

BUILDING FIRST-YEAR ON-AIR ACQUIRED RENEWAL RATES

A TeamSoper Pilot Project

“Failure to renew new, on-air pledge acquired members is the single greatest factor in the decline in number of members and lack of substantial growth in membership net revenue.”

§ *THE QUESTION:* How can first-year, on-air acquired (mostly “premium accepting”) members’ renewal rate be increased from a national average of 21%?

There are many causes of renewal failure. They are debated daily. The challenge is to test, analyze, refine, and scale-up from a limited number of possible solutions.

As a former Sr. VP, Development at PBS, I conducted tests of increasing the renewal of first-year members in 1981 – twenty-five years ago – about the time some professionals in public broadcasting were born. These tests were successful. The tests were repeated years later and the results were the same.

§ *THREE BLINDING FLASHES OF THE OBVIOUS:* Many things have changed since 1981, but here are three strategies that I believe can be tested and refined – individually or in combination – to increase the renewal of first-year, on-air pledge acquired members:

- A separate, segmented renewal strategy using both telemarketing and direct mail.
- Increasing the frequency of contact throughout the first year of membership to build “top of mind awareness,” relative perceived value, consumption, and ultimately, support of programming (above and beyond the point-of-purchase of a premium during on-air pledge).
- Starting when the pledge is made, customize telemarketing and direct mail based on the message(s) most likely to renew individual members.

If you have conducted your own experiments in one of the above or other areas relating to improving first-year renewal and are willing to share your results, please contact me. If you and your station are interested in participating in *pilot projects* to improve first year renewal, please let me know as well. E-mail me at msoper@teamsoper.com, phone 435-654-5896, or write to me at the address below.

Thanks,

Michael Soper



TeamSoper.Com

Development & Marketing Management Corporation
333 Bern Way, P.O. Box 40, Midway, UT 84049



Contact: Michael B. Soper, President & CEO
Phone: 435-654-5896 Fax: 435-654-5895
E-Mail: msoper@teamsoper.com
Internet: <http://www.teamsoper.com/>

What does it cost to have an expert fundraising partner?

OUR APPROACH TO PRICING

TeamSoper prices reflect the real cost of a mailing – from copywriting and design through lists, printing and mailing.¹

You can: a) Use the prices below to get a “best estimate”; b) Request a bid on a specific mailing; c) Learn how an annual retainer can save even more, or; d) Ask for a quote when your mailing quantities are below 20,000 pieces.

TeamSoper believes you should only pay for copywriting once. We provide clients an “in perpetuity” license to creative work we mail on their behalf.

Those creative rights save substantial amounts on future mailings. Note the subsequent mailings costs below and compare them with your supplier.

SPECIAL / ADDITIONAL GIFT APPEALS²

Quantity	Initial / Subsequent ¹
20,000	\$525 / \$495 CPM
40,000	\$385 / \$340 CPM
60,000	\$340 / \$310 CPM
80,000	\$310 / \$290 CPM
140,000	\$290 / \$265 CPM
200,000	\$265 / \$245 CPM

ACQUISITION DIRECT MAIL

Quantity	Initial / Subsequent ¹
20,000	\$585 / \$530 CPM
40,000	\$460 / \$435 CPM
60,000	\$435 / \$410 CPM
80,000	\$410 / \$380 CPM
140,000	\$380 / \$350 CPM
200,000	\$350 / \$325 CPM
400,000	\$325 / \$295 CPM

¹ Costs per thousand pieces includes copywriting, package design, print of the carrier, RAE, Reply Form, Bucksip, as well as list rental fees, merge / purge, data processing, printing and mailshop. Costs do not include nonprofit postage.

² Special / Additional Appeal laser personalization is available at costs depending on quantity.

See page-three for Direct Mail Services. For a specific quote, call Michael Soper at 435-654-5896.

Prices Effective April 1, 2006

For Most Current Pricing Click Or Go To:
<http://gems.imelda.soceco.org/willnes/AllAboutTeamSoper.pdf>

CUTTING EDGE THINKING: w/ 30+ Years Working Knowledge

- **NEW** First-Year, On-Air Acquired Member Renewal Strategy & Creative, 2005
- Reinventing PTV Membership, “The Soper Manifesto” 2003 (Updated 2005)
- PTV Image, Brand Resonance & Member Attitude Research, 2002

TEAMSOPER'S CAPABILITIES & APPROACH

- ✓ TeamSoper consists of highly recognized, independent professionals unavailable from any single agency or fundraising firm.
- ✓ Clients work with our most senior professionals – not those simply good enough to retain the account.
- ✓ Team members have vast experience and diverse areas of expertise, including strategic, creative, direct marketing planning, testing, printing / mailshop management, and analysis.
- ✓ TeamSoper's approach is client focused and results driven, adding donors / members / supporters and increasing net income.
- ✓ TeamSoper's responsiveness and speed save its clients time and money.

MOST REQUESTED DIRECT MARKETING SERVICES

LAPSED MEMBER “REACTIVATION” CAMPAIGNS: TeamSoper combined phone and mail lapsed member campaigns regularly produce net income and increase a client's active membership by 6% to 8% in as little as 30-days. While advance planning is advised, one recent success occurred just 32 days prior to the end of a client's fiscal year.

SPECIAL / ADDITIONAL GIFT APPEALS & ACQUISITION DIRECT MAIL: Abandon “cookie cutter copy.” Now you can speak to your potential members, current and past supporters, donors, and members, in your market, about your organization. We don't hold clients' hostage. If we lose your business, you retain use of the creative.

MEMBERSHIP REVENUE / EXPENSE BUDGETING & CASH FLOW PROJECTIONS: Increasingly, TeamSoper is being asked to assist client's with the development of membership revenue and expense budgets that focus on net income and are based on last year's response rates and average gifts. The result is a cash-flow forecast of revenue and expense that fit perfectly into an organization's overall budget process.

NEW DIRECT MAIL CREATIVE: Given the changes pledgers / members, executives are turning to TeamSoper for a state-of-the-art updating of all their direct marketing creative.

E-MAIL RELATIONSHIP MANAGEMENT: Discover how at surprisingly low costs you can strengthen relationships with viewers, members, corporate sponsors, volunteers, community leaders and others. Use e-mails' unique “permission marketing” capabilities to scale-up listening. Build your e-mail program by giving everyone the option to “unsubscribe” while making the content so relevant and interesting they won't dare.

TEAMSOPER's MISSION

TeamSoper is passionate about helping clients strengthen their organizations, their fundraising strategies and net income. Collaborative efforts with top executives and professionals identify the key challenges and opportunities. Simple "success measures," best industry practices, research, testing, and analysis achieves success.

WHAT CLIENTS SAY:

"TeamSoper reflects the same values that motivated our work together at PBS. Our objectives were, 'To provide excellent services to our stations, to become their preferred place to do business, and to make PBS a great place to work.'"

Bruce L. Christensen,
Former President, PBS

"I have to say that the sessions with Michael were among the most practical, energizing, efficient, and productive of all the consultants we've had."

"I knew we needed help. In just two months, TeamSoper's lapsed member campaign increased our number of active members by 11%."

"Michael has great energy and enthusiasm which becomes infectious. He seems to be much more helpful & energetic than ___ [other consultants]."

"Facing debt, TeamSoper's approach was obvious – give members the facts. His copywriting produced a record-breaking additional / special gift appeal – still the best ever after 10 years."

"Soper won't be satisfied meeting his contractual obligations – he's committed to your institution's success."

"Soper has overseen more PTV research on the attitudes of the public, viewers, and members of public television than any other professional."

"Comprehensive. Addressed all issues brought to the table. He didn't allow silly stuff to be kicked around long. No one felt silly for having said anything."

"Focus on NET revenue, not 'cash at any cost.'"

"Michael's method is to help you think through your own particular problems and find practical things you can actually do to make improvements."

"Michael positioned himself as a part of OUR team approach to solve problems. It was easy to feel that Michael was WITH us and not FOR us."

PROFESSIONAL SERVICES

JOINT FUNDRAISING REVIEWS: TeamSoper assists your development and fundraising team over a day and one-half series of on-site meetings to identify areas of success and those for improvement. For example, "In today's environment, how can you increase file size?" "What can be done to increase renewal / retention?" Group discussions focus on both tested industry best practices and new approaches for increasing net income through gains in revenue or reductions in expenses. Action plans are produced with an intensive focus on success measures.

MID-LEVEL AND MAJOR DONOR STRATEGIES, PRACTICES, AND CREATIVE:

Move beyond communicating with mid-level and major donors through newsletters. Tap the power of a more personalized communications with those donors who are capable of making "gifts of significance" and have a shared-passion for your organization's mission.

RESEARCH: TeamSoper conducts quantitative research, image & brand resonance studies, Delphi and gap research, as well as informative and less-expensive, qualitative focus groups and in-depth telephone studies. Ask about the new, "Membership Satisfaction & Loyalty" research that strengthens both strategies and messaging.

STRATEGIC PLANS ABOUT "STRATEGIC DOING": TeamSoper has conducted strategic planning efforts with many organizations. Its use of proprietary computer models assists everyone involved in the planning effort in reaching consensus on the criteria by which strategies are ultimately ranked – producing action-oriented strategic plans.

BEQUEST BROCHURES & RECOGNITION SOCIETIES: TeamSoper provides nonprofits with customized communications that urges your supporters to include a gift to your organization in their Will and your staff to maintain ongoing contact that recognizes supporters' commitment and strengthens their relationship with your institution.

TEAMSOPER: EXPERTISE & EXPERIENCE:**MICHAEL B. SOPER**

President & CEO, TEAMSOPER / Development & Marketing Management Corporation, July '94 to Present. Left WETA to create Parents Active in Children's Education (PACE). Was asked to assist the NAACP under a Ford Foundation grant. Grew to become a full-service direct marketing agency that's worked with clients worldwide, with a specific focus on public television and public radio stations.

Senior Vice President, Development & Marketing, WETA / Channel 26 / FM 91, Washington, DC. March '92 to June '94. Responsibilities included all fundraising, including: \$12 million (60%) of the operating budget; an average of \$10 million per year in national program production funds, and; a \$20 million campaign to build a new building and establish an endowment. He managed a professional staff of 47.

Senior Vice President, Development, Public Broadcasting Service, 1320 Braddock Place, Alexandria, VA 22314 June '87 to February '92. Goal was to strengthen the financial capacity and stability of all PBS member stations nationwide. Budget responsibilities exceeded \$7 million.

Annual evaluations by PBS member stations rated services and teams under Soper's leadership as providing outstanding customer service, focused on those areas of greatest importance to the financial success of the stations. He was formally rated by his employees as superior in team building, strategic planning, research, consulting, improving customer service, motivational and public speaking, and successful large-scale conferences / meetings.

In 1991, he assembled an industry-wide panel of fourteen top Board members from three national public TV organizations to review funding trends and recommend specific strategies for the financial support of public television. Titled, "**Funding The Vision**," the report is still used by PBS stations nationwide.

Soper managed all fundraising support services supplied to PBS member stations, including the development of the "**TV Worth Watching ... TV Worth Paying For**" and "**Funded by the Annual Financial Support of Viewers Like You**" campaigns and themes which continue to be some of the most successful in the industry's history.

Soper is the creator of the "**PTV Partners**" – an e-mail-based cultivation, engagement, and solicitation program for PTV / radio stations. He has also authored articles on "Revenue Centered Thinking ©," change and transition management. He has completed post-graduate study in: "Research Methods," "Marketing The Non-Profit Organization," Time Management, Selling & Social Style Seminar, Direct Marketing Methods, Major Gift Cultivation & Solicitation, and Tom Peters' Leadership SKUNK CAMP.

TYPICAL MAIL SCHEDULE

- **ACQUISITION / PROSPECT**
 - January / February
 - May
 - Mid-October / November
- **LAPSED / REACTIVATION**
 - January Reactivation Campaign
 - Lapsed segments in acquisition
 - Lapsed segments in add gifts
- **ADDITIONAL / SPECIAL GIFTS**
 - January
 - May
 - September
 - November
- **RENEWAL / UPGRADE-MONTHLY**
- **ACKNOWLEDGEMENT**
Frequency depends on volume.
- **OTHER DIRECT MAIL CAMPAIGNS**
 - Midlevel Giving Societies
 - Capital Needs Appeals
 - Program Fund Appeals
 - Sustainer / Monthly Giving
 - Bequest / Recognition Circles

CLIENTS

WITF / Harrisburg
HoustonPBS / Houston
WCMU / Mt. Pleasant
KLRU / Austin
WNPT / Nashville
KWBU / Waco
KBDI / Denver
WTVP / Peoria
Society of Women Engineers /
Chicago
ALS Foundation / Los Angeles
NAACP / Baltimore
The Children's Inn at NIH (National
Institute of Health), Bethesda
World Wildlife Fund – International,
Glad, Switzerland

SOPER'S "NO MAGIC BULLETS"

- **SUCCESS MEASURES:** What gets measured gets done.
- **NET INCOME:** It's all that left to invest in mission-related services.
- **SOLICITATION:** Anything but face-to-face conversation is a compromise.
- **LET MANAGERS MANAGE.**
- **RECOGNITION REQUIRES:** Doing good & Sharing it.
- **DREAMS:** Only big dreams will inspire big gifts.
- **SWEAT THE DETAILS:** If you can't get the donor's name right, how can they trust you with the gift?
- **Important Few -- Unimportant Many**
- **PRIORITIES** are where you put your time.

WILLIAM H. BRENT: Direct Marketing Planning

Brent brings 25 years of fundraising experience to TeamSoper. Since 1976, Brent's expertise has been reflected in TeamSoper's list recommendations, segmentation plans, and analysis. He has extensive knowledge in all aspects of direct marketing including donor acquisition, renewals, reinstatements, special appeals and major donor solicitation.

In his many years in the business, Brent has helped pioneer many of the fund raising techniques and programs that are in common practice today. Except for a two-year period where he was Vice President for Strategic Planning at Craver, Mathews, Smith and Co., Brent has been an independent contractor since 1987. In addition to his work with TeamSoper clients, Bill works with The New Israel Fund, The Vietnam Veterans of Maryland, and The Children's Theatre. Among the more than 75 organizations Brent has worked with in the past are:

American Civil Liberties Union
The Nature Conservancy
Habitat for Humanity
The Sierra Club
People for the American Way
Common Cause

The American Red Cross
Special Olympics
The Democratic National Committee
Amnesty International
WQED / Pittsburgh
Nashville Public Television

DISCOVER the difference TeamSoper can make in your institution's fundraising and financial capabilities. Contact Michael B. Soper, President & CEO at:

Phone: 435-654-5896

Fax: 435-654-5895

Internet: <http://www.teamsoper.com/>

E-Mail: msoper@teamsoper.com

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