

# Models Are Not Just for Prospecting Anymore

By Bruce Demaree



The value of nonprofit cooperative data modeling is firmly established. Mail plans that used to include multiple list rental and exchange relationships

now rely on the power of cooperative modeling to turbocharge results. Organizations have seen the benefits modeling offers to donor acquisition campaigns.

But acquisition performance is just one aspect of how modeling can help nonprofits succeed. Unique analytic strategies combined with powerful data offer a variety of important solutions far beyond new donor prospecting.

Now that you're reaping the rewards of response modeling, consider these solutions to help exceed your fundraising goals!

## LAPSED MODELING

When used to predict which of your lapsed donors can successfully reinstate as active contributors to your organization, modeling is an extremely effective tool.

Working with strong cooperative data enables organizations of all sizes to revive dormant donor relationships by finding not only who is most able to give again, but also at what contribution level.

If your organization is large or mid-sized and regularly captures new gifts from lapsed donors in sizable quantity, a customized reinstatement model can leverage this important behavior.

By evaluating which of your lapsed donors returned to active status and using a wealth of nonprofit transactions, good



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modeling and data will be able to predict which of your lapsed donors are most likely to give again, and what gift amount

they are most likely to give to your organization. The customization of this model is important, as it represents the opportunity to gain specific predictions about who will give to your mission and what gift they will give to your organization.

Smaller organizations can also benefit from lapsed modeling solutions. Comprehensively understanding who has given to other nonprofits offers insight to determine who will reactivate to yours. As your program grows, a modeler's ability to refine and customize your reinstatement process will grow, too.

## WARM PROSPECT MODELING

The benefits of using modeling to score data have proven time after time that warm prospect audiences can be targeted for a specific event or cause successfully. Modelers have the ability to profile and segment in ways that focus your marketing efforts on the right prospect for the right outcome.

When an organization has volunteers, event attendees, members, activists and ticket-buyers, scoring that list can be



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useful in targeting a specific audience or mission. Modelers can apply scores to each name so you can predict who has the capacity to donate based on the modeler's database of knowledge. When you have an annual fundraiser gala that needs to yield an amount of donations to break even, scoring for the propensity to give at a certain level can help you plan for a successful event.

Most modelers charge competitively to make this worth the time and expense—so you're only paying about \$0.05 a name to get this valuable information. These scorings are best used within 90 days, as databases are typically updated on a monthly and quarterly basis.

### LTV MODELS

While models predicting response are fundamental to nonprofit acquisition prospecting, fulfilling key Lifetime Value (LTV) metrics is often a more important goal. From a modeling perspective, it may require the blending of upfront returns with predictions about donors' ability to give additional gifts over the course of time, and at what giving levels.

Understanding an organization's historic LTV performance and future goals

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enables the creation of models designed to specifically achieve these objectives. Campaign performance will need to be evaluated over a greater timeframe

as front-end response may appear lower than usual as gift performance is prioritized.

Work carefully with your modeler to define campaign success. Given the correct data and direction, LTV models help you cure the “one and done” syndrome and find the dedicated and productive donors needed for your organization's long-term success.

### CONCLUSION

When choosing your modelers, ask these questions:

- What data do you work with?
- What is your experience in the nonprofit sector?

This is crucial to obtaining the results you expect and need. A good cooperative database modeler should be willing to demonstrate its results with confidence in the manner that most benefits your organization.

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