



CASE STUDY 1

MAJOR HEALTH CHARITY



FOCUS:

Overhaul entire direct response fundraising program

SITUATION:

A long-established national health charity with a mature direct mail program was experiencing decreasing income in renewal and lower response rates in acquisition. All donors were slip-acquired, and \$100+ donors were treated differently with a letter package, but there were no special donor clubs.

GOAL:

Increase response rate in acquisition, average gift in renewal, gross revenue, long-term donor value — and update overall program creative.

TACTICS:

- Gradually increased the mix of premium-acquired donors, from less than 20% in year one, to just over 50% in year three
- Initially decreased acquisition volume to focus on the best-performing lists, now building quantities back up with new list strategy, including Target Non-Profit Cooperative Database
- Refined messaging strategy to focus more on core mission
- Added more localization and personalization across all prospect and renewal packages
- Created a Major Donor club to increase average gift and donor loyalty
- Added special appeals in new time slots
- Tested acquisition appeals in non-traditional time slots
- Tested new renewal formats, offers, handwritten fonts, copy messaging

RESULTS:

- In fiscal year 2005 we conducted 36 package tests. 12 beat controls, 6 did well enough to retest and the remaining packages lost by only a small margin and were retested
- In the same year, net revenue in acquisition increased dramatically
- Both gross and net revenue increased in renewal
- Some renewal appeals beat controls by as much as 20–40% on a net income basis
- Donors acquired through premiums almost tripled and now make up 40% of the file
- Within three years, 93% of the packages in the program had been replaced by new creative packages that beat controls.
- Overall income increased by a record \$1,000,000 in FY05; we reached projected FY06 budget within 10 months and we now await final numbers, which are projected to be another significant increase.
- Across the board improvements in the program included increases in percentage of response, average gift, gross revenue and net revenue.
- Now introducing several new concepts for FY07, including Monthly Giving, Mid-level Donor Club, Web integrated appeals, Challenge Match, Welcome/Conversion package and several new premium packages, both front end, and back-end