

Donor-Centered Fundraising

By Mal Warwick

The craft of direct mail fundraising grew out of what used to be called “direct mail marketing,” best known to the general public as junk mail.

It’s junk—because, all too often, it advertises goods or services the recipient has absolutely no interest in.

Junk—because, more often than not, it’s cheaply and obviously mass-produced.

Junk—because, in its blatant commercialism and gaudy use of color and graphics, it’s frequently tasteless.

Most direct mail fundraisers (like direct marketers in general) bridle at the mention of junk mail. The truth is, however, many direct mail fundraising appeals still richly deserve to be described as junk mail. The names and addresses of the intended recipients are often misspelled or long out of date. The criteria used to select prospects are frequently fanciful, at best. The messages are poorly crafted. The appeals reek of commercialism, dominated by cheap and frequently inappropriate premiums. Any resemblance between direct mail appeals like these and the pursuit of philanthropy is strictly coincidental.

MARKETING VS. FUNDRAISING

That’s why I believe it’s important to distinguish between the marketer’s approach to direct mail fundraising and the fundraiser’s. The marketer tends to think in terms of positioning . . . of broadcasting messages . . . of the organization’s needs . . . of statistics . . . of market share and market penetration. The fundraiser, by contrast, focuses on building relationships with donors.

In reality, of course, my colleagues and I blend both approaches. The discipline of marketing has produced an accumulation of shrewd observations and insights about human behavior, and it offers useful guidance in analyzing results. We would be fools to reject all that. Direct mail is, after all, a form of marketing that has proven itself so useful because (a) it enables us to communicate with lots of people at the same time and (b) many of its results are measurable. What is distinctive about the approach that we (and some other direct mail fundraisers) pursue is that we seek to put the donor at the center of our universe.

RELATIONSHIP FUNDRAISING

This perspective requires what Ken Burnett, the celebrated author of *Relationship Fundraising* and other books, calls the “90-degree shift.” He is fond of drawing an analogy between fundraising and marketing, citing the difference between the brand manager’s challenge and that of the customer relationship manager.

The brand manager at the W. K. Kellogg Company must sell as many boxes of Frosted Flakes as he possibly can to meet his monthly or quarterly target. By contrast, the customer relationship manager's goal is to increase Kellogg's share of the 11,000 boxes of dry cereal you may buy in your lifetime. The difference reflects a 90-degree shift in perspective—and that represents the difference between what I refer to as the marketer's and the fundraiser's approaches.

In my view, the concept of Relationship Fundraising popularized by Ken Burnett is based on four assumptions:

1. Most donors are generous and caring people. They want to help, and the fundraiser's job is to inspire them to avail themselves of opportunities to do so.
2. Most donors are also intelligent. They usually know when they're being taken advantage of, and they don't like it.
3. Most donors expect to be treated courteously and are offended when they're not.
4. Donors are as varied in their interests and habits as people in general. Some of them demand opportunities to express their individual preferences and to be treated as the individuals they are. All of them appreciate such treatment.

Burnett's individual perspective aside, these four points form the basis of my thinking about fundraising. They help explain why I insist on placing such emphasis on thank-you letters and welcome packages . . . why I employ personalization as often as possible in appeals to current donors . . . and why I feel it's critical to build appeals around the benefits to the donor rather than the needs of the organization.

THE COMMUNICATIONS STREAM

If you accept these four premises, then you'll think about your development program in a holistic fashion, taking into account all the communications from your organization to your donors—not just those appeals your own department produces. The bi-monthly newsletter counts, too. So do the quarterly magazine, the annual report, the legacy marketing materials from the planned giving department, the invitations to special events, and whatever else might be included in the communications stream your donors may receive in the course of a year. If you want to put the donor at the center of your universe, you'll analyze this stream of messages, research which items donors want to receive and which ones they don't, and revise the fundraising and communication program accordingly.

But it's not enough to break down the vertical barriers separating your department from all the other offices that independently communicate with your donors. You'll also need to eliminate the horizontal barriers that, in so many nonprofit organizations, rigidly separate donors by giving level. Such divisions are well-intended. For example, by

segregating upper-level donors in a “major gifts office,” extra-special donors are guaranteed extra-special treatment. However, all too often, this treatment means that these donors are excluded from the benefit of the messages you have crafted so carefully to inspire them to give. I have seen countless cases in which major donors—defined as those whose individual gifts reach the \$1,000, \$5,000, or \$10,000 level—are removed from the direct mail or membership rolls and stop receiving most of the printed materials that succeeded so brilliantly in inspiring them to become major donors. If you truly subscribe to the concept of donor-centered fundraising, you’ll never make such a mistake.

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