

MEASURING THE EFFECTIVENESS OF DIRECT MARKETING APPEALS ON GENERATING SUPPORT FOR NONPROFITS

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ABSTRACT

Overview

The importance of direct marketing to stimulate charitable contributions is well documented. However, little is known about which kind of direct marketing tactics influence behavior especially when it comes to charitable giving.

The purpose of this paper is to determine the effects of two positive, alternative direct marketing appeals on (1) increasing membership in a nonprofit community organization and (2) determining the level of support.

Description of Study

According to the 2000 census, Sierra Madre, California, is a city of 10,578. Approximately 85.8 percent of the residents are Caucasian. The median age is 42.6 years. The median home value is \$357,300. It is located approximately 20 miles northeast of Los Angeles. It has a strong level of community spirit and volunteerism.

The Friends of the Sierra Madre Library is a nonprofit community organization, which raises about a quarter of the operating budget for the city's only library. Current membership in the Friends organization is 447.

In the past members were notified that their membership was expiring by the date that they joined being highlighted on the newsletter they received in June. During the summer, 2000, a direct marketing campaign was attempted for the first time in the organization's history to invite all Sierra Madre residents to join the Friends. With cooperation from the local water company, this campaign involved inserting a flier into the water bills of all Sierra Madre households.

Two versions of the flier were created. Version A appealed to the recipients to support the library to help the community's children. Version B appealed to the recipients to support the library because of the

wide array of services the library provides to all of the community's residents.

In August, 2000, half of the city's residents received Version A while in September, 2000, the other half of city received Version B). It should be noted that the city distributes its water bills so that only half of the community receives their bill in any given month.

Findings

During 2000 – 2001 there were 447 members of the Friends: junior (.89%); individual (30.65%); family (39.15%); patron (10.07%); lifetime (18.57%); business (.67%). Of the total 447 members, about 21 percent joined in response to the fliers.

New members and renewals resulting from the fliers showed that the community appeal mailed in September, resulted in a much larger total response (13%) than the children's appeal, which was mailed the previous month of August (9%). The higher response to the community oriented flier was evident across all membership categories.

As a result of the membership drive in August and September, there was an 18.5% increase in new members. Approximately 3% of the members who responded to the membership drive were renewals. Of the new members who joined in response to the fliers, 60% did so in reaction to the community appeal versus 40 percent to the children's appeals. Of the renewals in response to the fliers 61.5% did so in reaction to the community appeal versus 39.5% to the children's appeal.

Direct marketing was effective because of the number of new members who were attracted (83) and the number of new and renewals who responded to the fliers (96). Not all appeals were equally effective. In this case the broader community based appeal was more successful than the one which linked membership with children's programs and activities.