
Case Study - Red Cross Campaign Analysis and Wealth Screening

Situation

Australian Red Cross perform regular direct mail campaigns every year to a defined pool of donors selected from their database.

Over time, response has been declining in percentage terms, although size of average gift had increased slightly. However the net proceeds had been continually decreasing. Red Cross needed to take action to change this trend.

At the same time Red Cross were working to further develop their program of major gift fundraising, and wanted to identify potential higher value donors within the database

Vision

Red Cross aimed to increase the overall income, improve ROI, increase response rates and donor value of their Direct Mail campaigns, and to identify potential major donors within the direct mail database.

Additional benefits to be derived from this project were the learnings gained to be used to improve the campaign targeting in future campaigns – and to find other good potential donors for the future.

Direct Mail donors: campaign analysis

Specific Requirement

This project aimed to use the results from previous campaigns to determine the different donation behaviour trends by the donors. The major findings from analysis of the responses to the campaigns based on:

- Analysing a set of defined questions
 - Examining trends by individual and combinations of attributes to find groups of donors with particularly high or low response rates or donation amounts.
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We Performed The Following:

- Extraction of Red Cross data onto an analytical platform and conversion to one view of donor
- Derived relevant attributes per donor
- Analysis of the data to answer key questions
- Analysis of the results of the campaign by many attributes.
- Defined learnings made from the analyses
- Defined actions to be taken to improve results in the future
- Segmentation of donors
- Selection of only those potential respondents where a positive Return on Investment would be made from the campaign
- Construction of a new ask amount strategy personalised to each campaign recipient based on past giving behaviour to optimise the future giving
- Creation of a mailing file with ask amounts allocated per campaign recipient
- Documented findings and learnings to be used to select donors for following campaigns.

The timeframe was very tight with the next campaign due to be sent out 3 weeks from the date of providing campaign results to BusinessMinds.

Result

The campaign was a great success with an increase of net profit of 30%. This fantastic result was due to a combination of:

- An increase in average gift amount of 11%
- An increase in average response rate of 58%
- A reduction in number of items mailed of 30% (by excluding unprofitable segments), and a resulting reduction in costs [by 8%].

The new strategy for donor targeting continues to be used and is continually evolving.

Wealth screening: donor analysis Specific requirement

To identify individuals within the existing supporter database who had not self-identified as major donors by their previous gift amounts, but who were likely to have capacity to give at higher values, either in targeted higher value segments of the direct mail campaign, or as part of a major donor program.

Process and outcomes

A selection of names from the current and recent donor files were screened against our compiled database of 9000 "prominent and wealthy" Australians to identify matches. Several hundred names

were identified of people likely to have capacity to give at higher levels than their donation history had indicated. These donors can now be moved to a higher level of direct marketing communication, or moved into a more personal major gift approach.