



The Agitator

Telemarketing's Future in Nonprofit Fundraising

An Agitator Interview with:

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Agitator: All we hear these days is "email this and online networks that" ... has telemarketing died?

KW: Quite the contrary, online is a great source of prospects with an interest in an organization. The web is still a passive tool for fundraising. The online inquires have become a new source of potential donors and telemarketing has proved to be an effective way of turning those prospects into donors.

We also employ email as an alternative way to allow donors to fulfill phone pledges. If we have the email address and they pledge, we can send a follow-up email with a link so that they can fulfill the pledge.

Agitator: Can you even get phone numbers these days? Typically, how much of a house file can you reach by phone today? Is that percentage declining?

KW: Although finding phone numbers is down from 10-15 years ago, we can still usually find over 65% on an active donor file. The bigger challenge is contact. We are finding that talking with much more than 60% of those with phone numbers is a challenge. This is from a high water mark of 75%+ a number of years ago. There are a few organizations where the contact rate is higher than average; probably an older donor base without as many answering machines and less caller ID.

Agitator: Telemarketing can't be getting any cheaper ... give us a ballpark cost for reaching an existing donor. Doesn't it require a monumental return to be cost effective?

KW: Some aspects of telemarketing are much cheaper. Long distance charges, which made up a significant part of overhead years ago, have dropped to about one tenth of what they were 20 years ago. A ballpark number is \$2,400 per thousand names.

Agitator: What are some of the most effective applications for telephone fundraising today?

KW: Recruiting new donors from persons who have online activity. Monthly giving programs still produce outstanding results. Using the phone to find potential planned gifts has been quite successful. Reinstatement programs still work well for a number of organizations, if targeted well. Those who have come on board by channels other than direct mail usually perform better on the phone than in the mail.

Agitator: OK, so there are some viable options for telemarketing. But it can't be all milk and honey ...what are applications that worked, say, ten years ago, but just aren't viable today?

KW: Phoning donors with less than \$20 HPCs is becoming very problematic. We have developed some models that can target people at the low end of the file and make them productive, but the days of taking anyone who ever gave \$10-20 and getting a return that would outperform the mail are long gone.

Agitator: What are the key “must have” ingredients of a successful phone campaign today?

KW: A compelling issue, as always, is the most important component of a good campaign. Other key elements are giving levels that point to tangible goals, and matching gifts. Still the most important ingredient is skilled fundraisers on the phones. The development of good strong people is vital when talking with savvy donors on the other end of the line.

Agitator: We're beginning to hear a bit about text messaging as a fundraising vehicle. Do you think that will become a viable approach?

KW: I think that it will take a few years, as the internet did, for it to become a strong fundraising tool. There are millions of people, under 35, who constantly use text messaging. As that generation ages, they will probably use text messaging as a normal everyday form of communications. It too is a somewhat passive form of fundraising. Text messaging people and asking them to take an action will probably evolve into a normal form of communicating to potential donors. Turning these activists to donors may still take a phone call.

Agitator: What does the future hold for telephone fundraising? Should we sell your stock short, or hold it for the long term?

KW: Just like PIC, telephone fundraising will continue to evolve and prosper. The days of someone being excited just because they were getting a call from Washington or headquarters are no more. Yet for the person who has an interest that they care about and who can't find the time to even send in a check, the phone will still have a place in giving them an easy way to make a contribution.

I have heard direct mail was dying for the last thirty years, but I still haven't seen the obit. The same holds true for telephone fundraising.

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