



DirectMail.com™

Intelligent Marketing Solutions. *Delivered.*

CASE STUDY - Nonprofit fundraising

DirectMail.com's Data-Driven Analysis Lift Nonprofit's Response Rate by 43% and Dollars Returned per Thousand by 62%

MARKETING CHALLENGE

For years, DirectMail.com successfully used direct mail campaigns to raise funds for a healthcare nonprofit. A year ago, DirectMail.com noticed a downward trend in key success criteria and sought to understand the rationale for the decline.

METHODOLOGY

DirectMail.com applied advanced data segmentation techniques to the customer's transaction data to identify the specific demographic characteristics of donor clusters most likely to respond to its direct mail solicitations.

DirectMail.com scored every donor file for every prospect mailing for every month during the prior mailing year using a customized data segmentation scheme. Using proprietary technology and third-party data, DirectMail.com determined the personal characteristics (household income, spending levels, discretionary spending, etc.) of likely contributors to the healthcare nonprofit's mission. Using the analysis results, DirectMail.com then suppressed clusters of donors that did not match the identified characteristics from the current-year mailing lists.

"Everyone is looking for ways to increase their return on investment. Doing so becomes harder in the face of rising costs and a difficult economy. Our results demonstrate that any marketer struggling with declining response rates can mail smarter and engage more – and often spend less money in the process."

– ROBERT SALTA, PRINCIPAL,

DIRECTMAIL.COM

RESULTS

The table below presents the overall results for the two comparison periods: current year and prior year. With mailing lists suppressed to reflect only those individuals sharing the demographic characteristics of likely responders, DirectMail.com mailed 6,846 fewer pieces overall. However, the current-year mailing yielded 613 new donors, lifted the response rate from 0.745% to 1.062% and increased gross income by over \$20,000. At the same time, both the ROI and the average gift amount rose.

Notably, the current-year mailing yielded almost a 43% increase in response and a 62% lift in ROI (computed as dollar return per thousand pieces mailed). Also, gross income rose above 57% and average gift increased by over 13%.

Impact of Data Segmentation Techniques on Yearly Totals

	Prior Year	Current Year
Total Pieces Mailed	216,680	209,834
Number of Donors	1,615	2,228
Percentage Return	0.745%	1.062%
Gross Income	\$35,489	\$55,542
ROI	\$164	\$265
Average Gift	\$21.97	\$24.92

DISCUSSION

In the past, the marketer's response to declining ROI almost always was to reduce the amount of prospecting or to test new creative. Neither strategy is sound. The answer is mail smarter!

Data-driven analytics achieve smarter marketing by offering actionable insights on optimal prospects and how to engage them through targeted messaging. What's more, mailing smarter often means marketers spend less money on their direct mail campaigns, even in a time when labor, material, production and postage costs are rising.

By understanding the specific demographic characteristics of individuals most likely to support the nonprofit's cause, DirectMail.com identified donors more likely to donate again rather than one-time donors or persons gifting out of a sense of obligation for any premiums received.

Robert Salta, Principal of DirectMail.com, is a driving force behind the firm's data-driven marketing services. The company's team of in-house analysts and data experts uses algorithms and toolsets proven to yield actionable marketing insights. Then, the DirectMail.com team offers customers discrete methodologies to leverage these data-driven insights in future programs and campaigns.

Salta says, "Everyone is looking for ways to increase their return on investment. Doing so becomes harder in the face of rising costs and a difficult economy. Our results demonstrate that any marketer struggling with declining response rates can mail smarter and engage more – and often spend less money in the process."

We get people to say,

Yes!



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