



Don't Waste Money on Premiums! Section 2

The value of our advice is proportionate to the credibility we have in the readers' eyes. So here again is the information we gave earlier in this series of Cyber-Essays:

In combination the three people who run VisABILITY spent 51 years as nonprofit employees and 59 years as premium suppliers to nonprofits. During that time we held or supervised jobs like our clients now hold – in universities and community agencies, in health associations and public broadcasting stations. We also served on governing boards in each of these categories. Since we founded VisABILITY in 1985 we collaborated with clients to supply 16,000+ fundraising and marketing campaigns with imprinted branding products.

Now, based on lessons learned from that experience, we offer Twelve Suggestions for Effective Premium Use

There is no need to waste money on premiums.

There is a great need to use them more effectively. The plain facts are these:

- Most stations can get a bigger bang for the premium buck.
- They can increase the number and average value of contributions.
- They can avoid waste and save money.
- They can reduce pledge shrinkage.
- They can cut their own premium-related workload.

The suggestions in this section will help your station increase revenue and enhance market affinity by using premiums as effective contribution incentives.

Suggestion 1: Elevate the On-Air Premium Pitch.

Start by regarding the premium as a passive tool. Passive! By itself it does nothing. Revenue is pulled by your premium pitch – not by the premium *product*. In print, on air and online, it is your words and enthusiasm that create the perceived value of your premium. Yes, this time it really is about **YOU**.

The first step to elevating the pitch in a way that pulls more renewals and upgrades is to understand the following:

Premiums are typically common and inexpensive items. Each premium is asked to attract gifts that are worth many times its cost. To accomplish its mission, a premium's perceived value must be much greater than its dollar value. That value enhancement can only come from being distinctly and uniquely associated with your station or your program. These inexpensive, passive objects just sit there. It is you, not the product, who creates the relationship that enhances value and pushes your listener over the edge. The premium doesn't pull the contribution. That's your job.

The print, online and broadcast communications *which you control* can make common, inexpensive items motivate your market. Do it right – make your communications convert the inert item into a contribution incentive - and your market will respond with contributions. You have to manage the message. And the messengers. We'll give you some good tips in the next few pages.

Suggestion 2: Enroll Your Program Director

Presentation of premiums may be the most poorly-handled of all the elements in on-air pitching. Yet the premium-*pitch* can – and should – be an essential motivator.

Your PD, already responsible for the rest of your broadcast sound, should be directly involved. A good PD can help tune-up the quality of your on-air pitches, especially since he or she also should have great credibility with the on-air staff.

If you have an effective PD who is not fully involved in on-air fundraising, ask him or her to become your ally in putting the right energy into premium-pitches – including some training, supervision and control of the way people in the on-air staff handle this part of their fundraiser responsibilities.

There was a time, perhaps fifteen years ago, when such a request would have been awkward and fruitless at most stations. Today, collaboration has become common practice at stations with a good focus on marketing.

Suggestion 3: Focus Your Pitchers' Attitude

Premium pitches vary in content and in effectiveness. They vary from station to station, from person to person and even – *with the same pitcher* – they vary from break to break. You can present the same premium in several pledge breaks with mixed results. Some pitches may be disappointing and some may be unexplained successes.

Contributor incentives motivate your audience because of perceived value created by your communication – on-air,

online and in print. Unfortunately, there is plenty of opportunity for misfires when pitching on-air. We have heard each of the following five blunders in our own market. These mistakes could have been prevented if pitchers had learned to focus their effort.

- **Self-indulgence** with offtrack but on-air discussion about nonsense. (“I’m not sure whether it’s a tote bag, a gym bag or a gear bag. It has a shoulder strap, so maybe we should call it a...”)
- **Unnecessary personal opinion** that accidentally undermines the premium’s perceived value. (“I never use these bags myself, but if I did...”)
- **Failure to emphasize characteristics** which make it “especially attractive.” (“...for \$150 we’ll send you one of these bags...”)
- **Afterthought mentions.** (“Oh yeah, for that gift level they get one of our bags, don’t they? So call us at...”)
- **Failure to emphasize affinity** to station or program. (“You’ll really enjoy this set of matching travel mugs. So call us at...”)

These and similar mistakes result from insufficient focus. If the broadcaster wants the listener to be focused on reasons to desire the affinity-product, he or she must also be focused on those reasons, too – at least while the microphone is hot.

Suggestion 4: Prepare Pitch Points for More Focus

Broadcasters are professional communicators. Your colleagues have the skills to focus their premium pitches. Your job is to provide the information your pitchers need – *and* to convince them to consciously give each premium pitch the kind of attention they give other programming responsibilities. That’s how premiums obtain their incentive-power.

Pitch Points are the key features that caused you to select the premium to offer as a contributor incentive. They are specific characteristics you think will make it especially attractive to the audience. Share them to help your pitchers have an easier and more confident time – and produce better results. Pitch Points are merely a form of “case statement” – one of the most basic tools in fundraising.

First, have a conversation with yourself. Identify the elements that made **you** think the premium would pull contributions when you selected it. These are the Pitch Points.

Second, summarize those key characteristics in writing. *No sentences here* – you are not writing promotional copy. Produce a list of persuasive descriptors in key words and key phrases. They will encourage spontaneity while promotional copy can sound canned and gets stale upon repetition.

Third, encourage pitchers to weave those Pitch Points into their premium pitches. They will be more comfortable

and more effective if they can ad-lib in their own words while knowing that they are emphasizing the points you told them will be most effective in attracting pledges. (And, especially for inexperienced pitchers, it’s wise to critique an off-air dry run before letting them loose in front of the microphone.)

Spend all the time it takes on discussions with your vendor, review of premium catalogs and websites, product selection and development prototype review. In the end, after all that effort, it will be the way the premium is pitched that pulls revenue. More than any variable within your control, it is the premium pitch that counts. Focusing the pitchers is not only essential to success – it merely applies the basic marketing principles of consistency, clarity and repetition to those elements which you have decided will create perceived value in the minds of prospective members.

Do this thoughtfully – because, if you fail to provide the focus, most pitchers will inadvertently waste the incentive power of the premium investment for which you are responsible.

Suggestion 5: More Focus Still – Prohibit Premium Descriptors That Undermine.

The most common way to reduce the influence your premiums will have on potential contributors is to think of them as “thank-you gifts.” Worse yet is to actually call them “thank-you gifts” on-air. This is one of those issues with roots in station attitude discussed earlier.

KEY CONCEPT: A premium is a tool to push people over the edge and into your membership roster and/or into a higher gift category. It is absolutely not a thank-you or a gift or a present!

“Thank you” is the response – the automatic reflex – we offer after receiving a minor service or favor, like when someone holds the door or passes the salt. To call your premium a “thank you” or a “thank-you gift” is to categorize it as nothing more substantive than the mechanical acknowledgment of the contribution.

Don’t devalue the perceived value you worked so hard to establish. Don’t nullify the ability to attract contributions with careless – and inaccurate – word choice. **Why work against your own best interests by earnestly extolling its virtues and then – in the same pitch – label your premium as a common, bare-minimum gesture of acknowledgement?**

Besides, your station is a nonprofit. Responsible nonprofits do not waste contributed resources by giving stuff to their supporters for no reason.

The premium is not a “gift” from the station to the contributor. It’s not a “present.” It’s not a “giveaway.” It is not a “thank-you.” These common words and phrases open doors to places you don’t want to go.

The premium is a motivator. It is a pledge-incentive. INCENTIVE! Make sure your colleagues and audience think of it as an incentive – a prod to action. Enhance its perceived value with words that reflect that understanding.

Suggestion 6: Decide What to Call Them

We are now building on the prior suggestion (# 5). First step: make a mental note that the word "premium" is an in-group term used by marketing people. The word may not communicate well with your listeners, so you might be wise to avoid using it in print and on-air. That means for public discussion you will need substitute terms to apply to contributor incentives.

The Premium Package: You need a functional term to refer to the entire group of premiums you offer during a drive. That term should make good marketing sense and help enhance the perceived value of your premium group.

Following are some top-of-the-head suggestions to get you thinking. You can probably come up with more suitable terms. Get out your thesaurus. Find the synonyms for "incentive" and for "group" that, when combined, create a station-specific phrase that works for you and your colleagues. Then make it the official term for your station's premium collection! Be sure everybody uses the term. Here are some examples:

- Member Benefits**
- WXYZ Collector's Items**
- WXYZ Fan Fare Collection**
- WXYZ Membership Badges**
- Member Awards**
- Member Rewards**
- The WXYZ Collection**
- Contributor Incentives**
- WXYZ Incentives**
- Contributor Awards**
- Member Dividends**

The Individual Premium: When you decide upon a public term for your premium package you are ready to apply to each item in that package a label that denote affinity. Start with the actual name of the product. It's a Mug or a DVD or a Tote Bag or a Book, right? No harm using its original identity... *providing you attach a program and/or station identifier.* This way you build exclusivity and affiliation with the station.

This technique seems so mundane until you look at the list below and consider how effective the words *mug* or *bobblehead* or *T-shirt* will be without the program and station modifiers.

- Morning Edition Mug**
- WXYZ Backpack**
- Guy Noir BobbleHead**
- WXYZ T-shirt**
- Car Talk CD**
- WXYZ Totebag**

Then use those names repeatedly. By doing so you are establishing unique identity and underscoring affinity. That means your pitches are creating perceived value.

Suggestion 7: Prepare the Secondary Premium Pitch

Your announcers are not the only folks who speak to contributors. You need to prepare your telephone volunteers to discuss premiums as effectively as you prepare the on-air staff.

The secondary pitch is made by your telephone volunteer. Properly done, this effort can reduce the rate of unfulfilled pledges, enhance affinity and create unexpected tradeups.

- Make sure each volunteer understands that a premium is a pledge incentive, not a gift. Introduce each volunteer to every one of your premiums.
- Underscore the need to refer to them with enthusiasm. Provide every volunteer with your written pitchpoints for each premium.
- Require volunteers to mention one or two pitch points for the premium that's relevant to the gift level being transacted. ("We appreciate the pledge, Ms. Jones. Soon we'll send the red aluminum insulated travel mug with our new WXYZ logo.")
- Place samples of your premiums within eyeshot of the phone volunteers. That gives them confidence to make the secondary pitch. It is also helpful when the conversation requires them to check the premium to answer a question.
- This technique is tricky for some volunteers, but those who can handle it effectively will build revenue. Request phone volunteers to consider suggesting a tradeup to the next gift level if he or she feels that trade-up suggestion can be comfortably inserted into the conversation. ("Did you know that we can send you a matching set of our travel mugs if you will increase your gift to

Some stations have found that a surprising number of people who call the pledge line respond to the secondary pitch and trade up their gift level. This is also a tool to combat pledge shrinkage – some callers may need the reinforcement of an additional premium reference to make good on their commitment. All it takes is a bit of planning, a bit of volunteer training and a few premium samples in the phone room.

The secondary pitch is as important as the first. So decide to make it as effective as the first.

Suggestion 8: Offer Premiums Online and in Print

In this essay about contributor incentives we need to help some readers become aware of a possible premium *disincentive*. Offering premiums only to people who respond to on-air pitches may be a mistake.

We assume you have followed discussions about this on the PubRadio and PRADO list-serves. There are pretty strong arguments on both sides of this issue. They deserve serious consideration which leads to an informed policy decision. The first step is to look at the issue from the prospective contributor's point of view.

We believe failure to offer your premiums for online contributions or for response to a renewal mailing can tick off some members who made their renewal online or by return mail. Consider what happens after they send their gift. They hear your on-air premium pitches. They learn that listeners who ignored the mail solicitations, the folks who didn't buy into your broadcast request for online

contributions, these LAGGARDS... are now being offered neat incentives. They get the station-related goodies while those who renewed early by mail or online, *as requested by you*, were not given the same benefit.

Here you are, training your supporters to contribute online and by return mail. Why risk success by making them feel shortchanged? Don't let some supporters think they were victimized by a premium version of Hide-The-Pea or Three Card Monte. This is a real risk. It should be recognized and addressed.

Suggestion 9: Quickly Fulfill Premiums

Get those premiums out the door! You can do a great job at the front end of your drive and then blow it at the back end.

Many stations think it is OK for members to receive their premiums a couple months after a drive ends. Big mistake! Delayed delivery reduces the ability of the premium to reinforce affinity with your station. **You need that affinity to help produce the next contribution. Prompt delivery of your premium from this drive is the first stage to the next fundraiser.**

So make premium fulfillment an integral phase of your planning – not an afterthought or separate endeavor. Give fulfillment the same level of planning, supervision and execution you give the rest of your drive so you get premiums in your contributors' hands within three or four weeks of the fundraiser's completion.

Suggestion 10: Don't Be a Department Store

You cannot be all premiums to all people. Don't try!

A handful of properly selected premiums will do the job. A double handful will not do it any better.

Sure it's great to divide the audience into ever tighter chunks defined by program preference. But don't over-segment. There comes a point at which multiple premiums compete with each other in pursuit of market share.

Rather than run a general store in which additional premiums do not produce additional income, reduce the confusion and exhaustion that excessive premium choices impose on audience, volunteers and staff.

Suggestion 11: Consider Dual-Logo Premiums

The dual-logo premium is a double play which appeals to affinity for your station and affinity for a particular program.

People contribute because of the program. But they contribute to the *station*. In the contribution dynamic, their loyalty to the program translates into affinity for the station that broadcasts it. *Some* premiums – not all – will be particularly effective incentives because they combine a program logo with your station logo, thereby drawing on two reinforcing affinities to increase the premium's incentive-power.

Dual-logo premiums require a custom production run. Because rigorous graphics standards and product quality issues come into play for your vendor, they take just a bit more planning. Your vendor must be made to understand

that the program logo is the signature of a national brand. That brand must not be devalued with an inferior imprint or a poor quality product. The vendor's factory must be given, and then must follow, the program's graphic standards for reproducing that logo in combination with yours.

Because a good custom co-branded premium heralds the identity of both the program and the station, everybody benefits – producer, distributor, station and the listener who gets the premium with dual logos!

Be aware, though, that you are dealing with the program or network's proprietary intellectual property and you must obtain both permission to use the logo and a copy of the relevant graphic standards policy for your vendor to follow.

Suggestion 12: Beware Of Price Pressure

When pennies count, dimes rule. When dimes take control, quality is sacrificed to price. From production through imprinting to quality inspection and product delivery – at each stage of the process there are dozens of ways to cut corners and shave a few cents off the price. *This can be the most expensive way for a station to save money.*

There is always somebody who will sell it for less. Typical scenario:

The vendor's sample looked OK. The vendor's price was lower. The station saved money. The salesman got a commission. The station got a contribution. The member got a premium with the station's logo.

Everybody seemed to benefit, right? So, why not go with the lower price?

Because the relationship with your affinity market leaves no room for you to compromise quality!

This axiom about compromise is true for your programming. It is just as true for the premiums that represent it. Despite what the bean counters might say, premium quality is an investment, not an expense.

You need the premium as a fundraising tool. The contributor needs it as a badge of affiliation. To satisfy *both* needs, the premium must justify a level of esteem appropriate to the station and its programming.

That means its quality must be equal to that task when you select it, when you pitch it, when it arrives at the contributors address.

It also means the quality must remain equal to the task a year later when you pitch another premium to the same contributor in hopes of a renewal.



Imprinted logoware for nonprofit fundraising & corporate branding programs