



Is Direct Mail Marketing Dead?

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In today's age of digital marketing, many so-called experts will tell you direct mail is dead. They call it "old school" and rant about ROI and low responses. They opine...

"Why spend money on copy, layout, printing, postage and mailing when most people are spending their time online."

"It makes more sense to just advertise online."

"Not only is it cheaper, but does anybody actually pay attention to ads in the mailbox these days?"

Don't believe a word!

Direct Mail on the Rise

In planned giving marketing, the elimination of direct mail would be a detriment to your program. Not only is direct mail thriving in the for-profit world, but for planned giving it may just be your best communications tool.

It's true that mail volume is declining according to the USPS. But just because the number of total pieces is down doesn't mean direct mail is in decline, and fewer pieces in mailboxes is actually a good thing for marketers. Less competition means more opportunity for your direct mail to stand out and inform. It's also true that, as an industry, direct mail response rates are on the rise.

The average response rates generally for internal lists is 9%, while outside/prospect lists receive an average response rate of 5%. According to the 2018 DMA Response Rate Report, that is a 194% increase since 2006 for prospect lists and a 173% increase since 2006 for house lists. Compare that to email and social media that offer a 1% to 2% return.

But those are not the direct mail response rates we get in planned giving. We hope to get a response rate of .5% to 1% if we are lucky. Isn't that reason enough not to do direct mail? Absolutely not.

Relational not Transactional

Response rates should not be your goal. In planned giving marketing, you are investing time and resources in building a relationship with your donors. It's not a transaction. Educating donors and building awareness of your program is what you want, so when they are ready they reach out to you. You cannot force that. The best direct mail piece, or any marketing piece for that matter, can't create that interest.

Instead, it's often a lifestyle change that causes donors to finally reach out. Yet, it is those mailings that re-affirm the relationship. They are vital to let the donor know, "We are here when you need us, and in this mailing, there is something you may find of interest."

If you were selling widgets, response rate and conversion metrics would be vastly more important to judge success. But for planned giving marketers, response rate benchmarking will not be an accurate indication of success. There are too many intangibles in the lives of your donors in between mailings. Lives are being lived, vacations are being taken, and circumstances change.

And it is important to say this again - your mailings should not be seen as transactional.

Your goal for any given mailing shouldn't necessarily be conversion, e.g., the closing of a gift. Instead, your marketing plan should be focused on developing a long-term, strong relationship with donors, in which your donors turn to you when they are ready to give back or create their legacy. You need to make sure your messaging will reach your audience, get their attention in a saturated market, and connect with them on a personal level. And nothing does that better than direct mail.

Why Direct Mail Is Best

Why is direct mail better than online marketing? Direct mail is a tangible message in your audience's hands. It's a newsletter they save and throw on the coffee table or nightstand. Will a donor print out and save an email? Highly unlikely. But a postcard or newsletter that triggers emotion or a memory is saved. Even if your mailer ultimately ends up in the trash, the recipient at least had to look at it and be reminded of your program's mission, bringing you front of mind in that moment.

This does not mean direct mail should be the beginning and end of any planned giving marketing strategy. A wholistic and strategic approach is still necessary for promoting your program. You should employ a variety of tactics throughout the year, including direct mail.

If you need help developing a strategy that will incorporate direct mail, identify the donors to reach, and the right messaging to present to them, please feel free to reach out to our marketing experts.