CONCORD DIRECT

THE 10 QUESTIONS TO ASK YOUR MARKETING PARTNER

Your rubric to ensure maximum performance and value from your agency partner.

INTRODUCTION

Your agency's primary job is to consistently deliver value to your program.

As the relationship progresses, it's easy to fall into routines that don't push your fundraising forward. A good agency should regularly bring forth ideas to shake things up (in the right way and at the right time). But if it's been a while since your agency has offered up revolutionary breakthroughs that transform your campaigns, we've rounded up a few pivotal questions to remind them that you're not content to coast on the status quo.

The following questions serve as an excellent rubric for making sure you're getting maximum performance and value from your agency partner.

1. HOW DO YOU SET GOALS FOR OUR CAMPAIGNS AND OUR ORGANIZATION?

Why it's important:

Goals provide the direction and structure for your organization's initiatives, including fundraising. Setting the wrong goals can cripple employee morale, mislead stakeholders/donors, and steer the organization into less-than-desirable challenges that put programs at risk.

What the answer should be:

For setting campaign and organizational goals, your agency should look first at data. Past campaigns provide direction indicators, but they should be viewed through the lens of current trends and challenges facing your organization and available resources.

Goal setting should not simply be "Let's just add 10% on top of what we did last year." Remember the S.M.A.R.T. acronym? Goals should be Specific, Measurable, Attainable, Realistic, and Time-based.

Ultimately, your agency should be able to tell you, in simple language, the following: "For your organization to get to XYZ, you need to devote $$$ and it will take X amount of time." They should break down the specific steps (including relevant time constraints) to get from "where you are" to "where you want to be." And, they should also show you predictions of what will happen if your organization maintains its current efforts. There should be no guesswork but rather a clear and precise explanation of how they arrived at their conclusions.

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2. HOW DO YOU HELP US SET THE PRIORITIES FOR OUR DIRECT MARKETING PROGRAM?

Why it's important:

One of the most common challenges reported by nonprofits is the constraint on available resources. Every fundraiser would benefit from more time, staff, and budget. The unfortunate reality is that fundraisers must make tough choices to bring some projects to life, and leave others for another day.

What the answer should be:

With your campaign and organization goals in place, your agency should help you establish priorities on two levels. The first level should define the types of communications that will address your big strategic goals, and the agency should prioritize these for you by leading with the most efficient – what will have the most immediate impact? And again, these priorities should be grounded in data. Questions such as: *Are you over- or under-investing in acquisition? Are you addressing donor attrition and the associated loss of income? Are you creating successful donor relationships that grow in value?* These questions and answers are mathematically driven, and so the program should also have clear mathematical goals.

Second, as your agency presents the tactics that will optimize the return on your communications investment, these should be prioritized on expected performance. *Which packages are performing well, and which are coming up short? How do we address high-performing segments versus low-performing segments? How can we leverage our best-performing creative for even better results?* This should be presented – with relevant costs and required levels of effort – as part of an overall strategy to achieve your organization's goals.

3. HOW ARE YOU IDENTIFYING NEW PROSPECTS FOR OUR ORGANIZATION AND MAXIMIZING OUR TOTAL AUDIENCE?

Why it's important:

Donors are the lifeblood of your organization, and every year, a percentage falls off your file. To simply maintain your current database size, you need to replace lost donors every year. The true challenge lies in finding the right donors.

What the answer should be:

To have a viable answer to this question, your agency must first quantifiably understand your organization's attrition. They should tell you how many donors are leaving annually and how much money is required to offset the losses.

And before rushing to add more names, your agency should first demonstrate a data-driven approach to the types of names it proposes to bring on. Does your organization need more donors that match your current profiles, or would you be best served by acquiring a slightly different audience than what you have now? Your agency should be able to clearly and succinctly communicate the costs and benefits associated with each option, and they should offer their recommendation on which audience(s) will be the best fit for your organization. This recommendation should take a holistic view of revenue potential and not be limited to "which donors perform best in direct marketing." They should also include an analysis of which of those donors will make major gifts and estate bequests.

4. HOW DEEP SHOULD WE GO INTO OUR DATA TO GET ACTIONABLE INSIGHTS? HOW FAR BACK?

Why it's important:

Gathering, organizing, and analyzing data is the key to understanding how to maximize donor engagement and fundraising results. Whatever you want to know about donor behavior, campaign performance, trends, donor value, and more – it's all in the data. The challenge is knowing what to look for.

What the answer should be:

The obvious answer is that you should be going as deep and wide into your data as needed to get solid, actionable insights and trend data. Typically, that's five running years – sliced by year, donor lifecycle, channel, acquisition effort, creative/campaign, and any other metrics that are important to your organization. When reviewing past campaign data, your agency should also account for any circumstances that could drastically disrupt analysis. External factors such as changes in laws, Board policies, or political environments can influence performance, even if every other campaign element remains the same.

A good data analysis looks beyond the obvious to include all the key performance indicators over time and locate the problem areas.

> *Real-life example: a client's file was growing year over year. On the surface, this appeared to be a good sign. But, upon deeper inspection, the agency learned why – the organization was spending heavily on acquisition. However, when its agency looked at retention, it discovered that the organization was losing donors rapidly, and the pace was accelerating. While, superficially, the organization's file was growing (and that is generally good), it was over-spending on acquisition to compensate for its retention issue. By fixing the actual problem – retention – the organization could more efficiently invest in acquisition and cultivate a better file. This conclusion would have been missed if not for a robust look at the data.*

A detailed data analysis should yield insights to guide near- and mid-term strategy, updated on a rolling basis as more results come in. The best-case scenario is to have clean, easily consumed reports or dashboards set up to help you spot trends as they evolve, not just in hindsight.

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5. HOW DO WE COMPARE TO OUR PEERS?

Why it's important:

If you're noticeably underperforming compared to similar organizations, that's a sure sign something in your approach needs to be adjusted. Peer performance is a good benchmark for recognizing success or failure in the market but you must remember, it's just one of many data points for performance analysis.

What the answer should be:

However you measure success – financial, file size, growth – your agency should be able to tell you two things: A) how your results compare with similar clients and campaigns in their portfolios (anonymized, of course) and B) how your results compare with industry averages, supported by research data. Knowing where your results fall on a relevant spectrum – below average, on par, or above-average – can help guide expectations and shape strategies.

Most nonprofits will look at this year's campaign against last year's to define "success." But judging a campaign solely based on whether it's a few percentage points better or worse than last year can be misleading. You need to understand the type of results that similar organizations are seeing. Your agency should combine that with a comparison of last year's numbers to assess how your campaign is performing.

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6. HOW CAN WE KNOW WHICH CHANNELS ARE BEST FOR OUR CAMPAIGNS AND OUR OVERALL PROGRAM?

Why it's important:

Like the attention span of all consumers, donor attention today is fragmented across many media and devices. Recognizing when and where to reach them and with what message is increasingly critical for maximizing fundraising results.

What the answer should be:

As is often the case with direct-response fundraising, the answer is in the data. The surest answers come from testing; for example, a side-by-side test of email and direct mail, or testing a campaign with and without cross-channel support. Your agency should be able to provide a thorough – and well-documented process to leverage and test key channels. Over time, you should be accumulating a pool of data that shows your audience's response trends across different channels.

That data could suggest a strategy heavily weighted to one or two channels. Or, it could suggest a comprehensive omnichannel strategy – mail, digital, telemarketing, events, etc. – as the best approach.

The most important thing for your agency to consider is the entire donor journey, from discovery and acquisition through stewardship. The common mantra "as acquired, so retained" is a good default setting for your campaign planning, but a good agency should take a holistic – and donor-centric – approach to channel planning.

7. HOW CAN WE MORE TIGHTLY INTEGRATE OUR ONLINE AND OFFLINE CAMPAIGNS?

Why it's important:

Most people will engage with your organization through a variety of channels. Coordinating online and offline messaging and creative makes your ads "stickier" to donors and maximizes the impact of your fundraising dollars.

What the answer should be:

True online and offline integration is challenging, as it requires a level of complexity far beyond simply resizing a print graphic to fit the space of a banner ad. First, your agency should have a firm understanding of which channels are best for your program and campaign goals. This understanding should be grounded in data with reasonable conclusions from the in-depth analysis. Second, each piece within these channels should be optimized to perform well individually. Your direct-mail pieces should all be great packages, and your emails should be highly engaging. Finally, all these pieces must work together to advance your overarching mission. Your agency should understand and communicate that the over-arching message remains consistent, but the executions are specifically engineered to get the most out of that particular channel.

In today's hyper-connected environment, your agency must understand the donor journey.

Donors come to your organization through multiple channels, and the path from "stranger" to "donor" can take many turns. Furthermore, this journey will evolve, for both individual donors and donors as a group. Your agency should have its finger on the pulse of this journey, ready to adjust course as the environment changes.

8. WHAT ARE YOU DOING TO KEEP OUR CREATIVE FRESH?

Why it's important:

Knowing when and how to adjust creative has an impact on results. The control-test model is still the proven standard, but slavish adherence to the control – even if it keeps winning – can erode results.

What the answer should be:

Producing fundraising creative is a blend of art and science, and evaluating creative follows the same recipe. While a well-established tenet of marketing reminds us that clients and agencies get tired of campaign creative a lot sooner than the target audience, a good agency will spot downtrends before the organization misses out on too much revenue. Once the data (and a skilled interpretation of it) have started indicating that the market is losing interest, your agency should have viable ideas for testing or implementing.

New ideas can range from a subtle "freshening-up" of language and design to a complete messaging overhaul. Within the mix of suggestions, your agency should be aware of budget constraints and offer up low- and no-cost ways to test variations of messaging or design that could potentially boost response. On the flip side, the agency should also have a process to drive innovation and breakthrough ideas beyond existing campaigns - so you can break free of ruts and underperforming efforts, or drive much greater learning.

The bottom line is that your agency should offer new creative ideas and bespoke applications of ideas from other nonprofits. They should also be watching the data with experienced eyes to know when to make the switch.

9. HOW DO YOU STAY IN TOUCH WITH DONORS' CURRENT NEEDS AND ATTITUDES?

Why it's important:

Lifestyle changes, competitive pressures, new priorities, fatigue, bad experiences, new habits, technology – there's no end to the list of things that influence donors and cause their behavior to change. If you don't keep up with them, they will take their attention (and money) elsewhere.

What the answer should be:

On a macro level, an agency worth its fees should be in touch with trends in terms of what the market is responding to, how behaviors are changing overall, what people are saying online, and how audiences are responding to and interacting with various channels, etc. And it should be sharing this knowledge with you. Your agency should keep up with trends by attending conferences and workshops, following industry thought-leaders, networking with experts, and constantly searching out news, research, and analysis. These are all good indicators that your agency is proactively staying ahead of trends.

On a client-specific level, ongoing research into your donor preferences should be a "porpoising" exercise: come up to evaluate preferences and trends, then dive below into campaign execution, and repeat. Your agency should be able to source and cite response and non-response data, response trends, social media chatter, and reports from donor relations personnel. All of these shed light on how donors react to your brand and specific appeals, and where their thinking is heading.

10. WHAT ARE YOU DOING TO CHALLENGE THE STATUS QUO OF OUR PROGRAMS?

Why it's important:

A status quo approach invariably delivers status quo results. Cultural and technological changes require organizations to continually evaluate their approach and adjust/update it as appropriate, because in a changing environment, "maintaining" actually means "falling behind."

What the answer should be:

Your agency should have a strategic plan to continuously evolve your program. An integral process to constantly evaluate and re-evaluate what's working and what's not should be part of its company identity. The key is that your agency demonstrates that it is taking steps to avoid campaign complacency.

Most importantly, your agency should be proactively avoiding complacency in all areas of your program. Every piece of a program is fair game and should be reviewed as such. Further, the way the pieces of a program fit together should also be reviewed – inefficient or underperforming efforts should be evaluated for reallocation to bolster better-performing projects. Rethinking "the way we've always done it" can open the door to promising new strategies and tactics.

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CONCLUSION

Perhaps the most important question of all is the one you as an organization need to ask yourself: "Are we happy with them?" Note that the question isn't "Are we satisfied with them," or, "Is their work good enough?" An agency should endeavor to make you delighted with the partnership, on both performance and relationship levels.

If you don't like the answers to these questions, it may be time to get a second opinion. Any fundraising organization would be happy to tell you about what it does or would do differently, and you may just find that the grass can, in fact, be truly greener.

MAY WE BUY YOU A CUP OF COFFEE?

Let's chat about how we can custom-tailor strategies and solutions to help you meet your organization's most pressing goals. We cordially invite you to a **Coffee & Conversation** where we'll analyze any area of your direct response you'd like and share our recommendations in a complimentary 30-minute consultation and a one-page report that will help you take confident next steps.

Here are some popular Coffee & Conversation topics, but we're open to evaluate any area of your program. Let's chat!

Campaign Review
Give us your best, your worst, or your most challenging fundraising campaign along with your results report and/or audience insights and we'll provide actionable suggestions on ways to enhance your results.

Data Review
Let us uncover the hidden trends and takeaways from your program reports. We'll share our high-level insights on your trends (good and not so good) so you can make better-informed decisions.

Website Review
Are your site visitors taking the desired next steps? Pick our brains to explore how to best optimize your site, increase engagement and help you meet your goals online.

Production Review
Deadlines, set-ups, papers, lettershop and all things mail production. Let's explore where you can gain efficiencies and savings with your direct mail and print production.

SCAN ME

Schedule **Coffee & Conversation** with us here or scan the QR code.
We'll send you a virtual cup of coffee to enjoy – on us!

ABOUT CONCORD DIRECT

Great listeners. Great strategists. Great implementors.

Nonprofits rely on Concord Direct to advance their missions by building and activating audiences across direct mail, email, websites, online advertising and social media. Our data-driven strategies, expert creative, and efficient execution means that the investment you make in fundraising will deliver measurable impact.

CONCORD DIRECT

To learn more, maximize engagement, and start reaching your goals, visit us at concorddirect.com.

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