

CASE STUDY

SECOND HARVEST

Background: Second Harvest's mandate is built on a simple premise: there is surplus food in Toronto that goes to waste while people in the city go hungry.

Second Harvest drivers pick-up surplus perishable food from food stores, restaurants, etc. and distribute it the same day in their refrigerated trucks to over 120 agencies including churches, soup kitchens, drop-in shelters, social housing and inter-related agencies.

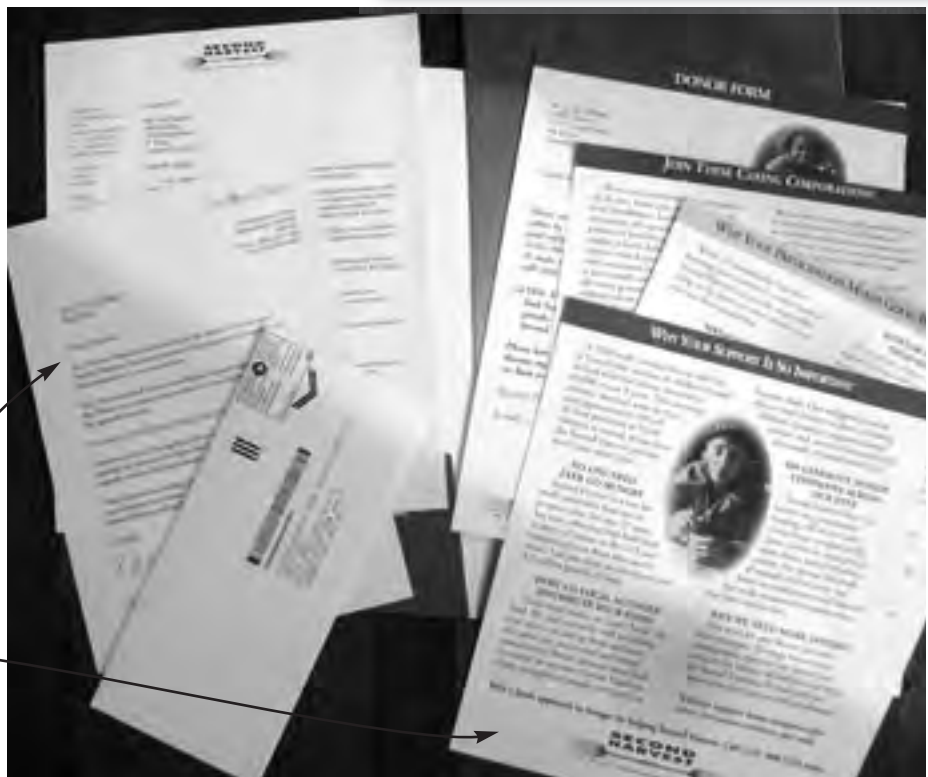
Objective: In the summer of 2001, Second Harvest was facing their most serious decline in food distribution in their 16-year history so something had to be done.

Solution: Appeal to people in Toronto to help feed the hungry.

Strategy: To raise awareness and recruit more companies to supply Second Harvest with food donations, a direct marketing program was developed to get information directly into the hands of decision makers within food companies around the GTA.

Creatively, the corporate direct mail package took an innovative approach by directly mailing senior executives a personalized proposal telling why their company should donate to a Food Recovery Program for Second Harvest.

Results: Second Harvest Food Donations reached 3.8 million pounds that year, exceeding the projection by 50%. This success was achieved with a total fundraising budget of only \$30,000.



A Lift Note by Lucio Di Clemente, President of The Beer Store accompanied the main letter

Various sheets outlined the problem and solution

CHAPTER 10

DONOR STEWARDSHIP

Donors are a charity's most precious commodity and should be treated with respect and sensitivity

Acknowledge generosity promptly. Studies show a fast 'thank you' increases both individual and corporate donations. Also essential is making them feel confident that their gifts have begun to work as intended.

Welcome new donors into the family. Give a first-time donor additional information about your organization. Consider sending them a welcome package with small inexpensive tokens of your appreciation such as a calendar, bookmark or magnet. You could even get your volunteers to reach out to them with a 'thank you' phone call and better yet, ask new donors if they'd like to volunteer.

Start a two-way communication. Make it easy for donors to interact with the charity. Be sure to include a reply form and return envelope. Ask for corrections. Give them a chance to ask questions. Allow them to drive the relationship. Give them options as to how often they would like to be contacted. Would they like to receive newsletters, notices of events. Offer the option to receive communications by email and do all this before requesting another gift.

Most important of all, listen to your donors.

ACKNOWLEDGING GIFTS PROMPTLY

A study showed that 84% of individual donors and 83% of corporate donors voiced dissatisfaction about the quality of information and appropriate response they receive from the charity they have just supported.

The very least that most donors expect after they have made a contribution is:

1. Prompt personal acknowledgement of their gift;
2. Confirmation that the gift has been used for the purpose for which it was intended;

SURPRISE AND DELIGHT

The commercial world often uses a powerful tool called loyalty reward programs to secure and retain their best customers. It's called **'surprise and delight.'**

Often it is just an unanticipated **'thank you'** or unexpected **'recognition.'**

Both of these gestures are immensely valuable because of the old saying, **"it's the thought that counts."**

A rewards program can be an extremely valuable and powerful tool and yet charities very often fail to include this little gesture in their direct marketing plans.

Research shows that an extremely high number of Canadian charities send thank-yous, tax receipts, even simple acknowledgments of donations weeks, even months, after the gifts have been received—and sometimes, not at all.

How hard can it be to thank your donors warmly and promptly for their generosity?

This is especially astounding in an age of instant gratification and is a huge mistake that is guaranteed to offend your donors and turn them into lapsed donors.

3. Measurable results achieved by the gift;
4. Updates about the status of the project or promotion for which the gift was requested.

Donors give to a charity because it is their way of sharing their good fortune with others, a way to help those less fortunate. A philanthropic deed is an emotional connection due to a personal experience, a family tradition or purely an altruistic wish to give back to society.

This emotional connection is delicate and should be nurtured. A donor's feelings can be easily hurt if they don't hear back quickly and especially if when they do hear it is in the form of a lacklustre standardized note that says:

On behalf of (Charity ABC) we wish to sincerely thank you for your recent donation of \$XX

This is neither sincere nor personal and yet many charities continue to compose such dreadful thank-you notes. Worse still, many even have the gall to ask for an additional gift with their initial thank-you notes. Good manners play an important role in the lasting impression the donor has of your organization.

EXAMPLES OF HOW IT SHOULD BE DONE

Just like fundraising letters work best when they come from the heart, so do letters of appreciation.

Some tips for acknowledging gifts from High Value Donors:

1. **Your very first line is key to conveying your excitement and gratitude.** It should be a casual one-to-one communication and not business-like. Don't use 'corporate-speak' or 'committee-speak'. Avoid words like 'We' and 'Our', 'On behalf of', etc.

Try something like this instead:

Imagine my great surprise and utter delight when I walked into my office this morning and there on my desk was a donation from you.

2. **Have your closest link to the donor send the thank-you.** This could be a staff member, a board member or a client – whoever knows the donor best. Have them personally sign the thank you note in blue ink.
3. **If the donor's surname is printed in the greeting, have the person signing it scratch through the name and hand-write the first name.**

Also ask them to add a short personal note in the margin as shown below:

Hi John,
~~Dear Mr. Sample,~~

*Your gift came in
just at the right
time. Thank-you*

4. **Use a P.S. as you would in a normal letter.** It adds another touch of one-to-one communication between you and the donor.

You can use the P.S to drive them to your website, tell them of upcoming events, give them a progress report or alert them to mailings and newsletters they can expect soon.

5. **Make the donors feel good about their generosity.** Tell them how their gift is being used, how it has helped the charity or how it will help ensure the vitality of your organization's mission.
6. **Add a way they can contact you in case they have any questions or wish to know more about a particular program.** Give them your phone number and/or your email address.
7. **Finally, if you or another staff member does not have a flair for writing,** I highly recommend that you hire a writer for this very important piece of communication, just like you do for your direct mail solicitations.

Thanking people quickly and warmly is crucial to ensure that your loyal donors stay and don't stray. Many donors also give to other charities. You want to build a warm relationship so they will think of you first when making donation decisions.

And remember this is a thank-you note. Make sure it is donor-focused with plenty of 'you, yours' in it.

Have a professional writer look at your current thank-you letter and make some suggestions or even draft a few new versions for you.

If you cannot respond quickly, then make a spontaneous phone call to your donors – regardless of the size of their donation. It will go a long way toward building a lasting bond. Just showing your appreciation does amazing things.

Remember, donor attrition occurs as a result of long silences or dull, standard responses. Your donors will come to the conclusion that:

1. The charity doesn't appreciate or need me.
2. The charity is not living up to its mandate.

How to craft an educational survey

1. Ask only questions about the charity that will illustrate its value.
2. Readers are more likely to finish a survey if it's not just 'yes' or 'no' options. Offer 'Undecided' or 'Not sure' in case their opinion differs from the norm.
3. More questions should lean towards a 'yes' option because many surveys end with asking the reader to take action such as signing a petition or making a memorial gift. It's hard to say no after having said yes to question after question.
4. Allow the readers space to express themselves with comments or suggestions. This way you learn more about what matters to them.
5. Always ask for a phone number or an email address in case you need clarification on some comments.
6. Keep the questions manageable; don't ask more than 11 questions. Odd numbers work best.
7. Don't forget a 'Thank You' at the end for the time and effort they have put into answering the survey.

Keep these facts in mind - on average many charities find that 50% of first time donors never give again and those who do gradually become lapsed donors after five renewal campaigns. Make sure your donors look forward to hearing from you

WELCOMING NEW DONORS INTO THE FAMILY

There are many ways to keep people interested. If you can afford it, send your first-time donors a welcome kit and include things such as:

1. A welcome letter saying how pleased and thankful you are to have them involved;
2. A statement about your overall mission with a synopsis of your core programs;
3. Contact info including your website address, a directory of key people, their job responsibilities, email addresses and phone numbers;
4. You could even include a donor preference survey. This is the first step to starting a two-way conversation with your donors asking questions like:
 - How often would you like to receive info or mailings?
 - What is the best way to contact you, phone number or email address?
 - How would they like to receive information – regular mail, email, fax?
 - Do you have a preferred method of donation – mail, phone, fax, online?
5. A low-key planned giving brochure;
6. Forms to make memorial or tribute gifts;
7. Brochure or leaflet outlining monthly giving benefits or a sustainer program;
8. A bookmark, calendar or magnet;
9. The charity's most recent newsletter;
10. High Value Donors should receive the charity's annual report.

DO NOT ASK FOR A GIFT AT THIS TIME!

STARTING A TWO-WAY COMMUNICATION

Activities like the ones just mentioned start a two-way communication with your donors and let you get to know each

other better. Just be sure that you pay attention to their preferences and build their confidence by showing them you care about their wishes.

Alert your staff that if someone does contact them, they should keep careful notes to pass on to the person in charge of your database. Such notes are priceless when tailoring an approach. Knowledge is power and anything that you find out about your donors should be recorded and respected.

THE ART OF KEEPING A DONOR

The art lies in building and fostering a strong bond with your supporters. This is best achieved through compelling communications and quick responses to their generosity.

- Your appeal must give a persuasive reason for giving and should identify the financial goals essential to your charity;
- Work to understand your donors and offer them an appropriate plan of action;
- When a gift comes in, send a thank you promptly.

THE SCIENCE OF KEEPING A DONOR

The science is how you use the data, research and testing methods available to you.

- **Segment your donor files.** Remember the RFM (Recency, Frequency and Monetary Value) rules of direct marketing.
- **Spend more time, effort and money on people who have given more recently, more frequently and more generously.** They are the most likely to give again and could very well keep increasing their donation amounts.
- **They are also the ones who need to be constantly reminded about your organization and should receive more communication pieces annually.**
- **Research and test what works best for which group of donors.**
- **Use data mining to determine affinity for giving.** Some donors have a higher propensity to give than others. You could determine this by researching their lifestyle behaviour and or just by noting their postal or area codes.
- **Track your donors' giving history in terms of size and frequency of giving.**

MOTIVES FOR GIVING

Although there are many motives for giving, the following are the main reasons:

- Recognition
- Altruism
- Sympathy
- Empathy
- Self-esteem, self-interest
- Guilt
- Pity
- Social injustice
- Fear
- Reciprocation—paying back
- A gift in memoriam
- Prestige gained

KNOW YOUR DONORS

New donors are first time givers.

Transition donors are those who give sporadically. They have a history of giving once in a while in a 16-24 month period.

Core donors are those who have given a gift to the charity regularly either each year or within sixteen months.

High Value Donors are those who give big gifts.

Lapsed donors are those who have stopped giving. They fall into two categories:

- **Recently Lapsed donors** who have not given in the last 13-24 months;
- **Deeply Lapsed donors** who have not given in the past 25 months.

KNOW HOW TO DEAL WITH EACH GROUP INDIVIDUALLY

Most direct mail fundraising is designed on a volume-driven model with little regard for individual donors.

As a consequence, charities often find that renewal rates can fall by as much as 50% after a donor's first contribution. Worse still almost 80% of donors gradually fade off in less than five years and move to the lapsed category.

ADDITIONAL TIPS FOR KEEPING NEW DONORS

- **An early second gift appeal.** Ask them again within six to twelve weeks after their first gift. Invite them to become monthly donors or to give online. People who have just given are considered 'Hot Line' givers so appealing to them again quickly makes sense.
- **Since on average only 50% of first time donors make a second gift, it is essential to approach new donors again quickly.** Many have the potential to become lifetime value (LTV) donors.
- **Present new donors with a strong incentive like a matching gift opportunity.**
- **Send your second request with a newsletter which shows good use of funds.**

- **Send them a first-year anniversary package in which you remind them of their gift amount and ask if they are able to up it a bit.**
- **Should you need to, send a reminder mailing after your approach.**

However, do not send more than two solicitations in the first year and always abide by any wishes they have expressed.

TRANSITION DONORS

Transition donors give sporadically to a charity. They are the occasional givers who sometimes give to a direct mail appeal or perhaps to a newsletter. They are the hardest to gauge as to when, how often or by what method you should approach them.

- **Some display a definite pattern of giving while others do not. Some give only to specific programs or events, others give only during certain times.**
- Odds are, if these donors do display a certain pattern of giving, then it is your job to figure what those patterns are and contact them appropriately;
- **Transition donors are also telling you something very important**—that they like your charity but obviously there is something that is holding them back from giving more often. It could be that they are retired or have large families with limited funds. They could also be upset by the lack of response from you or because they feel that you consistently keep mailing the same message all the time.

This very important group needs your attention. You should contact them either by phone or in person or through a survey to find out why they don't give more often. Perhaps they would like to give online on their own terms and time, or only give to certain appeal. You must find out before you mail to them again.

CORE DONORS

Core donors are your bread and butter. They regularly make a donation to your charity. They like and support your organization. By what methods and how often should you approach them?

- **Try and move them to monthly giving** because as monthly donors you are not hitting them up for money constantly. However always include a soft ask for an immediate contribution if they resist becoming monthly donors.
- **Keep a note of how often they give and when they give.** Try to figure out their giving behaviour pattern. After they have

In 2001 **Integra**, a children's mental health centre that specializes in helping children with learning disabilities, mailed a Christmas appeal that contained personalized bookmarks to a very select group of High Value Donors.

The result: Integra collected \$10,600 and got a 45% response.

How valuable was that?

Would the donors discard a bookmark with their own name on it? Not in a million years. As **Dale Carnegie** said: *"There's no sweeter music than the sound of your own name."*



given in a year according to their normal pattern, you should stop soliciting them. You can send information within the same year but don't ask for money. They respect your charity so you must respect them too.

The last thing you want to do is alienate this group. **If there is a way to reward them, do so as often as you can.**

HIGH VALUE DONORS

High Value Donors are those who give big gifts – they are the 'saviors' of the charity.

You want to keep them involved and informed but should not overpower them. Do not include them in your mass marketing initiatives. They have to be treated differently.

- Send them a closed-face large envelope with their address hand-written and include a live stamp.
- Ideally ask them only once a year in the form of an 'Annual Renewal' mailing. Include a detailed reply form which offers different ways they might respond. Print everything on high quality stock.
- Include a return envelope with a live stamp.
- Mention their last gift amount and date they made it and thank them for the gift.
- Tell them what their last gift accomplished, who it helped.
- Tell them what your needs are now.
- Have the sender personally sign the letter and add a P.S.
- Give them details about scheduling – when you need their gift. These are busy people and want making a decision to be as easy as possible.
- You could also indicate that you welcome gifts of stocks and securities, life insurance or a mention in their will.

Understand a High Value Donor's true ability to give. The key to successful major gifts fundraising from these donors is having the right solicitor ask them for the right amount for the right campaign at the right time.

TRANSITION, CORE and HIGH VALUE DONORS are your most important givers. Treat them with the utmost respect and care because if they feel over-solicited and undervalued, they will take their money elsewhere.

LAPSED DONORS

- **Recently Lapsed Donors** should be included in the regular annual schedule of mailing. However, it is a hit and miss situation with them whether they will respond or not. They are not deeply committed to your organization and it may be best to include them as part of an acquisition mailing.
- **Deeply Lapsed donors** have very clearly indicated that they are not committed to your charity so to continue sending them a solicitation year after year is a waste of time and money. It may be more prudent to contact them by telephone to see if you can win them over. Failing that approach them by email.

START WITH A CLEAR GAME PLAN

Research your donors' giving patterns, set up an annual schedule of mailings and stick to it. Whether you send two or twenty-two pieces of correspondence to your donors a year, you must stick to a game plan that works best for you.

Direct mail fundraising is most effective when you provide your donors with ample opportunities to support your cause without overdoing it. Not every correspondence you send them should be a solicitation for funds. You can include one or more of the following: a few direct mail appeals, newsletters, emails, annual reports, thank you letters and informational correspondence.

Chances are your donors also give to other charities and if you don't stay in touch with them constantly you risk losing them to charities that do. That old saying holds true - **Out of sight, out of mind.**

Stay in touch with them at least three or four times each year. That is the optimum number of mailings as per a survey that showed:

- Most people believe that up to three or perhaps four mailings a year is acceptable;
- Most people believe they receive six mailings every 3 months from different charities

If you are afraid you are asking your donors too often and worry they may lapse, remember that not sending enough appeals each year is worse. Not hearing from you may cause them to lapse even faster.

Also, loyal donors appreciate the attention.

In 2002 **Integra** once again selected 125 High Value Donors and sent them a personal letter and a small magnetic picture frame to thank them for their past generosity.

The result: The entire cost of the mailing was \$218 and brought in \$17,525.



However, test show that mailing seven or more times a year produces more revenue. What people say in a response to a survey is often different from how they actually react in real life.

Individuals who have included a charity in their estate plans usually tend to be more philanthropic.

Engaging donors in this manner will benefit the organization now as well as in the future and donors get to experience the results of their generosity during their life time.

BEYOND THE 'WARM GLOW' OF DIRECT MAIL FUNDRAISING

Legacy fundraising. Legacies are an extremely important source of income for charities, yet fewer than half of adults have a Will and less than one in ten of those who do will leave a bequest to a charity.

Legacy giving is the final gift that a committed supporter can make to the cause they support.

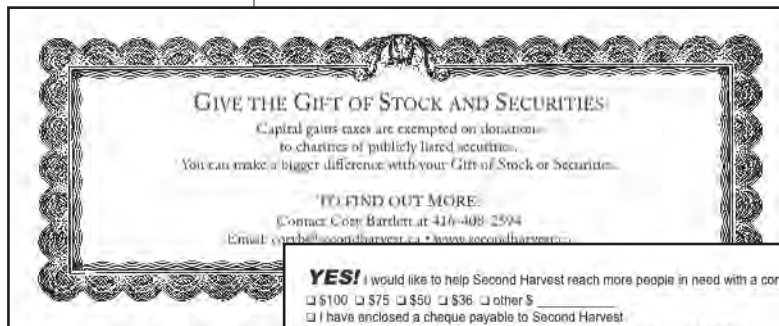
Direct mail campaigns have so far been extremely important in putting the case to known donors. There has been a growth in telephone and face-to-face solicitation by trained representatives, which has the advantage of being able to deal with questions and concerns of prospects directly.

The trend of 'Giving while Living' is another way that fundraisers should be talking with their donors about making a bequest. This could be the tax advantage of donating stocks or bonds or including a charity in their will as one of their beneficiaries.

What needs to change is the social and cultural stigma about planning for death, whether it be practical matters such as choice of funeral home or what you want to happen to the legacy you leave behind. Fundraisers must work at feeling comfortable in talking to loyal donors about wills, life insurance, trust funds and annuities.

It is a touchy subject, but keep in mind that if your charity isn't doing it you could lose the opportunity to another charity that is.

Gifts in memory. A gift in memory of a relative or friend is a positive way of dealing with grief. What better way to remember someone than by making a lasting difference in the life of a charity?



An appeal for gifts in stock included in a newsletter (Front & Back)

YES! I would like to help Second Harvest reach more people in need with a contribution of:

\$100 \$75 \$50 \$36 other \$ _____

I have enclosed a cheque payable to Second Harvest.

I prefer to use my charge card VISA MasterCard American Express

Card No: _____

Address: _____

Expiry Date: 10/11/12 _____

City: _____ Province: _____

Signature: _____ Date: _____

Postal Code: _____ Tel: _____

Email: _____

Second Harvest helps feed hungry people by picking up and preparing excess fresh food and delivering it daily to social service agencies in Toronto

I would like to join Partners Against Hunger (please see reverse)

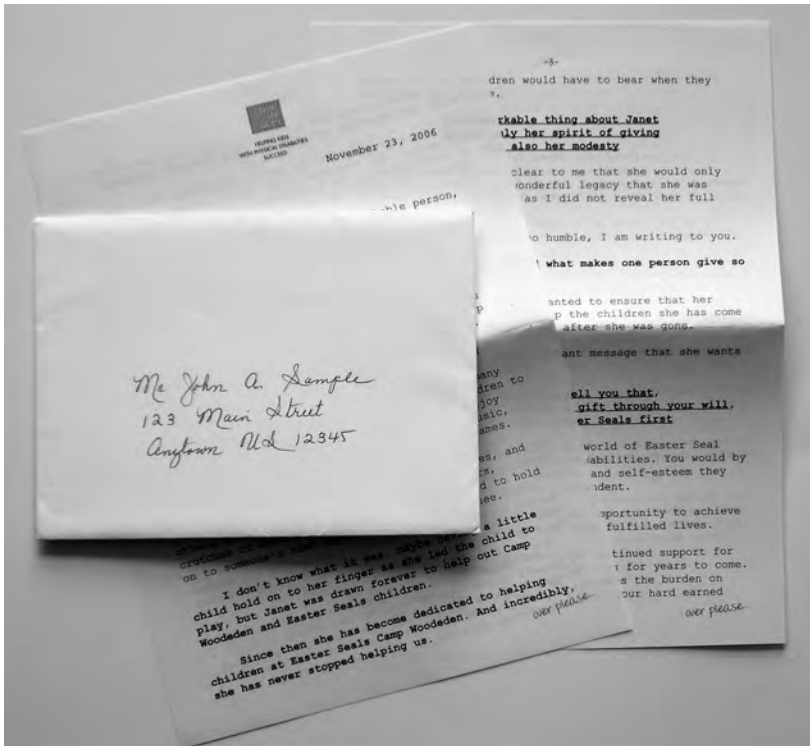
Please use my donation wherever it is most needed

Please use my donation to help with the expansion campaign

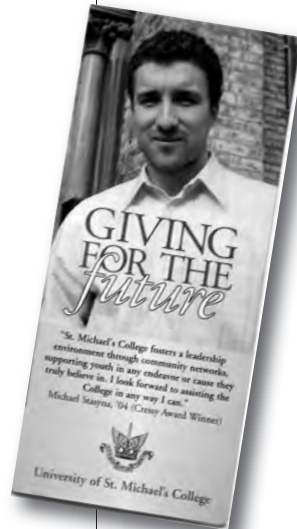
SECOND HARVEST

1450 Lodestar Rd., Unit 18, Toronto, Ontario M3J 3C1
Charitable Registration Number: 1338 5477 RR 001

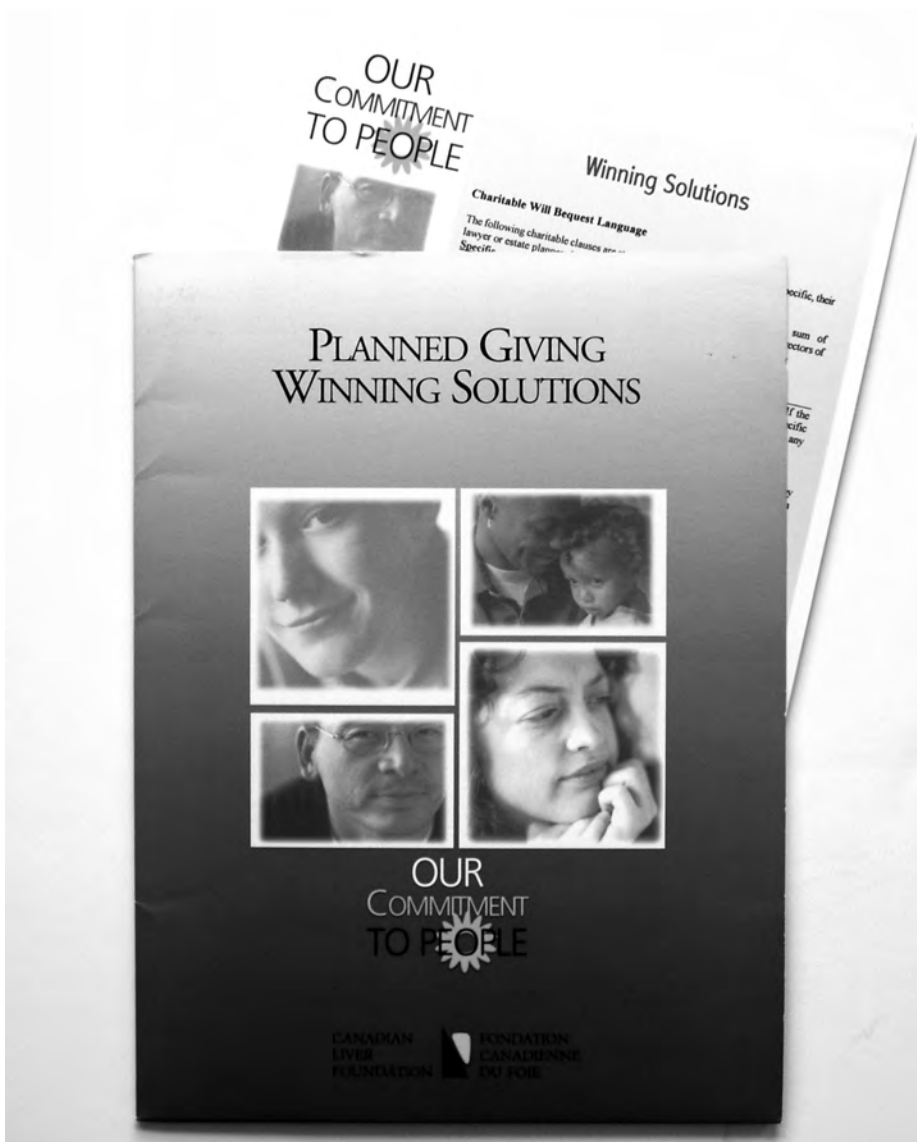
Thank you for your support!



A range of Planned Giving material from solicitations to folders and kits.



A Planned Giving folder



A Planned Giving leave-behind kit.

CASE STUDY

SECOND HARVEST (THANKSGIVING)

Background: An estimated 93,000 families living in Toronto rely on food relief programs, social service agencies, emergency shelters, soup kitchens, churches and schools in the GTA that in turn depend largely on Second Harvest.

Objective: To appeal to new and current donors and remind them that Thanksgiving is the time to share the season's blessings not only with family and friends but also with complete strangers.

Solution: This appeal asked donors and new prospects to help their neighbours and not let them go hungry this Thanksgiving. It pointed out that just \$5 could fill 10 plates with food. It asked them to open their hearts and wallets to the plight of their neighbours.

The message was simple and effective with the visuals on the side of the letter showing different people who would be helped by their generosity.

Strategy: To beat the traditional holiday Christmas giving rush, Thanksgiving – a highly respected holiday but not as faith based as Christmas – was selected. Another reason for choosing Thanksgiving was its close association with eating well.

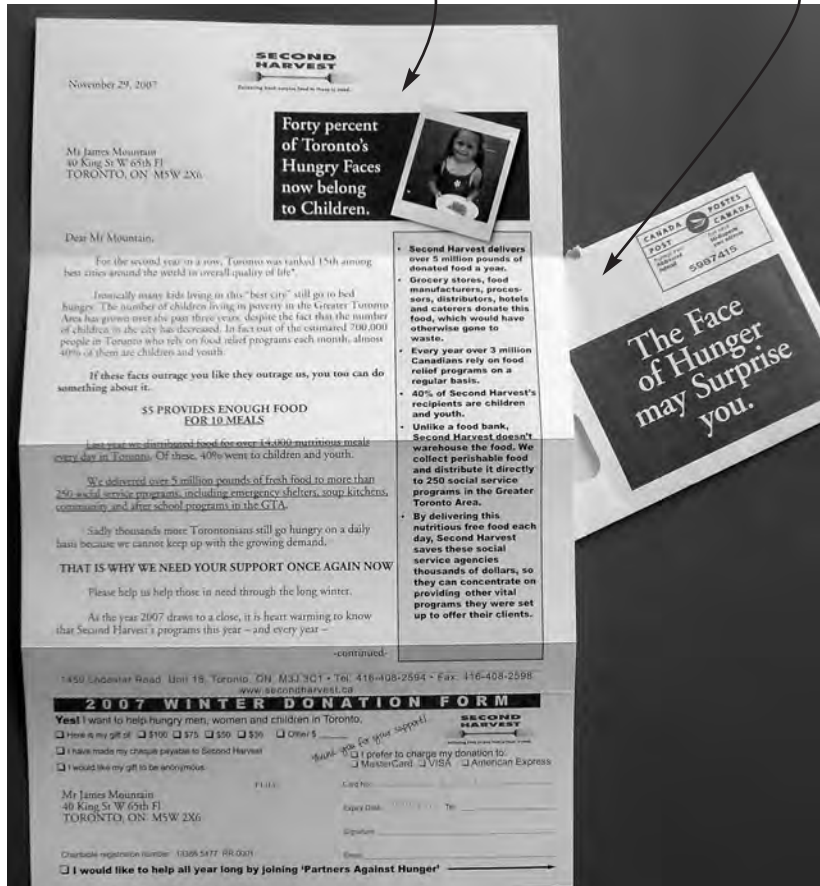
Results: A 37% increase in donations from the year before. This piece was mailed to 6,957 donors and prospects and generated a 6.06% response, almost twice as much as the year before.

A reminder mailing produced a surprising 10.29% response.

Charity involvement: The charity telephoned over 200 select donors who had not responded by a certain date and got a 48.51% response to their calls.

Letter and donation form

Envelope



Reminder envelope with a one page simple letter