

Planned giving marketing secrets revealed.

There is no magic formula when it comes to planned giving marketing, but there *are* some facts you should know and mistakes to avoid. Here are a few valuable ones we'll share with you. Some you may be familiar with, but a few will be eye-openers.

Who are my best planned giving prospects?

Those who are your loyal givers. Some non-profits choose seniors... some choose the wealthy... and some choose high-income earners. Well, 35% of CRTs are created by those 54 years old or younger; 15% of all planned gifts are set up by donors 45 and younger; and a typical planned giving prospect is one who has earned between \$50,000 and \$150,000 per year his or her entire life (adjusted for inflation).

The fact is, when data-mining for your best prospects, focus on **institutional loyalty**. Not age, not wealth... simply loyalty to your organization, demonstrated by consistent annual giving. It is not as easy as it may seem, but we can help with our PGFinder. (This is different from all the other analytics or wealth-mining services on the market.)

If you insist on doing it yourself, here is a FREE tip: Go to your annual giving database and carefully select donors who have given consecutively for 10 years or more. Since there are many other permutations to consider, you won't get our accurate results of 91%, but you will at least get a list to start to work from.

Should I develop people skills or technical skills?

Which is more important?

People skills are by far the most valuable to your success. You can always hire a professional to assist you with the technical details. If you are gifted with both skills (which is rare), may the force be with you.

Most companies base 80% of their hiring decision on technical skills, *yet 85% of turnover is due to behavioral incompatibility*. We're so hung up on fulfilling the technical requirements that we frequently forget we're dealing with people, and fail to identify or analyze the necessary people skills required.

Always remember: People give to people, not to institutions. So instead of *taking the next course on gift annuities*, pick up a copy of *How to Win Friends and Influence People* by Dale Carnegie.

Hot Topic

Why are my planned giving newsletters getting less response?

Marketing noise: every day the average prospect is inundated with over 2500 marketing messages. In a large city, it's over 3700. A battle is being fought for the eyes and ears of the world, and in most cases the *enemy is an overstuffed mailbox*. Not only is your mail competing with the *Legacy Newsletter* of the hospital next door, but your

prospects' mailboxes are full of so much junk that it levels the playing field. *Come on.* Do you really believe your prospects are *dying* to come home at night to read your newsletter describing how to part with their wealth and estates after their death?

They will actually pay more attention to an advertising medium that delivers a quick, simple, focused message. One that is cleverly designed, cleverly delivered, and most especially one that is benefits-based.

Remember: *Americans read their mail standing over a wastebasket.*

What alternatives do I have to newsletters?

According to the Direct Mail Association, postcards have over a 95% readership rate. This does not mean that your prospect will dote dearly and forever on your card. It will most likely be trashed. But, if your message is clever, and you are using frequent mailings (frequency is a must), the gist of your message will more likely be retained. *And one day, the right card will arrive at the right time with the right message when the prospect is in the right mood to comply.* In short, *a postcard does not have to be opened — it makes an impression at a glance.*

Depending on the type of organization, we strongly believe that planned giving newsletters in general have less than a 5% *readership* rate. If you are a boutique non-profit your readership rate may be higher, but do your homework. No matter what kind of non-profit you represent, however, count on most of your newsletters being trashed before they are even opened.

How many times should I mail per year?

The answer depends on many factors, not to mention that *this is the wrong question to ask*. In general, you should reach out and touch your prospects at least 10-20 times per year. This does not mean 10-20 mailings. A “touch” can be

- you calling a prospect (or even leaving a voicemail)
- the prospect calling you
- the prospect visiting your website
- mailing out a postcard (or newsletter)
- mailing out a thank you note or a greeting card
- mailing a personalized letter (get a *free sample* at: virtualgiving.com/announce)
- the prospect seeing your display ad in a publication (these deliver great impact)
- a radio advertisement you've purchased on annuities, etc.

Your postcard or newsletter mailing should be just *one part* of an overall successful marketing campaign. In general and on average we recommend 6 postcards per year to a *highly select* planned giving prospect group, in addition to other targeting techniques such as those suggested above.

{ Hot Topic }

What's the scoop with e-marketing, or using “spam”?

Whoa! Before you press that “send” key, stop and think. You can easily alienate your prospects here.

Ready for a quick quiz? Consider the cost of *non-responders*. A fundraiser sends the same blast email to a prospect list of 10,000 prospects at a total cost of \$1000 (a print version could easily cost \$5,000). Assuming a 2% response rate (200 people) and a \$100 gift per response, she raises \$20,000 (200 x \$100). That's a 20-times ROI (return on investment).

If you said "Congratulations!" then you're probably operating under the old rules of email marketing, which is what most people do, and that's why most fail.

Now listen carefully to why: Non-response is not free.

Prospects create value for a non-profit in two ways:

1. Contributing *today*.
2. Increasing their *intent* to contribute in the *future*.

When the fundraiser sent the email campaign above, she also sent it to the 9,800 prospects who had no interest in the "offer." What if the email was perceived as spam by a number of high-value and high-potential prospects and as an intrusion to the inbox? (**whether consciously or unconsciously**). If even a fraction of these annoyed non-responders decide to contribute less in the future, the loss in prospect value and profits far outweighs the short-term benefits you received from the promotion.

Worse yet, some non-profits, at the advice of vendors or consultants who do not research as meticulously as we do, send such emails on a weekly basis, and see only declining returns.

Clear, relevant and timely emails not only help boost short-term returns today, but they also enhance the lifetime giving potential of current and future prospects and donors. **So you should focus not on ROI, but rather ROP – Return On Prospect.** This perspective provides you with a more balanced picture of your email campaigns.

ROP measures the prospect value that's created or destroyed, which allows for a more accurate gauge of the long-term effect of mass email campaigns.

What if I would still like to send emails?

Just remember: an email must be value-added — otherwise it's "value-subtracted."
Follow our advice on how to format emails so they do not end up in spam:

Visit: virtualgiving.com/services and click on "Targeted Email".

We need the money now. Why should I pursue planned gifts?

The average time from inception to maturity for a planned gift is 7-10 years — only a few years longer than most campaign pledge periods.

Do the math yourself:

The typical capital gift target is 20 times a donor's largest annual fund gift. The typical completed planned gift is 200 times a donor's largest annual fund gift. Your planned giving pool may be as much as 5 times larger than your capital pool.

Should my planned giving website be customized?

If you have a database-driven, template-based website, ask yourself: “Does this reflect the mission and vision of my organization? **Is it truly us?**”

Successful **for-profits** (who we should emulate) market their services based on niche market segmentation. Every communication is tailored to the reader’s profile. For example, ABC Corporation may place a national display ad in *XYZ Magazine*, but its look, feel and content may be different in Kansas City versus Chicago versus Miami. Some companies niche market down to gender and race!

So if you’re using a boiler plate website, you may want to think again. **Show your personality.**

How important are donor visits?

They’re a must. There’s no way we can over-emphasize this. We always tell our clients the most important thing is visits. Everything we do is designed to get you more visits. We can come up with the coolest marketing stuff but if our clients aren’t visiting their prospects, the cool ideas are meaningless.

Some planned giving officers do not visit donors at all simply because their institutions are successfully raising a lot of money. **We don’t know whether they’re lazy or simply just DNPs – Do Nothing People.** Yes, their institutions are raising planned gifts, but only due to the sheer size and inertia.

Unfortunately they are also leaving quite a bit on the table.

Should I have a planned giving calculator on my website?

Here is a hint or reality check: If you, *yourself*, have even the slightest difficulty in using a PG calculator, your prospect will not be able to use it at all. Just be careful... confusing and poorly designed ones will turn off your prospects. Here are some of the cons of having a typical planned giving calculator online:

- They get very little use.
- Donors who use them may end up finalizing gift plans without talking to you.
- A donor can easily choose the wrong gift plan to calculate.
- Calculators cover standard life-income arrangements, but do not cover more complex transfers, including: IRAs, life insurance, etc.
- What if a donor calculates a high payout rate and becomes disappointed when your organization can’t offer it?

One calculator we recommend is PG Calc. You may also wish to consider our **consumer-based** calculators that keep prospects revisiting your website for their own personal use. We feel they are a tremendous value-added item, which is why we offer them.

How important are monthly revolving articles and reading rooms on your planned giving website?

Not at all... because your planned giving website is not *Time Magazine* and your prospects will not re-visit your planned giving pages for the “exciting planned giving news” of the day. The next time someone tells you they’ll generate repeat traffic on your website by delivering “exciting” revolving planned giving articles in online reading rooms, stop for a reality check. **To the average citizen, planned giving is boring.**

Maintaining monthly “fresh and exciting” stories is simply an unnecessary expense, just as “reading rooms” are overkill. Why? A prospect will visit your website once, twice, maybe three times **over just a few days, not months**, and **then** contact you. The site will *always* look fresh because *it is a one-time-visit and is short-lived*.

If you really want added benefits, add new and exciting **donor stories** as often as possible. To see clients of ours who have done an exceptional job with donor stories, visit: virtualgiving.com/stories (you will get some good ideas here).

What should I do if my website is getting old and boring?

To whom? According to marketing guru Dan Kennedy, “A funny thing usually happens in the advertising business — a client will cancel or change an ad campaign that’s working perfectly well just because they got bored with it and assumed everybody else was, too. That’s a bad assumption. There are ad campaigns that sustain success for five, even ten years. These campaigns are old hat to their owners but are *new to new customers* who are paying attention to them for the *first time*. If it’s unknown to someone, it’s a secret — *regardless of how routine it may be to you.*”

This especially applies to planned giving, since your prospects will visit your website over a period of a few days before contacting you and not month after month. Remember, *the site will always look fresh because it is a one-time visit*.

What is the number one reason people donate to charity?

Because they are asked to give. The other four reasons:

2. Compassion for those in need
3. They personally believe in the cause
4. They are affected by the cause
5. To give back to their community.

And here’s a powerful fact: **Most donors would give more if they were simply asked.**

Make a bigger ask and ask often.

We hear it all too frequently; “I don’t want to mail my prospects too often because I may annoy them.” **If you are *that* sensitive, perhaps you should not ask them for donations at all.** Take St. Jude’s Children’s Research Hospital for example; do you think they worry about how often they mail? And, like other successful charities, they do mail often. **Here is an amusing story:**

“I sometimes eat breakfast at a little, neighborhood mom-and-pop coffee shop near my home. There on the counter next to the cash register sit three different receptacles for charitable donations of coins — one for Kiwanis, one for some organization for the blind, one for disabled veterans. One morning, as I dropped my change into one of the receptacles, it registered with me that I always plunked my change into the same one. Why? I stood there for a few minutes pondering my own behavior.

Then it hit me. The reason I always put my change into the disabled veterans jar was

- NOT because I had preference for that charity over the others
- NOT because of any reasoned decision to support it instead of the others
- NOT because of the graphic design or appearance of the containers
- NOT because of any sales copy on the containers
- NOT because of their arrangement on the counter
- NOT for any logical or admirable reason

The reason, and only reason, I put all my change into only one of these charity jars, each and every time, is because the hole in the top of my favored jar is bigger than the holes in the lids on the other two jars.”

Lesson learned? Make a bigger, and more obvious ask.



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Interested in having Viken Mikaelian speak to your group at your institution, AFP meeting, or planned giving council? He delivers a high-energy presentation on planned giving marketing that’s powerful, informative and entertaining!

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