



Why Direct Mail Is Still The Go-To For Higher Education Fundraising ... And How To Do It Right.

Presented by:
JHL Digital Direct / JHL Advance

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Executive Summary

Colleges and universities continue to be among the nation's biggest and best fundraisers.

Contributions to U.S. colleges and universities exceeded \$49.5 billion in fiscal year 2020 – basically unchanged from 2019, and quite remarkable under the circumstances.

The money couldn't have come at a better time, as a combination of strained budgets, declining enrollments, and a pandemic has created a challenging economic outlook for post-secondary institutions.

In this environment, fundraising has emerged as an even more important part of the picture for these institutions.



Direct mail continues to play a key role in developing and growing a community of willing higher-education supporters, making it paramount that every direct mail development campaign is designed and executed to achieve the best possible results.

As direct mail experts for more than 35 years, JHL Digital Direct has a wealth of experience working with higher-education partners.

Based on our experience, the keys to successful direct mail campaigns in higher education include:

- 1) Having great data – and doing the right things with it
- 2) Having creative pieces to mail
- 3) Using personalization profusely – and creatively
- 4) Combining data and personalization to scale appeals
- 5) Choosing the right direct mail vendor

Let's look at these factors in greater detail – but let's start by looking at how effective direct mail can be ... in case you haven't heard.

Direct Mail Is Effective – Especially These Days

From a big-picture standpoint, response rates for direct mail continue to increase. According to the Direct Marketing Association, the average direct mail response rate in 2018 was 4.9% for prospect lists and a whopping 9% for house lists¹.

Compare that to just one year previous, where the rates were 2.9% and 5.1%².

People in executive and leadership positions are particularly fond of direct mail. More than 75% of executives endorse the effectiveness of integrated, branded, and personalized direct mail, compared to 55% of executives who endorse social media³.

Consumers like it as well. For mail that is addressed directly to them:

- 57% of consumers open it;
- 48.5% glance at it;
- 26.2% throw it away or recycle it;
- 24% read it later; and
- 1.6% of responders put mail on display⁴.

It's important to note that these numbers are pre-COVID. While overall mail volume fell during the pandemic and behavioral

data is just coming in on how people interacted with mail over that period, less mail and more time at home should have resulted in increased open rates and prolonged interaction times.



Furthermore, with social-media response rates hovering at slightly more than one-tenth of direct mail response rates⁵, and paid social becoming the norm to ensure adequate reach, it doesn't seem likely that a fundraising campaign that relies on organic social will match the results of one built around direct mail.

Even though data trends from spring 2020 show a decline in giving, as many appeals and campaigns were cancelled⁶, it nonetheless seems logical to assume that

¹ "ANA/DMA 2018 Response Rate Report: Performance and Cost Metrics Across Direct Media," accessed May 6, 2020, at <https://www.ana.net/miccontent/show/id/rr-2018-ana-dma-respose-rate>. *These are the most recent statistics available at the time of publication.*

² Ibid.

³ "Channel Effectiveness In reaching Target Audiences," Accessed May 6, 2020, at <https://www.marketingcharts.com/charts/channel-effectiveness-in-reaching-target->

[audiences/attachment/demandmetricspfl-channel-effectiveness-reaching-target-audiences-sept2019](https://www.marketingcharts.com/charts/channel-effectiveness-in-reaching-target-audiences/attachment/demandmetricspfl-channel-effectiveness-reaching-target-audiences-sept2019)

⁴ "Direct Mail Facts And Figures,:" accessed May 6, 2020, at <https://dma.org.uk/article/2018-direct-mail-facts-figures>.

⁵ "ANA/DMA 2018 Response Rate Report."

⁶ "Spring annual giving top takeaways: Data trends across colleges and universities in FY20," accessed Feb 5, 2021 at <https://eab.com/insights/blogs/advancement/spring-annual-giving-trends-colleges/>.

mail saw the greatest lift from people who were stuck at home, waiting for the mail carrier to arrive, and quickly consumed what they received.

Because of that, direct mail has maintained its status as one of the most reliable ways

to engage alumni, donors and friends with important stories and initiatives to maintain your relationships and discover life changes of your constituents. The only remaining issue is whether and to what extent the pandemic has eroded the ability and willingness to give.

Other Channels Have Issues

The improvement in direct mail read and response rates couldn't come at a better time for higher education, as some other staples of their fundraising efforts are showing decreased effectiveness.

Phone Campaigns

Phone campaigns in particular are facing issues, most having to do with list integrity stemming from the disappearance of the traditional landline phone.

When mobile phones were still in their infancy, individuals would receive a new phone number as they joined and every time they switched carriers. Most people still maintained their landline as their primary phone. That has changed over the last two decades as people considered their primary phone to be their mobile phone.

Less than 40% of homes had landline phones in 2020, compared to 92.7% of

homes in 2004.⁷ As people give up landlines for mobile phones, university fundraisers are no longer able to use services that can obtain phone numbers for mobile phones in the same way they could with landlines.

According to a report done by the Pew Research Center in 2020⁸, 97% of the U.S. population now owns a cell phone, including 92% of those 65 years and older. The report also states that 85% of the U.S. population owns a smartphone. Advances in technology and smart phones have played a role in how people use their phones. Another article⁹ says that

- 88% of the population uses their phone primarily to text
- 90% of brands leave voicemails when calling
- 29% of consumers don't listen to voicemails

⁷ Richter, Felix, "Landline Phones Are a Dying Breed," accessed June 9, 2021, at <https://www.statista.com/chart/2072/landline-phones-in-the-united-states/>.

⁸ "Mobile Fact Sheet," accessed Feb. 4, 2021, at <https://www.pewresearch.org/internet/fact-sheet/mobile/>.

⁹ "44 Mind-Blowing SMS Marketing and Texting Statistics," accessed Feb. 4, 2021, at <https://www.slicktext.com/blog/2018/11/44-mind-blowing-sms-marketing-and-texting-statistics/>.



As phone-append services become less reliable, maintaining a phone-number database is almost solely dependent on being notified by the individual. The silver lining is that people are less likely to change their phone numbers. The ability to “port” between carriers has provided a sense of familiarity and perhaps ownership to their number. With long distance and roaming charges almost non-existent with mobile phones, people don’t need to worry about changing to a local phone number as they move. It’s common to have a mobile phone with a different area code than what has

been traditionally assigned to a particular region or state.

Phones are no longer just a tool for talking to family and friends. Individuals have changed their phone-utilization habits which means that alternative methods of communication are necessary. Coupled with unreliable phone append resources, it has become harder to count on the phone being an effective means of fundraising.

Web-Based Appeals

In addition to issues with phone-based appeals, there are issues with web-based appeals. As mentioned earlier, channels’ changing algorithms have made organic social campaigns more difficult by throttling reach of organic posts.

In addition, while recent actions taken by Google and Apple to restrict access to third-party cookies mainly threaten more sophisticated retargeting campaigns, any ongoing debates over privacy may have repercussions like higher email unsubscribe rates or more stringent opt-in requirements – both of which could make it harder for colleges and universities to raise money electronically.

Given these issues, direct mail seems like a safe haven. Fortunately, it’s an effective haven as well.

How Direct Mail Works Best In Higher Education

If done correctly, direct mail campaigns can be more effective than phone and email campaigns. When it comes to direct mail fundraising for higher education, what are the characteristics of more effective campaigns?

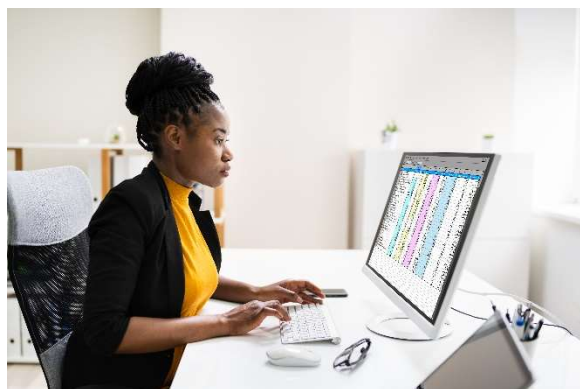
We have some thoughts on that topic. We've helped colleges and universities conduct scores of marketing campaigns over the last four decades, and we've isolated some of the components of those highly effective campaigns.

Taken together, these components provide a step-by-step "road map" for foundation executives, advancement officers and development directors looking to conduct an effective, high-yield direct mail campaign.

It Starts With Data

An effective direct mail campaign is only as good as the data you have to work with.

Fortunately, almost all higher-education fundraising campaigns start with their own



database – and presumably your data is in good order.

However, even the cleanest database may need some work before it's able to be used in a highly specific, personalized mailing.

For instance, how many demographic markers does the list contain, and how many people on the list have a field that's empty or incorrect? Has anyone on the list died or had a life change? Have people moved or had a demographic shift?

The Pew Research Center has found that 52% of young adults are now living with their parents – many of them recent moves because of the pandemic. Has your list kept up?

It's often a good idea to cross-reference your database with other lists to try and purge bad data. Having your data run through a National Change of Address (NCOA) data append remains the most reliable means to maintain address information within your database.

This is just one of many data-cleansing steps an experienced direct mail vendor can take to produce mailing lists that are not only clean, but have the appropriated fields segmented, created and populated to maximize the effectiveness of a given mailing.

To that end, it's often extremely helpful for the direct mail vendor to be engaged early in the process, so they can suggest ways to maximize personalization and better utilize clean data.

Our experience has been that early cooperation has the potential to lift response rates and result in greater satisfaction all around – resulting in mailings that hit deadlines and deliver highly targeted, personal messages to target audiences.

The Importance of Creativity

There's a lot of power in a number-10 envelope with a powerfully worded appeal and a reply card. That's been the staple of fund appeals for colleges and universities for decades, and it still can be very effective.

You know your message and how you want the design to enhance it. However, you may need to check in with a direct mail vendor to see if there are any limitations to ensure those considerations are a part of your layout.

Folding and Inserting

Once the envelope is opened, what is the first thing the reader should see? The back side of the letter? A reply envelope? Or maybe the branding of your school?

Working with a direct mail specialist lets you determine how each letter should be folded and placed within the envelope. Building a mailing together will help make sure the desired impact is achieved.

"Freebies"

Many schools add some free materials with their mailing that brings back memories of school pride while extending the brand of the institution. These can include:

- Mailing labels
- Luggage tags
- Lapel pins
- Notepads



These can be inserted loosely or “tipped” (a/k/a: affixed) to another piece within the envelope.

A direct mail specialist knows how to integrate these items into your mailing in the most efficient, impactful way.

Types of Material

Anyone can print on paper, but your mailing may have special needs, such as:

- A thicker cardstock ... or maybe something thinner
- A window cling or static sticker
- Hard plastic membership cards
- A specialty paper that creates a unique feel

Each individual mailing has its own look and identity. It's important to choose a direct mail specialist that has access to varying printing options to make your piece stand out on its own.

Personalization Matters

A personal mailing is more effective than an impersonal mailing. A highly personalized mailing that assimilates multiple data points is more effective than a simply personalized mailing.

As an example, how much more effective might it be to say, "Just for comparison, other alumni in your community give an average of \$150 every year, and alumni in your profession give an average of \$250 every year"?

Or, taking a different approach, have you considered personalization for:

- The body of a letter
- A certificate or membership card
- A reply card or remittance envelope with giving amounts already included
- An invitation
- A thank-you note

All these are also incremental attention-getters that can easily be built into an appeal and have been shown to have a high ROI.

With clean data, populated fields, and an expert that knows how to use them, mailings can have that "next-level" personalization that can generate results.

Often it costs little or nothing more to add additional areas of personalization to an appeal. What it takes is cooperation.

By bringing a direct mail specialist into the process early, areas for potential additional personalization can be identified and built into the creative process. The result is a mailing where personalization is built in from the start, and doesn't feel like an afterthought or an add-on.

Scaling the Appeal

One of the best things a direct mail specialist can bring to a higher-education mailing is the know-how to scale giving on a giver-by-giver basis.

Here's an example: With one of our partners, we were able to increase the response rate by more than 2% while at the same time increasing the amount donated per person by incorporating their previous giving history into the structure of their appeal.

For instance, if they had given \$50 previously, suggested giving levels were \$50-\$75-\$100. If they had given \$25 last time, the suggested levels were \$25-\$50-\$75.



Obviously, there are two basic ways to meet increased fundraising goals: Raise more per donor or get more donors.

An effective campaign can do both, but when the emphasis is on raising more per donor, direct mail specialists have ways to incorporate and leverage existing donor data to “nudge” donors into additional giving.

Choosing a Direct Mail Vendor

How do you choose the right direct mail vendor for your next campaign? Look for the following:

Experience in the Space

Have they done it before – and if so, with who? On what scale? Ask for references, and check them out.

The Right Equipment for the Job

It may require a facility tour, real or virtual, but it’s so important to know whether a vendor has the printing, folding, mailing, tipping, bagging, sorting, and inserting machinery you may need to execute your mailings – and whether they can accommodate your volume.

Data-Hygiene Services

The only good data is clean data. A good vendor should be able to make your data cleaner and more targeted to your goals.

Willingness to Engage Early In the Process

Regardless of whether they have a signed contract, a vendor should be willing to meet with you, discuss your project and ways to

maximize its impact. Once a contract is signed, they should be willing to come on board as a full partner, suggesting creative ways to use your data and present your information.

Open Lines of Communication

A vendor should make you feel like you’re their only customer. The lines of communication should be wide-open – both ways. If you feel like you’re just a side project, you should probably look for a new vendor.



Commitment to Deadlines

Deadlines are a very big deal in higher-education fundraising. Vendors have an obligation to meet deadlines. Unforeseen manufacturing problems can happen to any direct mail vendor. If a vendor doesn’t have extensive experience in direct mail this could lead to missed mail dates, poor quality mail pieces that don’t represent your institution well, or both.

An experienced vendor is proactive, works through these issues and communicates them to their client. Not only does this complete the project as intended, but also builds trust and confidence with the client for future projects.

Price-competitiveness

Price is often one of the biggest reasons for choosing a direct mail specialist. They have the right machinery, they have the know-how, and they have the experience, so they meet deadlines and do it right the first time.

Oftentimes those who specialize in a certain field are thought to be expensive because of their knowledge and expertise. When it

comes to direct mail, expertise results in efficiencies which makes the product less expensive for the customer.

Good vendors should be able to provide their services at a competitive price – not the lowest price necessarily, but a price that is fair to both sides.

About JHL Digital Direct

JHL has been producing direct mail for our clients since 1985 – and for much of our history, we have worked with colleges and universities on fundraising and development.

Data management has long played a key role in our success, and it continues to be a core service. We're experts in data sourcing, data entry, data hygiene, database management, and data processing, and we leverage data analysis to deliver individualized marketing messages to our clients' current and prospective customers.

We constantly update our technology and processes to meet our clients' changing needs, and we use our state-of-the-art digital printing and direct mail marketing-production services to enhance the effectiveness of all types of marketing, development, and fundraising projects.

