# Annual Giving Appeal Targeting & Effectiveness

AKA Leveraging New Technologies such as Data Visualization, In-Memory Storage and Predictive Analytics in order to improve the yields on mail, email, and phone based appeals.

Douglas A. Cogswell, President & CEO, Advizor Solutions, Inc.

## The Challenge

Most fundraisers blanket their prospects with a myriad of messages delivered through a variety of media. Some of these messages connect well with certain prospect segments, some fall flat. Unfortunately, given the sheer volume of activities, untangling what worked and what didn't can often be a challenging process.

Such a process involves accessing large amounts of data, often from different systems, and then scouring it, slicing and dicing it in different ways to find patterns and trends. Key questions that need to be answered include:

- Which appeals and marketing efforts are driving gift dollars?
- Which events and activities are most effective?
- What are the characteristics of people who have responded with, say, $500+ gifts to our appeals?
- Who else has the same characteristics?
- Who are the non-donors - where are they? in what class? rated vs. non-rated? last year but not this? what else do we know about them?
- What can we do differently to turn non-donors into donors?

## Making it Real -- Yield Improvement

In recent client work we have observed a wide range in appeal yields -- where we are using yield to mean what % of recipients gave money based on the appeal. In the example below some appeals are yielding over 8% -- which is well above the target of 2%. Others yield virtually nothing. Why the huge difference?

Using ADVIZOR's in-memory data discovery tools our clients are able to understand WHY some appeals have high returns, and with which constituent groups. By focusing appeal messaging into "interest areas" that work for different constituent segments yields are dramatically improved. And, higher yields mean more money!!
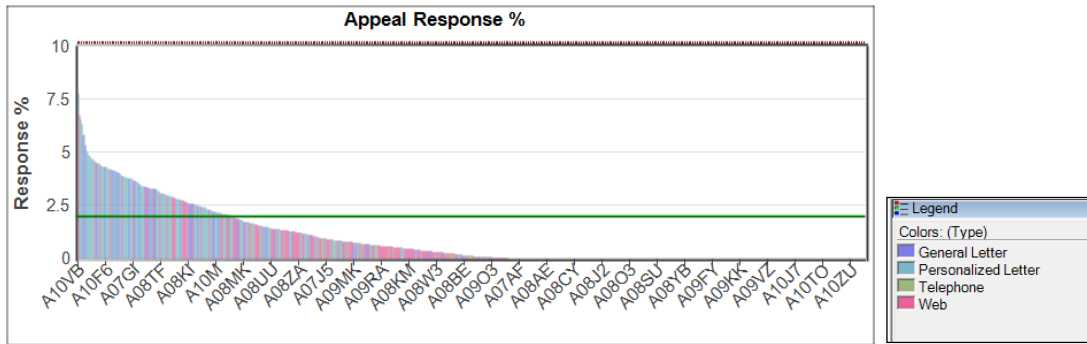
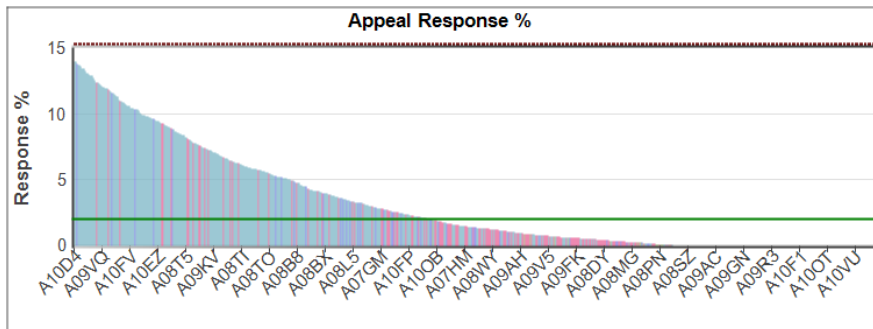Fig. 1: Yield Distribution before focusing messages.



Fig. 2: Yield Distribution after focusing messages.

The first chart above shows a typical yield curve for a successful fundraiser -- a few appeals clear 5%, maybe a fifth clear the 2% target, and most fall woefully short. The second chart shows returns for the same fundraiser after their appeals had been focused on specific messaging for specific constituent groups. In this second case a number of their appeals clear 10%, and roughly half clear the 2% target. This substantial improvement is worth over $3mm per year!!

## Touchpoints

Another area of challenge for many is the number of times a prospect is "touched" within an annual period. In the example below the alumni of a leading university are touched as many as 25 times in a year with requests for a donation. And, it turns out that in many cases the ones who are contacted the most are the ones least likely to make a gift!!!!

Our premise is nobody should be touched more than 10 times a year with a fundraising request. In the chart below the red represents emails -- the donors on the right with the largest number of touchpoints are getting blasted with up to 15 emails, in addition to a more reasonable number of phone calls and letters.
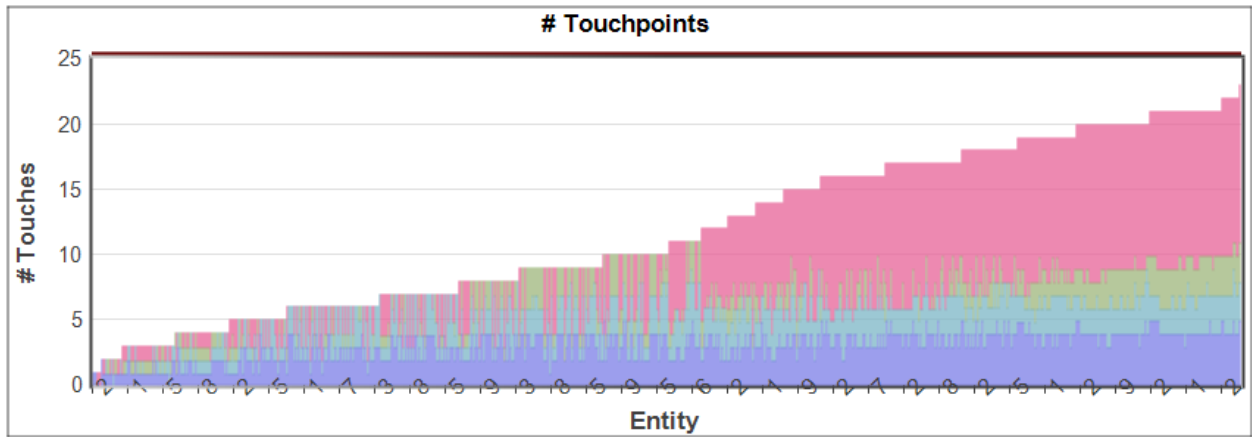
Fig. 3: Number of touchpoints by prospect (entity). The red on the right represents emails (see legend with Fig 1) .

The visualization below is called a "timetable", and presents a comprehensive picture of what happened in this program:

- At the beginning a few letters were sent (blue lines on the top left)
- Then phone calls begin in earnest (the green lines in the middle)
- More letters are sent (blue lines in the top middle and right)
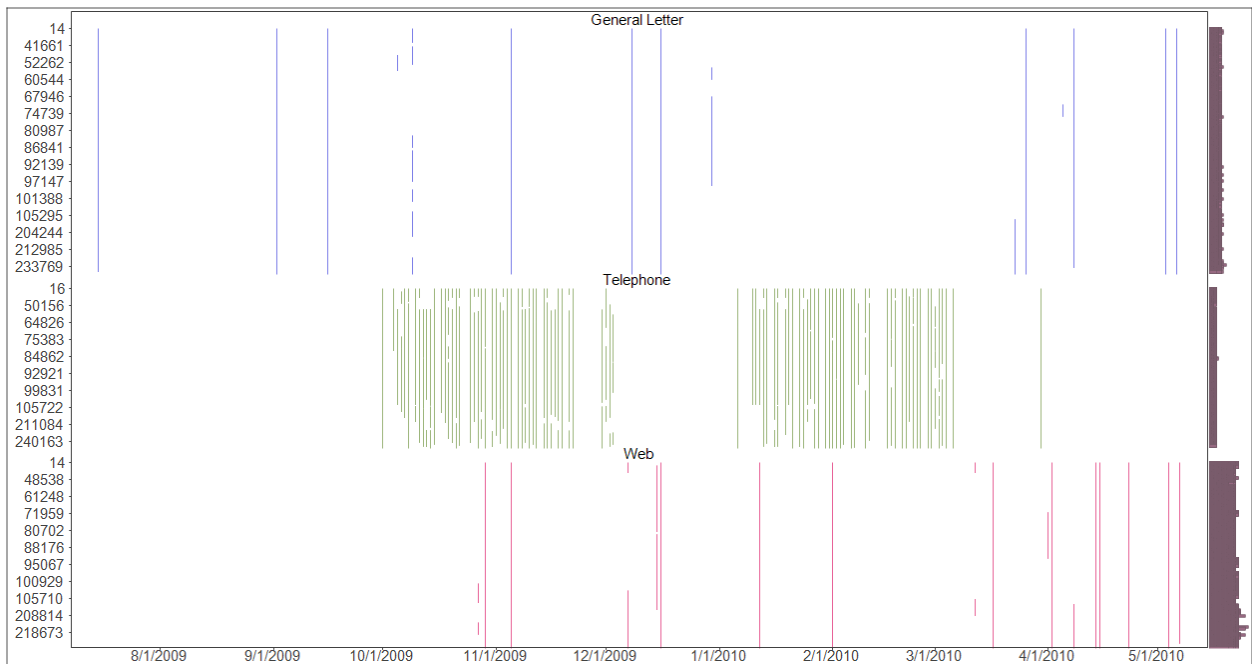- Then a series of email blasts occur (red lines on the bottom)



Fig. 4: Appeal Timetable -- program dates run across the horizontal access, prospects run the vertical access. Each touchpoint is a line (or dot) on the chart. Total number of touches is tallied in the purple bars on the right.

Filtering the data by results shows an alarming pattern -- the people hit with the multitude of email blasts give at a substantially lower rate than the others.  Clearly this program is NOT working, and more than that is likely generating ill will for the future.

## Focus

Focus is extremely important.  The heatmap below shows appeals within programs. Each appeal is sized by how many constituents it touched, and colored by its yield -- green is good (10%+), red is bad (<1%).

For this school the highly focused Class Appeal program succeeded (top center group with the many green and yellow squares).  This is because these appeals had a more personal connection / touch.  A few of the other more focused appeals in the Seasons and Calendar programs also did OK.  They had a content specific message that had better connection.  The more general Challenges, which went out more broadly, were largely ineffective.
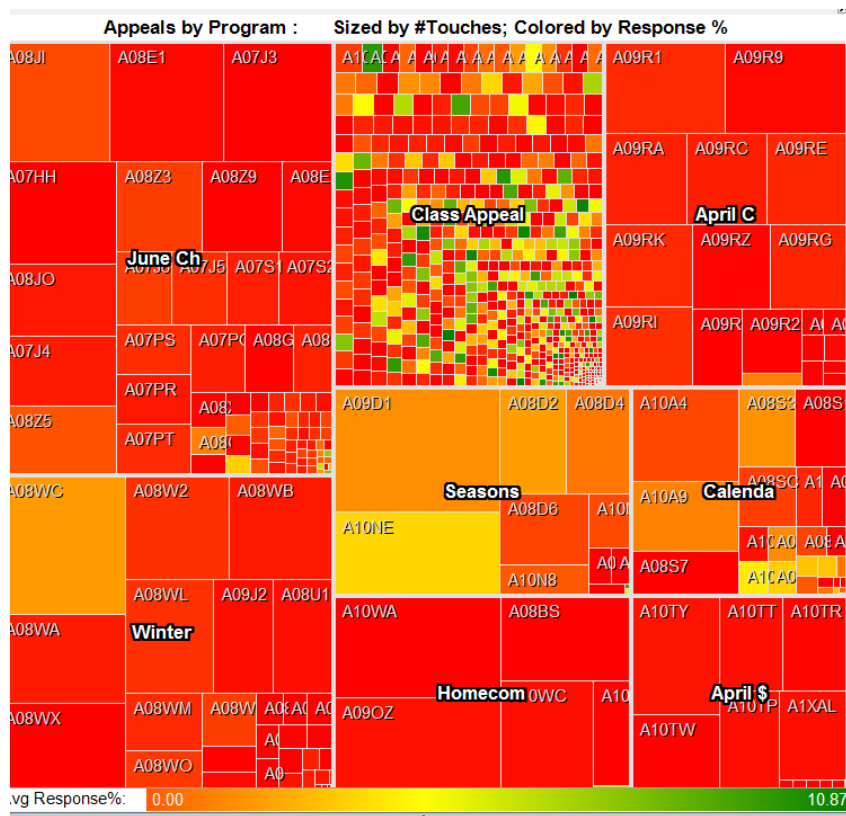


Fig. 5:  Heatmap -- shows differential performance of appeals and programs (green is good, red is bad)

**The Vision**

Imagine what would happen if programs were focused and could drive higher yields with many fewer touchpoints? What would that be worth? What would it take to get your team to that point?

ADVIZOR helps your team work with the data that you already have to answer key questions. We make all of your data available in an easy to use interface that allows your marketers to easily slice and dice the data across a variety of categories, all the while keeping their eyes on what worked and what didn't. Patterns are easily identified, and with predictive analytics the prospect list can be "scored" to find donors who have high probability of positive response to a particular appeal.

**The Result**

ADVIZOR's clients have:

- Improved average yields on appeals from under 2% to over 7% based on better targeting
- Avoided "harassing" key donors because fewer, and better targeted, appeals are sent
- Identified additional high potential targets for specific appeals
- Created a more collaborative and integrated marketing team because they can discuss and interact with data as they review programs and issues
- Much better understood the "stories" hidden in their data so that they can make empirical fact-based decisions