What do you know about your donors?

- What actions they take

- How they behave

- What they tell you about themselves

- What other organizations tell you about them

How much they give

Gender

Changes in their information (address, name)

Presence of children

When they give

Language spoken

What else they do with your organization (volunteering, events)

Ethnicity

Retail purchase behavior

Communication preferences

Age

How often they give

Religion

Lifestyle interests

House type

Information they share (email address, interest in planned giving)

What they give to

Marital status

Survey responses

When they started giving

Income/wealth

Education level

Country of origin

Customer service (request something, complaints) Affinity information

Mail order behavior

Credit card indicators

Feeling overwhelmed yet?

Maybe you already have some (or all!) of this data on your database, but are you doing anything with it?

The challenges

- Capturing the data

- Storing the data

- Deciding what is valuable

- Using the data!

Capturing data

Probably the most important thing you can do – collecting data!

- Categorize campaigns – annual fund, appeal, acquisition, event, newsletter, etc

- Ask donors to share relevant information – in a communication/solicitation or when the donor contacts you directly

- Look into data appends – even just the basics (age, gender, income, etc)

Storing data

Once you've collected the data,
what do you do with it?

- Plan ahead – know how you're going to code it before you collect it

- Keep it simple and consistent

- Ideally, store everything in one database, but be flexible

What is valuable?

There is no hard and fast rule, but ...

- A donor's actions (behavior) are often predictive of future actions
- Donor-supplied data provides not only insight into their interest, but also indicates a level of trust in you (willing to share information or wanted to stay connected with you)
- External data can help build a profile of who your donors are

If you have some of this data, you can look at what has the most impact.

Do something with the data!
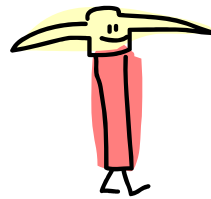
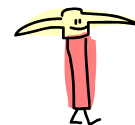Combine with your current RFM strategies

Merge/purge modeling

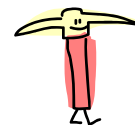More advanced modeling

Develop copy/offer strategies

Beyond RFM …
Simple Modeling with Big Results

Two challenges:

- Organization #1 mailed an annual calendar appeal to 75K donors, but net revenue was declining.

- Organization #2 needed to raise $100,000 for a restricted building campaign -- without reducing unrestricted revenue.

How did using data help?

- Organization #1 added past giving behavior to segmentation:
  - Had the donor responded to a prior calendar?
  - Had the donor responded to another premium?
  - Had the donor been given the opportunity to give to a premium?

- Created a non-premium mailing to send to other donors

- Results: selected fewer (and different) people than RFM alone would have
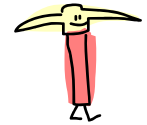
What were the results?

	Prior Year Calendar	Calendar with new Selection	New Non-Premium Appeal	**Overall Total**
# Mailed	70,000	25,000	45,000	70,000
Resp	4,058	2,000	2,025	4,025
% Resp	5.80%	8.00%	4.50%	5.60%
Total $	$138,000	$68,000	$85,050	$153,050
Avg $	$34.00	$34.00	$42.00	$38.02
Cost	$120,000	$50,000	$27,000	$83,000
Net!	$18,000	$18,000	$58,050	$76,050

Additional considerations...

- Donors receiving the regular (non-premium) appeal were offered a calendar as a back-end premium (additional cost $6K).

- The next year, donors who requested the back-end calendar were included in the mail calendar appeal.

How did Organization #2 use data?

- **Split data** in new ways to **maximize income** for both restricted & unrestricted campaigns.
    - Added "value" of donors to segmentation
    - Added past behavior in special funding campaigns
    - Added deep lapsed, high dollar and other categories not usually selected for appeals

- **Mailed more** overall - with a different split.

What is "value"?

- Looked at total giving over donor's life in relation to investment made in acquisition.

- To simplify selection, used "classes" of donors based on what package they'd been acquired on.

- Factored in non-mail gifts people had made (PG, major gifts, events gifts).

What were the results?

	Original Budget (all unrestricted)	Restricted Appeal	Unrestricted Appeal
# Mailed	100,000	10,000	95,000
Resp	5,000	460	6,175
% Resp	5.00%	4.60%	6.50%
Total $	$250,000	$115,000	$216,000
Avg $	$50.00	$250.00	$35.00
Cost	$85,000	$15,000	$51,000
Net!	$165,000	$100,000	$165,000
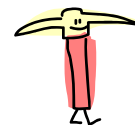
Additional considerations…

- Acknowledgments and the database had to be segmented to respect the gift source.

- The restricted gift wasn't factored in when selecting last gift or highest gift (for subsequent appeals).

- Messaging is still key!
  - This worked because the unrestricted offer was very compelling.

One more example…

- International group wanted to mail on Gaza emergency, but due to sensitive (and restricted) nature, did not want to mail full file.

- Segmented based on past interest in Gaza, the Middle East, and Emergencies.

- Balance of file received regular unrestricted appeal.

The results

Segment	Quantity Mailed	% Resp	Avg Gift	Net Revenue	Net Inc/ Donor
Year-end + Emergency	2,589	9.35%	$68.34	$14,189	$58.63
Donors to Lebanon	2,305	8.29%	$72.04	$11,667	$61.09
Donors to Mid-East	9,465	3.61%	$71.90	$16,000	$46.78
Mid-level Donors	3,163	1.90%	$481.85	$26,041	$434.01
Total	**17,522**	**4.76%**	**$94.37**	**$62,897**	**$75.33**
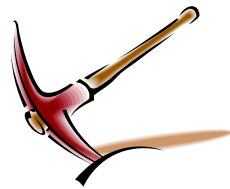
Merge/Purge: You're Already Modeling and May Not Know It!

What is Merge Purge

- Stage in acquisition campaign where all lists are hit against one another, with different priority rankings, so you don't mail one person who is on 4 lists, 4 times!

- Usually your suppression file (active donors) has top ranking – so donors are excluded from the acquisition mail.

What can the merge/purge tell you about your donors?

- Who is giving to other groups?

- Is your organization their only cause – or one of many?

- How does their other giving affect how they give to you?

- Are you suppressing hidden prospects?

How one organization used merge/purge to improve appeals

- Social service organization with under-performing appeals.

- As part of the merge, house file and suppression file were run against 30+ outside lists.

- Used this information to better segment the appeal. Segmentation based on number of hits against outside lists.

What was revealed by segmenting this way:

Segment	% of file	% Resp	Avg Gift	CTRAD
Donor only	39%	3.43%	$42.83	$0.17
Donor + 1 hit	22%	4.08%	$34.70	$0.17
Donor + 2+ hits	28%	5.09%	$32.40	$0.15
Suppression hits	11%	6.53%	$49.27	$0.08

What did the model reveal?

Segment	% of File	% Resp	Avg Gift	CTRAD
Donor Only	39%	3.43%	$42.83	$0.17

Donors giving **only** to this nonprofit had the lowest response rate but the highest gift. Because they are not donors to a wide variety of charities, we assume they will be most loyal to this group, so they can be targeted for upgrade efforts.

What else did we learn?

Segment	% of File	% Resp	Avg Gift	CTRAD
Donor + 1 hit:	22%	4.08%	$34.70	$0.17
Donor + 2+ hits:	28%	5.09%	$32.40	$0.15

More than half their donors are actively giving to other nonprofits. This means higher response rates, but also more competition for larger gifts.

A surprising finding…

Segment	% of File	% Resp	Avg Gift	CTRAD
Suppression hits:	11%	6.53%	$49.27	$0.15

- Check the hits on your suppression file! Outdated mail preferences, prior bad addresses, and even deceased flags could be suppressing potentially responsive donors.

- This was the hidden gem. The organization used this information to update their suppression file data, removing "do not mail" and "bad address" codes, etc.

Using merge/purge to assess regional performance

- Most regional organizations believe that closer is better.

- Most national organizations assume that point of service doesn't matter.

- Both may be wrong!

How one group improved regional performance

- New York City environmental conservation organization.

- Was mailing broadly across the metro New York area.

- Large area kept them from honing in on the most responsive prospects.

What the merge revealed

Geographical Area	Quantity	# of gifts	% Resp	Gross Rev	Avg Gift	Total Cost	Net Rev	ROI
Bronx/Staten Island	6,414	79	1.23%	$3,079	$38.97	$3,161	($82)	97%
Queens	11,868	126	1.06%	$5,164	$40.98	$5,849	($685)	88%
Manhattan	71,365	676	0.95%	$38,941	$57.61	$35,173	$3,768	111%
Long Island	17,741	154	0.87%	$6,499	$42.20	$8,744	($2,245)	74%
North of Manhattan	15,747	118	0.75%	$5,126	$43.44	$7,761	($2,635)	66%
Metro Commuters NJ/CT	9,354	65	0.69%	$3,109	$47.83	$4,670	($1,561)	67%
Brooklyn	16,445	104	0.63%	$4,802	$46.17	$8,105	($3,303)	59%
Total	148,934	1,322	0.89%	$66,720	$50.47	$73,463	($6,743)	91%

How the information was used

- Some prospects within the service area (Brooklyn) were not responsive – and could be cut.

- Some prospects outside the service area (Long Island) were responsive – and could be mailed.

- Decisions were made on a list-by-list basis, depending on size and response.

The results!

	Quantity Mailed	# of Gifts	% Response	Avg Gift	Net Per New Donor
Mailing with Broad Geo	155,211	1,516	0.98%	$47.62	$2.30
Mailing with Refined Geo Segmentation	152,050	1,730	1.14%	$60.32	$22.54

Refining the geographic selects by list allowed us to mail the same quantity but achieve a higher response rate AND a higher average gift! The net per new donor jumped dramatically.

Using Modeling Tools to Refine Your Data

Cooperative Databases:

- Target Analysis Group
- Wiland Direct
- DonorBase
- Abacus

All of these databases house millions of records of donor and consumer data that can be accessed by "joining" the cooperative.

Using Target VEAM Modeling in Acquisition

- International relief and development organization had strong acquisition program.

- Organization wanted to better target donors for upgrades, starting with the very first gift.

The modeling process

- Used the Target Analysis co-operative database before mailing acquisition.

  Database contains info on millions of households enhanced with data from 450 nonprofits with 72 million unique donors and billions of individual donations.

- Sent post-merge file to Target, to identify and segment prospects with potential to make bigger gifts.

The results!

Segment	Quantity	% Resp	Avg Gift	Net	Net/New Donor
Window Control	11,018	0.68%	$91.71	$3,464	$46.18
Closed-face OE Test	11,018	0.79%	$94.83	$4,516	$51.91
Total	**22,036**	**0.74%**	**$93.38**	**$7,979**	**$49.26**
All Cont. Lists	*325,696*	*0.63%*	*$32.37*	*($36,261)*	*($17.55)*

Tested the modeled names with the control and the closed-face carrier used with lapsed.

Copy/Offer: Polishing the Gold

Using data to target special offers

One organization published a nutrition guide free for medical students. To fund this, they selected the physicians in their database and sent a special mailing inviting them to help publish the book and have their name listed inside.

Using behavior data to identify warm prospects

- An animal welfare group had an acquisition package with a petition reply form.

- When prospects signed the petition but didn't make a gift, the group remailed them in a subsequent mailing, referencing that they had already taken action with them, and asking for a gift.

Using behavior data to develop a copy platform

- An organization whose supporters are all people who have participated in their programs.

- All of the letters reference their participation as a way to build the case for support.

- This was also used with great success on the reply form.

Using behavior data to reach new audiences

- The same organization has found that certain types of involvement are predictive of donor behavior.

- In prospecting, data is selected based on the type of participation as well as the dates of participation.

Using geographic data to drive segmentation and copy platform

- A nonprofit with a bricks and mortar presence (hospital) had donors within its "local" service area as well donors from across the rest of the nation.

- In reviewing the file and appeal performance metrics, local donors were much stronger than national donors (response, average gift, retention)

Using geographic data to drive segmentation and copy platform

- Developed a strategy to leverage this:
  - Copy directed at local donors highlighted the fact that the hospital was "in their backyard"
  - Based on ROI, mailed deeper for the local audiences than the rest of the nation

- The mix in audiences for this client has shifted from 50/50 local-national to 70/30 local-national

Using age data to identify annuity prospects

- Client had historically sent out annuity offers to all of its donors

- Prior segmentation strategy was based on cumulative giving/frequency

- After the age append, revamped the segmentation strategy to utilize:
  - Age: targeting older donors whose age qualified them for the annuity offer
  - HPC
  - Giving frequency

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