

The Importance of Sustainable Telethons

BUFFALO
A DIVISION OF RUFFALO NOEL LEVITZ



The Telethon

For some years, the Telethon has been a vital component of successful regular giving programmes; optimising donor retention and attracting new donors. While the age of texting, social media and mobile-only households have forced Telethons to evolve, engaging with your supporters during a personal call continues to be one of the most highly effective solicitation channels.

A Telethon offers great benefits that other solicitation methods just cannot offer because of the interactive conversation with a donor. In this article, we discuss key aspects of sustainable Telethon programmes and the positive impact they can have on your results.

What makes a Telethon 'Sustainable'?

- Sustainable Telethon programmes contact a variety of donors and prospective donors, from regular supporters to those who are yet to make their first gift.
- Sustainable Telethons are able to run through a large pool of potential donors, putting a sizeable portion of your alumni base on the list and calling as many as possible during each campaign. This goal is achieved with the help of technology, such as calling software and data enrichment to find phone numbers.
- Ambassadors who represent your organisation well, such as carefully recruited and trained student callers, are a key part of robust Telethons.
- These Telethons focus on key metrics like donor renewal, acquisition and upgrades.
- Many sustainable Telethons engage in 'thank you' calls to donors, which has a powerful influence on your stewardship efforts.
- This is no casual appeal and to achieve these goals, a sustainable Telethon requires significant planning, investment and management, along with careful execution to maximise the connection and impact with donors.
- Sustainable Telethons should not just be a one-off, but have the potential impact on total donor and income growth annually.

Given our success at Buffalo, we know that the Telethon is still alive and well. We analysed call data from 2014, key trends in educational fundraising, and other recent research, provided by our parent company, Ruffalo Noel Levitz, to describe why a sustainable Telethon programme continues to be key component of successful regular giving programmes.

The Power of Conversation

Most fundraising solicitation channels involve the copying of one message to many people. This makes these channels very cost-effective, but also much less personal. Even when you engage in the significant personalisation of direct mail, letters and email, donors still know that they are getting the same message as many other people.

Consider this basic equation for the most common fundraising methods:

Telethon Callers
| Gift Officers

ONE TO ONE



Direct Mail | Email
Event Invitation

ONE TO MANY



Crowdfunding

ONE TO MANY...TO MANY
(through social network sharing)



In a nutshell, a Telethon is the closest thing in your fundraising arsenal to face-to-face visits, but executed at a fraction of the cost. How is this achieved? In sustainable Telethons, careful attention is paid to personalisation. Callers are given training on how to best engage a donor (or potential donor), by referring to the donor's history, talking to them, and making a connection between the donor's interests and the needs of the institution. Callers use all the information available on the screen about a person, listen to and engage with them, and then make the ask.

When you have a donor on the phone and are able to engage them in conversation, you know that your message is being delivered. Whereas, with direct mail or emails, you never really know how many are opened, deleted or never reach the intended recipient.

Consider these statistics:



A sustainable Telethon is a high impact, highly personalised, and very reliable solicitation channel. If you cannot hire an army of gift officers to solicit all your constituents, then a sustainable Telethon is your next best option.

* The national average for the UK education sector

** The average for Russell Group universities

Telethons Generate New Donors

Telethons have always been considered a great donor acquisition tool, significantly out-pacing other solicitation channels at attracting new donors.

It comes down to a combination of the factors listed above: you have a potential donor live on the phone, with whom you can have a conversation, you have excellent personalisation, there is an active exchange of information and of course, there is a negotiation process that cannot occur with direct mail and email.

Whether an organisation is focused on alumni participation, income or maximising return on investment, acquisition fills the gaps left by donors that do not renew.

Most would say that donor acquisition is a costly endeavour, but absolutely crucial to any sustainable development programme. Having a strong mix of current donors, lapsed donors and new prospects is key to balancing the cost of acquisition. It is also important to note that most of your major gift and legacy donors did not wake up one day, having not given since graduation, and suddenly decide to make a six-figure gift or leave their estate. Most commonly, major donors begin their history of giving through the Telethon or other regular giving channels and only after years of engagement, giving and stewardship, do they decide to make their ultimate gift to the institution.

Does a Telethon need to be sustainable to acquire new donors? No it doesn't, but without acquiring the optimal number of donors, your regular giving programme may experience a decline in donors, which over time can lead to a negative impact on both income raised and participation rates.

Telethons and a Buoyant Regular Giving Programme

Institutions who are running a Telethon strategy as part of their regular giving programme, which has similar features to those described in this article, have tended to avoid any major decline in donor numbers.

They have insured that when planning their Telethons, they:

- are fully integrated into their regular giving strategy to maximise giving opportunities.
- regularly review procedures, and incorporate new and best practices, as and where needed.
- invest in cutting-edge data enrichment strategies to ensure accuracy, and to have as many conversations as possible each session.
- spend a significant amount of time planning for the financial year, and evolving the strategy in response to statistical trends and constituent response.
- penetrate database segments further, allowing for more opportunities to renew, reacquire and acquire new donors in any given year.

Every donor who is **not** acquired or renewed during the year, should have an associated value. On the whole, the amount of donations gained and people engaged by your institution during a successful Telethon should far outweigh the cost of running one.

The Alumni Barometer

Over the course of a financial year, a sustainable Telethon will be able to effectively gauge how constituents feel about your institution and help determine why they are or aren't giving. This allows your regular giving programme to make data-driven decisions that affect all the fundraising channels.

For example:

Every year, your Telethon calls a pool of more elderly constituents. And each year, a growing number of these constituents say that they are no longer able to support your institution based on a fixed income, such as a pension. Having this information should influence the way you approach future solicitations by phone, mail and email. Utilising the same approach for this segment on your database year after year is never going to engage this audience.

It is also not atypical for this cohort to mention to a caller that they are leaving the institution something in their Will. Sustainable Telethons uncover this information, allow this information to be noted on a database, and then passed along to the appropriate development staff member to follow-up.

Understanding who is interested in your institution and who is not, can also lead to smarter segmentation and better use of the regular giving budget, to focus on those who have affinity, and also develop a strategy to tackle those who are less engaged.

Telethons also provide the opportunity to understand how positive or negative news surrounding the institution is being perceived by the masses.

Telethons that take the time to call a significant proportion of their constituents and spend time capturing and acting on data, will reap the rewards in both the short and long term with regards to donors, income and alumni engagement.

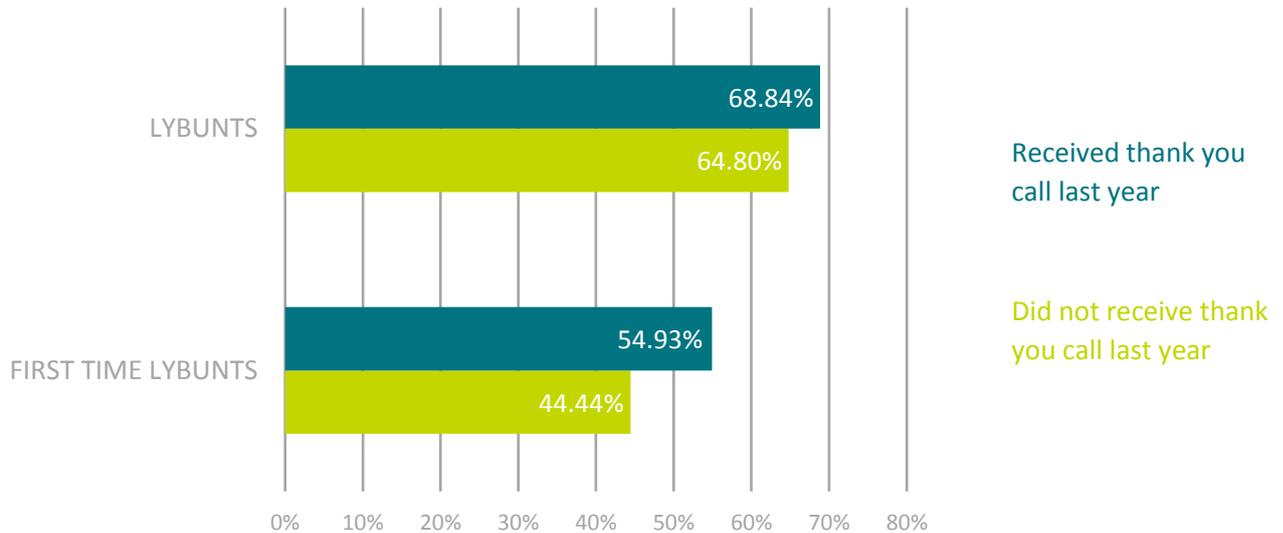
Thanking and Affiliation

Sustainable Telethons are not just about asking for donations. There should always be a stewardship component.

If your Telethon isn't making thank you calls, you are losing out on a high-value opportunity. Thank you calls when conducted soon after a gift is made, demonstrate that a gift is valued and that a donor is not only going to be called to be asked for a gift.

Here is some data taken from one of the clients of our parent company, which shows how thank you calls increased their retention rate the following year: *(NB: Lybunts are those people who donated last year, but not in the current year)*

Impact of Thank You Calls on Pledge Rate



When combined with other stewardship efforts, timely thank you calls made to donors at all gift levels, especially if it is their first gift, can have a hugely positive impact on your retention rates.

Conclusion

Sustainable Telethons are about building relationships, some of which will convert into donations this year, many of which will take longer to nurture before a gift is made. In the short term, the Telethon is not always going to be the most cost-effective fundraising channel, due to the complexities and resources required, but it is the most personal, unless many gift officers are hired to engage and solicit all your constituents face-to-face. No other channel can renew, reacquire and acquire such a high volume of donors and the associated income as a Telethon.

Keep in mind that 'sustainable' does not mean just calling everyone: it means calling enough of the right prospects to optimise your results and ensure your regular giving programme is supporting your overall development goals.

For more information on how Buffalo's sustainable telethon campaigns can help improve your regular giving plans, please contact our business development team on 01179 33 55 80 or at marketing@buffalofc.co.uk

“ We have worked with Buffalo over the past 12 months, on a variety of projects, including telephone campaigns, data enrichment and using their Direct Debit service, Donor Debit. Buffalo are an absolute pleasure to work with, the whole team is professional, helpful and the level of customer service we receive is exceptional. The flexibility that they offer in both their services and approach to regular giving, more generally enables us to grow our regular giving programme in a way that suits us, and has produced some of the best results Magdalen has ever seen. I would highly recommend Buffalo to other universities and charitable organisations, as I enjoy working with them enormously, and look forward to working with them for many years to come. ”

Emma Simpson, Development Officer
Magdalen College