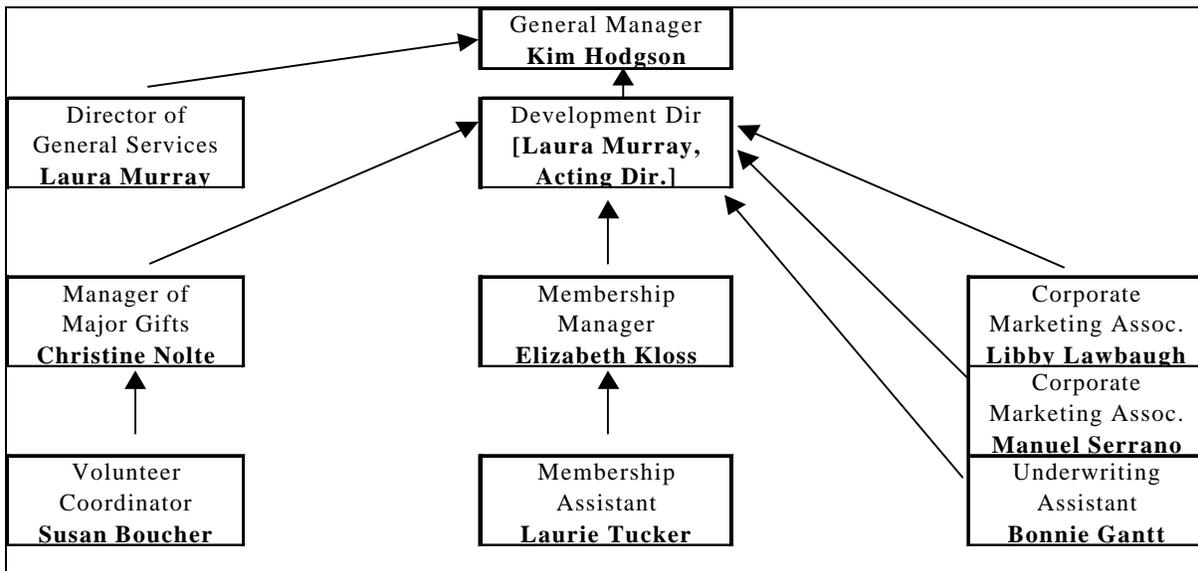
WAMU Membership STATS

	FY96	FY97	chg.	FY98	chg.	FY99	chg.
Cume		413,000		418,000	1.2%	418,000	0.0%
Members		33,577		34,599	3.0%	35,775	3.4%
Penetration (% Cume)		8.1%		8.3%		8.6%	
Member \$		\$2,849,748		\$3,130,519	9.9%	\$3,235,786	3.4%
\$ per listener		\$6.90		\$7.49		\$7.74	
\$ per member		\$84.87		\$90.48		\$90.45	

Member \$ By Source

New		541,036		523,722	-3.2%		
renewal		1,787,346		1,882,920	5.3%		
Add Gifts		63,044		115,298	82.9%		
Lapsed		205,736		331,191	61.0%		
Combined Fed Camp.		252,586		277,387	9.8%		
Retention Rate		58.0%					
First Yr Retention rate		34.0%					
Multi yr Retention rate		62.3%					

WAMU Development Staffing



What was the specific stimulus for that that change? Did it come out discussion at the BoB meeting, or conversations with Barbara Appleby or Jim Lewis?

From all of that. And it was one of the items that Jim Lewis included in his single station review of our Target Analysis.

Do you see any difference in response after you made the change?

We really have not been doing it long enough to say. But I can tell you that we have not been getting any complaints and everything seems to be going fine. I felt that the bigger change was putting telemarketing in place of the second notice in the eleventh month. Then we moved our old second notice to hit-three and moved to a five-hit cycle.

After you get your initial renewal letter, telemarketing is the second hit? Is that what you see as part of the "ideal cycle?"

Not entirely.... most consultants would encourage us to put two months between the first mail piece and the telemarketing piece, but I'm not ready to move back to the ninth month as the start of the renewal cycle.

So you're only giving the donors a month to respond instead of two months?

We review that telemarketing list twice a week, so if your letter comes in, you'll be removed from the telemarketing program. Overall, that seems to be

doing very well. The telemarketing also appears to be helping the mail piece. Some people who don't make a pledge in the telemarketing go back and send in the mail piece. The telemarketing is a very soft call, phrased as a courtesy call, customized with different scripts for bluegrass people, news people, and entertainment people.

See WAMU Telemarketing Scripts, page 6.

We also tried a reactivation [lapsed donor] mail campaign and tested it against reactivation telemarketing. We used hand written direct mail and compared it to telemarketing. The telemarketing did better. We used [hand addressing] for an additional gift campaign and it worked well for that. Hand-addressing made money in each case. It made money with the lapsed donors, but it just didn't do as well as telemarketing

Who did the hand writing?

Aria Communications in Minnesota.

What else did you do?

We also started mailing back further in our additional gift mailing, mailing to more and more lapsed people. And that's been showing some improvements.

Did you have any station or organization that you were using as a model, an example that you could follow?

Minnesota Public Radio! They were really the ones that we felt we could learn from.

It seems that the Target Analysis work, and the consultations with Jim Lewis had a strong influence on your planning... Am I correct?

It did, but one criticism that I would make of the Target Analysis system -- which I think is very worthwhile -- is that it doesn't take proper account of cost. We were a little disappointed with both Target Analysis and the Lewis and Kennedy review of our own program in that they did not recognize the cost constraints we were working with. I don't think they took into consideration how little money we spent on fund raising.

You do have the most efficient operation that I reviewed in the last two years of doing benchmarking work.

Yes. I know. But in all the work around Target Analysis no one ever said that. The whole cost factor was not in the picture. I felt there was something wrong with that. We would look

at some of the other stations and see how much some stations rely on telemarketing. Well, that's got to have a big impact on their cost per dollar raised. And that was never a discussion point.

What kind of changes do you think you would be making if you were going to stay?

We'll add a third additional gift mailing. I would probably spend some serious time working on a mail piece for the group of people that we can't call [the say "don't call" or we don't have their number]. For example in October our expiration group might be 6,000 people, and of that group, there might be 1,500 who we can't call. So, that's a pretty large group to leave out of the renewal process for the whole second hit. We are very customer service oriented on telemarketing. We code people for "do not call." We send people a letter, saying, "We're sorry we called you, we won't call again."

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Introduction and First Ask

Hello, may I speak with Mr./Ms _____ (first AND last name)?

My nine is (first AND last name) calling on behalf of W-A-M-U.

First, I want to thank you for your past support. Because of your support, W-A-M-U has continued to educate and entertain our radio audiences with the highest quality programming. Sixty percent of our funding comes from members just like you.

I'm calling tonight because our records indicate your membership has come up for renewal. Are, you still listening to the station?

(PAUSE - wait for response!

IF NO: GO TO REFUSAL
IF YES: (CONTINUE)

Terrific, I'm glad to hear you're still listening. What programs do you enjoy?

(LISTEN TO SEE IF THEY ARE A NEWS, A BLUEGRASS, OR AN ARTS & ENTERTAINMENT PERSON)

Mr./Ms _____, your membership this past year has been vital to everything we've done here at W-A-M-U. So right now renewing your membership is the most valuable thing you can do to demonstrate your continued friendship to W-A-M-U. Loyal member, like yourself, make it possible to provide high-caliber programming to you, your family, and your community. Can we count on you with a contribution of 3xHPC or \$150 (WHICHEVER IS HIGHER) today?

IF YES: GO TO CONFIRMATION
IF NO: GO TO FIRST TRADEDOWN

Introduction and First Ask

I understand, Mr./Ms. _____not every one of our listeners can give at that level, but we never know unless we ask. The fact is, no level of support is too small and your help has always made a crucial difference to W-A-M-U.

Last summer, your membership helped us buy a new transmitter to ensure the strength and reliability of our signal around the region. And now, your contributions are helping us bring you morning news seven days a week! On Sundays, you can now hear *Week-end Edition* from 10am to noon. And of course, we plan to continue our award-winning, community-building coverage of local news through programs like *Metro Connection*, *The D-C Politics Hour with Mark Plotkin* and the local stories you hear during the week on *Morning Edition*.

Can we count on you to help us close out our *fiscal* year by supporting W-A-M-U with a contribution of 2xHPC?

IF YES: GO TO CONFIRMATION
IF NO: GO TO SECOND TRADE DOWN

Second Trade-Down

I understand, Mr./Ms. _____ but if you value W-A-M-U and our quality programs, we need you now more than ever to continue. We rely on the support of listeners like you to sustain our thoughtful approach to broadcasting. Because of members like you, we are able to provide superb reporting and extensive insight by broadcasting your favorite programs like *The Diane Rehm Show*, *All Things Considered*, and *Morning Edition*. But we urgently need your help to continue to strengthen all of our programs. Mr./Ms. _____may I ask you to match your last renewal contribution of \$HPC?

IF YES: GO TO CONFIRMATION

Highest Past Contribution.

Refusal:

(IF NOT LISTENING) : May I ask why you are not listening to W-A-M-U?

(IF LISTENING , BUD DOESN'T WANT TO GIVE): May I ask why you are not renewing your membership to W-A-M-U?

(PAUSE — WAIT FOR RESPONSE)

I'll pass your comments along to the appropriate staff at W-A-M-U. Again, thanks for your time and your past support. I hope you will continue to enjoy W-A-M-U programming (if appropriate).