

The Rules of Response Rates

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Membership Developments, June 2002

Many membership professionals establish rules of thumb regarding their membership campaigns. However, when setting reasonable goals and managing expectations, it's prudent to understand what makes a good response rate and when you should rely on other measures, such as return on investment.

Several factors can affect your response rate. Consider the following:

Your dues	Lower <i>asks</i> always raise response. An association with \$40 dues will almost always achieve higher response rates than one with \$160 dues.
Your value	The perceived value of membership and the bundle of services you provide relative to cost will affect your response.
Your offer	The flexibility to temporarily discount dues or offer specials on association products or conferences allows you to boost response (at least in the short term).
Your lists	High-quality mailing lists and a large, well-maintained prospect database mean larger pools of potential members and higher responses.
Your brand	Higher awareness, better packaging, and a general positive perception lift response and give prospective members a better sense of what they're buying.
Your market	An overwhelmed market, in which many nonmembers already know about you and have made a conscious decision not to join, may mean smaller mailings and lower response rates.
Your tactics	Repetition and frequency are key to successful direct marketing, but expect response rates to decline across time.

Speaking from experience

At Catholic Relief Services (CRS), Baltimore, my direct response fundraising program has produced response rates between 0.7 percent and 11.5 percent. Why do the rates vary so greatly? A lot of it has to do with the fact that, to a certain extent, you can "choose" your response rate.

For specific efforts across the year, we mail to a combination of recent donors, lapsed donors who haven't given recently, and prospects who have never given. (Unlike memberships, donors don't have convenient start and stop dates, even if they choose to participate in monthly giving programs or similar membership-like efforts.)

Depending on the financial goals of our campaigns, we'll either go deep or broad.

- When we go broad (typically in acquisition), we know list histories well enough to predict how each list or segment will perform. We consciously add marginal lists to ensure a large mailing but a lower response rate. We make these choices because we measure success by donors and dollars, not response.
- When we go deep (typically for renewals) we use aggressive, multiple, carefully integrated efforts to cultivate an active, narrowly defined base. We get higher response rates not only because we know each person we contact, but because we've targeted those with the best histories or best probable lifetime value.

Even though this is a donor example, the same principles and choices apply to membership. At CRS many of our options come from running a large program. Chances are you mail thousands, not millions, of pieces, and your target audience may be 25,000 professionals.

This shouldn't prevent you from learning from your experiences, testing your options, and making changes to measure and record what generates the best returns. You'll learn enough to develop, then refine, a conscious marketing strategy.

Many associations underinvest in acquisition and overinvest in servicing current members. Measuring response to one-time efforts and tracking the behaviors of acquired members are critical to right-sizing your acquisition and retention programs. Most of us running membership programs understand lifetime value and know why it makes sense to lose money up front to acquire members who renew, buy things, and attend events.

Report a 1 percent response rate to your executive director, and be prepared to hear, "What went wrong?" But recognize the discussion as an educational opportunity. Help the director understand that the response is a choice, that 1 percent is good even if you lose money. Your results depend on brand, dues, value, market, and tactics--all variables under your association's long-term control.