



## Case Study

### **Improving Lapsed Reactivation Revenue by 25%**

**List Services Fundraising is knowledgeable about your entire fundraising program, not just rental list acquisition. Our value-added partnership approach can really add value to your bottom line.**

Experience and traditional wisdom tells us that your lapsed donors are your best “prospects”. They should be cheaper to re-acquire (no list costs) and should deliver stronger revenue and response rates than outside lists. But what happens when your outside lists are outperforming your lapsed names?

In the case of one large national mailer, they listened to their list broker – List Services Fundraising. Since we participate in the full agency strategy planning sessions and not just the list portion, we were aware of the problem and had the opportunity to make two data-driven recommendations. We knew they had already tried a multitude of creative treatments to no avail and we felt a data solution was in order.

**Solution 1:** We first recommended a modeling solution that was designed to boost response and reduce the cost to re-acquire.

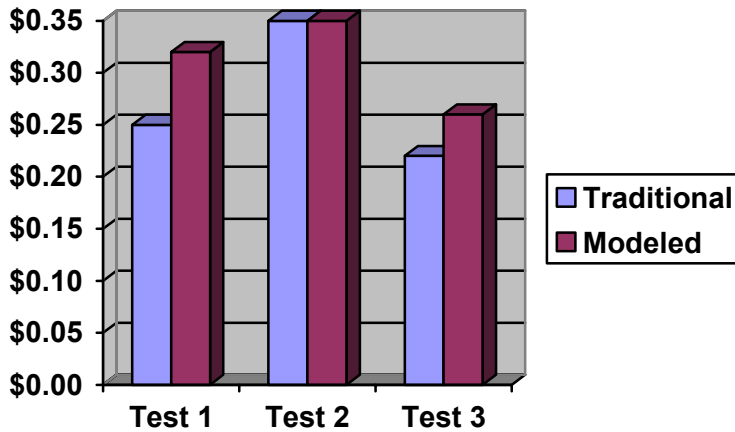
In our initial test, we compared the modeled selection head to head against the traditional selection methodology. While the modeled selection succeeded in produced better response and revenue per name, we determined that the lift was coming from a small percentage of previously untapped lapsed names and the majority of names the model selected would have been selected by the traditional selection methodology anyway.

In short, we found we’d met our goals of boosting response and revenue, but the cost of the model scoring caused us to miss the mark of reducing cost to re-acquire. It simply wasn’t cost effective to model the full lapsed file.

In response to this setback, List Services recommended a layered strategy where the traditional selection methodology would be applied first and then only the remaining unselected names would be considered for modeling. The benefit to this approach was that it significantly reduced the number of names going into and coming out of the model process which resulted in considerably less cost and made the model feasible.

Today, the overall performance (net to acquire) is best for the modeled lapsed set. Outside names are second and are still performing above the traditionally selected lapsed. **The modeled set delivers an average 25% gross/name improvement over the traditionally selected lapsed set.**

Our client has chosen to continue mailing both the modeled lapsed and the traditionally selected names due to the need to acquire or re-acquire a growing number of quality donors. What started as an idea to select better lapsed names actually turned into a solution to select both more and better names.



**Solution 2:** The second solution List Services recommended for improving lapsed performance was to identify potential responders who might be missed under traditional RFM segmentation by aligning the selection criteria with the package and premium. In essence, we paired the selection strategy with the premium to become more relevant to our former donors. This strategy helped us reach the donors at a time when they would be most receptive to our offer.

This strategy too resulted in considerable success as measured by response rate, revenue per name, and cost to re-acquire. Additionally, it allowed us to mail deeper into certain pockets of the lapsed file to increase the number of lapsed we could effectively reactivate.

