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## FINANCIAL FOCUS



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## Your Accounting for a New Economy

# Going to the Source: The Necessity of Direct-Mail Marketing

There has been a lot of talk recently about the power of online marketing and social media. While it is true that both of these are invaluable, inexpensive tools to help you achieve your mission, they are not intended and cannot be viewed as a substitute for good old-fashioned direct-mail marketing. Direct-mail marketing remains an irreplaceable component of every successful not-for-profit organization, and there is a reason.

### **Direct-Mail Marketing is not dead – At Least Not Yet...**

Direct-mail remains one of the most expensive and labor intensive ways to reach out to a potential donor base, but it is also the most effective.

While online and email donations may one day surpass those of direct-mail, we are still a long way from seeing that happen, and by far, the vast majority of philanthropy remains of the “checkbook” variety.

Technology continues to make significant strides every year, and as it becomes a more integrated part of our lives, its adoption rate also increases. However, there will always be a portion of the population that is reluctant to change with the technology, and many times these will be your older, most generous donors.

Even if your organization’s mission appeals to a more tech-savvy demographic, no matter how good your email database is it simply does not contain everyone who has donated to your organization in the past, or everyone looking to donate this year. It would be a tragic miscalculation to ignore those potential supporters simply because you don’t have their email addresses.

So, direct-mail is still a necessity, but which pieces see the best results?

## **An Organization Newsletter**

Few people enjoy donating money to a cause without an opportunity to see how their contributions have helped, and a Newsletter can be an ideal tool for your organization to illustrate how your supporters are making a difference.

Create a definitive distribution plan for your Newsletter. It should be periodic and on a set schedule so that your subscribers not only receive your Newsletter at specific times throughout the year (weekly, monthly, quarterly), but that they are looking forward to it and know when to expect it.

Your Newsletter should be distributed to your past donors, of course, but it should also have a distribution beyond that. It needs to be sent to volunteers, board members, other organizations, foundations, vendors. It should even be sent to local news media. When done properly a Newsletter is more than just a fundraising tool. It's an advertising tool designed to let everyone know the good work you and your organization are doing.

Your Newsletter needs to inform your readers about your organization's accomplishments and events. If you build homes for the homeless, you should have pictures and stories about the construction projects and the families you've helped. If you have an annual toy drive, you should have a tally of the number of toys brought in. This is your chance to trumpet your success!

With all that in mind, don't forget to ask for the donation. It can be in a banner across the bottom of the page or in a box out on the back, but it's important to always let your readers know how they can support your cause. If you have a website set up to accept donations, be sure to include the address, but you may also want to include a return envelope for people send in their donations as well. The easier you can make it on your supporters, the better.

### **It's Like Your Mother Always Told You – Say 'Thank You'**

One of the first things we were taught while growing up was to say 'thank you' when we were given something. It is also one of the first things many of us forgot.

Anytime your organization receives a donation of time, money or materials it is always a good idea to send a personalized thank you note, even (or especially) if the donation was unsolicited.

Rather than using a form letter, it needs to be custom tailored for each individual. It needs to be addressed to them and specifically reference the donation they made. It should also be hand signed by either the board president or the CEO of your organization. Many people feel the contributions they make to the charities they support to be a personal cause; they deserve a personalized 'thank you' in return.

Along with the letter be sure to include another return envelope. You don't need to ask for another donation, but you may be surprised by how many choose to send one anyway.

## **Contribute to Year-End Goodwill**

The holidays are a special time where many people are filled with warm feelings of joy and unity. This can be an excellent opportunity for your organization to send out another 'thank you' letter to acknowledge the donations your supporters have given you throughout the year. You may also include another return letter for any potential donations, but the focus of this letter should be on thanking them for the help they've given you.

## **Less Taxing Communication**

In the New Year, while your supporters have begun work on their taxes, send out a tax-letter to all of your donors for the previous year.

As you know, the IRS requires that a donor have proof of charitable contributions of \$250 or more, but by sending a letter to all of your supporters you've given them a welcome record of their past donation, and provided them with another reminder of your organization.

As before you will want to include a return letter with your correspondence for any further donations they may wish to make.

## **Don't Abandon the Past for the Future**

Your organization needs to utilize technology by having a strong web presence, email and social networking marketing plans, but not at the expense of direct-mail marketing. Only with a healthy emphasis on both can a not-for-profit organization cultivate the relationships necessary to ensure their survival for today and many years to come.