

IF YOUR organization has never conducted a telemarketing campaign to sustain and boost subscription sales or to raise donations, it is missing out on one of the single most efficient sources of revenue available to a marketing or development department.

There are compelling reasons why, year after year, almost every significant cultural organization implements a telemarketing strategy. No other sales method offers the same effectiveness in terms of maximizing your renewal rate, and sustaining and growing your subscriber base.

Maximize Renewals

Every year after announcing their upcoming seasons, performing arts organizations all over North America conduct campaigns designed to encourage their existing subscribers to renew their seats as early as possible. The sooner renewing subscribers are seated, the sooner new subscribers can be seated and the sooner the subscription dollars are in the bank. Renewal packages are mailed out, reminders are sent, incentives are offered and deadlines are set. However, despite all of these efforts, only 40 to 60 percent of subscribers will typically renew on their own by the deadline.

What of the 40 to 60 percent that don't? Certainly, some will get around to doing it in their own good time, perhaps losing their seats in the process, however, a large percentage is at risk of lapsing. Most vulnerable are first year subscribers. Perhaps, they were disappointed with the season, perhaps it was not what they expected, perhaps they disliked their seating, perhaps they are not aware of the benefits available to subscribers, and perhaps they are considering subscribing elsewhere. Unless you speak to them directly, you will never have the opportunity to learn why they do not intend to renew and turn them around. After all, seats can be changed, benefits make a difference, or an alternative series may be more to their liking. Without this dialogue occurring, your renewal rate, particularly among first year subscribers, will not achieve what it could and should.

A telemarketing effort, scheduled on the heels of a renewal deadline and designed to contact every subscriber who has not renewed, will typically enable an organization to recover 20 to 40 percent of these potentially lost subscribers.

Sustain your subscription base

Despite the excellence of your upcoming season, the great value of the packages you are offering and the efforts you have expended on marketing the season, it is a fact of life that not all your subscribers will renew. A good renewal rate,

averaged out, is typically around 80 percent. This still leaves you 20 percent behind where you were last year, with only a limited number of weeks to make up the shortfall. In your efforts to acquire new subscribers, you will probably do bulk mail drops, TV/radio spots and display your brochure everywhere you can think of.

The typical return on a new acquisition, direct mail campaign is \$1.50 to \$2.00 for every dollar spent. Certainly a worthwhile, if costly, investment. Consider too, if your market is even large enough to generate the return you would need to recover 20 percent of your budget (typical response rates for direct mail campaigns are between 0.3 to 1.5 percent). Consider also, all those prospects who are potentially interested in subscribing, but simply tip junk mail into the garbage, or never get around to filling in the form, or simply don't receive or understand the information needed to convert their interest into a sale. If your organization is relying exclusively on these methods to attract new subscribers, it is leaving a lot of money on the table.

By comparison, the typical return on a new acquisitions telemarketing campaign is upwards of \$3.00 for every dollar spent. In addition, the participation rate will be far higher than virtually any other form of marketing, ranging from 3 percent to 30 percent depending on the type of lists being called. When properly conducted, telemarketing leaves no money on the table. Once contact is made with the prospective customer, and interest in your offering is established, there are no extraneous circumstances that will interfere in the closing of the sale. The skills of the telemarketer and the methodology employed by Sfz mean that your campaign is not dependent on the vagaries of the mail system, or a potential customer's motivation to act without further prompting.

Grow your subscription base

Once you have made up the shortfall, there is obviously no reason to stop the acquisitions of new subscribers. As long as there is a supply of qualified leads, seats to sell, and the benefit exceeds the cost, you should continue to telemarket. This is the real power of telemarketing. It is the road to increasing your subscriber base.

Sfz will provide you with detailed weekly reports, which will allow you to clearly gauge the results of your campaign against the cost. The campaign will be closed down when your organization feels it is no longer getting a sufficient return on its investment, or when Sfz is no longer able to generate sufficient revenue to sustain its costs of running the campaign.

