



# AVALON®

## 2019 AMMC Conference:

*Key Metrics 101: The answers you need  
when your boss puts you on the spot*



April 2, 2019

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## Here with you today:



**David Saunders, Director of Membership**  
*National Museum of the American Indian*



**Daniel Vincent, Director of Membership**  
*The Trustees*



**Elizabeth J. Wilson, Assistant Director of Advancement**  
*National Air and Space Museum*



**Maggie Lee, Membership Manager**  
*The Barnes Foundation*



**Jackie Biancolli Libby, Senior Vice President**  
*Avalon Consulting Group*

## Takeaways from today's session:

**IDENTIFY PERFORMANCE METRICS**

**BENCHMARK YOUR METRICS**

**COMMUNICATE TO YOUR BOSS**

**“Data Literacy will become one of the most important skills for a nonprofit professional to possess.  
(Add that to agility and empathy.)**

**Can you read a chart?**

**Can you explain what is happening based on data?**

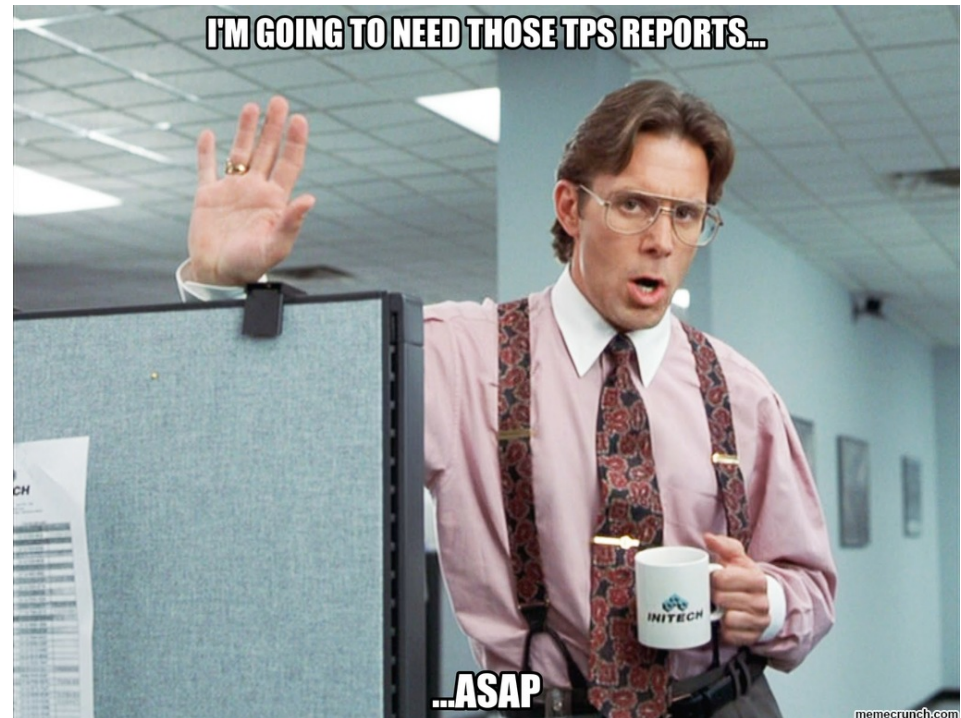
**Can you balance quantitative and qualitative information?**

**Can you make data-driven decisions?”**

*-Steve MacLaughlin, VP of Data and Analytics at Blackbaud  
NPEngage March 4, 2019*

# Your boss needs answers – STAT!

- Can we invest less with the same or better results?
- What's our member retention rate?
- Direct mail is so expensive. Why can't we just get all our members on-site?
- How many members do we have?
- How do we get younger donors?



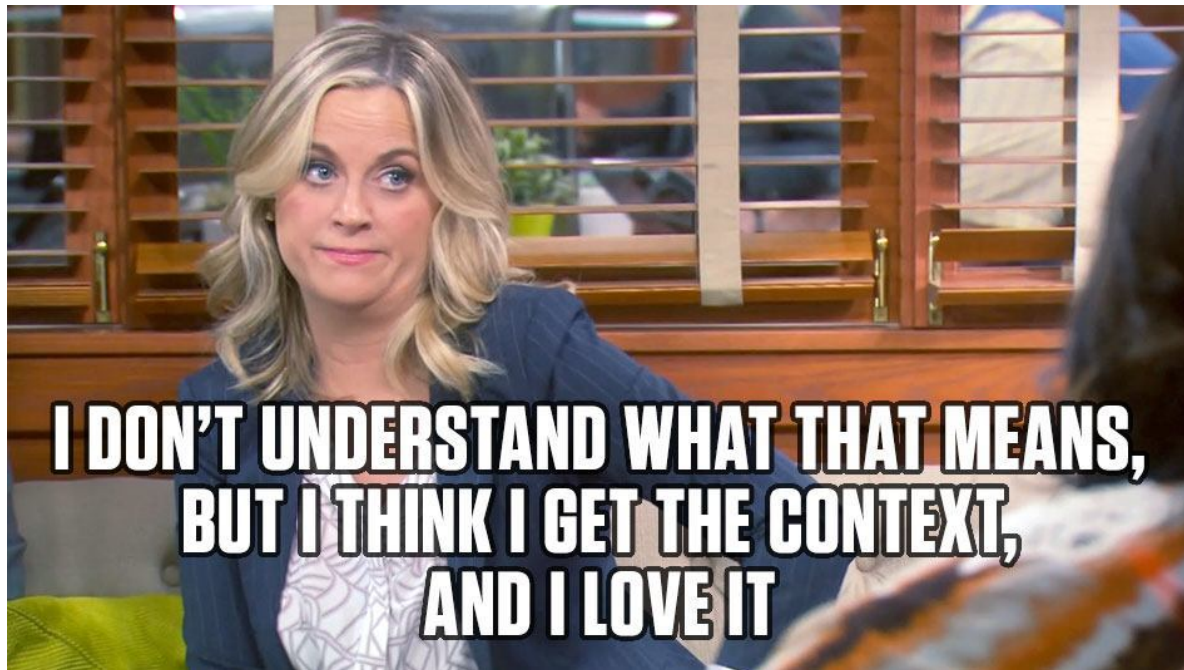
How do you get that information...  
and respond with **CONFIDENCE**?





## LET THE DATA GUIDE YOU!

We'll share case studies from real people who have used DATA to understand their program – and impress their bosses!





Smithsonian  
*National Air and Space Museum*





## ***My boss asks:***

# **We're launching our Transformation capital campaign, how do we make membership growth part of it?**

- NASM's program had been operating on a much smaller scale than other Smithsonian partners, but has been on a slow upward trend
- Member counts were also trending up due to incremental investments since starting to work with Avalon in FY16
- Revenue from under \$2,500 members was up due to increased direct mail revenue
- Overall retention was beating industry averages

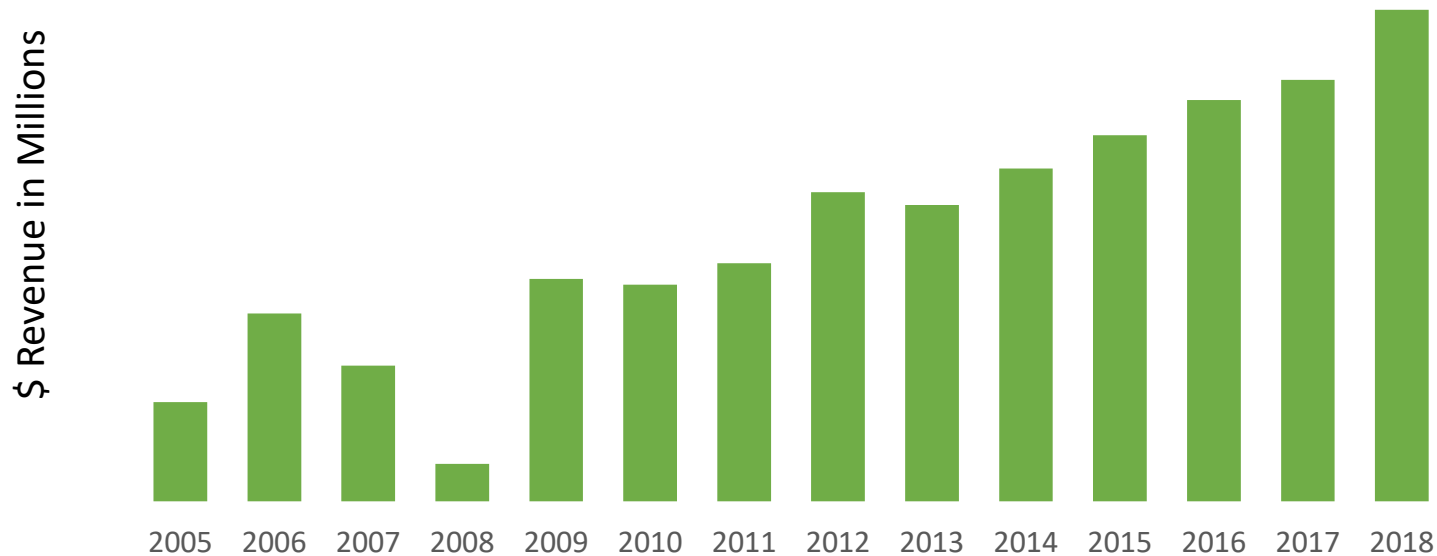


**How do I make the case for increased investment?**

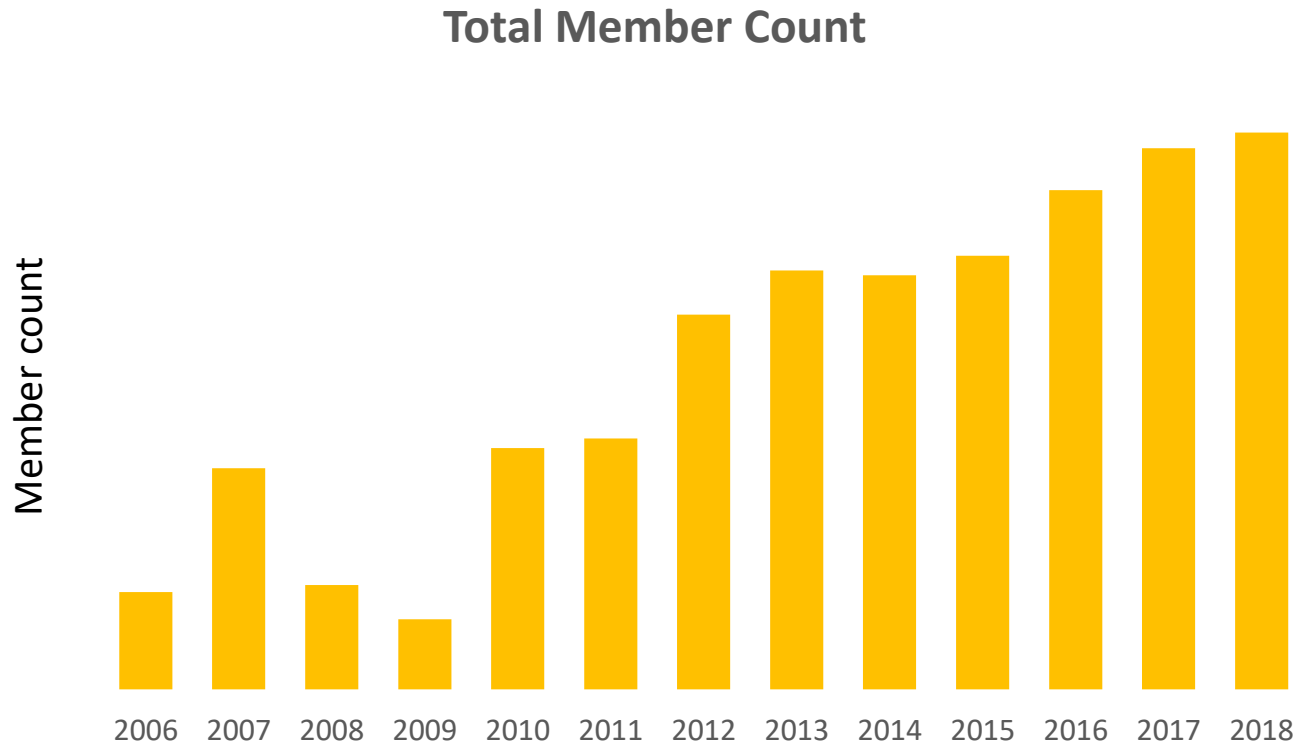


# Membership revenue from gifts under \$2,500 has been on an upward trend over the last ten years.

## NASS Membership Revenue from Gifts under \$2,500

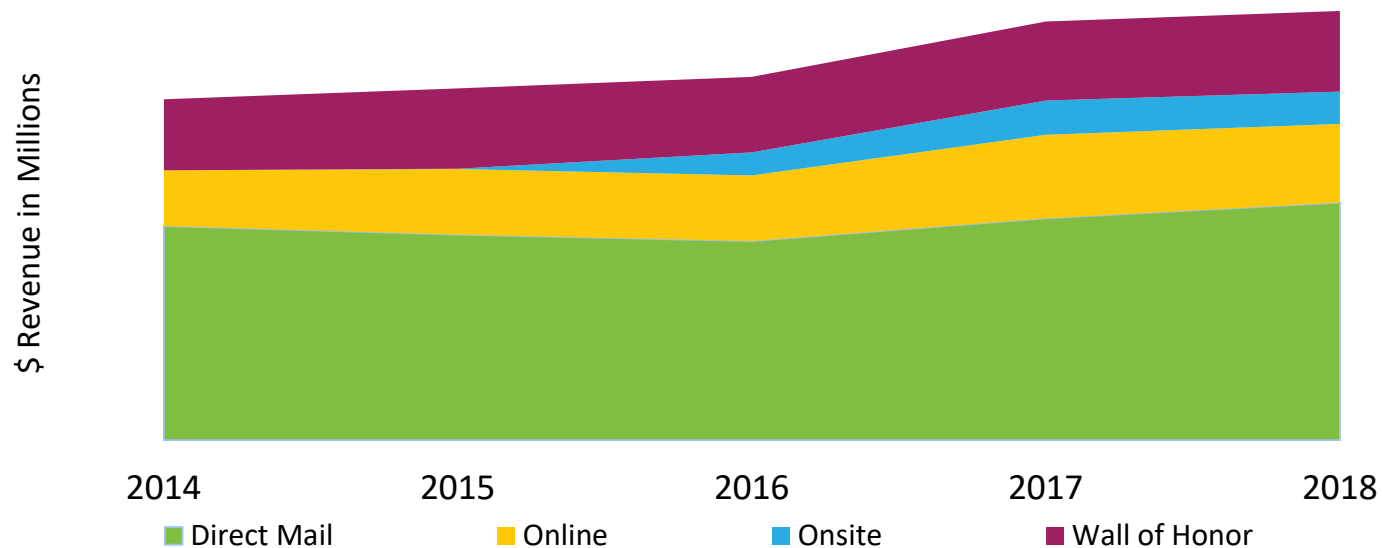


Member counts follow a similar trend to revenue but with less fluctuation in recent years.



Overall revenue grew by 12% in 2018 (compared to just 2% for the industry) with direct mail as the dominant channel.

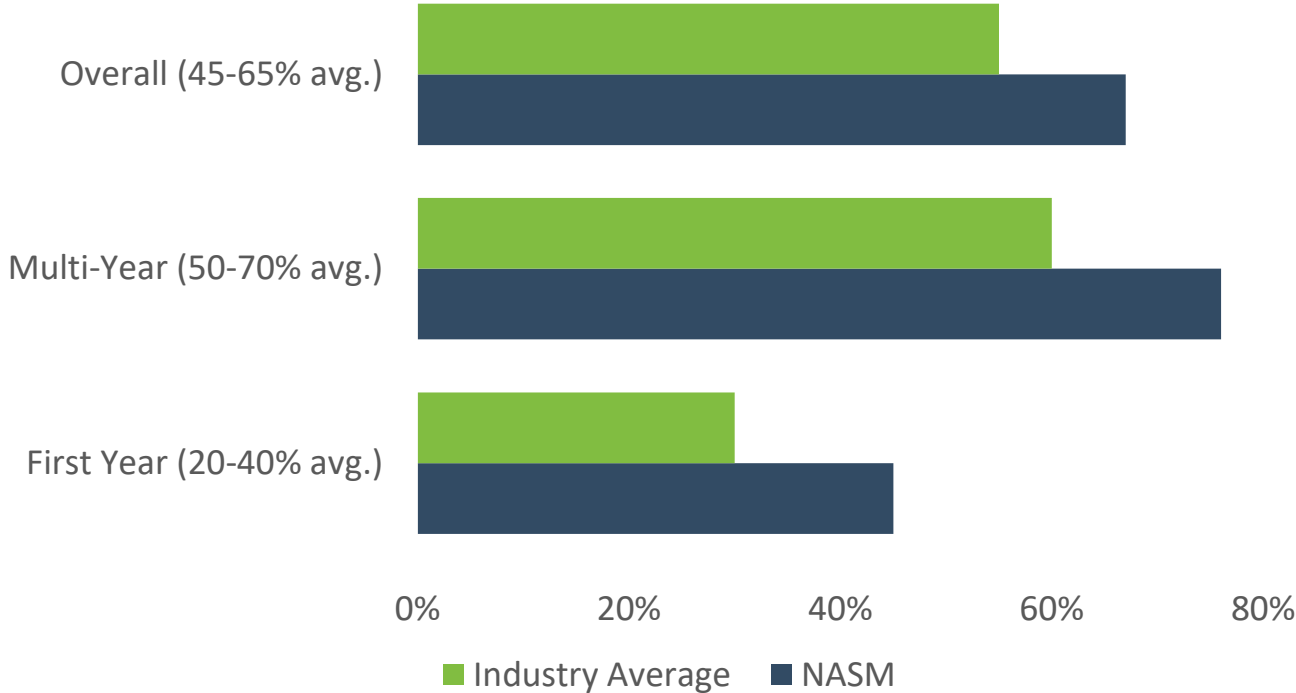
Revenue by Channel



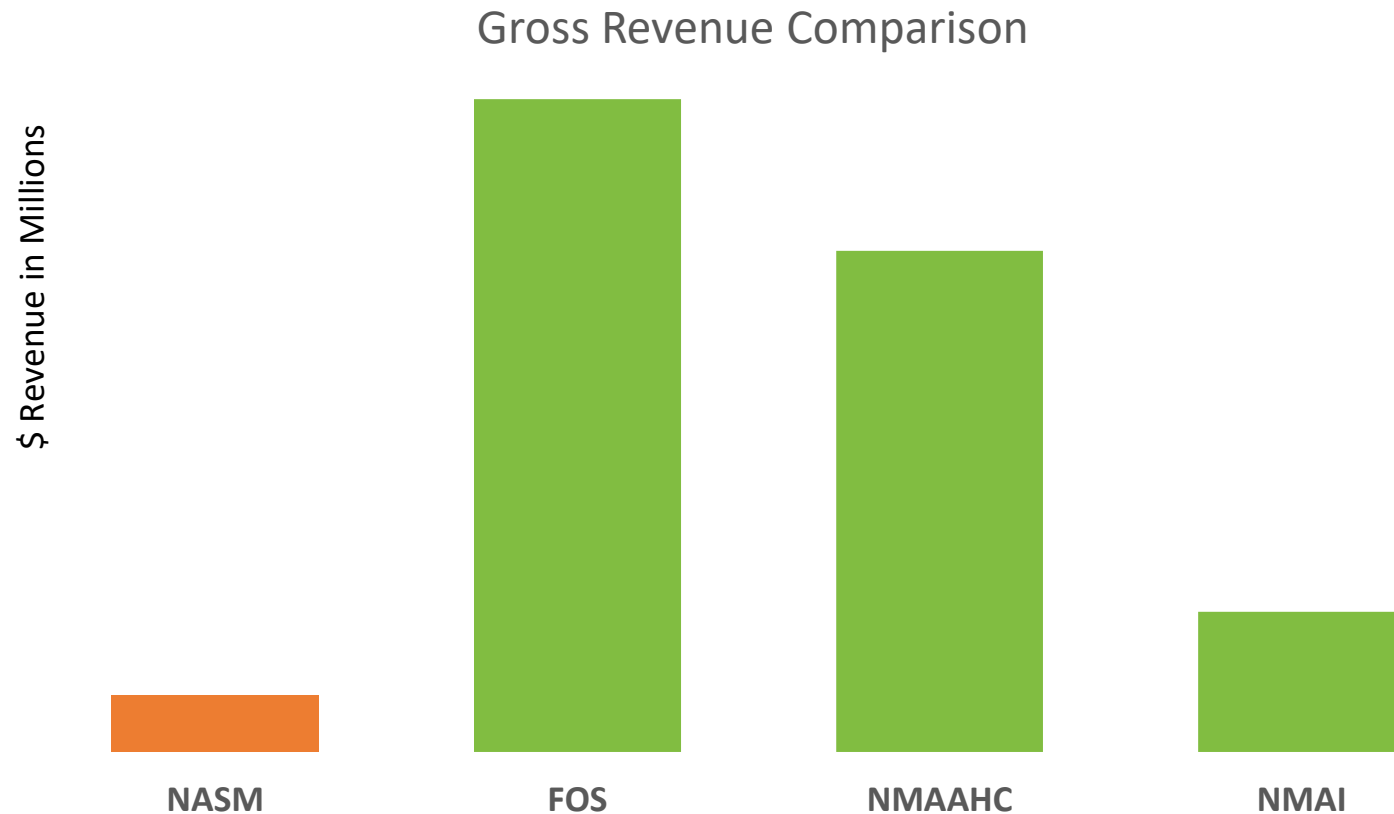


# First year, multi-year, and overall retention are very strong compared to industry averages

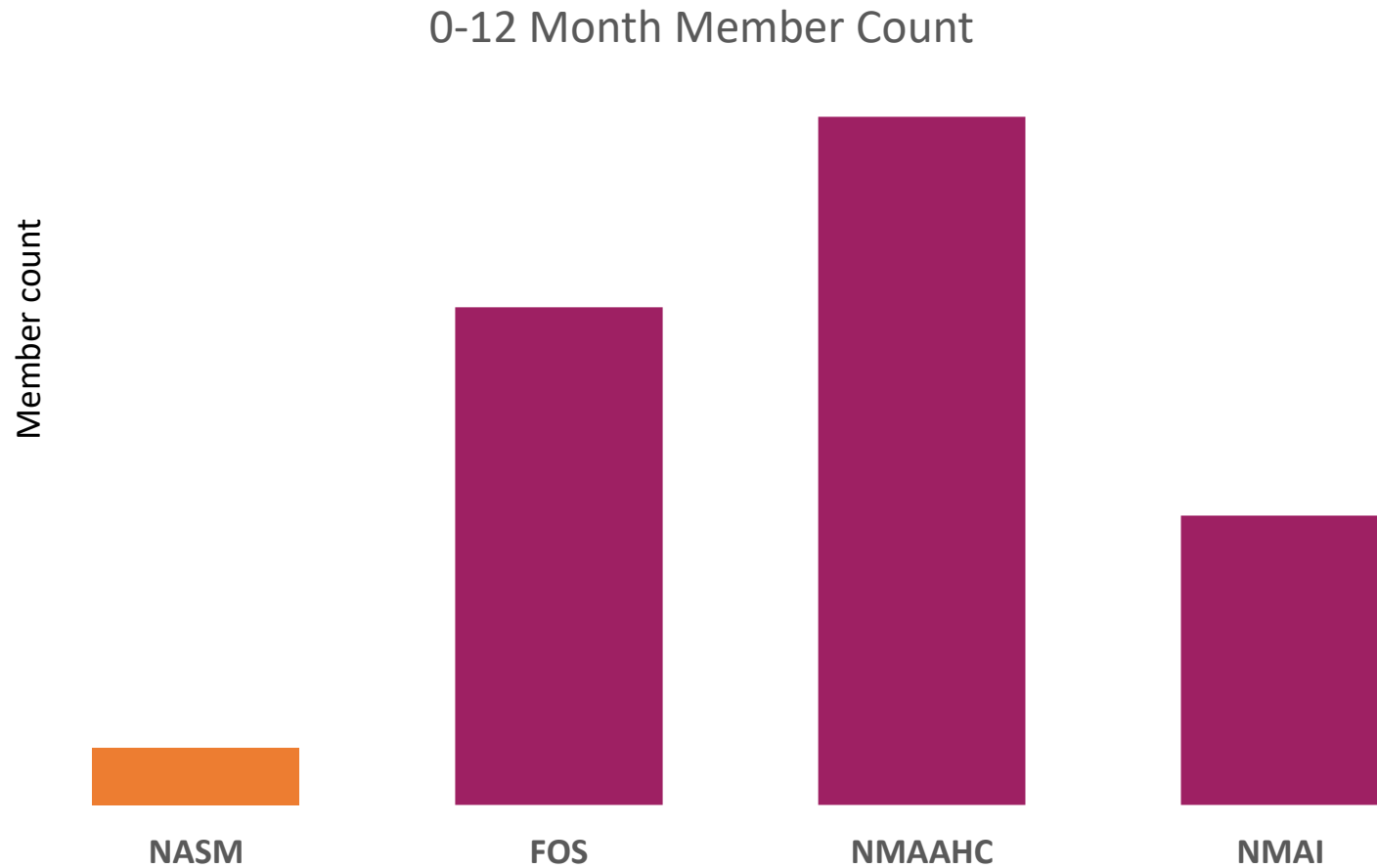
Retention Rate Comparisons



# But NASM has the smallest membership program compared to other SI units, both in revenue...

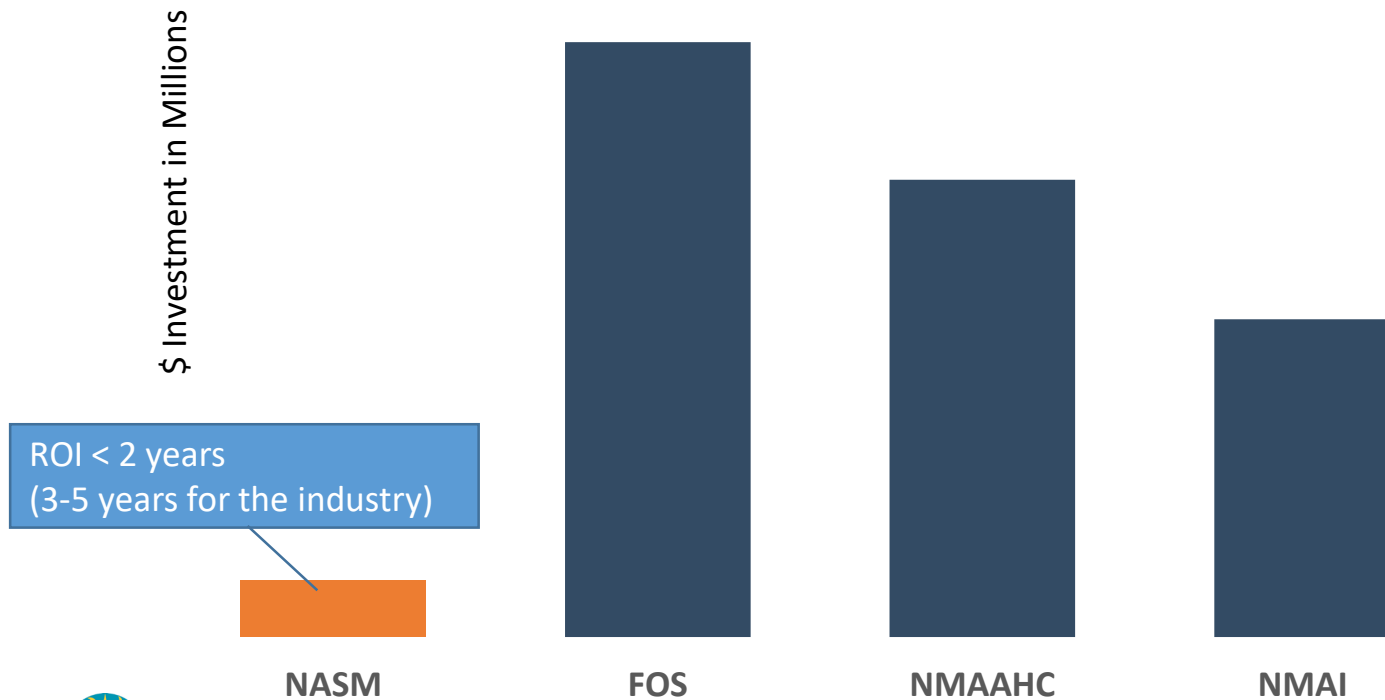


# ...in file size...



...and in investment. Other SI units have spent years investing significantly to grow their programs

### FY18 Acquisition Expense



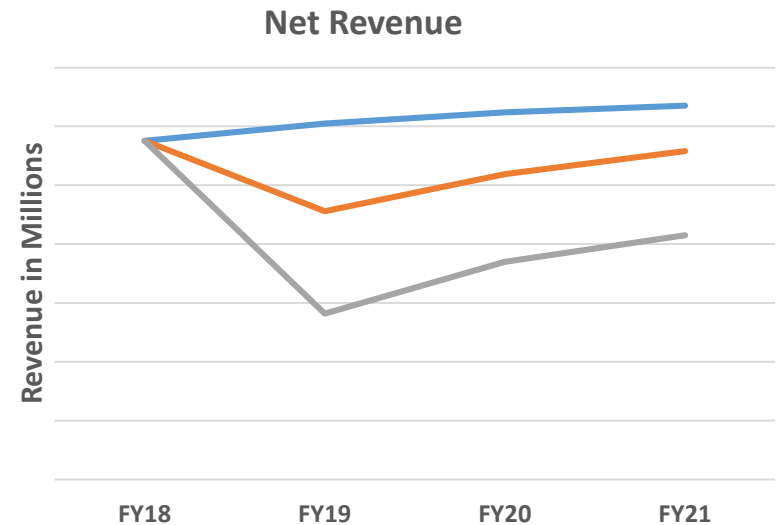
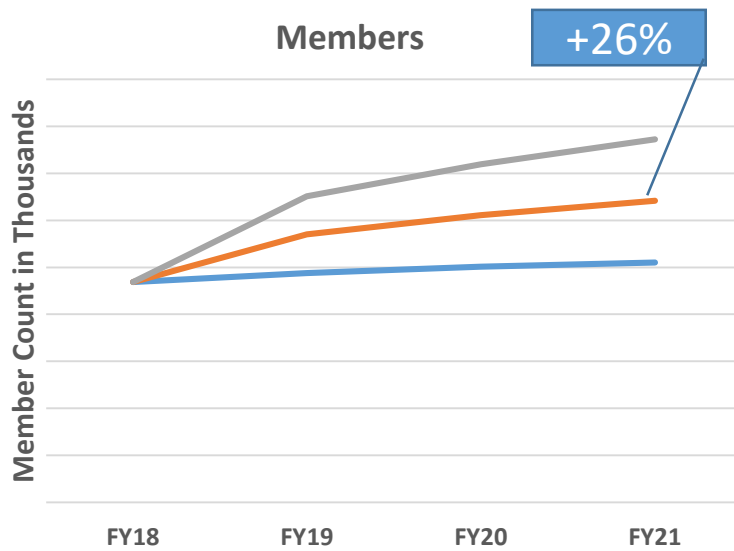


# NOW is the time for growth

- Strong program metrics
- Quick ROI
- Inspiring new leadership
- Transformation

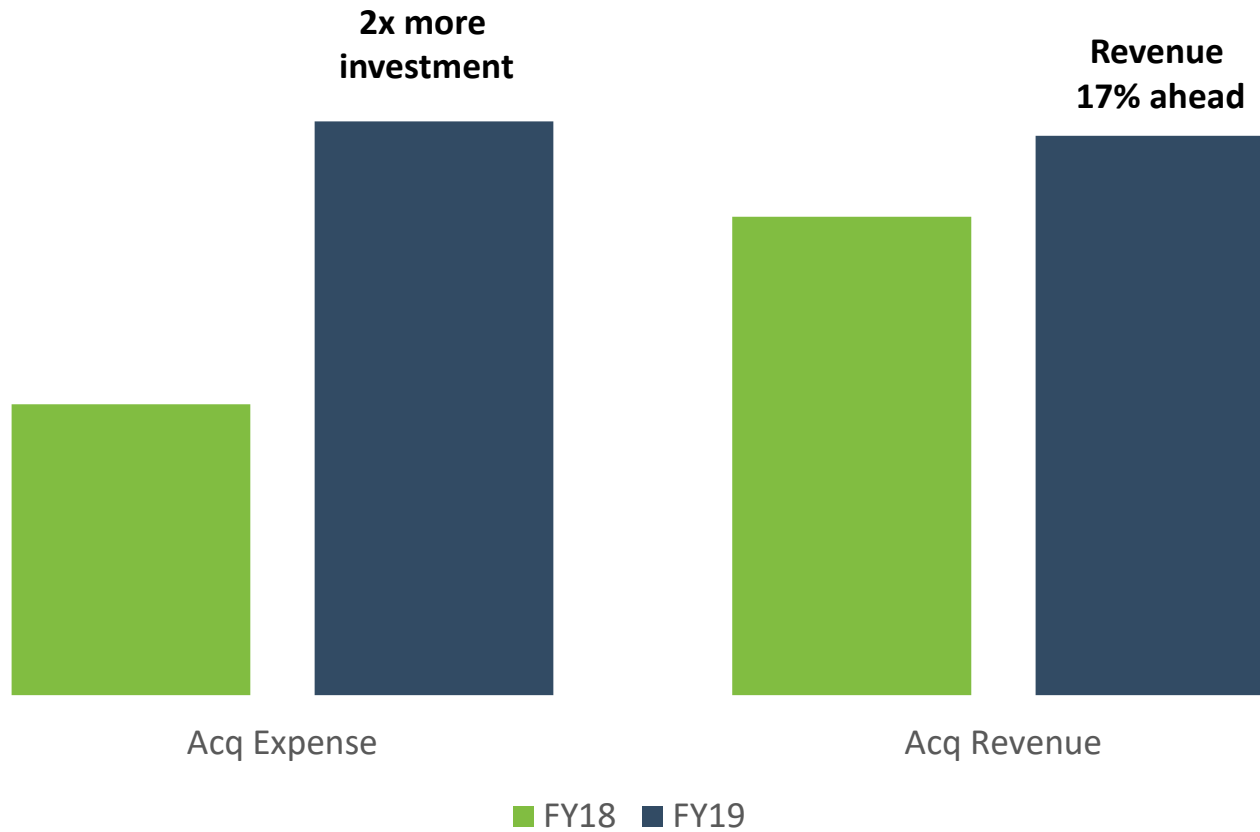


# NASM chose a moderate investment level based on two scenarios compared to baseline metrics



— Scen 1 - Baseline    — Scen 2 - Moderate    — Scen 3 - Aggressive

# Increased investment=increased revenue!



# Key Takeaways:

- Program was strong – BUT there was room for growth.
- Understanding the strength of the retention metrics and ROI was key to making the case.
- Showing how NASM's program compared to other similar programs and highlighting the unique opportunities available at this time for NASM also helped make the case for increased investment.
- AND reporting back early and often on how the investment is paying off is critical.



NATIONAL  
MUSEUM  
OF THE  
AMERICAN  
INDIAN



***My boss asks:***

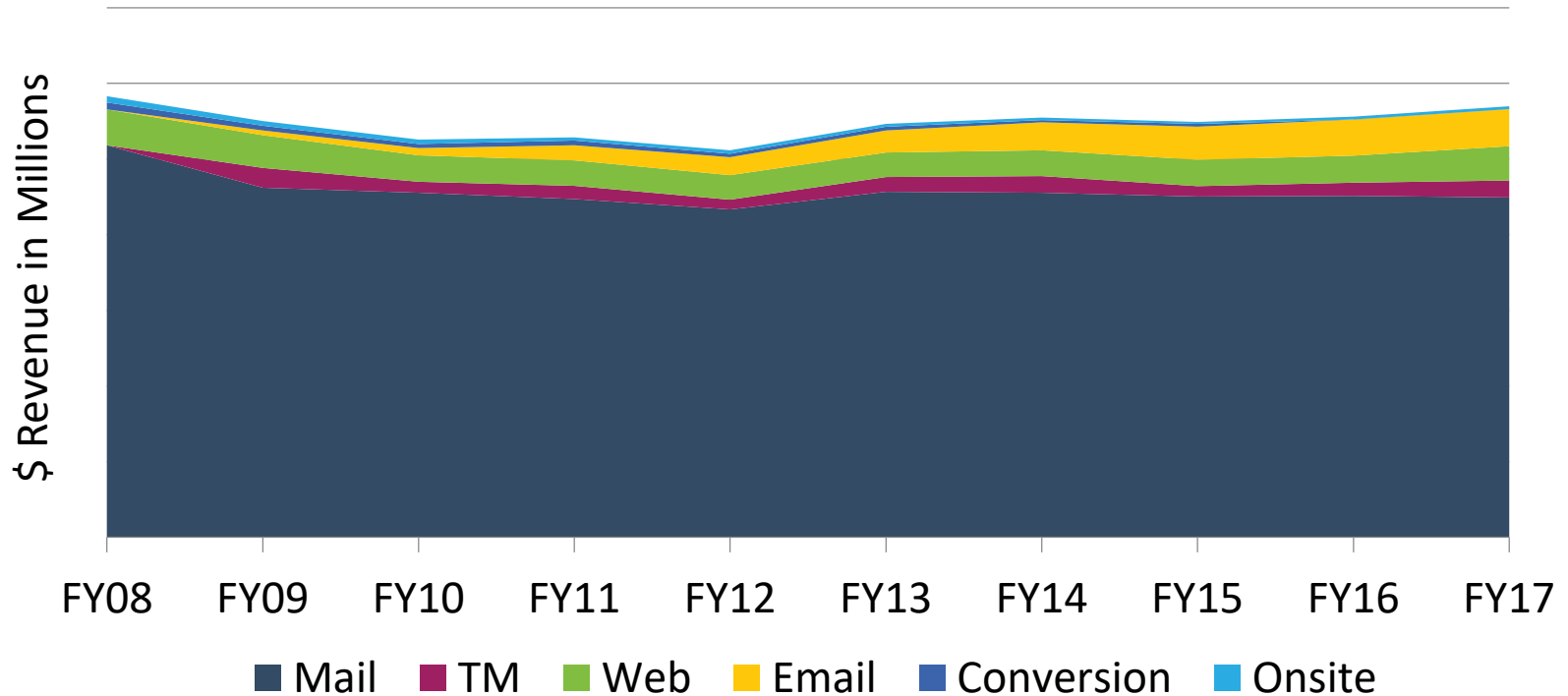
## **Why is our net revenue declining?**

- There are many positive trends in the membership program – on the surface.
- Digging deeper identifies what metrics are contributing to growth.
- Do these metrics align with our long-term goals of bringing in members with strong donor value?

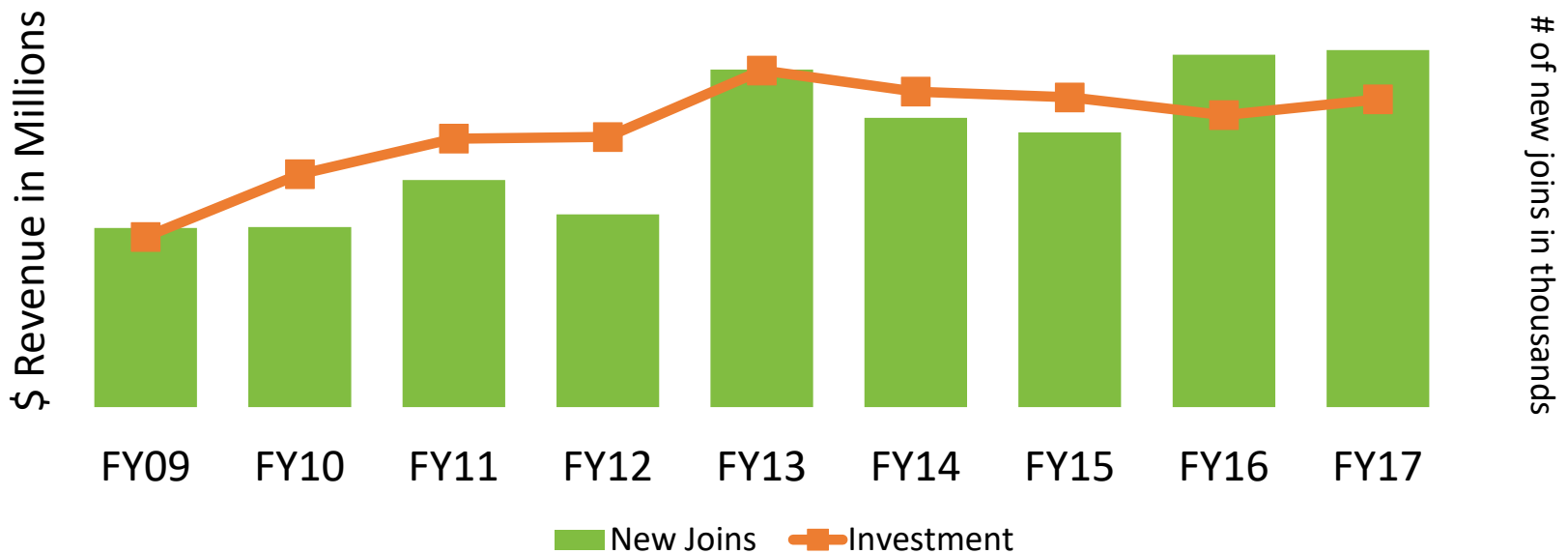


**What role does retention play in this?**

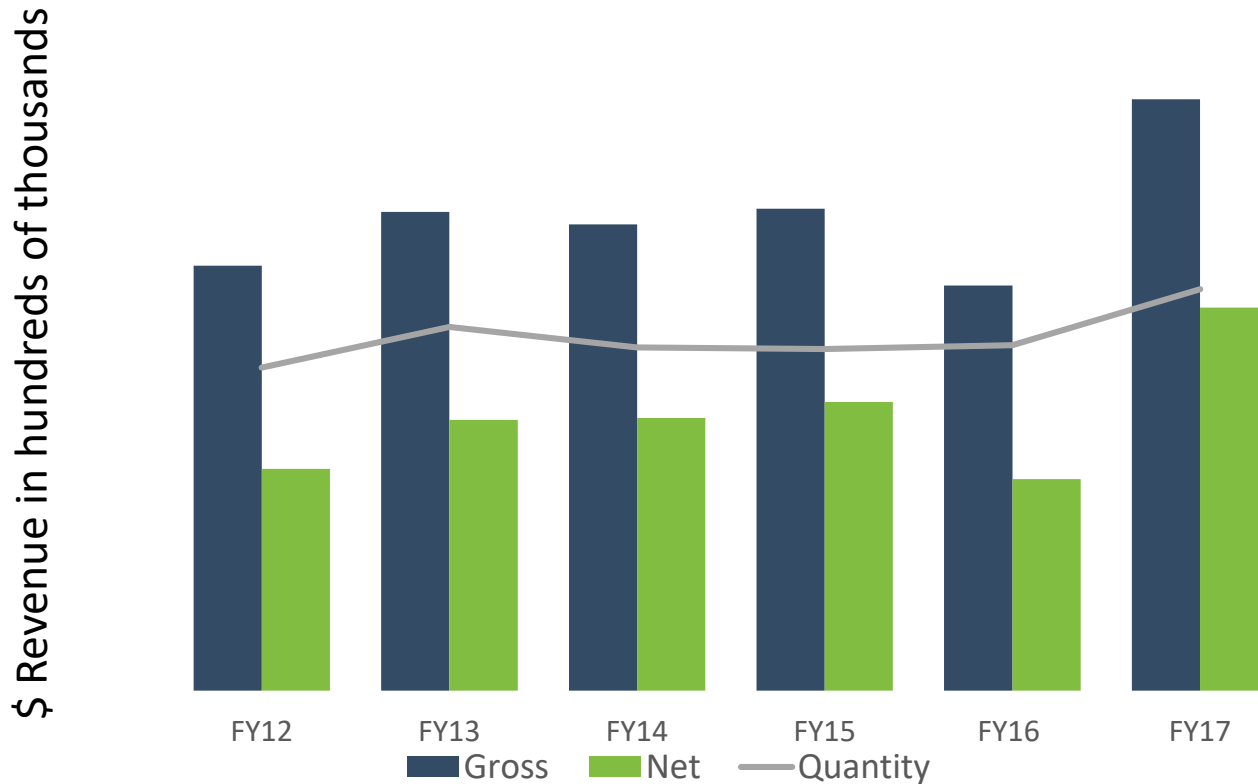
# Gross revenue is growing with direct mail as the dominant income channel.



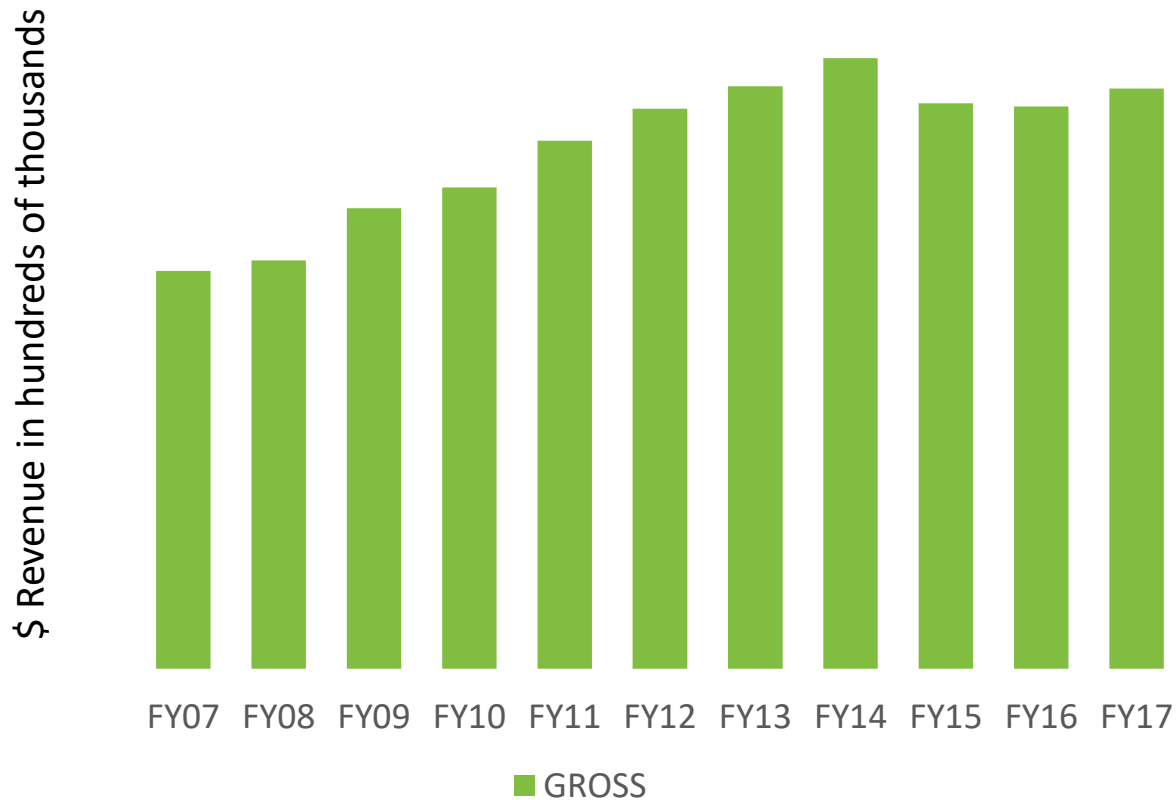
Volume of new joins has been on an upward trajectory with investment levels relatively stable over the past five years.



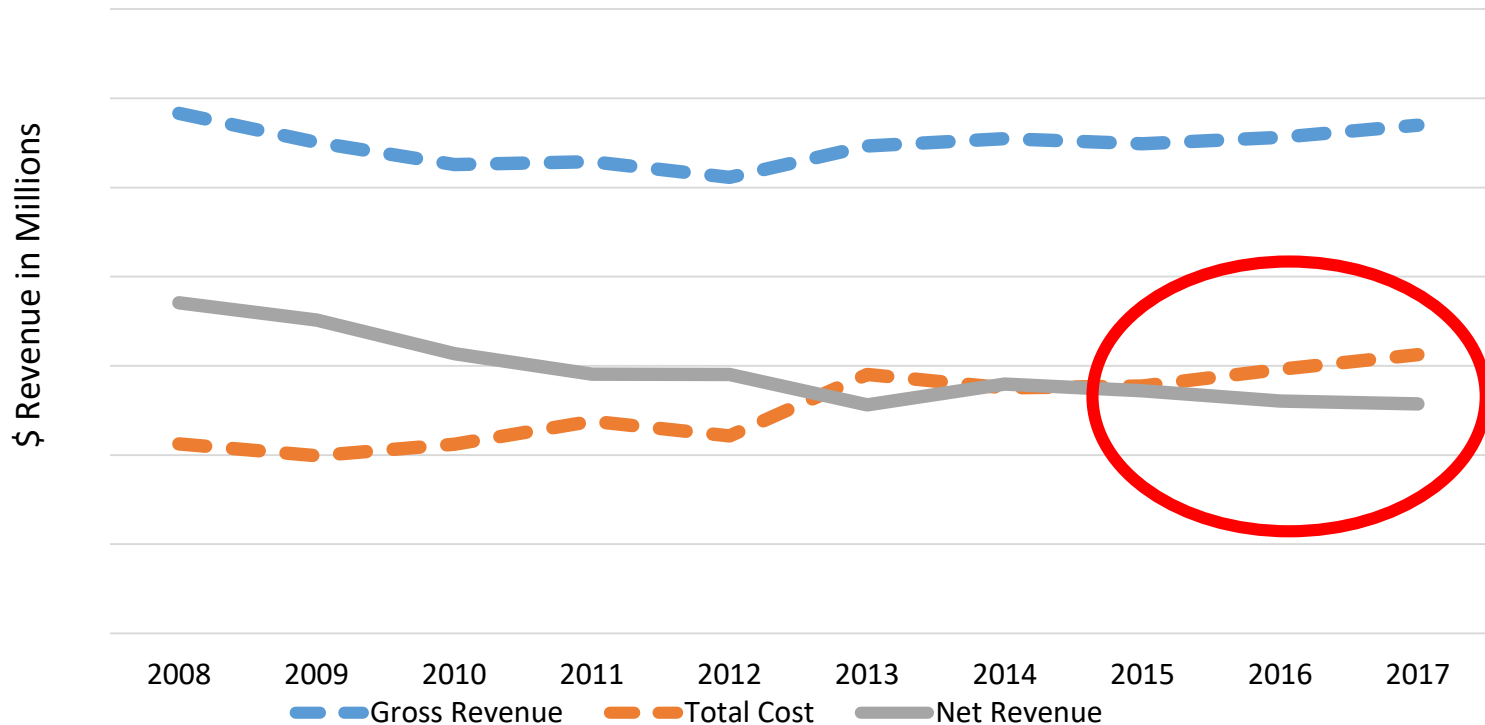
# Appeal performance has been increasing...



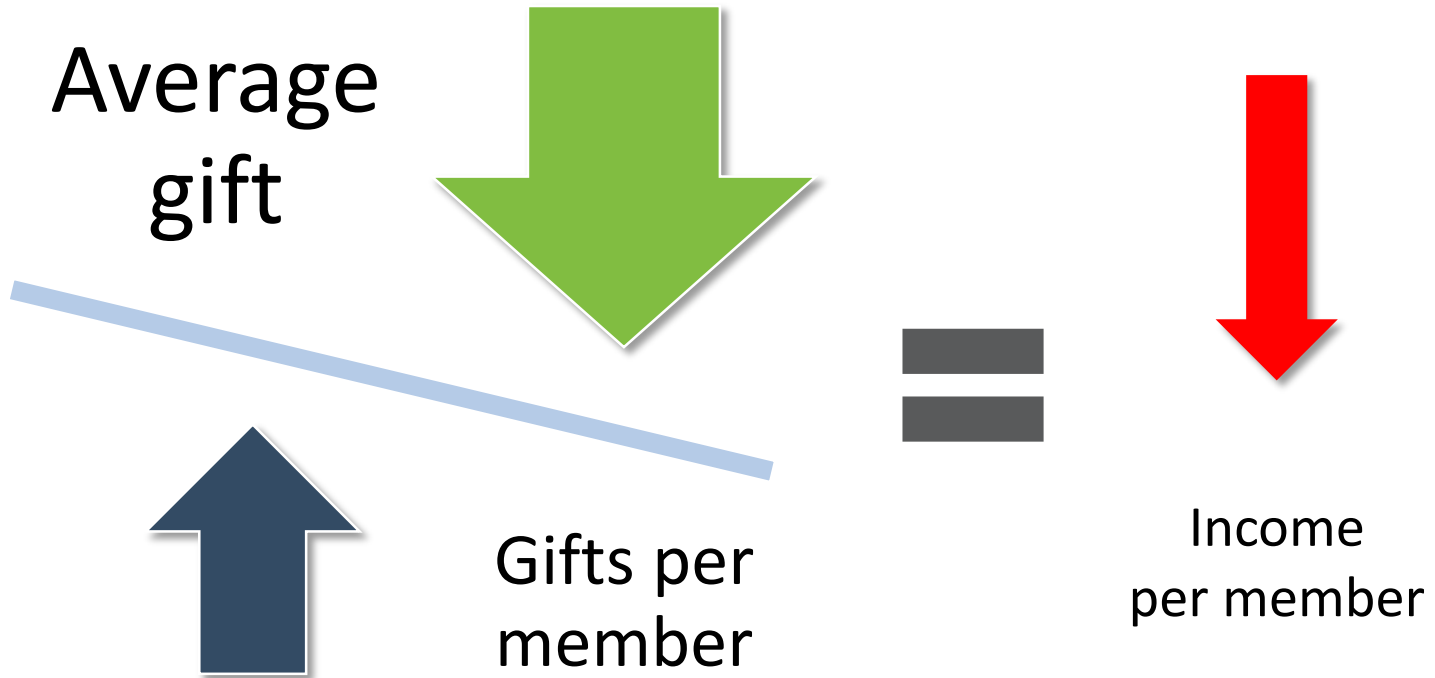
...and Sustainer revenue continues to grow.



But despite increases in gross revenue since 2012, net revenue has been on a decline due to gross revenue increases not outpacing cost increases.



High gifts per member metric is not strong enough to offset the very low average gift.





First-year retention is low, especially for an established program. This, in part, is driven by a low initial ask.

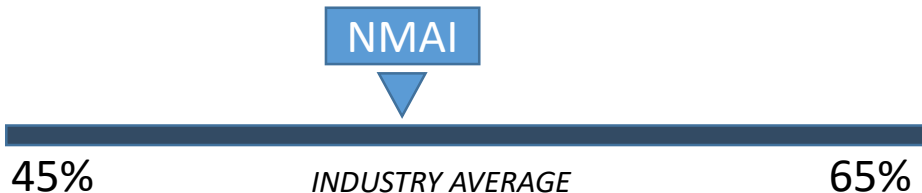
### First Year Retention



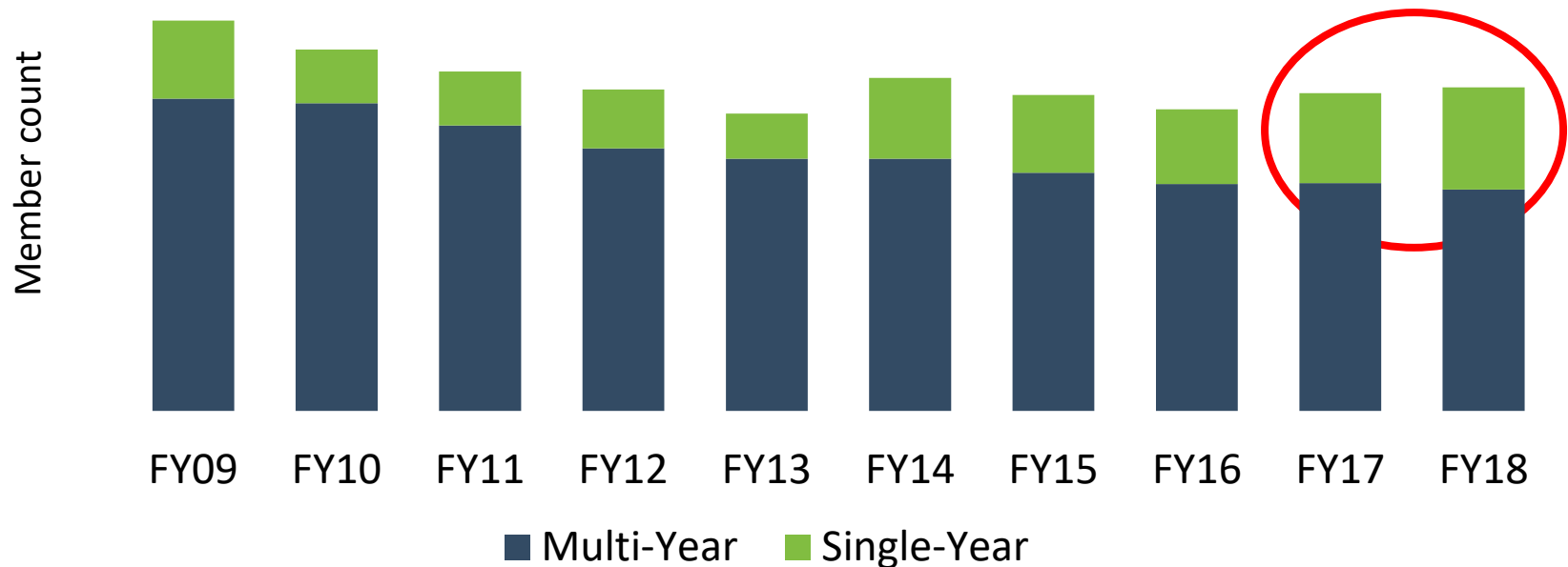
### Multi-Year Retention



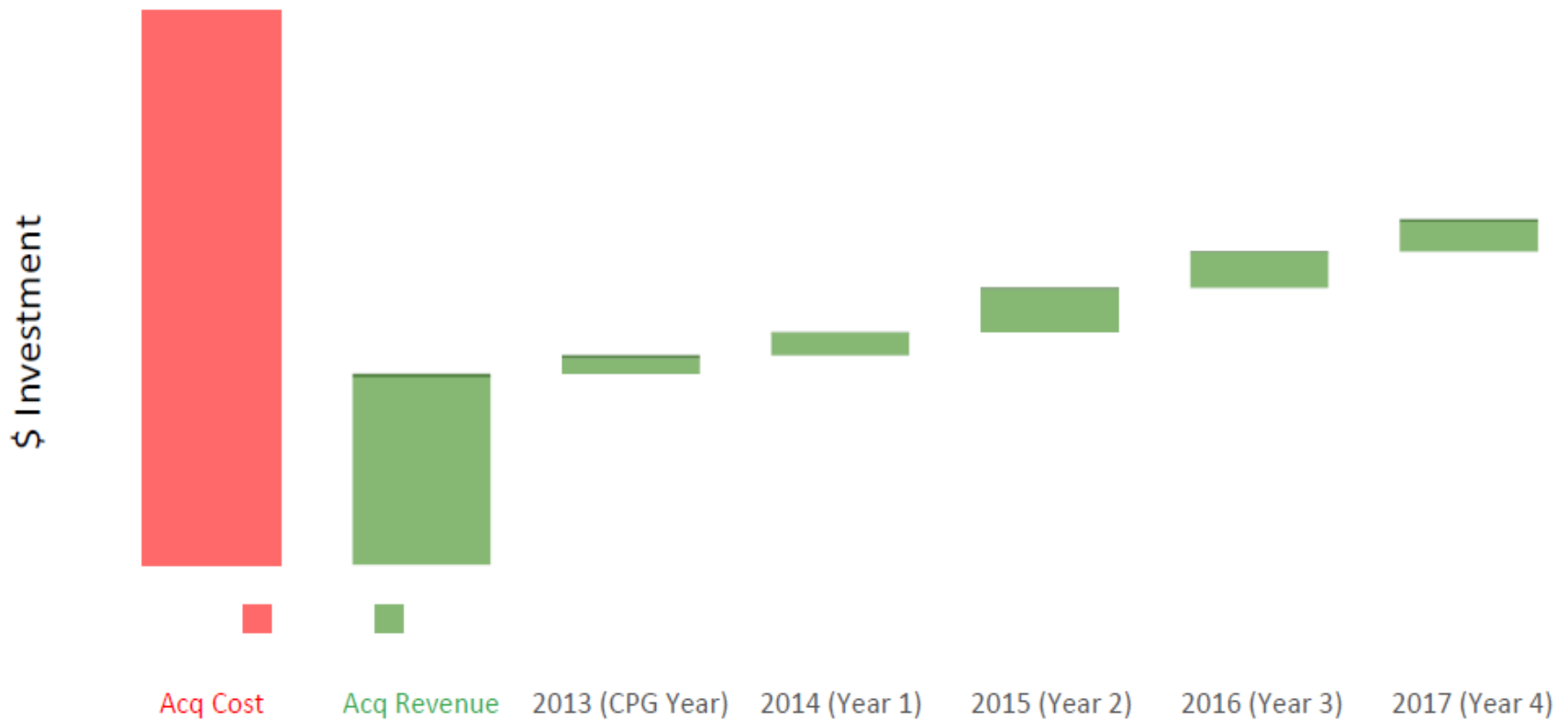
### Overall Retention



Declining multi-year members, plus lower donor value results in lower gross revenue growth, despite an increase in new joins growing the file overall.



Despite strong metrics, the program is not returning its acquisition investment within the industry average of 3-5 years.



# In Summary

In order to grow net revenue, we need to improve retention and donor value.

Here's our plan:

- Revisit List ROI to ensure we are maximizing best long-term performing lists, even if it means a drop in upfront performance.
- Addition of “thank you” cultivation buck slip for all first-year members in their first renewal notice.
- Implement “thank you” email thanking first year members for their support, before they enter the e-Renewal series.
- Offer acquisition discount for first year members in the renewal series to improve first year retention and help stabilize multi-year counts.
- Test higher ask in acquisition.

## Key Takeaways:

- Surface-level revenue growth was masking areas of concern.
- Steady investment level for the past five years, but the program is not returning that investment within the industry standard of 3-5 years due to low first-year retention.
- Understanding the ROI timeline and how different retention metrics were impacting long-term value were key to making strategic shifts to address net revenue declines.
- We must determine the level of acquisition investment needed to stabilize multi-year file counts.
- Increase retention/donor value by maximizing best long-term performing lists, add cultivation touchpoints in DM and email, and offer discount for first-year members in the renewal series to improve first-year retention and help stabilize multi-year counts.



*My boss asks:*

Why can't we get all our members onsite?

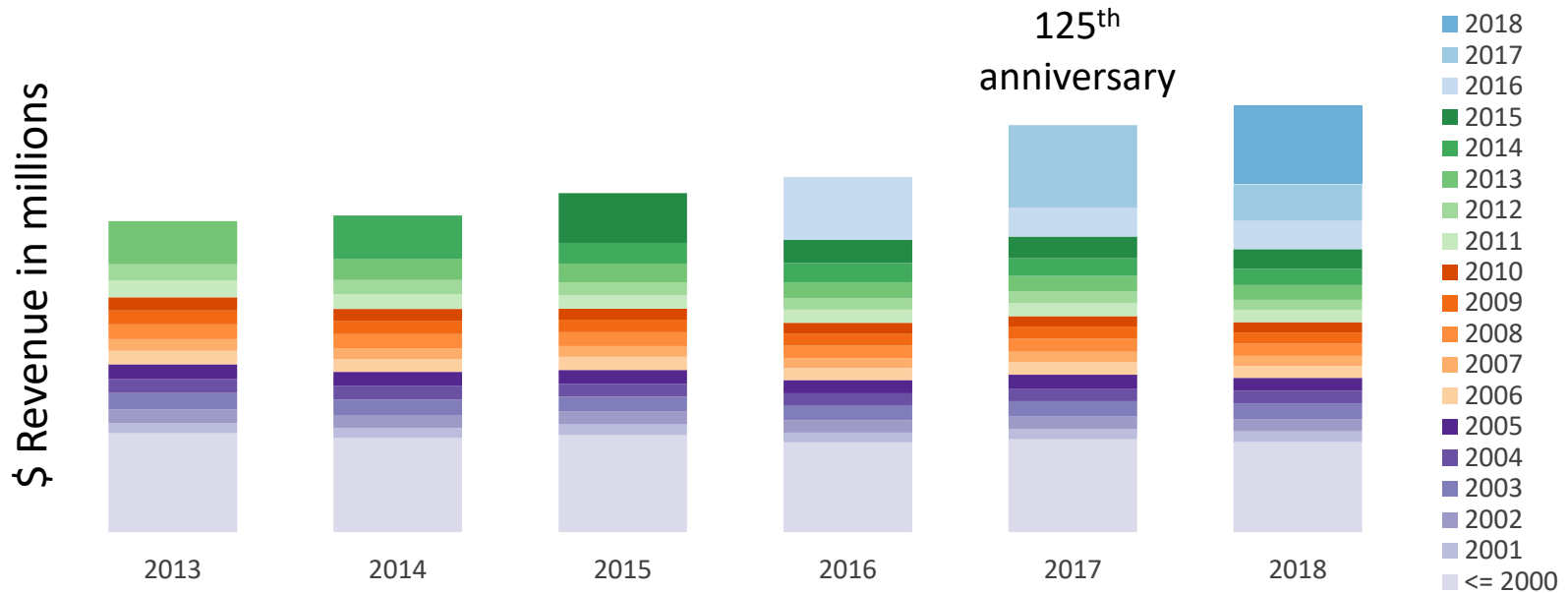
- Trustees Members receive free or discounted admission to every Trustees property.
- The Admission benefit is a **HUGE** driver of membership and the program is growing, but...



How do I make the case for multi-channel member acquisition?

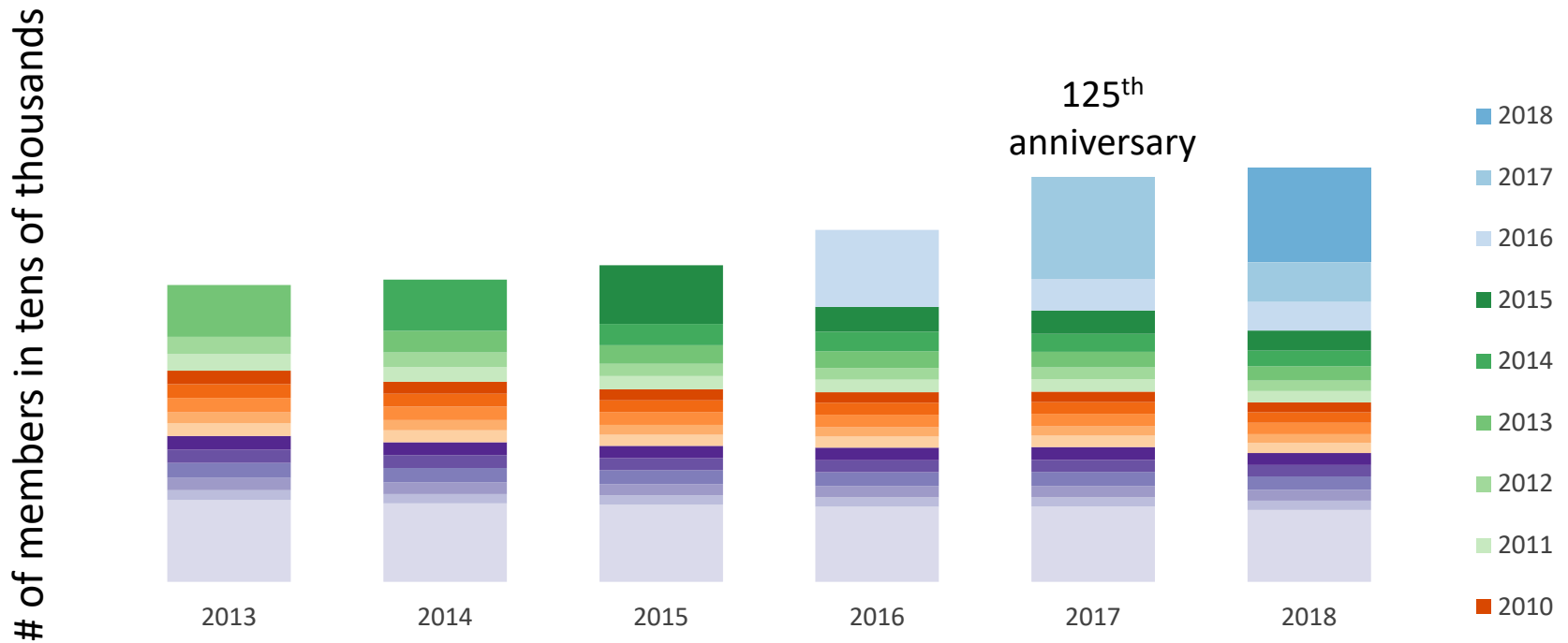


First – understand the current state of your program.  
Revenue has been steadily increasing over the past several fiscal years and is at an all-time high.

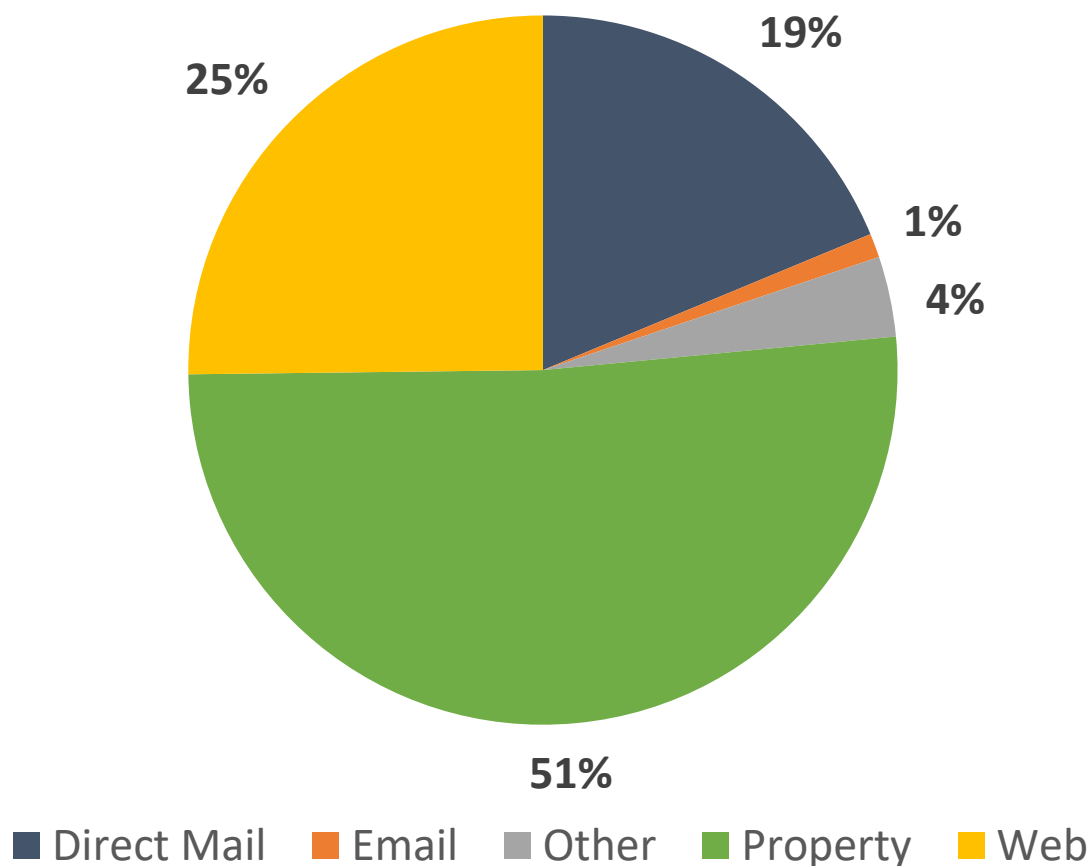




Similarly, membership has been steadily increasing and is at an all time high.



New members come from many channels – but the majority of news joins come from properties.



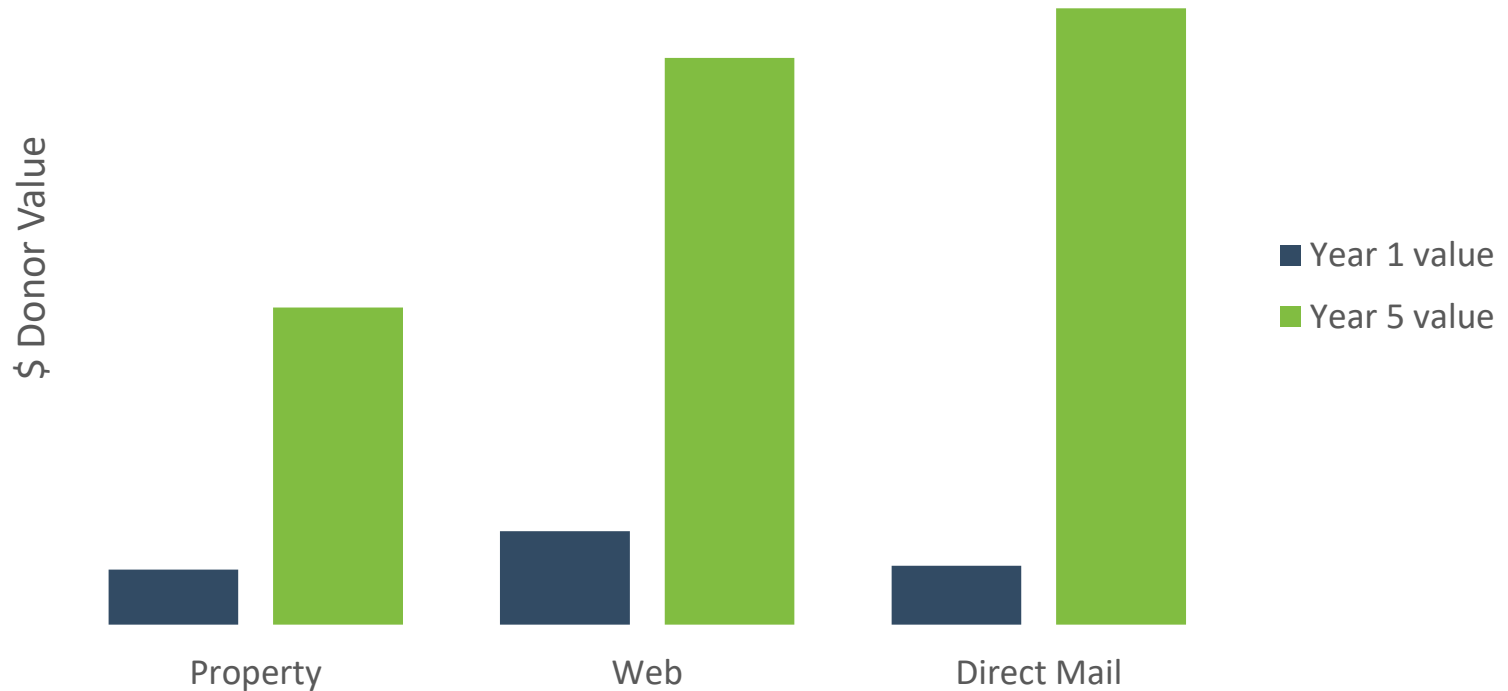
# But the key is having the right mix of channels and diversifying for long-term stability.

Join Type	Pros	Cons
<b>Direct Mail</b>	Direct mail joins typically have higher retention and long term value compared to other join types. There is more opportunity to expand the program by increasing mail volumes whereas other join types can have a more finite universe.	Direct mail can be costly and requires up front investment that is typically returned in 3-5 years.
<b>Onsite Joins</b>	Property visitors are converting to members. These members convert onsite and are heavily influenced by the admission value proposition.	Onsite Joins have weaker retention rates than other join types, which is consistent throughout the industry.
<b>Web &amp; Email Joins</b>	Web joins usually have strong overall metrics - typically second to direct mail.	Web joins are not "free" and require campaigns to drive list building and e-acquisitions in order to enable file growth.

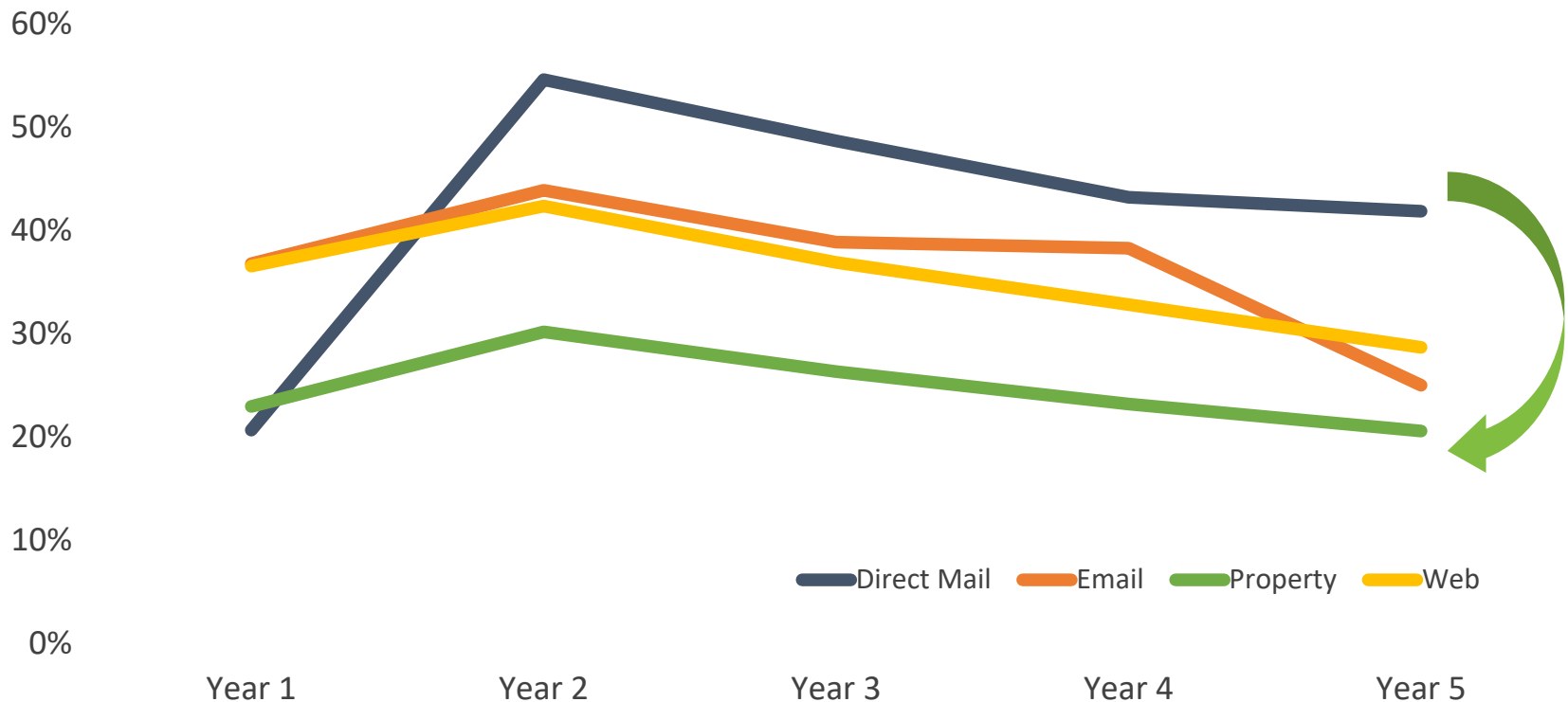


# Direct mail joins have the highest year-5 value of any channel.

Donor Value by Join Channel



# Retention for direct mail joins is more than double property join retention...



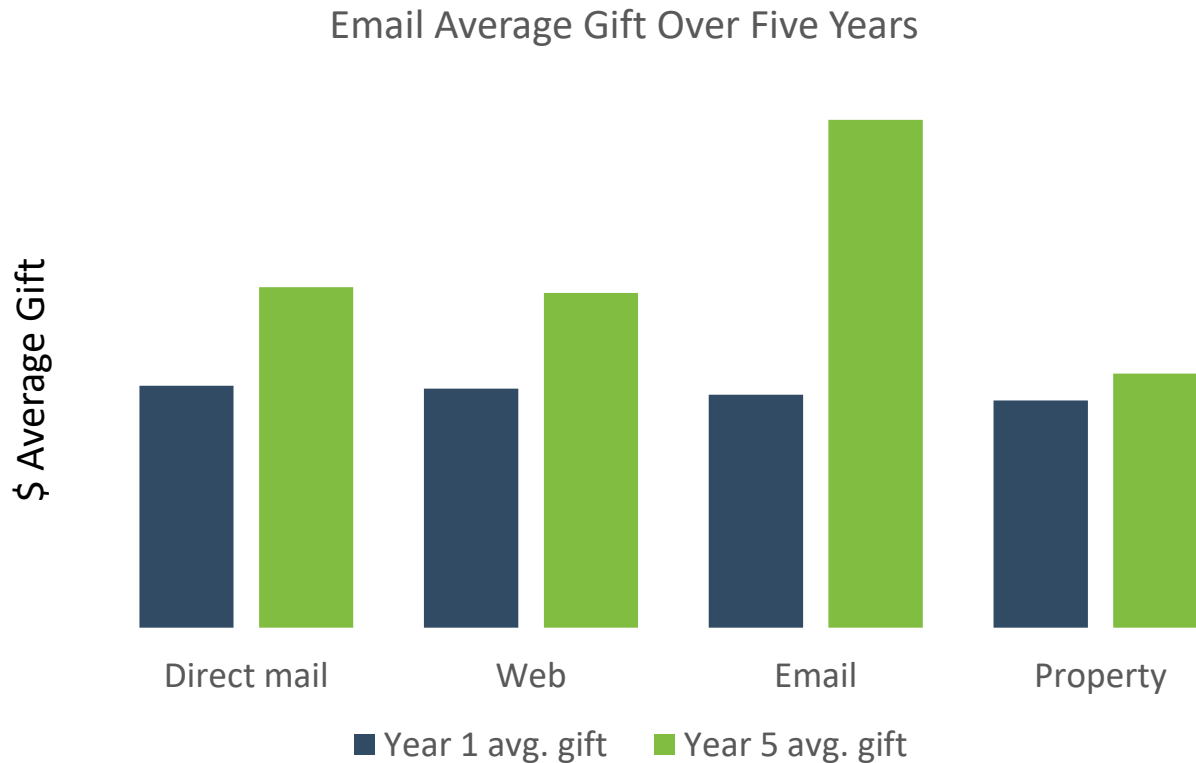
...which means you need to bring in more than **TWICE** the number of property joins to offset the lower retention.

Channel	# of joins	Retention %	# of members retained after 5 years
Direct Mail	1,000	41.9%	419
Property	1,000	20.6%	206

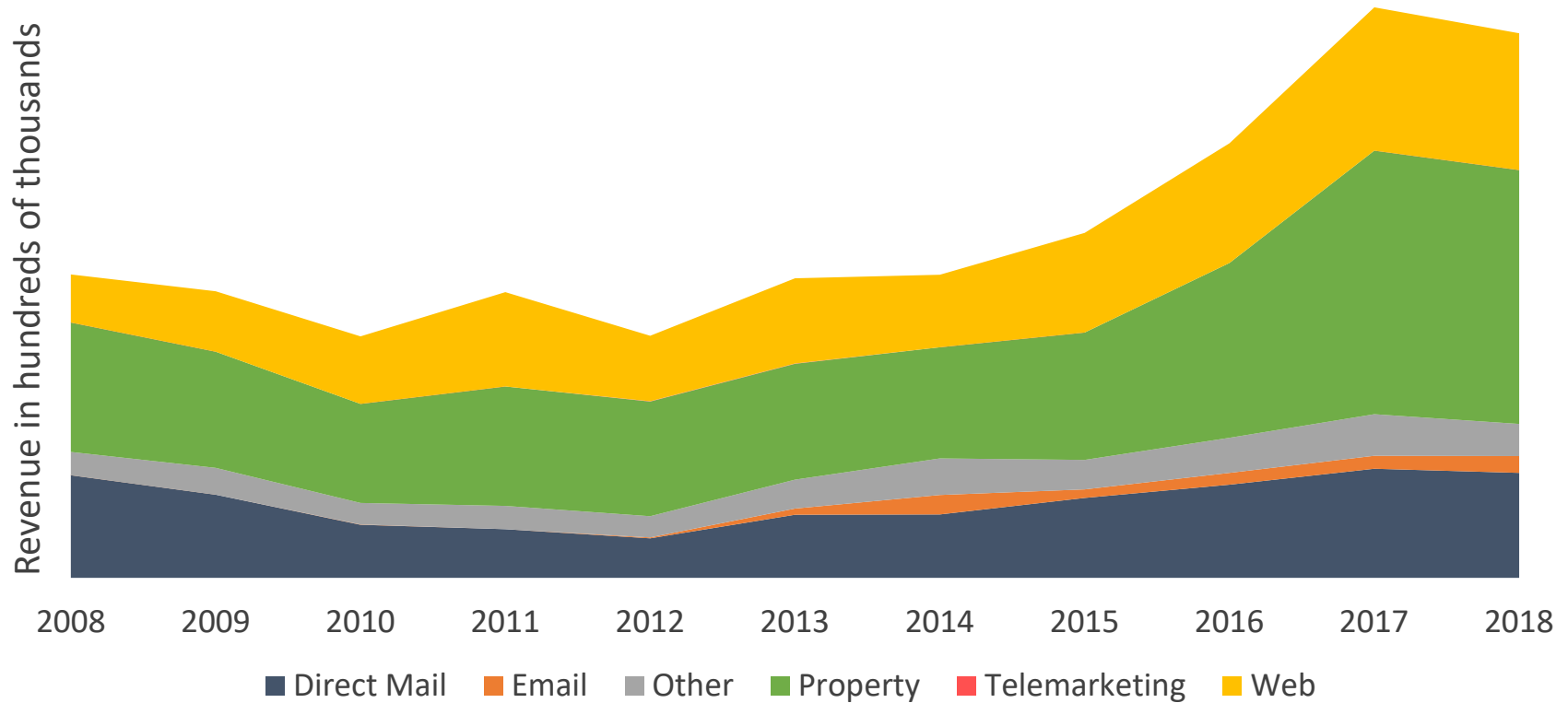
Channel	# of joins	Retention %	# of members retained after 5 years
Direct Mail	1,000	41.9%	419
Property	2,032	20.6%	419



Because property joins are more transactional than philanthropic, their average gift is lower so it's important to have a balance.



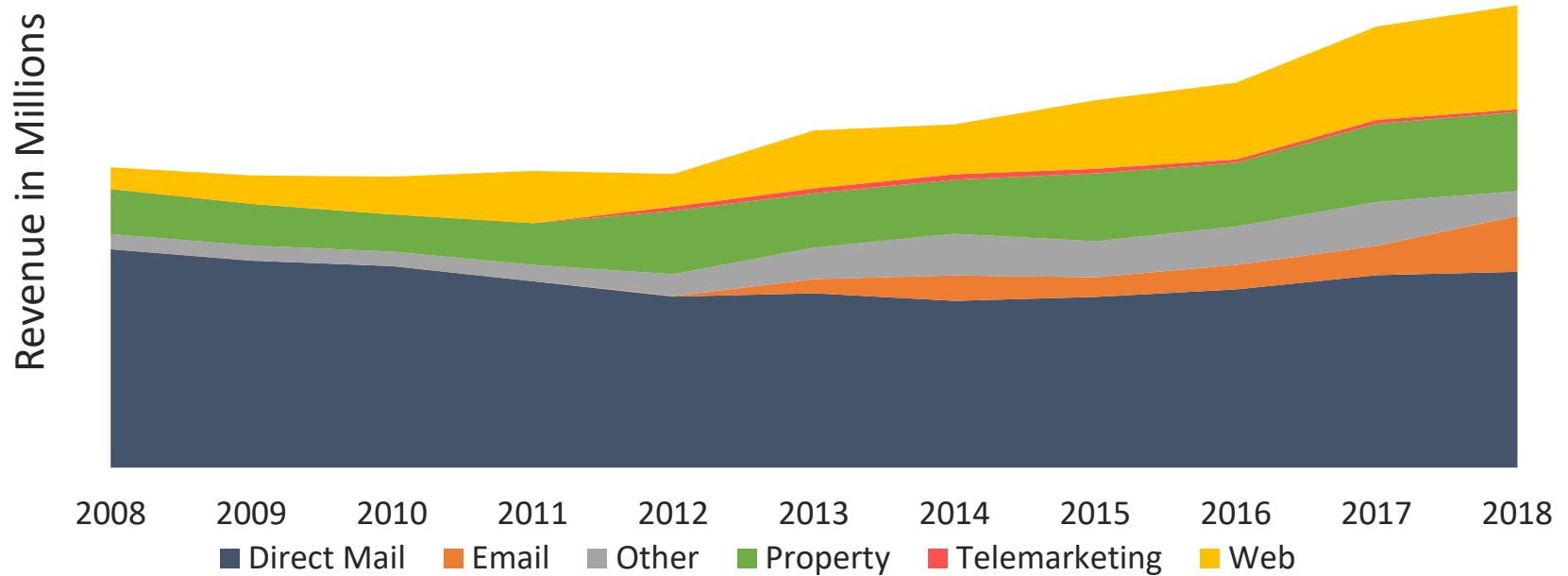
# The majority of new join revenue is from property, followed by web and then direct mail, but...



*Income by Channel – New Joins*



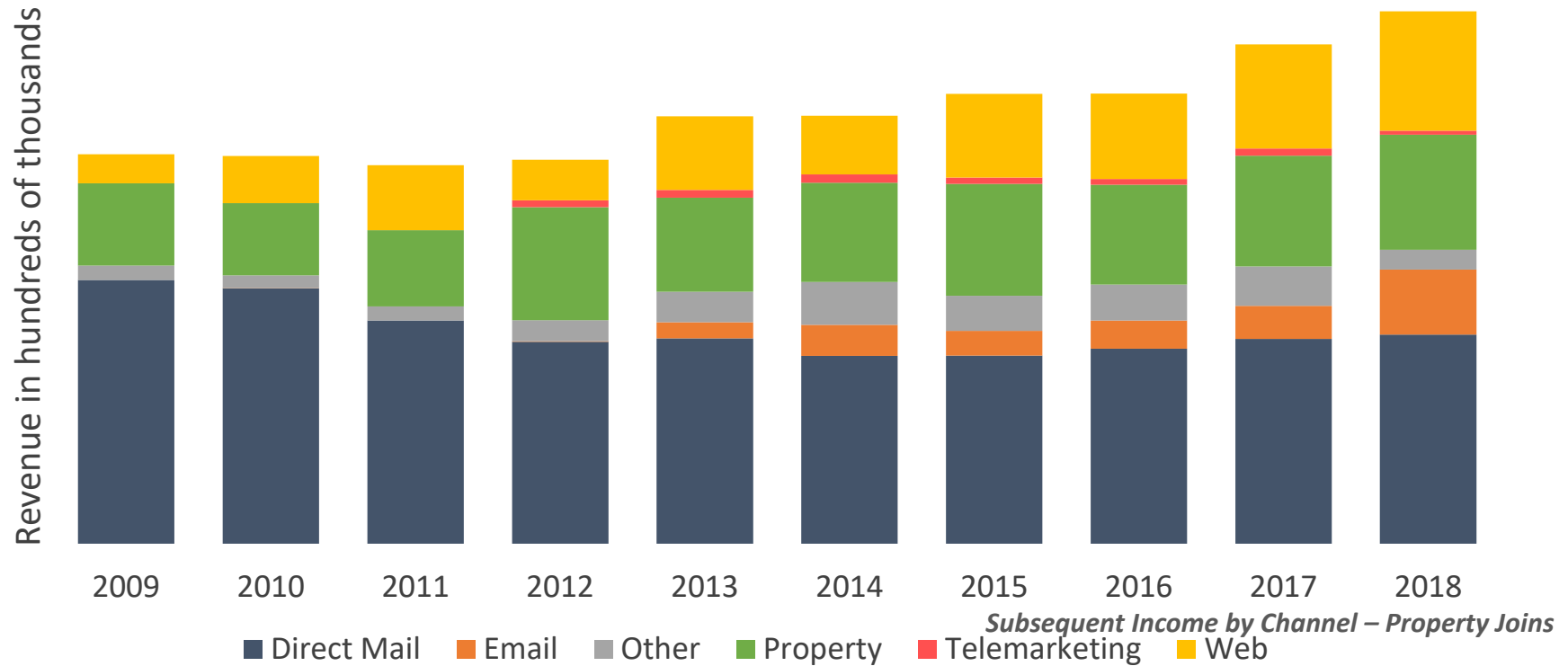
...subsequent and overall revenue comes primarily from direct mail, with email and web growing more over the past few years.



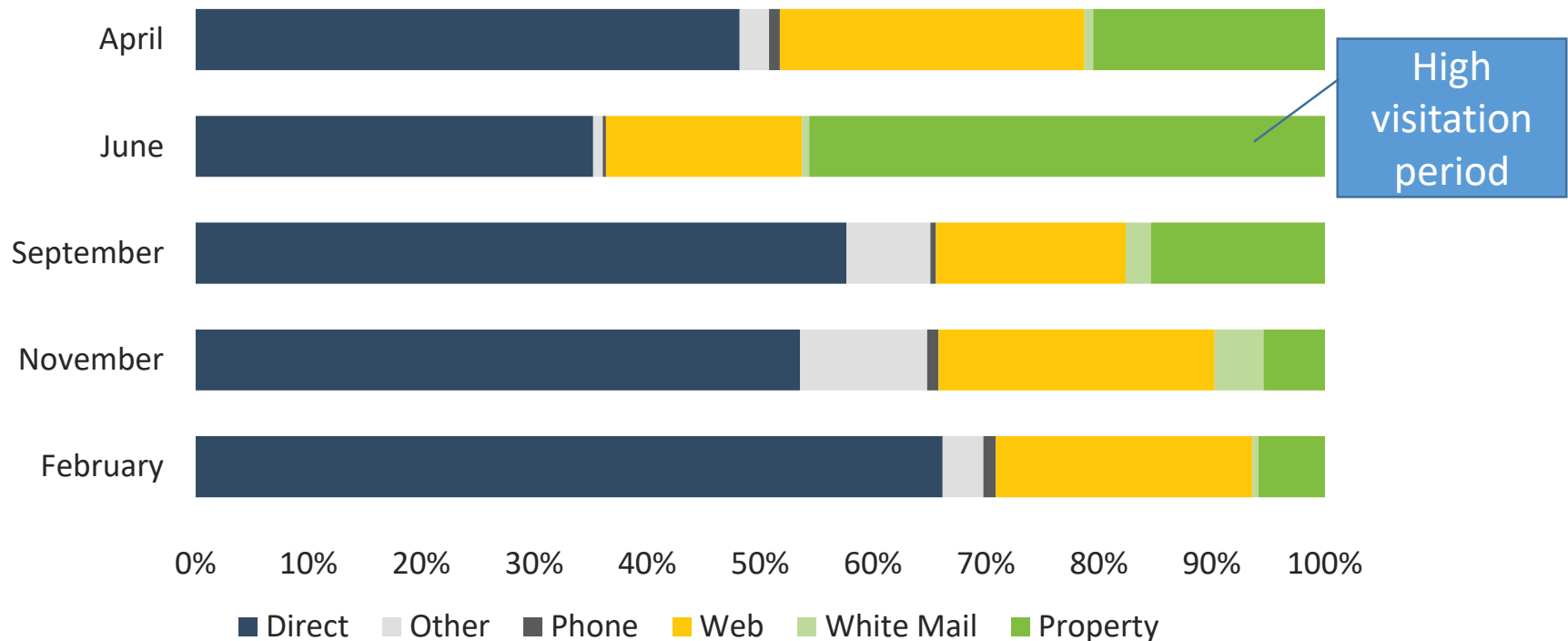
*Income by Channel*



# And property joins give through a wide variety of channels – especially direct mail!



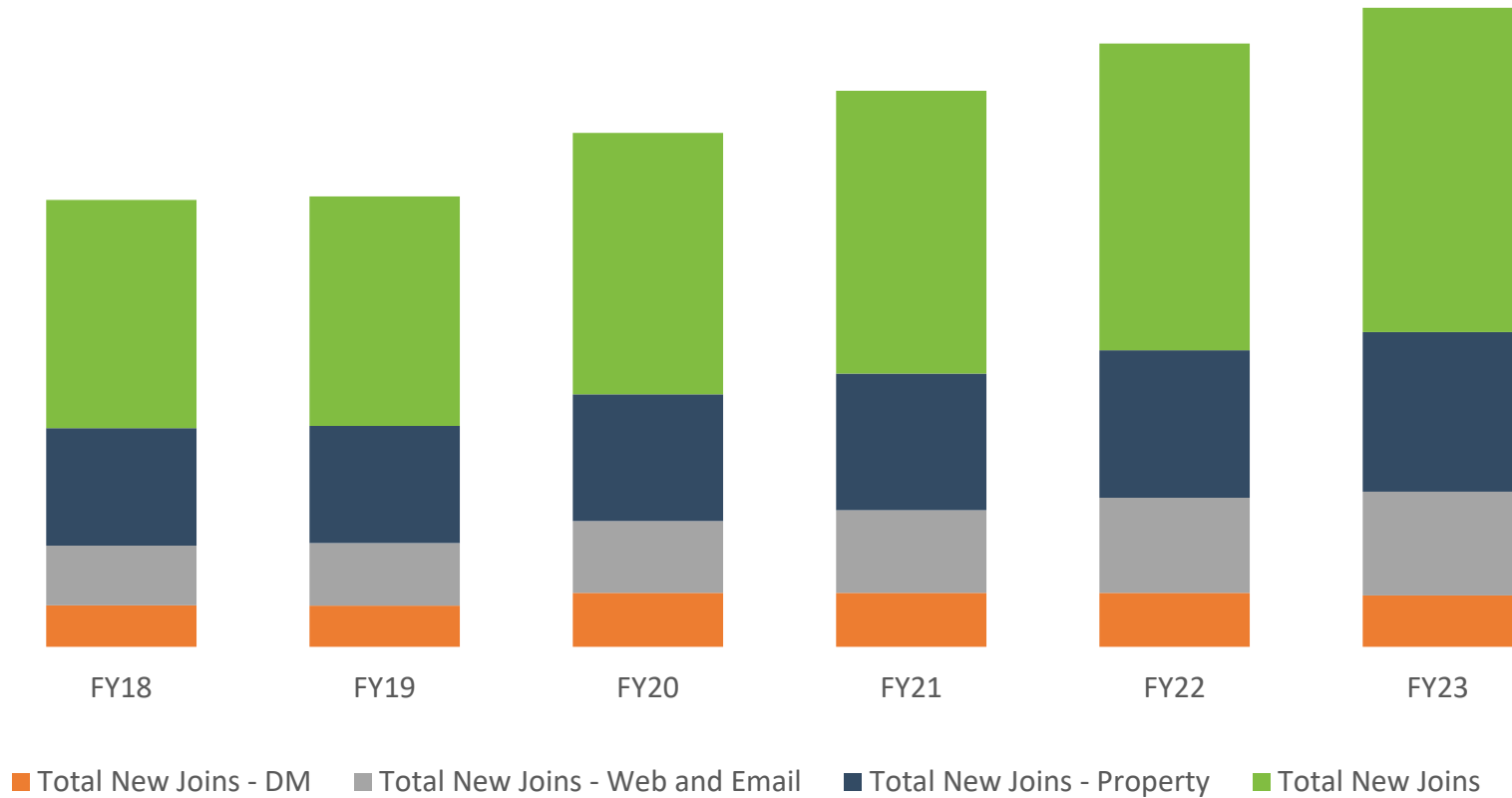
# Matchback analysis shows that direct mail acquisition drives revenue to web, phone, and property.



# Forecast based on known metrics by join type so that you understand how the channels work together.

Investment Scenario - # of Members

Number of New Joins in thousands



# Key Takeaways:

- Upfront member numbers from property joins did not reflect their long-term value
- Looking at metrics up front AND long term by channel was key to communicating the value of a multi-channel fundraising strategy.
- Using data helped show the value of property joins as part of a greater mix of channels and how the various metrics help balance each other out.

**BARNES**

THE BARNES FOUNDATION



***My boss asks:***

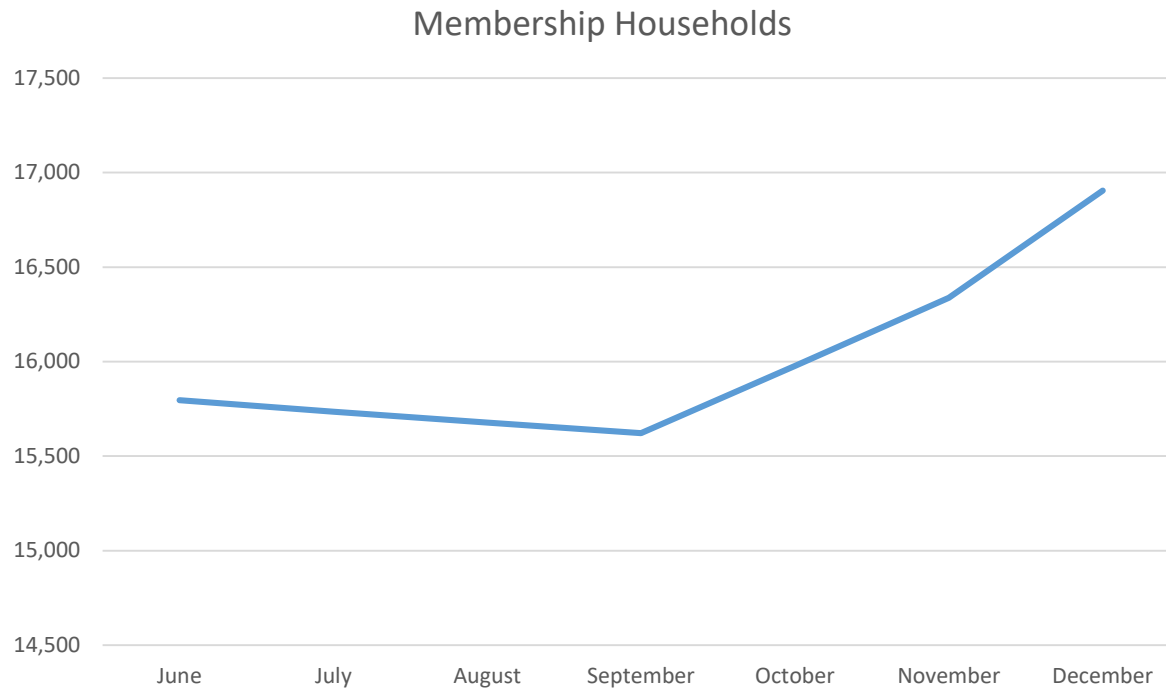
**How many members do we have and how many members are upgrading?**

- The Barnes Foundation's file has been growing, but understanding *how* it's growing has been key.
- Are we using the right techniques to keep people on the file AND upgrade them?



**How do I keep track of the size and giving levels of my file?**

# First, understand acquisition and attrition impact your membership household count





# Membership Upgrades

- **Monthly Upgrades:**
  - The Barnes renewal cycle begins with an upgrade mailing tailored to their level
- **Strong incentives to upgrade:**
  - Discounts on higher levels of membership than the member's current
  - Premium offers

# Membership Upgrades

**THE BARNES FOUNDATION**

**YOUR PERSONAL INVITATION!**

**Membership Benefits**

**Thank-You Gifts**

*The Architecture of the Barnes Foundation: Gallery in a Garden, Garden in a Gallery* by Tod Williams, Billie Tsien, and Kenneth Frampton. 104 pages of photos, drawings and insights. **ADD NEW DESIGN BARNES tote!**

Become a Supporter member or above and we will say thank you with new gifts.

The Architecture of the Barnes Foundation is a wonderful experience of the Barnes building you love. After five years on the building, it's an ideal time to explore the architect's vision that resulted in this modernist masterpiece.

**AS AN EXTRA**, you will also receive a new Design Barnes tote. It's perfect for using groceries, packing a picnic, or carrying your favorite books.

Thank you for your special and personal support!

**How to Upgrade**

Patron/Contributor insert

**BARNES**

AN EXTRA THANK-YOU  
for ADVANCING  
YOUR MEMBERSHIP!

Supporter insert

**YOUR THANK-YOU GIFTS**

*The Architecture of the Barnes Foundation: Gallery in a Garden, Garden in a Gallery* by Tod Williams, Billie Tsien, and Kenneth Frampton AND new Design Barnes tote

When you become a Supporter or above member, we will say thank you with two special Barnes gifts.

- The Architecture of the Barnes Foundation is a wonderful experience of the building you love. After five years on the building, it's an ideal time to explore the architect's vision that resulted in this modernist masterpiece.
- AS AN EXTRA, you will also receive a new Design Barnes tote—perfect for using groceries, packing a picnic, or carrying your favorite books.

If you become a Supporter or above level member, please present this insert with your new membership card or the Barnes Bag to receive your gifts. One time use only. One per member household. Valid on site only. Expires 4/30/2023. View it. US.

Thank you for your support as a member.

**RSVP**

You are invited to RENEW and ENHANCE Your Membership





Yes, I accept your invitation to renew and advance my Barnes Foundation Membership to a new level!

I would like to support the Barnes further and enjoy events and privileges reserved for this premiere level of membership, The Circle.

PLEASE RESPOND NOW FOR THIS LIMITED-TIME OFFER FOR CURRENT MEMBERS ONLY.

**THE BARNES FOUNDATION**

# Membership Upgrades

### The Circles

In appreciation for your generous support, members of The Circles enjoy exceptional privileges at the Barnes.

**CIRCLE MEMBER \$1,500-\$14,999**

- As a member to the annual Circles event
- Invited admission for two individuals (and children under 18 years old)
- A dedicated Circles phone line for personal handling of your arrangements and other VIP services
- Exclusive program and access with a curator, curator and artist
- Access to exclusive opening events
- Complimentary admissions for your guests
- An annual reception in the atrium
- Access to benefits at events that are normally restricted (including the Film Collection, the Bridget Collection, and the Lady Hamilton Garden Museum)
- Access to donor recognition materials, including the Circles member kit and Annual Report
- Exclusive the gift and regional travel opportunities, as available
- Opportunity to host a small group event at meeting in the Circles Ballroom or in the West Lobby

**CIRCLE SUPPORTER \$1,500-\$4,999**

All Circles Member benefits, plus

- Opportunity to host a small group event or meeting in the Circles Ballroom
- Public recognition poster at the Barnes
- Opportunity for a customized phone request of the collection or special activities for you and your guests
- Complimentary parking by admission reservation
- One complimentary gift membership (don't support need, for you or given to a friend)

**CIRCLE PATRON \$5,000-\$9,999**

All Circles Supporter benefits, plus

- Opportunity to host an exclusive dinner or meeting in the Director's Circle
- Access to the women events highlighting special exhibitions
- One complimentary exhibition catalogue


**DIRECTOR'S CIRCLE \$10,000-\$14,999**

All Circles Patron benefits, plus

- Personalized personal experience tailored to you and your guests
- Invitation to the Director's Circle Dinner
- Complimentary stay at one of our affiliated Williamsburg hotels (per stay)
- Exclusive dinner and entertainment event opportunities

The above benefits on all Circles member benefits and admissions to all Barnes exhibitions, please call (703) 223-1212.

For information on membership or availability, please call our membership department.



THE BARNES FOUNDATION

YOUR PERSONAL INVITATION!

The vision continues with your support.

The mission of the Barnes Foundation, which dates back to its founding in 1916, is "the promotion of the advancement of education and the appreciation of the fine arts."



The vision continues with your support.

THE BARNES FOUNDATION

1000 STRONG HOLLOW ROAD  
PRINCETON, NJ 08542

703.223.1212

WWW.BARNESFOUNDATION.ORG

### The Circles


Premium membership levels of the Barnes Foundation


The art located in the upper part of the Barnes museum and across a bright and vibrant space for the Foundation by allowing your membership at a Circles level.

The Circles is a diverse group of passionate philanthropic supporters whose leadership gifts provide vital underwriting for the stewardship of one of the world's most notable collections. Working opportunities for students of all ages, care of the facilities, research in diverse collections, and so much more.

Members of The Circles enjoy exclusive programs that deepen their connection with the Barnes, encourage visitors to help create a personally meaningful experience, unique event opportunities, and special occasions.

Enhance your Barnes experience with unparalleled access to this extraordinary art collection at a Circles level.





Thomas Collins  
Executive Director and President  
Barnes Foundation

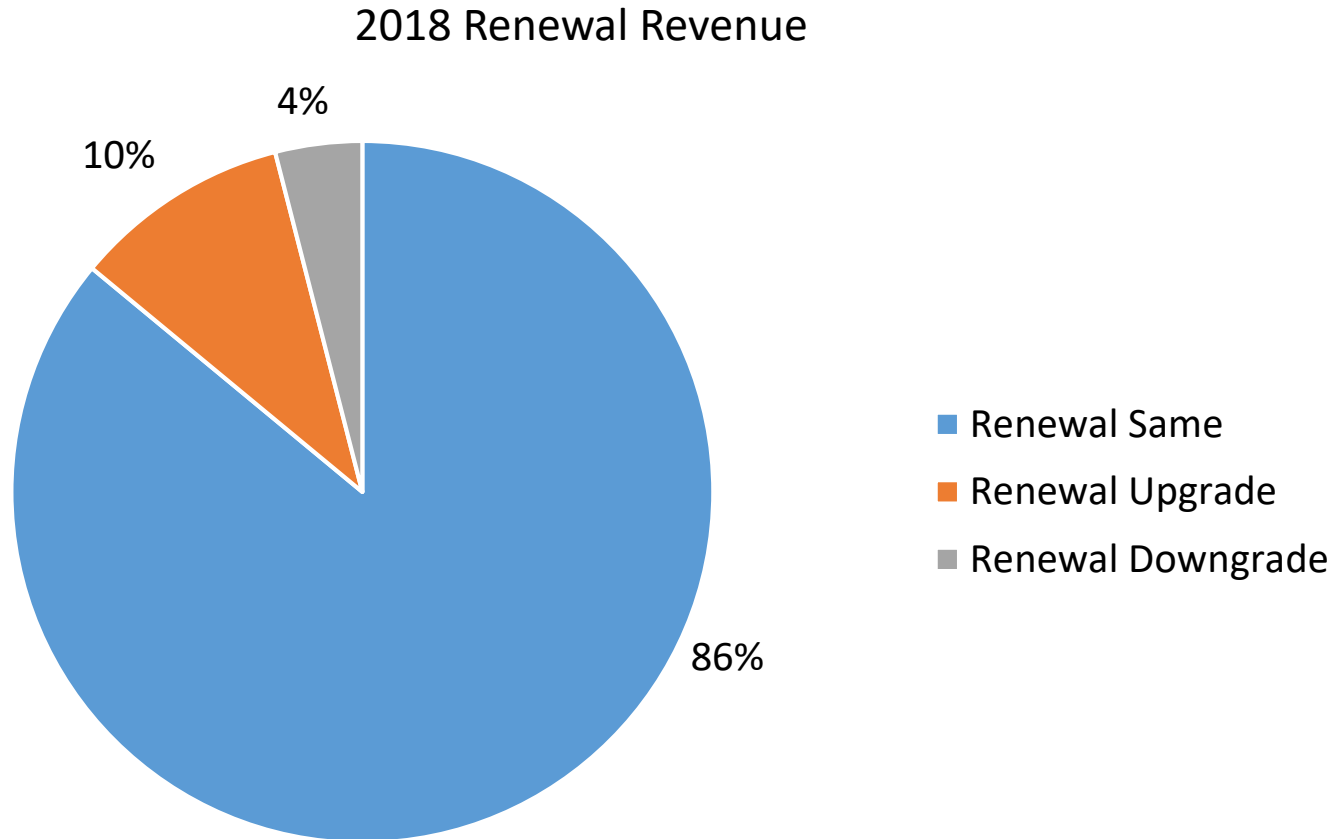
privately invited you to

### The Circles Lecture Series and Exclusive Exhibition Previews

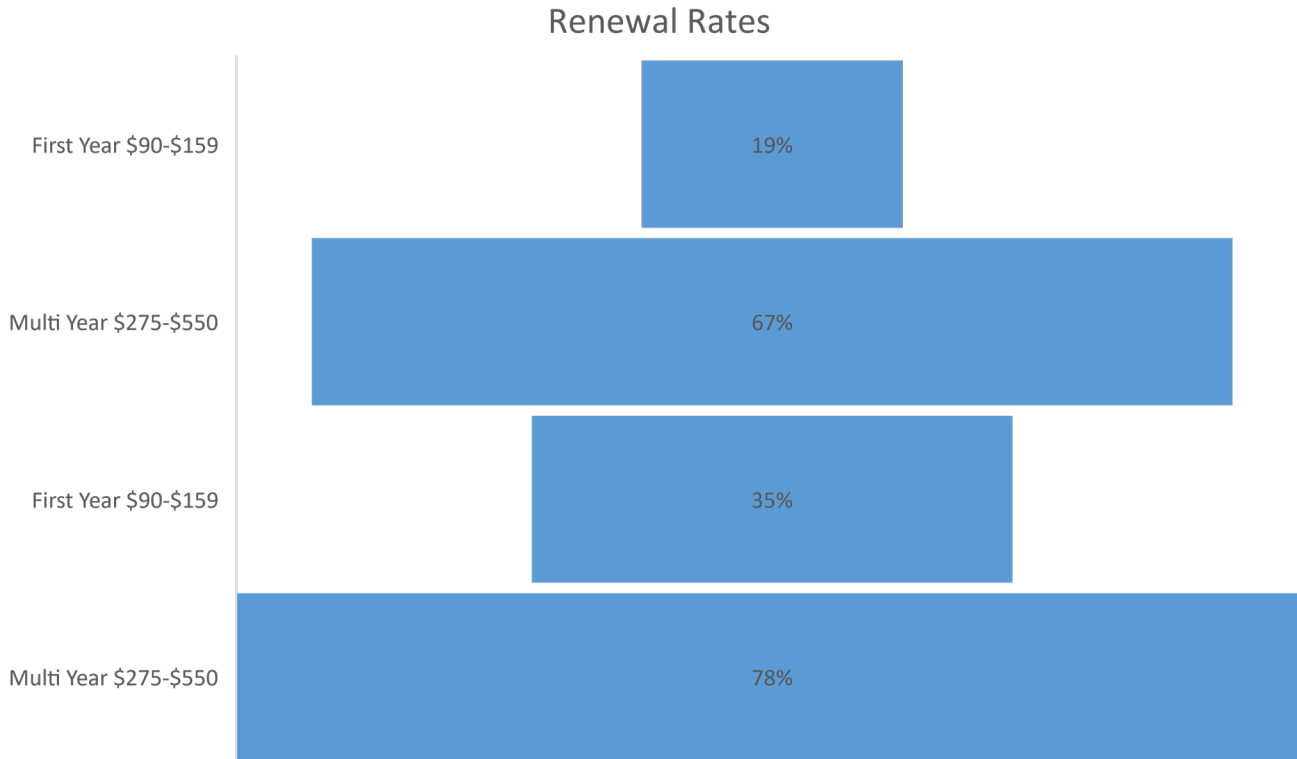
For more information about tickets or to learn more about Barnes membership, please contact our Circles members. Making exciting members with art, science, and education.

BY BARNES FOUNDATION PRINCETON, NJ 08542

# Membership Renewals and Upgrades



# Membership Renewals and Upgrades



# Joining at higher levels

Save the Dates



**SPACE IS LIMITED**

**New Member Private Tour + Reception**

**THURSDAY, MAY 9**

Enjoy an exclusive tour of *From Today, Painting is Dead: Early Photography in Britain and France*, with light refreshments and time to meet your fellow members.

**Spotlight Tours**

**EACH WEEK, FREE FOR MEMBERS**

Unlock the stories behind the greatest art at the Barnes, starting with Van Gogh, Renoir, Glackens, and Prendergast in March and April. (Non-members pay \$45 per ticket)

*Free for Members!*



## MEMBERSHIP RSVP

**YES,** I accept your invitation to become a member of the Barnes Foundation at the discounted level noted. I look forward to a year of new exhibitions with unlimited free admission to extraordinary art, with private art tours, plus innovative programs!

- CONTRIBUTOR** ~~\$159~~ **\$143** **\$16 OFF!**
  - **FREE** Barnes-exclusive Renoir tote, a \$17 value!\*
- PATRON** \$90
- SUPPORTER** ~~\$275~~ **\$245** **\$30 OFF!**
  - **FREE** Masterworks catalogue\*
  - **FREE** Barnes-exclusive Renoir tote, a \$17 value!\*
  - **NEW!** FREE admission to 40+ museums nationwide
- SUSTAINER** ~~\$550~~ **\$495**
  - **FREE** Renoir and Masterworks catalogues\*
  - **FREE** Barnes-exclusive Renoir tote, a \$17 value!\*
  - **NEW!** Four FREE Highlights Tour tickets
- CIRCLE MEMBER** ~~\$1,250~~ **\$1,125**
  - All Sustainer gifts PLUS exclusive events and premier access for exhibitions

**Best Value!**



### Barnes Renoir tote

Receive a special thank-you gift for joining as a Contributor-level member or above, a Barnes-exclusive Renoir tote, a \$17 value.

\* Gift voucher mailed for on-site redemption of all thank-you gifts.

Sample A. Sample  
Address  
Address  
Address  
City, State Zip

**EXTRA VALUE:** Join by April 30, 2019 for extra value with FREE gifts, FREE guest passes, and discounts on our most popular membership levels!

RD-A-F19



THE BARNES FOUNDATION



# Key Takeaways:

- Inviting members to upgrade and renew just a few months before expiration has allowed us to make a strong offer tailored to their current level.
- Barnes members who renew year over year at higher levels have the highest renewal rate, so we work to shift all members towards this category
- Upgrading members begins by asking them to join at higher levels.



AVALON®





## ***My boss asks:***

### **How do we get younger donors?**

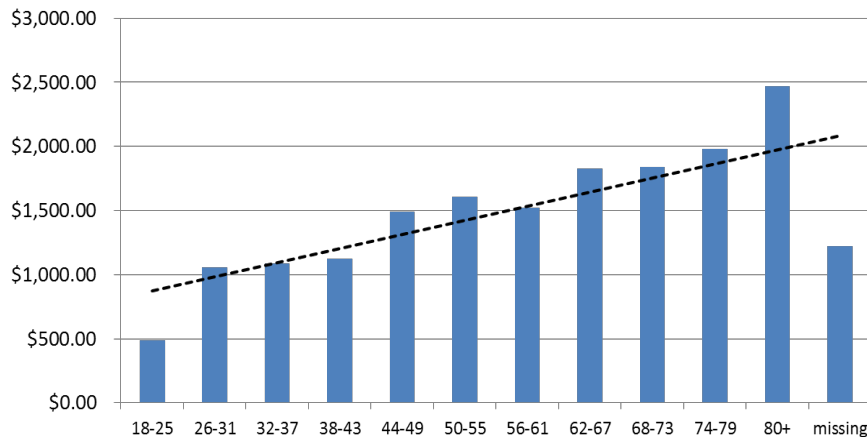
- The long-term value of younger donors does not compare to that of older donors — because the upfront cost to engage them is too high to be offset by future revenue.
- Check your appeal and acquisition performance by age, acquisition universe by age, and file composition by age.
- You should absolutely work to build relationships with young activists — moving them along a continuum of engagement — but know that it might not lead to a financial return anytime soon.



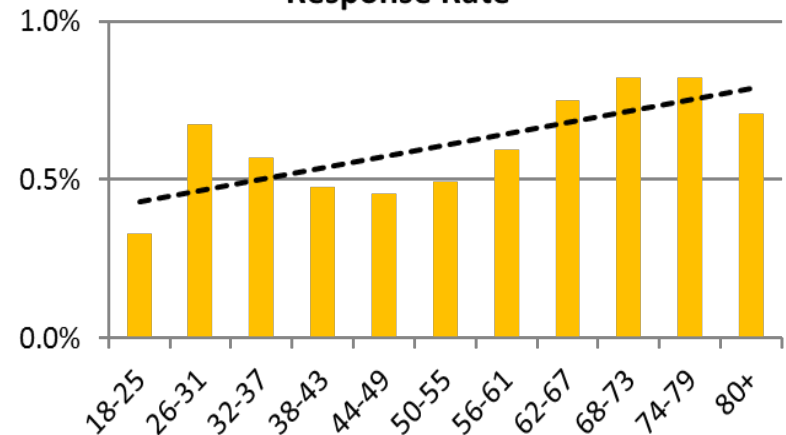
**How do I show the value of our “older” donors?**

# Using age overlay information, analyzing productivity in appeals and acquisition can illustrate the impact of older donors.

### Revenue/M

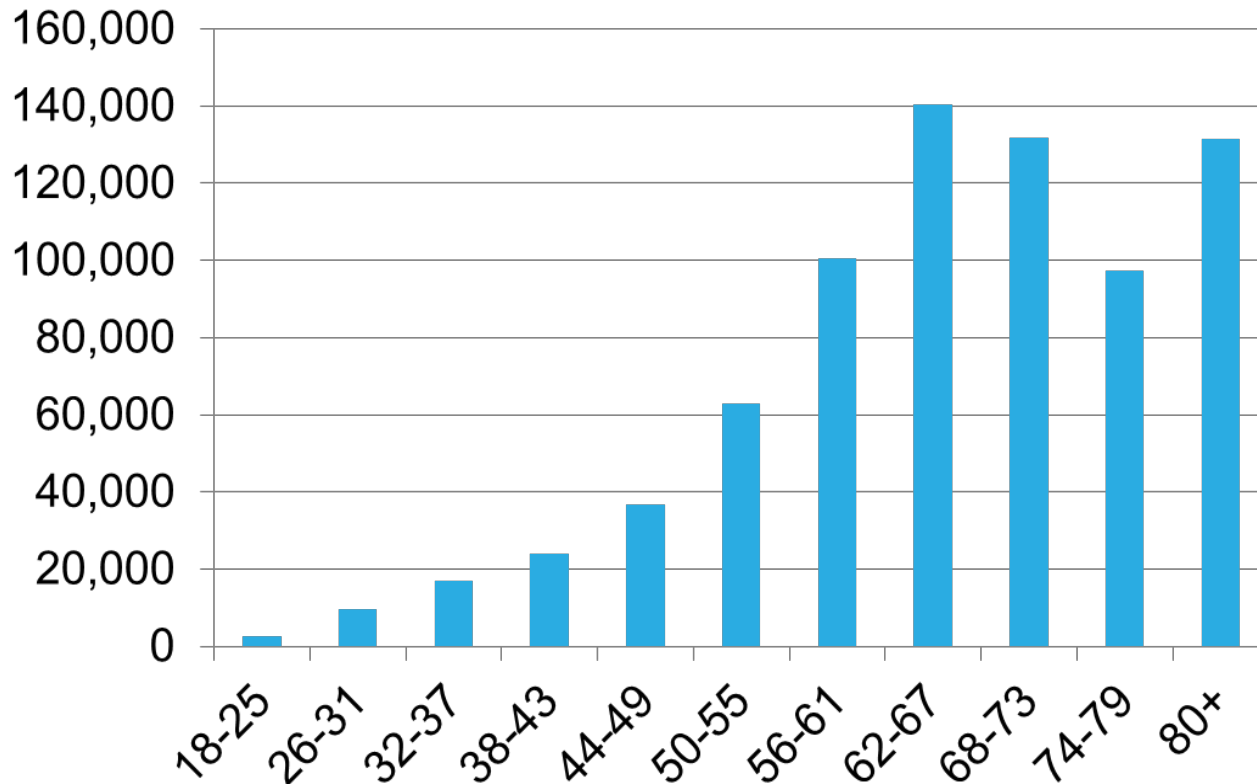


### Response Rate



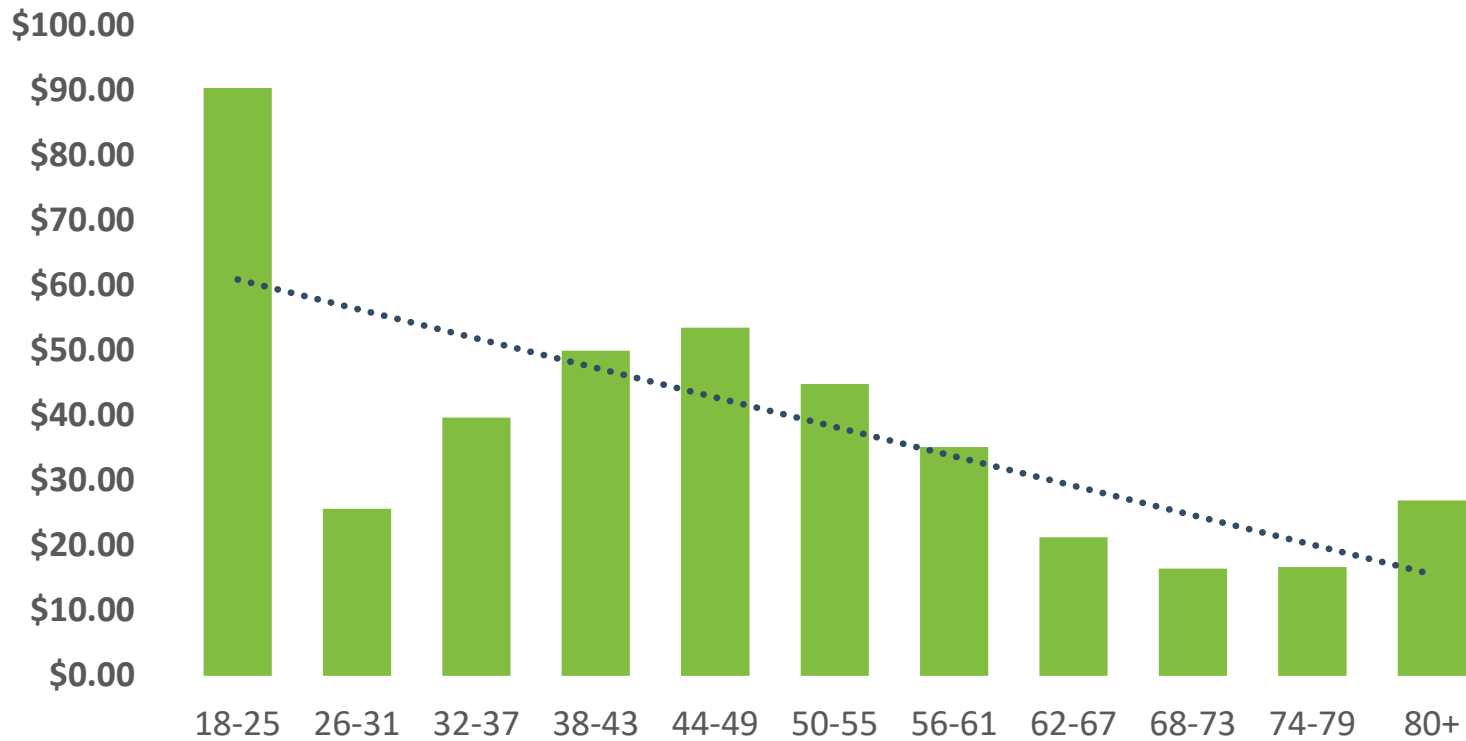
The universe of available younger donors is quite small – the majority of acquisition mail files are age 50+.

Sample acquisition mail file



# Younger donors can cost upwards of twice as much to acquire

Cost to Acquire by Age Group



# Knowing your data and these metrics will give you the confidence to communicate effectively to leadership

- Retention by channel
- The age of your file
- How your file is growing (or not)
- Multi-Chanel Responsiveness



And your boss will say:



# Questions?

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