

## Building an E-Mail House File for DM Success

By Vinay Bhagat

E-mail is one of the most effective direct marketing tools for nonprofits. Yet, a key challenge limiting an organization's success or willingness to use it actively is the lack of valid e-mail addresses.

Many nonprofit organizations, including household-name charities, have e-mail addresses for less than 1 percent of their house files. An organization that has valid e-mail addresses for 10 percent of its house file is advanced. But the group still cannot reach 90 percent of its known supporters via the online channel. As more people move online, the 10-to-90 ratio becomes more upside down every day and should not be acceptable.

Planned Parenthood Federation of America ([www.plannedparenthood.org](http://www.plannedparenthood.org)) exemplifies the importance of e-mail marketing for nonprofits. In October, the nation's 12th-largest nonprofit organization had 680,000 constituents in its house file but had valid e-mail addresses for fewer than 5,000. By proactively building its e-mail house file, Planned Parenthood today has e-mail addresses for 50,000 supporters. Through e-mail marketing campaigns, the group is raising hundreds of thousands of dollars, activating constituents to communicate with lawmakers and strengthening its supporter base.

A nonprofit can use e-mail to communicate directly with constituents to provide updates on issues, organizational developments, events and other information. A nonprofit also should use e-mail to drive constituents to its Web site to get more involved with the organization by learning about its issues. Creating and updating a Web site alone will not drive traffic to it, but e-mail marketing, in conjunction with other tactics, will.

**Use every constituent interaction to gather e-mail addresses.**

- Use direct mail response forms, activities at events and telemarketing campaigns to collect e-mail addresses.
- Create an online response mechanism for every campaign or solicitation. Give constituents the option to give, buy tickets, complete a survey and take action online. Provide reasons or incentives to respond online.

**Encourage online registration.**

- Make it easy for constituents to register online. Provide ways for people to initially give limited information quickly, e.g., their names and e-mail addresses, and offer the option for them to provide more information useful to the nonprofit.
- Create incentives for registration. Extend benefits to registered constituents such as e-mail newsletters and personalized Web content that speaks to their

interests. Appeal to them and let them know that communicating via e-mail helps save the organization time and money, making their donor dollars go further toward mission fulfillment.

Using a mix of these tactics, in nine months the Austin Children's Museum increased its house e-mail file by 2,800 percent ([www.austinkids.org](http://www.austinkids.org)). Half the people registering online were new contacts for the museum — e-mail marketing helped the organization broaden its supporter base. Public radio station KUT-FM ([www.kut.org](http://www.kut.org)) doubled its house file in two weeks, in part by collecting e-mail addresses during a spring membership drive. Two-and-a-half months later, the file had grown by nearly 300 percent.

**Use newer tactics to help build an e-mail house file.**

- Pre-load the entire house file on the Web site and ask constituents to confirm their temporary online registration. A nonprofit can pre-load its file onto its site, then send direct mail to file members asking them to: 1) go to the Web site; 2) sign in using a temporary ID and password provided in the direct mailer; and 3) register online by supplying their e-mail addresses as well as information about themselves, including preferences regarding communications.
- Enlist active supporters to draft more constituents. Friend-to-friend, or viral, marketing also can help expand an e-mail house file. A nonprofit can send an e-mail to its house e-mail file — with a call-to-action or an update — and ask recipients to forward the e-mail to friends and family. The e-mail can contain links to the nonprofit's Web site where these new contacts can easily register.

Planned Parenthood's 2001 Presidents Day campaign encouraged people to forward a campaign message to friends to urge them to contribute or register at the site. The campaign yielded about 11,000 online donations totaling \$321,000. The donations let Planned Parenthood grow the number of e-mail addresses in its file. The group has since used that base of constituents and e-mail addresses to recruit more donors and capture more e-mail addresses from existing donors.

Constituents must feel comfortable registering and providing private information over the Internet. Though constituents typically have an emotional involvement with the nonprofits they support and welcome communications, it cannot be assumed that they want to be bombarded or that it is OK to share or sell their information to third parties. While gathering e-mail addresses, a nonprofit should find out from each constituent how he wants the organization to communicate with him.

Though constituent permission is not required to compile a direct mail list, in some states, sending a prospecting e-mail without a constituent's permission may constitute spamming and can be a punishable offense — in Washington state, the fine is \$500 per message.

**Secure permission for e-mail marketing from constituents.**

- Give constituents a choice to opt in. Ask constituents to check a box stating that they agree to receive fur-

ther communications. The copy can state that the nonprofit's partners may send communications, too. This is the minimum amount of permission required.

- Ask constituents to say no and opt out. Ask constituents to uncheck a box, which states that they agree to receive additional communications. Though this is considered legal, many Web sites do not use this approach because it is easier for visitors to overlook than the opt-in method.
- Confirm constituents' opt-in selection. The nonprofit sends a confirmation e-mail to constituents after they opt in. Usually the e-mail will include a link that will allow constituents to unsubscribe if they choose. No reply is necessary to remain on the list.
- Double-confirm the opt-in. The nonprofit sends a confirmation e-mail to constituents after they opt in. If constituents do not reply, they are not added to the house file. The flaw is that some users may assume they know what the message is about so they never open the confirmation and they do not reply.
- Always give constituents an "out." In every message they send, nonprofits should always give constituents the ability to opt out. Include an unsubscribe link in the template for all constituent e-mail messages.

**Develop a privacy statement to win constituents' confidence.**

Nonprofits must earn constituents' trust and credibility to obtain their e-mail addresses and other personal information collected during the registration process:

- Write a clear, user-friendly privacy policy. Keep the copy free of jargon and intimidating legal terms. State exactly how the organization plans to use the information to improve constituents' experiences on its Web site. Also be clear about how the information will not be used.
- Address privacy issues through frequently asked questions. Organize information around users' questions: "Who do you share the information collected with?" or "How do you use cookies?"
- Link the privacy statement within the Web site navigation and promote it on the site where personal information is being requested. Though many organizations include a privacy statement on their sites, they fail to promote it in a prominent area. Privacy statements should be obvious on all Web pages asking end-users to register and submit personal information.
- Develop a nondated privacy policy. While one of the Web's most distinctive and powerful qualities is providing dynamic content updated in near real time, a site's privacy policy should not change frequently. Before posting a policy, make sure that it will have a long shelf life even as an organization evolves and membership grows. ■



Vinay Bhagat

Vinay Bhagat is founder/CEO of application service provider Convio, Austin, TX. His e-mail address is [vinay@convio.com](mailto:vinay@convio.com).

