



DIRECT MAIL CASE STUDY: RMHC CHAPTERS



Building a direct response fundraising program from the ground up

When we first began working with Ronald McDonald House Charities Chapters, there were only a couple that had a direct response donor development program in place. While many nonprofits with mature direct mail programs raise the bulk of their donor income that way, for RMHC Chapters it had been a missing piece.

Lack of marketing budget had prevented many chapters from getting started, but there was also the challenge of ROI. As an individual local charity, the costs for renting prospect lists and creating, printing, and producing direct mail appeals would simply be too high for the Chapter to recoup from donor gifts within a reasonable amount of time.



Ronald McDonald
House Charities®
CHAPTERS

A program that
allows RMHC
Chapters to leverage
the combined volume
of many to keep
costs low for each.

In 2007, RMHC Chapters began coming together in a cooperative, direct response donor development program with TrueSense that has grown to include 63 RMHC clients who have raised as much as \$15 million annually. With this critical mass, we have evolved and expanded scope of service and strategy to include the same type of sophisticated, targeted, segmented direct mail strategies that the largest national nonprofits employ. We've integrated email and social marketing with the mail campaigns to bolster direct mail results, and we've scaled Google Grant management in a way that drives web traffic for individual Chapters' local site content. The evolution continues today as Chapters will have the chance to choose from digital fundraising service tiers to begin building digital-first donor files.

The cost-deferred payment plan we developed for RMHCs is called **Pay As You Grow**. With it, we mail a Chapter's new donor acquisition and subsequent donor cultivation mailings with no upfront cost to them. As donations from the donors begin to flow in from the appeals, they pay us only the amount they receive each month until their costs are "paid off" and they can afford to pay on their own. While the investment was a big one for TrueSense, it was one that we knew was a good one.

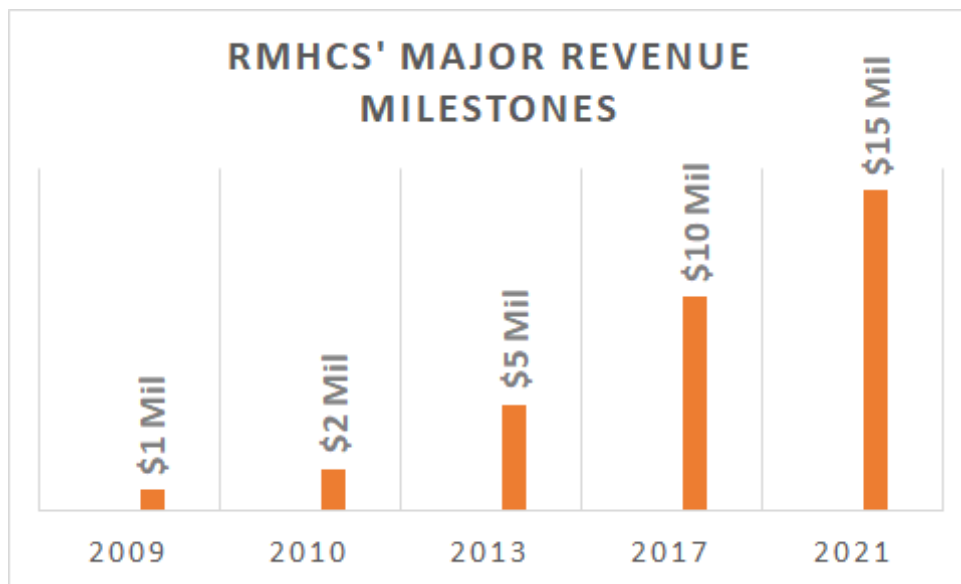
In order for this startup program to be viable for RMHCs who often run with lean staff, it had to be all-inclusive in terms of operations.

Everything from prospect list sources to creative themes and messaging had to be originated and continually tested here at TrueSense. Big breakthroughs all stacked on top of each other to result in a program that was at or above industry benchmarks in just a matter of a few years.



Measuring Success

Growth in Numbers



Of the 700,000+ new donors across all Chapters, those donors with 5 or more years of consecutive giving have generated over **\$60 million** since 2007!

Positive Metrics Compared to Benchmarks

INDUSTRY COMPARISON	OVERALL	HEALTH	RMHCs	versus OVERALL	versus HEALTH
Revenue per Donor	\$130	\$71	\$80	-\$50.38	\$8.62
Average Gift	\$45	\$38	\$51	\$5.60	\$12.60
Gifts per Donor	2.43	1.59	1.57	-0.86	-0.02
2nd Year from New Retention	28%	27%	33%	+5.4%	+6.4%
Multi Year Retention	61%	58%	64%	+2.5%	+5.5%
1-5 Year Reactivation	9%	7%	9%	-0.1%	0.02

Source: donorCentrics Index, 2021 and 2020

Demonstration of Partnership

TrueSense put “skin in the game” — investing right alongside RMHCs

Sixty of our current 63 RMHC Chapter clients started their direct mail fundraising program with TrueSense, using our cost-deferred payment terms (Pay As You Grow). This meant that instead of paying full cost with each campaign, they could pay in increments equal to their donation revenue until their program was net profitable. Through PAYG, these Chapters never had to use development budget dollars or experience a net loss. **Only 12 Chapters are in PAYG today, and nearly all of them just began in the last two years.**

Proactive Leadership

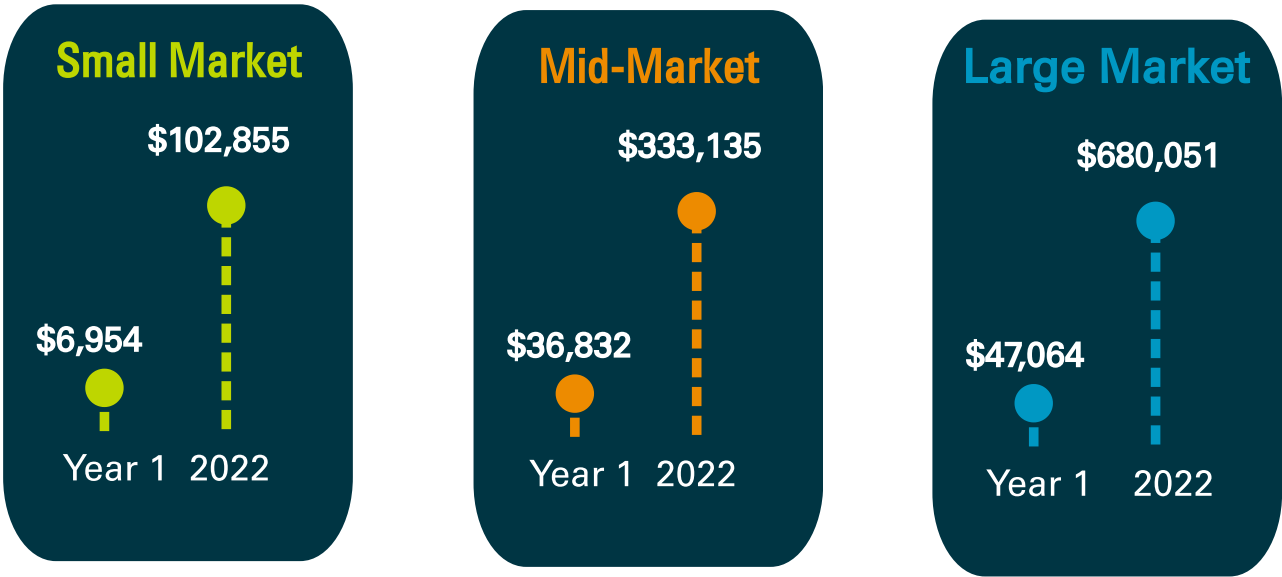
When the pandemic hit, TrueSense launched into action to review and revise all client plans according to the rapidly changing circumstances going on at RMHC organizations and in homes of donors all across America. In some cases that meant we absorbed costs of already-produced materials and canceled rental lists. Far into the pandemic it also meant early purchasing of materials and redesign of package formats so that we could get your appeals produced without interruption to this revenue stream, which had become more important than ever for you.

Scalability of Services

The strategy, operations, and costs of this fundraising program have brought success for Chapters of all sizes.

You are all unique organizations within the RMHC Chapter system, with your own goals, budgets, priorities, and preferences. The strategy and service model that we built internally at TSM had to be flexible to meet the needs of all.

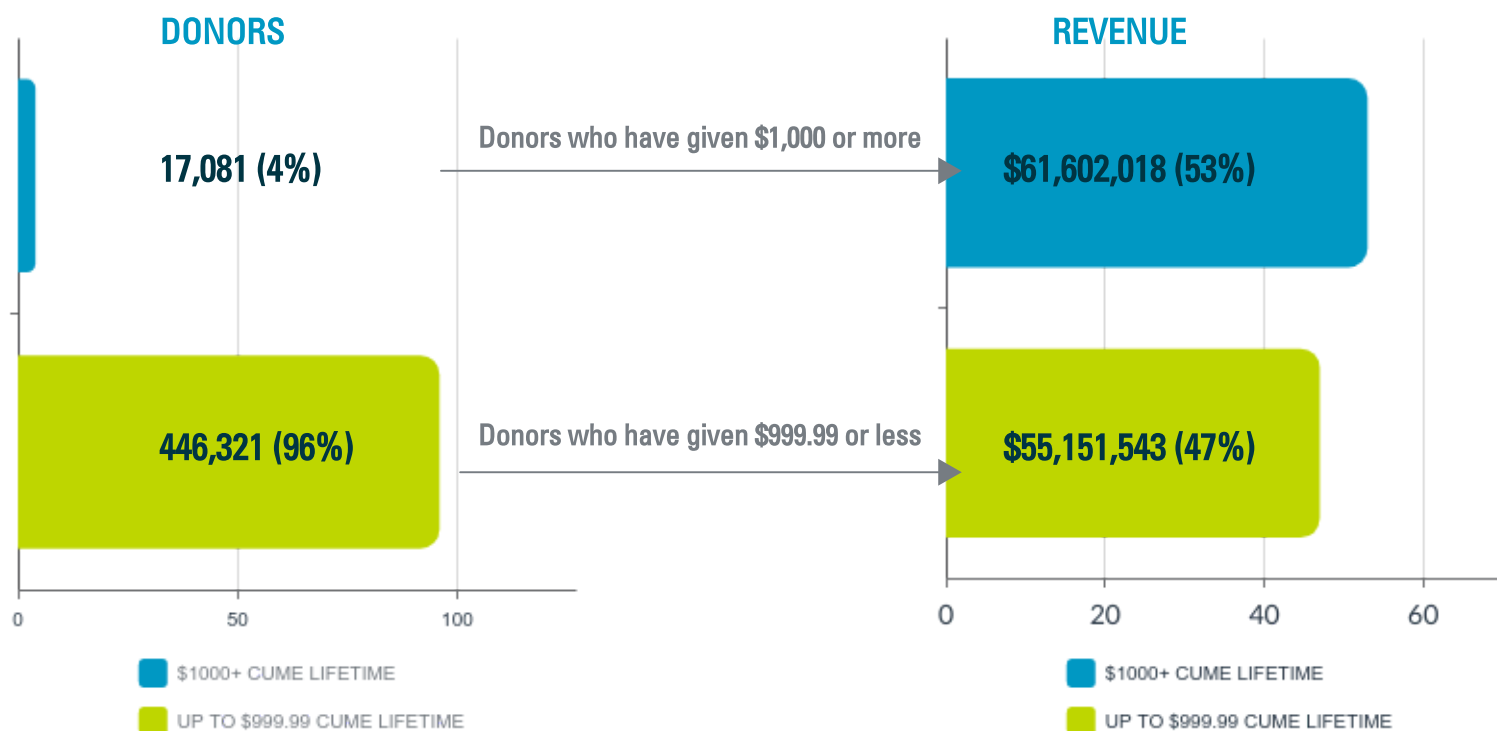
Revenue Growth From Starting Year



Growing Donor Value

There are 17,081 donors who have reached the milestone of \$1,000 or more in lifetime giving Chapter. Another 24,046 donors have lifetime giving in the \$500–\$999.99 range.

While donors with \$1,000+ in giving only represent 4% of the total donor file, they have given a whopping 53% of total revenue to date!



In addition to this success with retention and upgrading of Chapters' donors, there are the Major and Planned gifts that are received across Chapters. We love those calls from CEOs when they let us know about a big gift and are amazed to see direct mail as the only past communication history!

A small sampling of some of those notable gifts:

- \$45,000 Planned Gift last week
- \$50,000 Major Gift last year
- \$192,000 Planned Gift in 2020
- \$1 million Planned Gift in 2022

Growing Donor Value

Recurring Donors

Listening to donor preferences has been a cornerstone of our approach to growth for our clients. Early in our relationship with you, we developed the **Caring and Comforting Hearts (CCH)** program to provide your donors with a way to give recurring gifts at the frequency they prefer. Each year, we apply a model to your direct mail donor files and invite select donors to commit to a recurring giving schedule by becoming a part of Caring and Comforting Hearts. When they do, we omit them from mailings except newsletters and one key appeal a year, and instead mail them reminders according to their commitment schedule. This has led to great loyalty and increased value.

In 2022 alone, your 5,765 Caring and Comforting Hearts donors gave over \$875,000 to RMHC Chapters.

Increased Donor Value

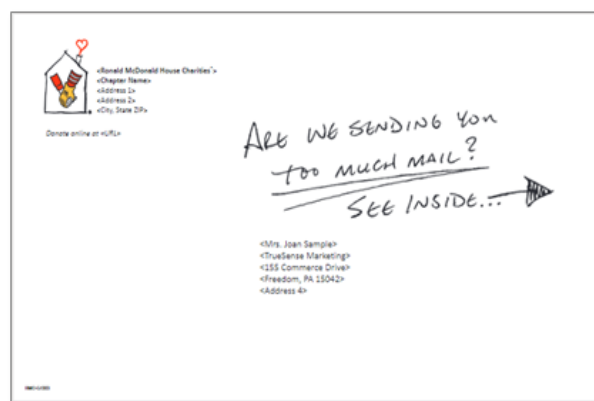
Caring and Comforting Hearts donors give, on average, twice as much as other donors in any given year.

Caring and Comforting Hearts Donors

\$151

Others

\$77



As of 2022, donors in the CCH program have provided over \$5 MILLION in ALL TIME revenue!

These 5,765 donors have given 115,000 gifts in their lifetime to date!

Continual Advancement of Strategy (cont'd)

A Digital Foundation for Success

Over the past seven years, we have partnered with 55 RMHC Chapters to amplify their direct mail efforts with digital "surround sound." In order for us to execute the emails on your behalf, we invested in a digital platform that allowed for individual Chapter emails to be produced with each distinctly different Chapter name, and to include links to online donation forms custom to each Chapter.



In digital partnership, RMHC and TrueSense have...

- Acquired new digital donors who are 62% more valuable than single-channel donors.
- Improved the Google Ad Grant program across 50+ participating chapters, increasing overall clicks by 31%, increasing overall click-through rate (CTR) by 11%, increasing conversions by 25%, and decreasing the cost-per-click by 1.4%.
- Leveraged personalized, email automation capabilities by deploying:
 - Re-activation strategy: "Donor-versary" automated email sent to donors one year after their first gift, resulting in a 0.1% response rate (233% better than typical RMHC Chapter email response)
 - Re-capture strategy: Next-day, automated email sent to potential donors who had clicked on an email but not donated the previous day, resulting in a 2.1% response rate
- Established and grew the digital monthly donor program, with 16% of monthly donors coming from a point-of-transaction upsell lightbox asking for monthly gift conversion.

And we are just getting started!