

IDAHO PUBLIC TV

Donor Lifetime Value increases
net total revenue by 59%



Summary

Idaho Public TV, a nonprofit broadcast telecommunication system dedicated to promoting the arts, culture, and civic engagement through programming that preserves Idaho's stories, partnered with ExactAsk for their latest direct mail fundraising campaign. In the first year of partnership, Idaho Public TV experienced a net revenue increase of \$27,303 over their previous direct mail campaign.



Idaho Public TV experienced a 354% ROI using ExactAsk's personalized Ask amount system.

“

ExactAsk helped us realize there was additional revenue to be gained by leveraging our data ... \$35,003 worth to be precise. Combine that with a 354% ROI and we can't wait to incorporate ExactAsk into all of our campaigns.

”

Results

ExactAsk increased donors overall giving through personalized Ask amounts. By partnering with ExactAsk, Idaho Public TV achieved:

- **An increase of \$4.87 average donor value** per Send from the ExactAsk treatment group.
- **A 59% net total revenue increase**, an additional \$27,303 in donations, with only half of IPTV's donor list receiving personalized Ask amounts from ExactAsk.
- **354% ROI**, with little-to-no effort on the part of IPTV's fundraising team.

By simply changing the Ask amounts, Idaho Public TV was able to increase their average per Send value received by the treatment group by \$2.23 over the control group. That number may not seem like a huge jump, but when you consider the impact that extra revenue has across their twenty-thousand name donor list, the net gain increase is truly impressive.

ExactAsk is a predictive analytics software platform for development teams that recommends exactly how much to ask from each donor in order to maximize donation revenue. Using ExactAsk to analyze each individual donor's willingness to give enables fundraising teams to pinpoint the largest dollar amount they can reasonably expect to receive from an individual donor in response to their next, and future, direct solicitation campaigns.

More accurate ask amounts also help to reduce donor attrition, and sustain the long-term relationships that are necessary to realize donor lifetime value. By asking for the right amount and adjusting on each successive campaign, you can minimize the lost value of any given donor that results from both ask amounts that are too low and ask amounts that are too high.

ExactAsk can be integrated into any type of direct marketing channel (e.g. email, direct mail, telethons) and applies to all donor types (e.g. lapsed, recurring, prospects) with minimal additional effort on the part of fundraising teams.



Testing

Idaho Public TV conducted a trial direct mail fundraising campaign with ExactAsk in order to answer the following questions:

- Can IPTV increase the value of its donor database?
- Would donors who receive a personalized ask amount from ExactAsk increase their gift size more than donors in a control group who receive IPTV's standard ask amount?
- Would using ExactAsk enable IPTV to boost overall ROI?
- How much (if any) additional revenue could IPTV raise if it used personalized Ask amounts from ExactAsk on all of its donors?

Working with Idaho Public TV, ExactAsk divided their donor database randomly into two groups: a control group of 15,276 donors whose previous average donor value per Send was \$2.78; and a treatment group 15,422 donors whose previous average donor value per Send was \$2.57. The control group was approached using the same techniques Idaho Public TV has used in their previous fundraising campaigns, while the treatment group was approached with personalized Ask amounts provided by ExactAsk.

Using ExactAsk's analytics, Idaho Public TV used Personalized Ask Amounts from ExactAsk to target donors across all segments, including: lapsed donors, active donors, and donors who had only given once before ("one-time donors"). Instead of asking for a generic amount based solely on the donor's income, ExactAsk used census data, giving history, along with their proprietary algorithm to determine what precise ask would increase the likelihood of a larger donation amount.



Once all the donor information was gathered by ExactAsk from IPTV, predictions were quickly made and delivered back to IPTV. Next, the mailings were sent just as they had been before, with the exact same wording in the fundraising letters going out to each group. The only thing different being that the donors in the treatment group received ExactAsk's personalized Ask amounts.

Using this approach, any difference in performance between these two groups can be attributed to the Ask amounts.

The Challenge

Idaho Public TV (IPTV) found raising money via email campaigns wasn't nearly as fruitful as they initially hoped it would be. Because of the social makeup of their donor list, they felt direct mail may be a more lucrative option, but wanted to ensure they were getting the maximum return on their efforts. They partnered with ExactAsk to handle their latest fundraising campaign.

The goal of the project was to help IPTV realize a greater portion of their donors' lifetime value by improving the efficiency of their fundraising efforts. Donor Lifetime Value is a measure of the total amount of revenue that any given donor will be responsible for over the course of their lifetime. In order to achieve that value, a non-profit organization has to maintain a healthy, long-term relationship with a donor.



\$35,003

In Gross Additional Revenue

By implementing ExactAsk, Idaho Public TV easily gained additional revenue with no extra work necessary.

Conclusion & Notes

The trial successfully answered the questions Idaho Public TV wanted to test.

- By implementing ExactAsk, Idaho Public TV easily gained \$35,003 in additional revenue with no extra work necessary.
- ExactAsk's personalized Ask amount enabled Idaho Public TV to significantly increase the average per Send value by \$4.87 for the treatment group, compared to a \$2.63 bump for those who received the traditional Ask amount.
- Utilizing ExactAsk resulted in an enormous 354% ROI for Idaho Public TV.
- Within the first three months of transferring donor data to ExactAsk for analysis, Idaho Public TV was able to see clear results of their direct mail campaign, proving to them that there was more money to be leveraged from their donor pool.