



EVERYTHING YOU NEED TO KNOW ABOUT ACQUISITION BEFORE PLANNING FY22

March 11, 2021

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Learn how to project the number of new donors you will need to acquire in your upcoming fiscal year

Learn how to develop a cost and revenue budget for acquisition

Gain insight into the direct mail and digital tools available to you in your quest to acquire new donors

Gain confidence that you're accurately capturing and reporting on all new donors (attribution)

Hear real-world case studies that you can leverage in your own program



Today's Speakers



Debbie Merlino

President, Agency
Services



Amy Houke

Media Director, Agency
Services



Joe McLaughlin

Director, Digital Analytics
& Optimization



Liz Lowe

Data & Analytics Director



Gina Sibila

Client Services Director



Chris Earp

Advertising Director

Why Acquisition?

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Three Ways to Make More Money

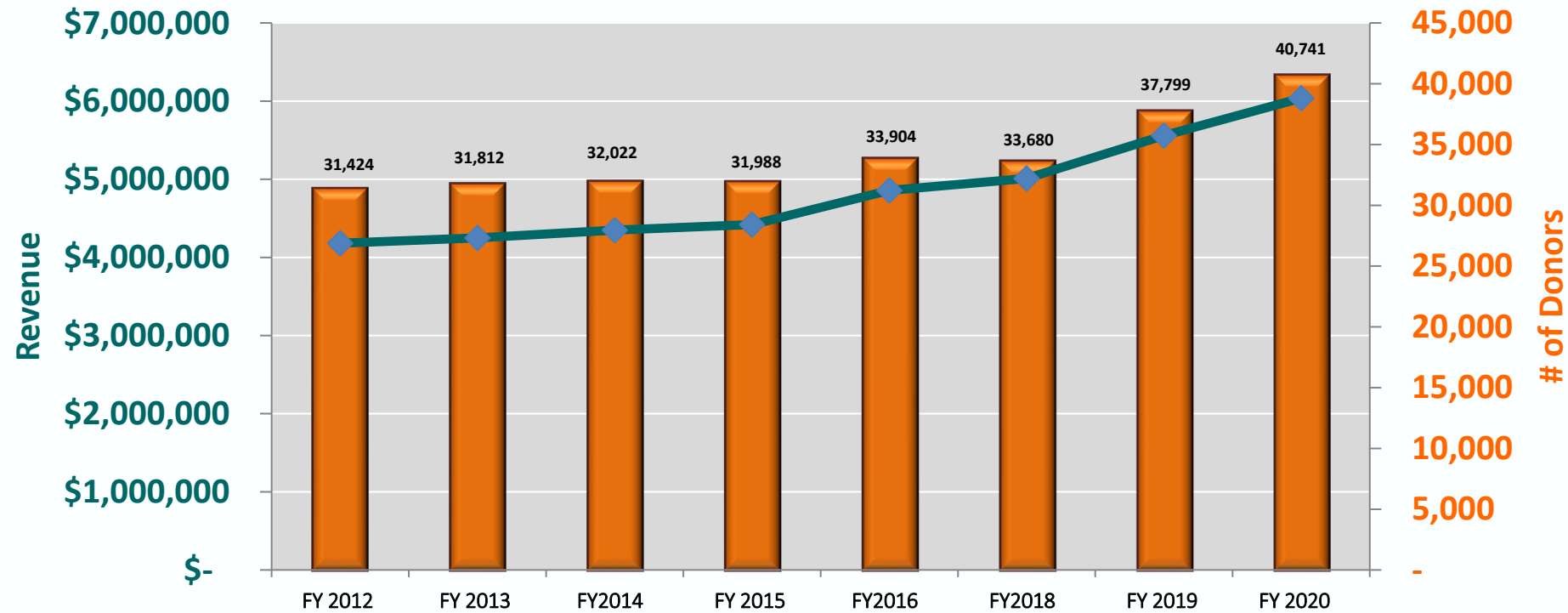
More
Donors

More Gifts
per Donor

Higher
Average
Gift

Dollars Follow Donors

Overall Donors – Donors and Revenue

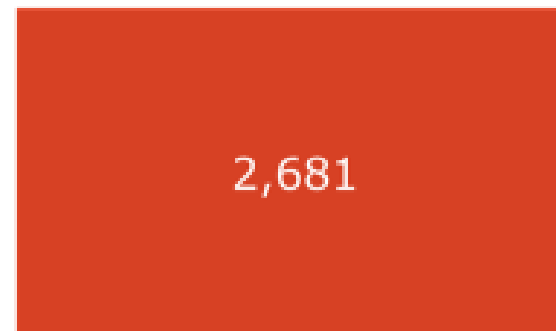
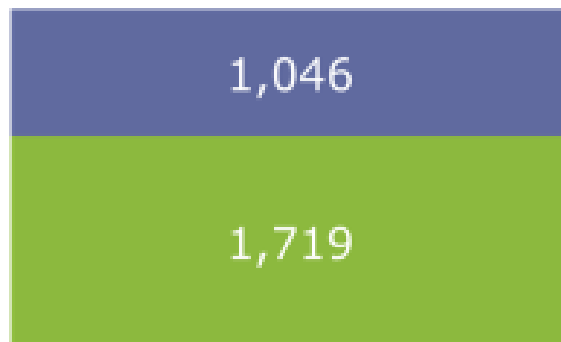




Acquisition Required to Offset Donor Churn

FY20 Net File Change

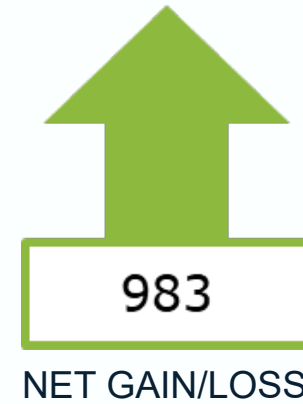
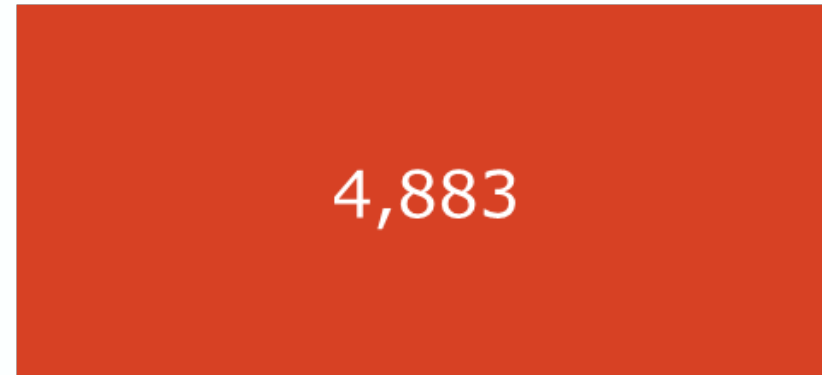
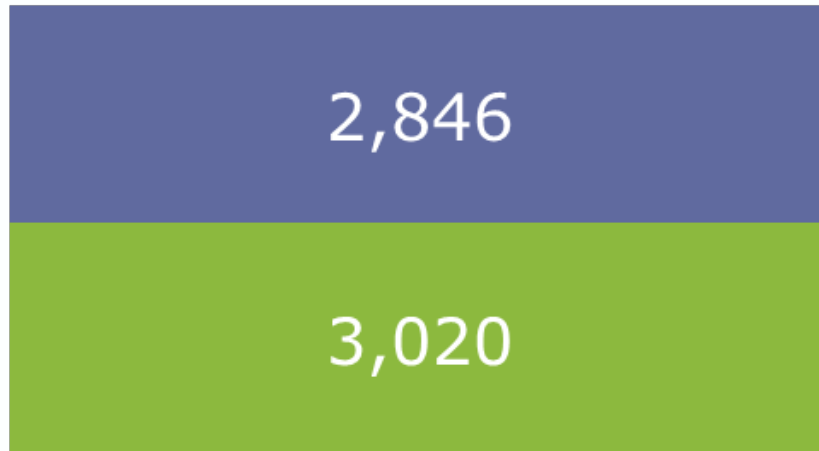
■ New ■ Reactivated ■ Lapsed



ALL DONORS

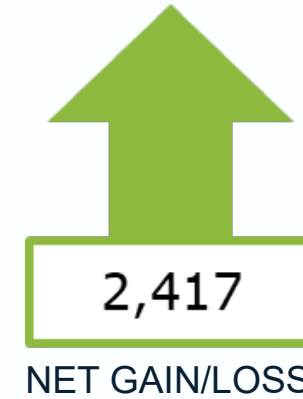
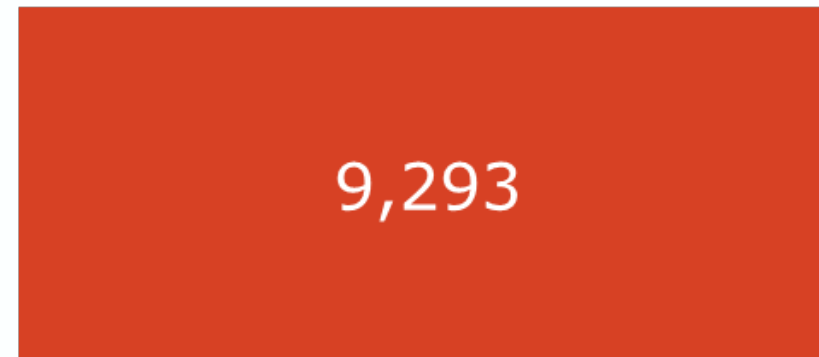
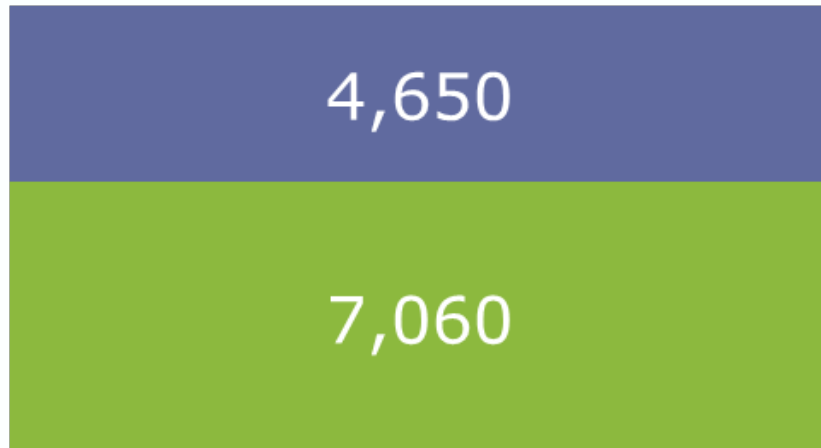
FY20 Net File Change: Balanced

■ New ■ Reactivated ■ Lapsed



FY20 Net File Change: Imbalance

■ New ■ Reactivated ■ Lapsed



The Consequences of (Digital) Acquisition Hiatus

- **Stagnation, Attrition, Revenue Decreases**
- Changing Technology & User Preferences
- Email Program Damage
- Lapses/Changes in Machine Learning

Digital Acquisition Has Fewer Barriers to Entry than Mail

Digital ads are measurable in real-time, and they require less budget to run. Additionally, they can be switched on and off at any time, allowing for acceptable bounds to be applied to any digital campaigns.

— THE CASE FOR DIGITAL ACQUISITION

THE CASE FOR ACQUISITION

WHEN TO INVEST: INDICATORS

- **Quality of CRM File:** Average gift, giving frequency, lifetime value, sustainer upgrade frequency, etc.
- **Comparative Quality of New Digital Donors**
- **Historical Cost per Acquisition vs. LTV**
- **Objectives for Next Year**
- **Market Changes:** Technology, data rules, *user behavior*, *public awareness of mission*.
- **On the File:** Lapsed Donors, Non-Donors.
- **Off the File:** Brand-Aware, Engaged, Digital Users

— THE CASE FOR DIGITAL ACQUISITION

THE CASE FOR ACQUISITION

WHEN TO INVEST: END OF YEAR

- **End of Year Conversion Rates**
- **Possibility of Leveraging a Match/Match Language**
- **Accurate Targeting Increases LTV and Reduces Attrition**
- **Create Awareness Ahead of EOY** to generate Search Volume and increase conversion rates.
- **Don't expect to be Return on Ad Spend positive in acquisition- but you might be!**

CASE STUDY: BE THE MATCH

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THE CASE FOR ACQUISITION

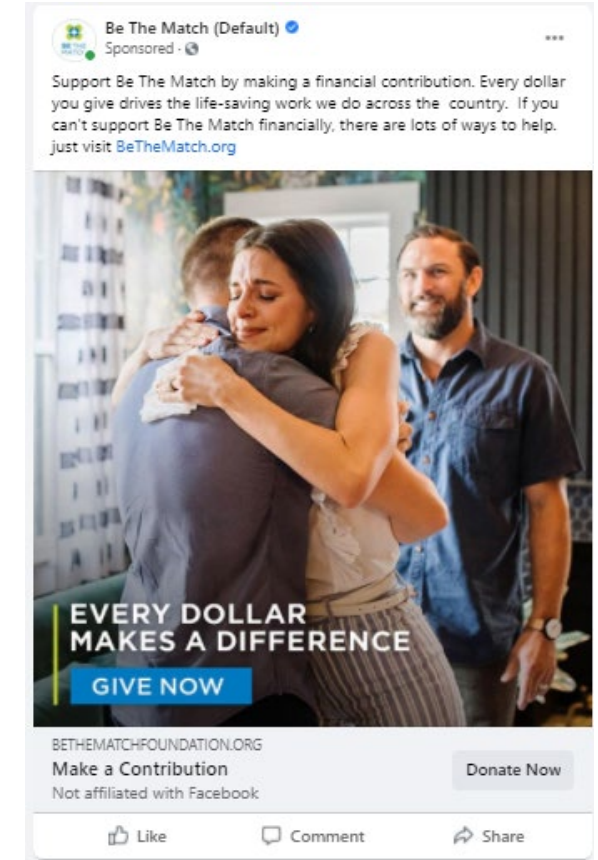
WHEN TO INVEST: INDICATORS

- **Weak Recurring Revenue from File:** Donors and nondonors on the digital file did not produce 100% ROAS from Facebook and Paid Search ads outside of the last few days of the year.
- **Branding Challenges:** You can acquire donors *around* branding challenges, and sometimes it's important to do so.
- **Probing Paid Search:** Continually testing existing search volume for changes in donor behavior.
- **Successfully Recruited Reliable Digital Donors:** Paid Social, Display, and Paid Search

THE CASE FOR ACQUISITION

BE THE MATCH

- **Blend of Facebook's First Party Data targeting & Lookalike models**
- Steady creative testing & audience-level learnings
- 3 Months of Acquisition: 185 donors acquired, \$156 per donor
- 84.54% ROAS
- Program contributed to SEM ROAS Positivity as well

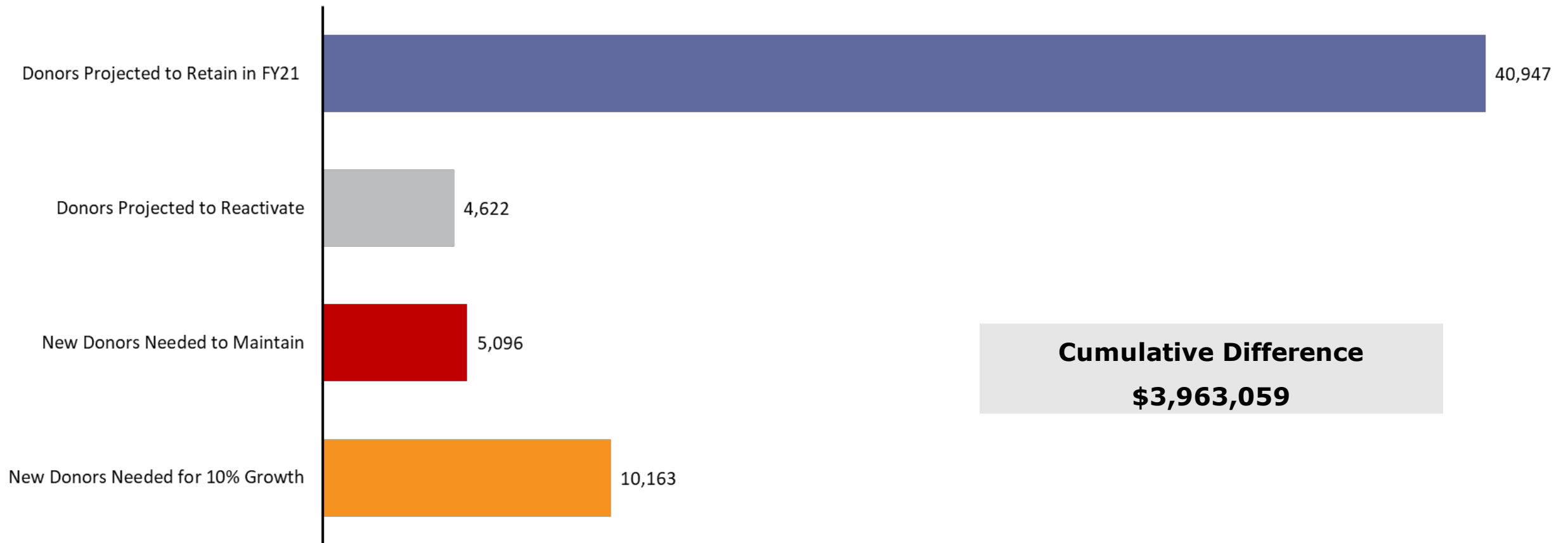


Developing Your Budget

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FY21 Donor Replenishment



Typical Direct Mail Campaign Results by Audience Segment

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Acquisition

Investment

Generate net loss

Pay for themselves in year 2

Lapsed Donors

Seek to achieve break-even

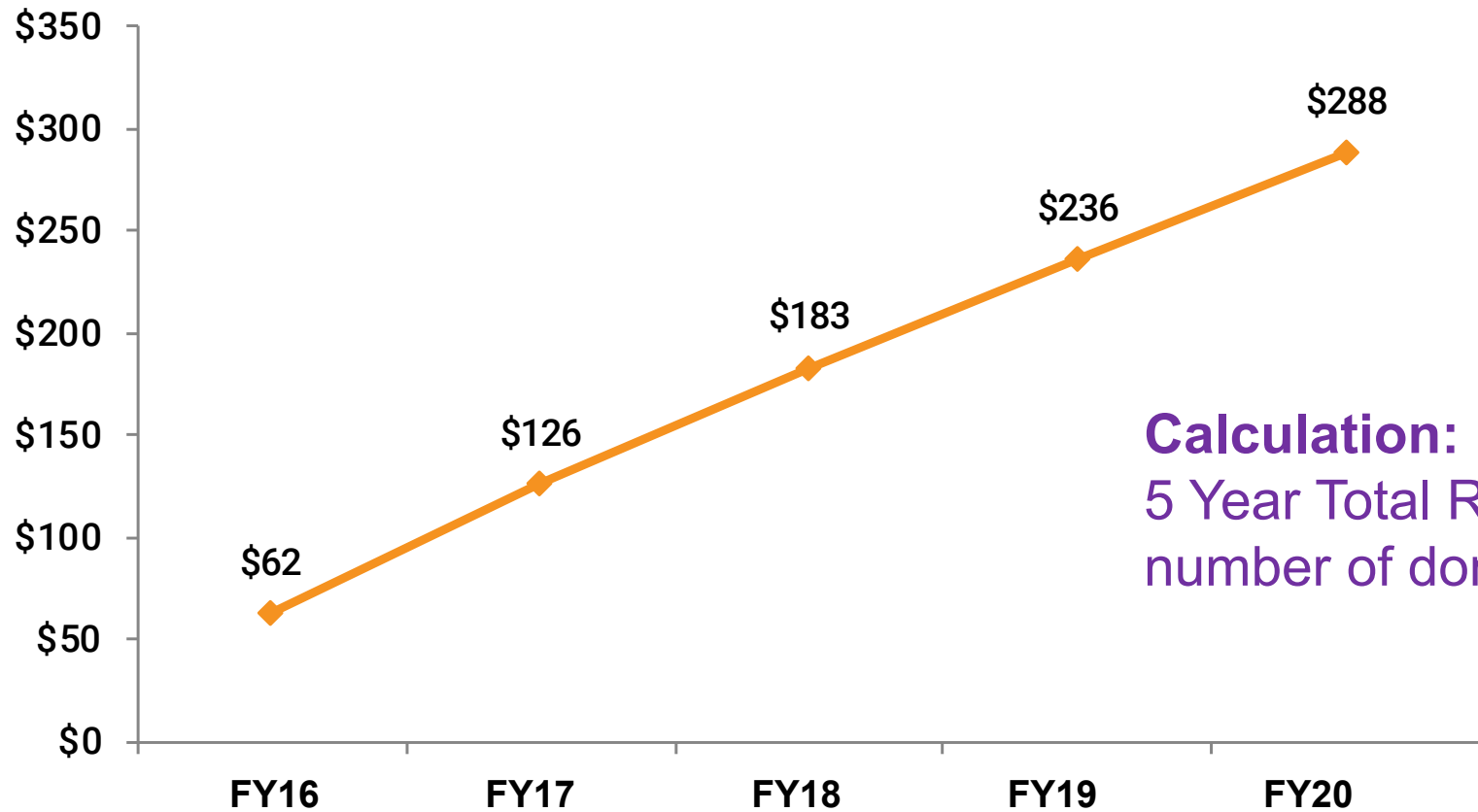
Some organizations can sustain small net losses from this segment. Others focus on generating small positive net \$

Active Donors

Yield positive net revenue.

Generate revenue to reinvest in new donor acquisition

Donor Value



Calculation:

5 Year Total Revenue generated by class /
number of donors in class 5 years ago

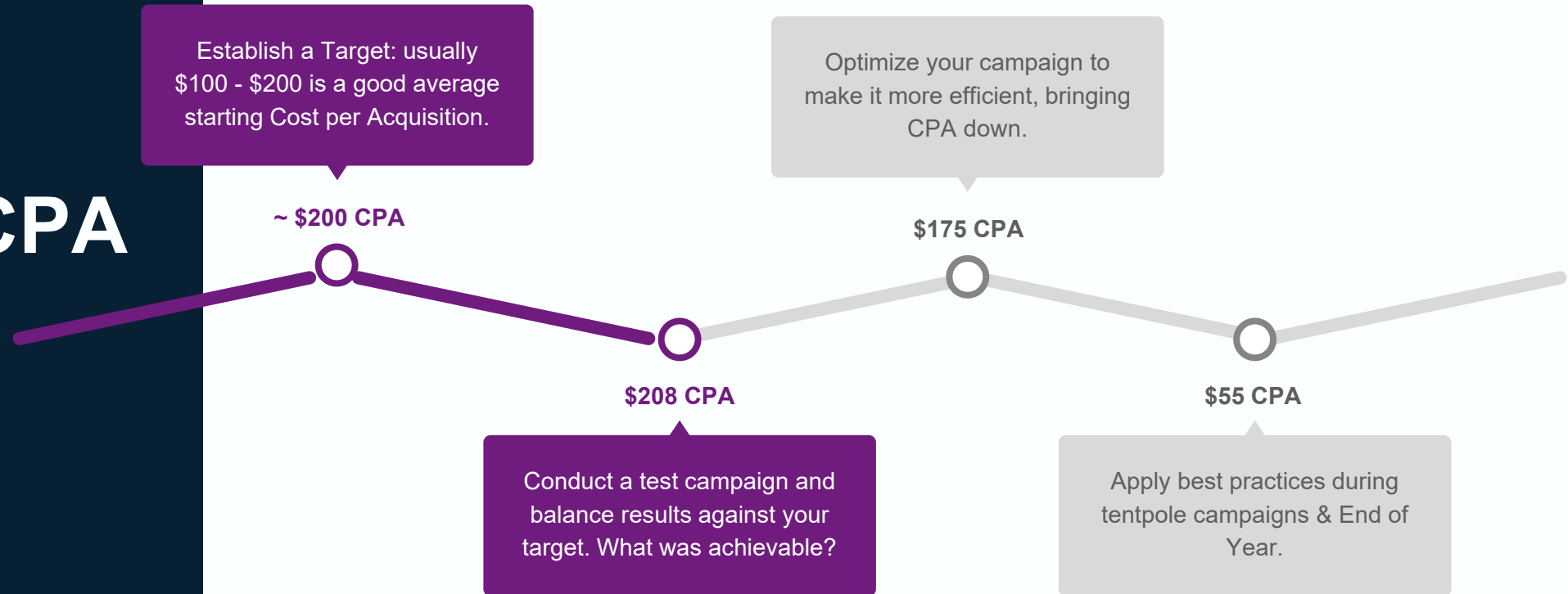
of Donors: 14,662
Total Revenue: \$4,223,421

Cost to Acquire

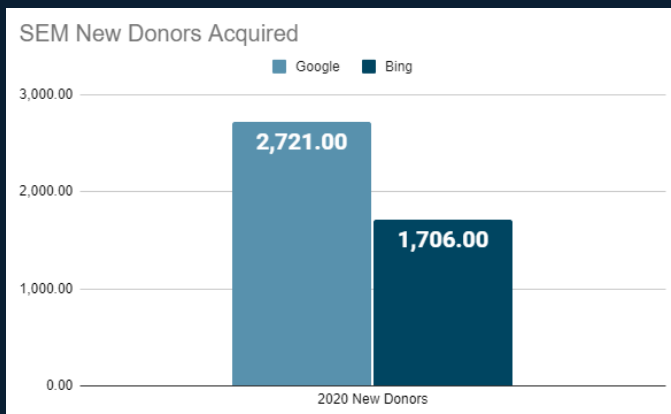
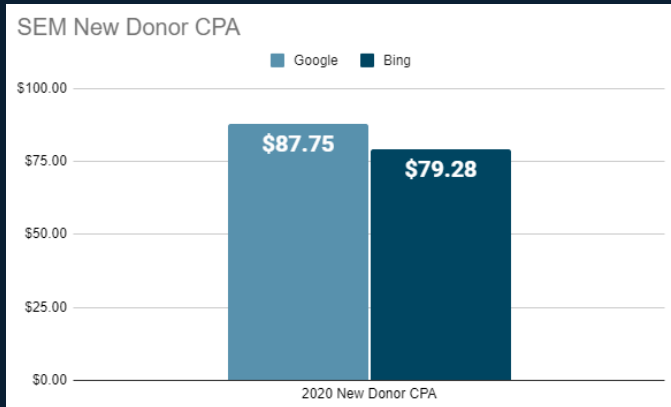
Qty	Total Cost	# Gifts	Gross Rev	% Resp	Net Rev	Net Cost to Acquire
35,586	\$28,788	480	\$19,548	1.35%	(\$9,240)	(\$19.25)

Smart Planning: Budgets & CPA

THE CASE FOR ACQUISITION



Digital Target CPA Mini Case Study

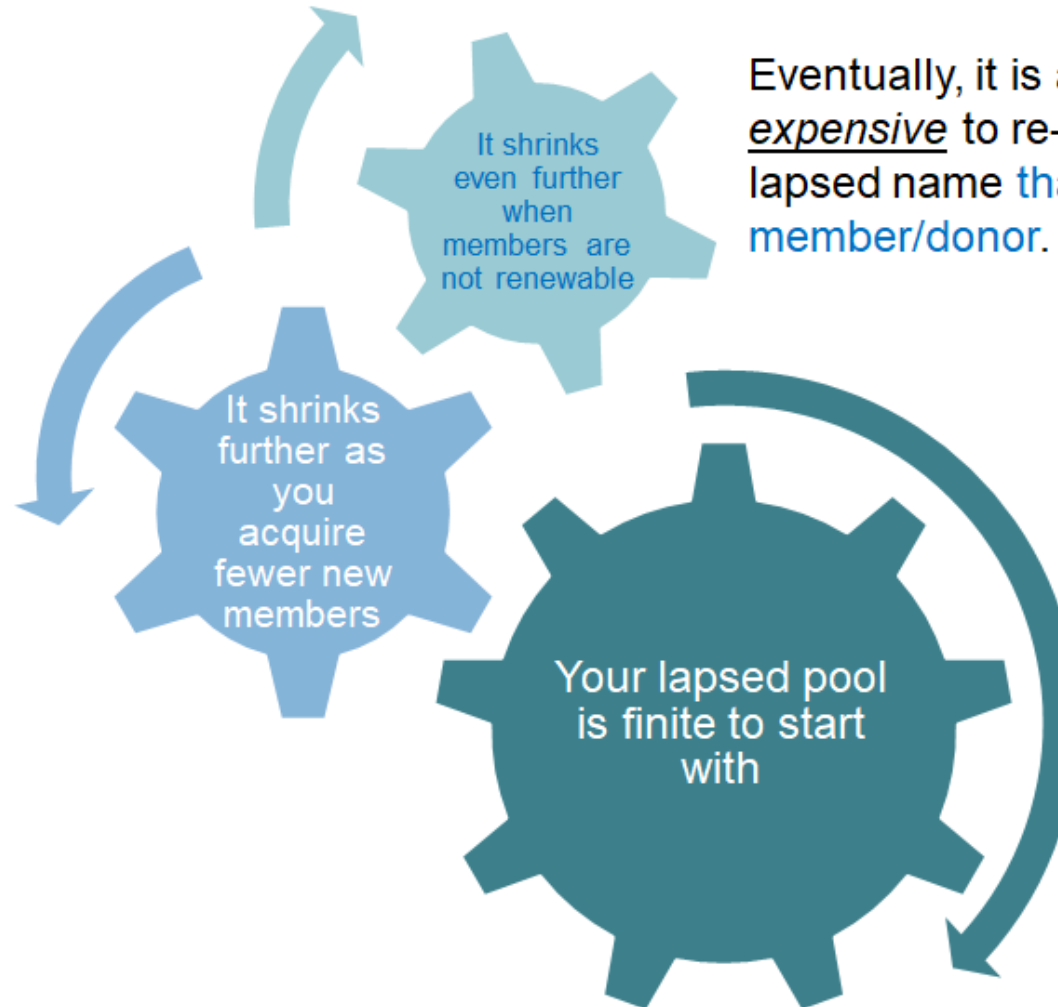


- **Establishing a Target CPA benchmarks success.**
- Noting CPA variability between channels, audiences, etc. will surface more opportunities.
- Seek scale: can I do *more* of whatever is driving my lowest recorded CPA?

SEM CPA Variability: Google & Microsoft Ads/Bing

- Given the lower CPA in Microsoft Ads, can we scale?
 - **Is there enough Search Volume?**
 - **How is our targeting limited?**
 - Competition
 - Geography
 - Certain kinds of keywords
 - **Outcome:**
 - Identified greater limiting factors in Microsoft Ads
 - More opportunity for acquisition in Google if we could reduce CPA
 - Made targeting adjustments in Google, increased investment.
- Current Google CPA is \$76.32, a 13% Decrease**

The Consequences of Hiatus



Eventually, it is actually more expensive to re-acquire a deeply lapsed name than to acquire a new member/donor.

Digital Considerations

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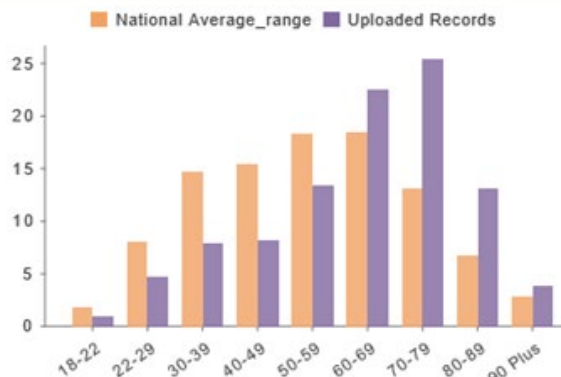
Behavior & Preferences

Digital Donors

- The digital journey is **measurable**.
- Donor preferences and behaviors are **highly variable** at the individual segment level.
- Understanding **behavior trends** and user preferences is important and achievable.
- **Your organization is unique**, and there will be variability among donor segments.
- **Generally, digital donors are:**
 - o Younger
 - o More Urban
 - o More Liberal
 - o (Arguably) Wealthier
 - o Newer to Charitable Giving

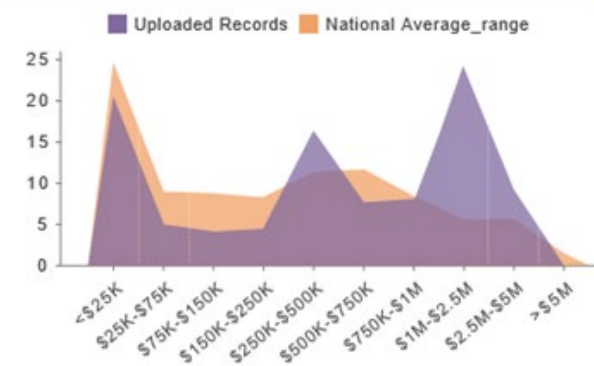
Age

Value	Match %	+/- Avg	People
18-22	1.0%	-0.8%	543
22-29	4.7%	-3.4%	2,667
30-39	7.9%	-6.8%	4,508
40-49	8.2%	-7.2%	4,699
50-59	13.4%	-4.9%	7,661
60-69	22.5%	4.0%	12,838
70-79	25.4%	12.3%	14,470
80-89	13.1%	6.3%	7,455
90 Plus	3.9%	1.1%	2,211



Net Worth

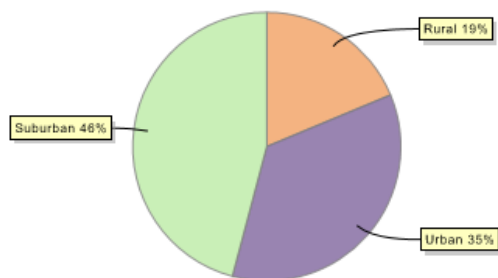
Value	Match %	+/- Avg	People
<\$25K	20.5%	-4.2%	11,724
\$25K-\$75K	5.0%	-4.0%	2,860
\$75K-\$150K	4.1%	-4.7%	2,363
\$150K-\$250K	4.5%	-3.8%	2,562
\$250K-\$500K	16.4%	5.0%	9,364
\$500K-\$750K	7.7%	-4.0%	4,402
\$750K-\$1M	8.1%	-0.3%	4,621
\$1M-\$2.5M	24.3%	18.7%	13,849
\$2.5M-\$5M	9.3%	3.6%	5,306
>\$5M	0.0%	-1.5%	0



Digital Donors

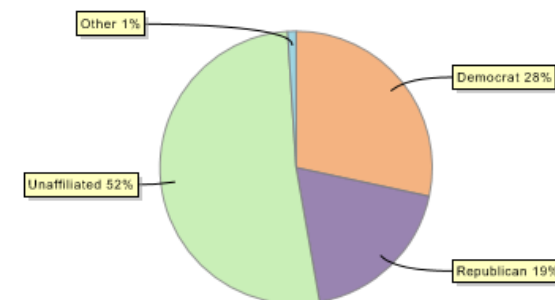
Location

Value	Match %	People
Urban	35.4%	20,205
Suburban	45.9%	26,171
Rural	18.7%	10,679



Political Party

Value	Match %	People
Democrat	28.4%	16,192
Republican	18.9%	10,758
Unaffiliated	51.8%	29,531
Other	1.0%	572



— GET YOUR MESSAGE IN FRONT OF THE RIGHT AUDIENCE

DIGITAL CONSIDERATIONS

METHODS FOR FINDING NEW DONORS

- **Interest & Demographic Targeting:** Creating personas to target based on information about users collected by advertising platforms like Facebook and Google.
- **Lookalike Targeting:** Uploading CRM lists of user email addresses upon which to model new and similar audiences.
- **Intent-Based:** When users search for a term like "donate to food bank near me," they're expressing intent that we can target with a Search ad.
- **Contextual:** Targeting users based on the kind of content they're browsing.
- **Existing/Re-Engagement:** Users who are already on your website, but haven't signed up for an email list or donated yet.

— GET NOTICED BY YOUR AUDIENCE

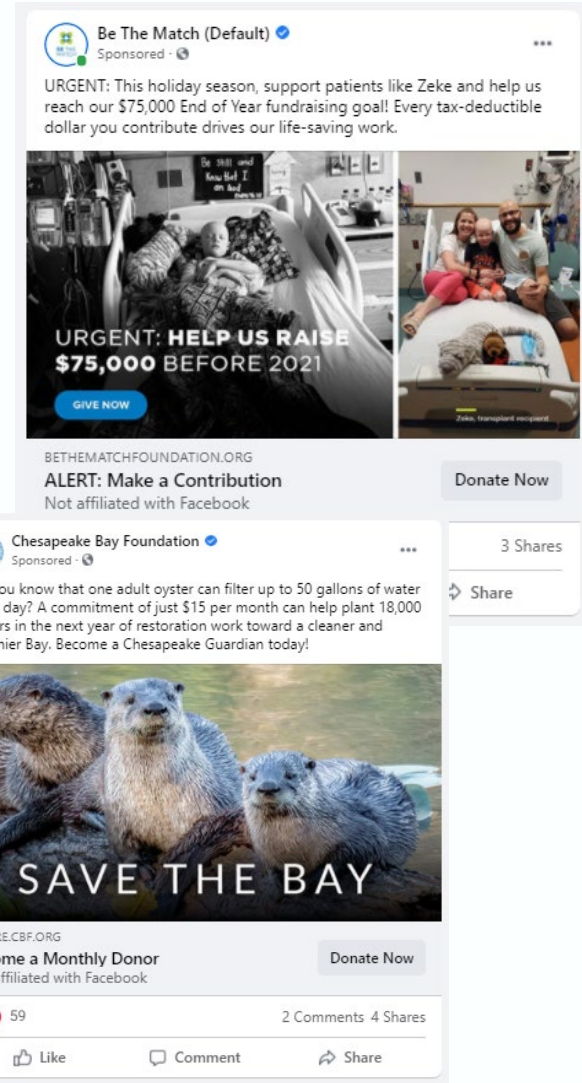
DIGITAL CONSIDERATIONS

CREATE A COMPELLING CTA

- Prospecting audiences have weak (or no) ties to your organization – you need to grab their attention **VERY** quickly as they scroll their Facebook feed.

Use your most compelling content and call-to-action possible to set your acquisition campaign up for success:

- Matching gift offer
- Special gift premiums
- Eye-catching ad formats like video, image carousel, etc.



DIRECT-TO-SUSTAINER ACQUISITION

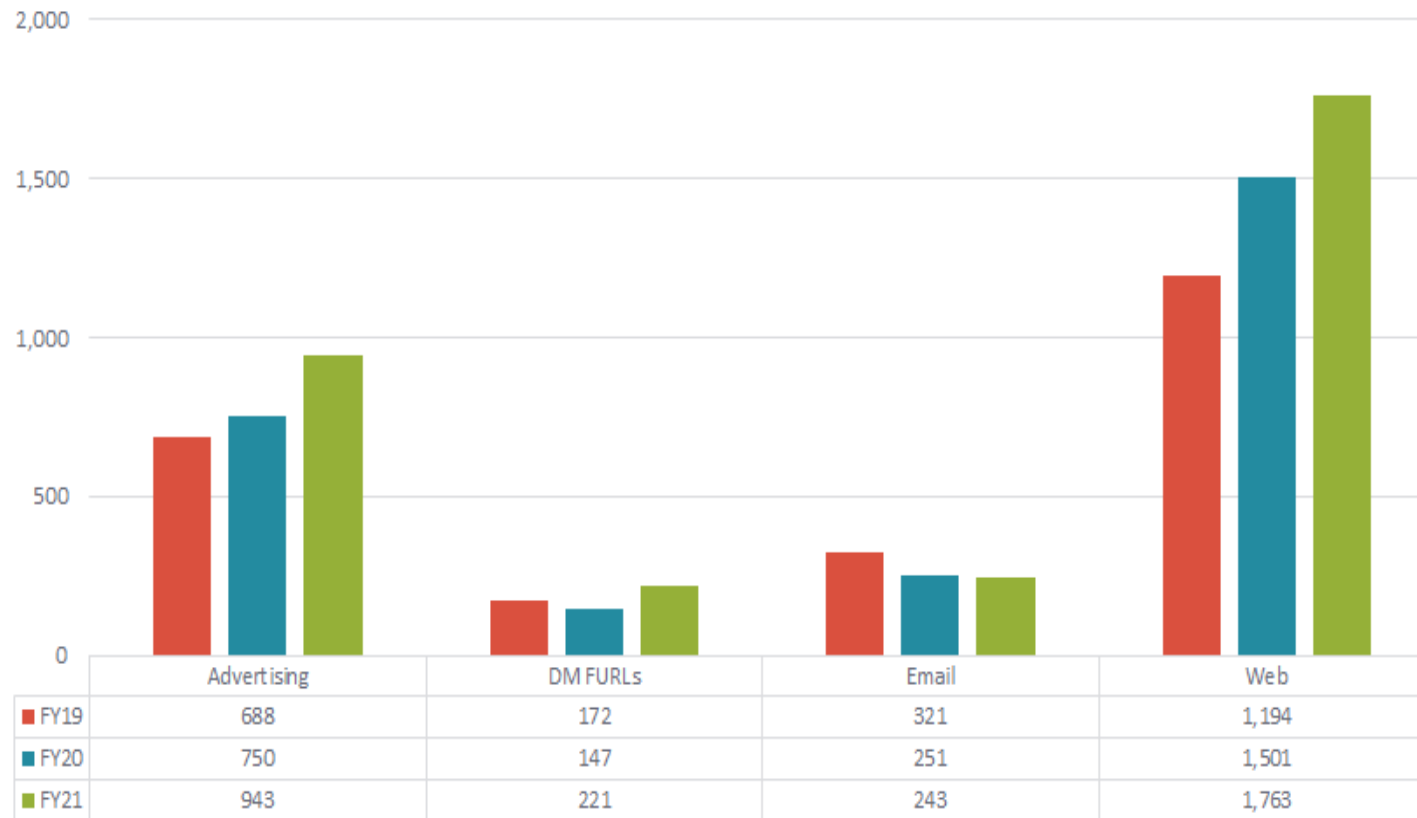
DIGITAL CONSIDERATIONS

Sustainer Campaigns

- To support CBF's efforts to expand its list of monthly donors, Allegiance Group launched a campaign targeting prospective users, lapsed members, and active members. The top performing ad is to the right.
- **CPA:** \$166.67
- **ROAS:** 48.38%



Digital New Donor Acquisition



Your website will likely be the single greatest driver of digital donor acquisition.

One of the most impactful things you can do to acquire new donors online is to optimize your donation form and simplify your web donor's experience.

Optimize the digital experience for new and existing donors

DIGITAL CONSIDERATIONS

DONATION FORM OPTIMIZATION

Donate now to help defend human rights & save lives

Your gift will protect human rights around the world.

Wherever brutality hides, we will find it. Our members allow Human Rights Watch researchers to **expose tyranny**, to **empower victims**, and to **tell their stories to the world**. Because of you, we can shine light into darkness.

STAND WITH U.S.

GIFT INFORMATION

☒ A monthly gift does *even more* to protect human rights

☐ Yes, I want to make a difference throughout the year. Make my gift monthly!

☐ Yes, my gift is in honor or memory of someone special.

☐ Add \$7.50 to cover processing fees so that 100% of your donation helps defend human rights.

DONOR INFORMATION

First Name
 Last Name

Email Address

Address 1

You'll receive email updates from Human Rights Watch. You can unsubscribe at any time.

Other Ways to Give

If you want to donate in a different currency, please select a country:

- select one -

Make a wire transfer or stock

Give from a Donor Advised Fund

Include HRW in Your Will

Donate by Phone or Mail

Call 1-888-899-4479 or complete our donation form and mail with your check.

Our Mission

Human Rights Watch exposes human rights abuses like violence against women, exploitation, and more. In order to end these abuses, we need your independence, we need your voice, and we need your support. We rely solely on the generosity of donors like you.

OLD FORM

NEW FORM

Change currency ▼

1. DONATION AMOUNT

2. CONTACT INFORMATION

3. PAYMENT INFORMATION

Donate now to help defend human rights & save lives.

Your gift will protect human rights around the world.

Wherever brutality hides, we will find it. Our members allow Human Rights Watch researchers to expose tyranny, to empower victims, and to tell their stories to the world. Because of you, we can shine light into darkness. ■

SELECT DONATION TYPE

☒ A monthly gift helps us respond to urgent human rights abuses and plan ahead.

DONATION AMOUNT

☐ Yes, my gift is in honor or memory of someone special.

NEXT

Attribution

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Attribution: mailed donors who give online

The case for attribution

Situation: Major market public television station with lackluster acquisition results considered cutting acquisition mail altogether

Solution: a matchback to identify direct mail donors who gave online

Results: The matchback uncovered over **2,000 gifts** previously unattributed to mail, a lift of 107%. **Over \$78,000** in additional revenue was now attributable to the station's acquisition mail efforts, taking mail-sourced revenue up by **72%**.

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**Accurate
measurement
means accurate
strategy.**

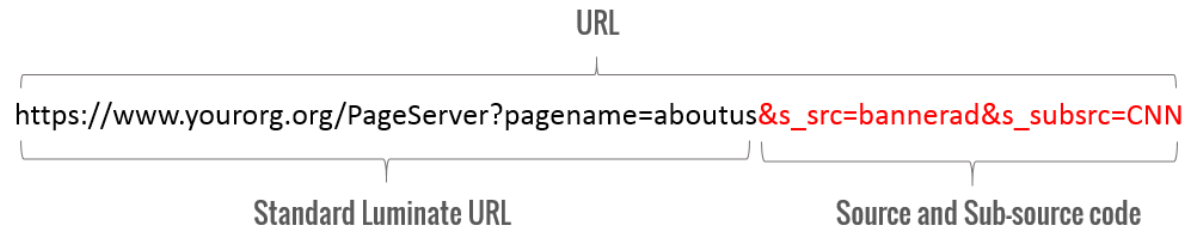
THE CASE FOR ACQUISITION

DIGITAL ATTRIBUTION TIPS

- Tracking user behavior using Google Analytics
- When is url-level source/subsource or UTM tracking appropriate?
- URL-Builder Spreadsheets
- Testing & Recent Changes

Anatomy of a Source Code

https://www.yourorg.org/PageServer?pagename=aboutus&s_src=bannerad&s_subsrc=CNN



Three Ways to Make More Money

More
Donors

More Gifts
per Donor

Higher
Average
Gift

THANK YOU

