

A NUMBERS game

Farleigh Hospice's Local Hospice Lottery has raised £20m since 1996. **CHERYL BUNKLE** explains its rapid rise

The Local Hospice Lottery has raised over £20m for hospice care over the last two decades. With 22 different hospices currently benefiting from its weekly draw, this money has helped to fund the care of thousands of families affected by cancer and other life-limiting illnesses across the country. It also plays a crucial part in enabling hospices to plan and develop their services for the future as they strive to meet the growing needs of the communities they collectively serve.

How it began

The similar objectives shared by the 200+ hospices across the UK have fostered a natural culture of cooperation within the hospice movement. The Local Hospice Lottery combined this collaborative spirit with its entrepreneurial outlook and existing expertise in running a lottery to establish an innovative fast-growing business with hospice care at its heart.

Farleigh Hospice in Chelmsford started the lottery in 1996 as way

decision was taken to develop the lottery for the benefit of hospice care in other areas across the UK. Through sharing one prize fund, and one set of administration and operational costs, expenditure could be saved and partnering hospices could benefit from a low risk, low input way to increase their income.

Tremendous growth has been seen over the years, with overall membership increasing from 17,000 in March 2012 to 155,000 £1 entries today. Equally, the income provided to hospices by the lottery has grown from £510,000 in 2012-13 to £4.8m in 2017-18 and annual turnover has increased from £796,000 in 2011-12 to £7.3m in 2017-18.

How growth has been achieved

A range of marketing activities have been used over the years to enthuse people drawn to the hospice cause as well as those motivated by prize-based products. This activity has mainly focused on the development

and management of a direct sales team, which has been at the heart of membership growth in recent years. In fact, this face-to-face activity, which takes place both door-to-door and at private site venues, currently accounts for over 90 per cent of member acquisition.

Other marketing activities have included:

- Warm and cold direct mail campaigns
- Leaflet placement
- Royal Mail door-drop campaigns
- Warm and cold telephone campaigns
- Poster sites and advertisements

All of the lottery's recruitment plans are discussed and agreed with each individual hospice partner as part of a five-year plan. This ensures that Local Hospice Lottery works alongside the hospice's broader communication plan and doesn't conflict with other fundraising activities.

A strategic balancing act

Local Hospice Lottery has achieved significant growth in a changeable and challenging fundraising environment.

Nurturing a sales team brings a number of challenges, including providing a cost-effective method of acquisition, and possibly managing a high level of staff turnover. Having the right management structure in place has also proved paramount in supporting an expanding sales team. For this reason, the Local Hospice Lottery is currently enhancing its structure to provide increased support and oversight and to facilitate the flexibility that is required to meet future growth.

With over 90 per cent of new membership being generated through face to face, there is a danger of being an over-reliant on this particular activity. Although direct sales will continue to be instrumental to the lottery's business and future growth, options for diversification are planned.

The Local Hospice Lottery's model requires consideration

of four key stakeholders: individual hospice partners have an expectation for the delivery of sustainable income with higher performance and lower risk than managing an in-house model; players have an interest in an attractive prize fund and how their hospice benefits; as owner of the Local Hospice Lottery, Farleigh Hospice requires a realistic return on investment to develop its local caring services throughout mid Essex; and the Local Hospice Lottery needs to consider its growing business and levels of service.

"Face-to-face activity currently accounts for over 90 per cent of member acquisition"

Meeting the needs of all four can be a strategic balancing act. This is achieved through biannual assessment of the payment structure for partner hospices, and regular market analysis to check that the prize fund is still competitive, alongside the development and implementation of a strong operational plan.

Branding is key

Branding and brand identity is of utmost importance to any business and for the Local Hospice Lottery

this is two-fold. Not only does the lottery need to include the Local Hospice Lottery branding on everything, it also needs to ensure that the hospice's own brand has an equally prominent presence

and is represented correctly. Presently this means working with 22 different sets of brand guidelines and investing a lot of time in developing and signing off the numerous pieces of marketing collateral that are used.

As big as the Local Hospice Lottery gets, it fully recognises that it is the individual hospices that have the stronger brand presence in their geographic location. However, this

needs to be consistently balanced with our responsibility to be clear on who the lottery promoter is and transparent about exactly what people are signing up to play.

There are currently a number of restrictions in place that limit the amount of money charities can raise through society lotteries, and these caps relate to a number of factors including the amount of tickets which can be sold annually, the maximum prize limit and the return to good causes.

For the Local Hospice Lottery the annual turnover cap of £10m

poses a big issue, as the lottery is approaching this limit. If not changed, the impact would mean reduced amounts that could be better used for the benefit of hospice care.

For this reason, we have been working closely with the Lotteries Council to help the government understand the impact of these restrictions and readdress them as a matter of urgency. The government's preferred option within the recent consultation of increasing the turnover limit from £10m to £100m is a welcome step. However, as Local Hospice Lottery and many other society lotteries continue to grow, time really is of the essence to ensure these recommendations are implemented to benefit the many causes supported by society lotteries.

Despite all of the challenges, the level of income raised by the Local Hospice Lottery over the years clearly shows that getting it right can pay dividends. ■



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