



Canadian Red Cross



Canada Post: Canadian Red Cross Case Study

Addressed Admail™ Service Helps Charity Reactivate Lapsed Donors

Profiling tool helps the Quebec Division of
the Canadian Red Cross boost donations



“The Addressed Admail service and profiling is a winning combination for us.”

*Anne Le Beller,
Canadian Red Cross,
Quebec Division*

The Canadian Red Cross, Quebec Division, turned to a trusted partner—Canada Post—to strengthen the effectiveness of its regular direct-mail campaigns. Now in its 100th year of operation, the Canadian Red Cross is part of the world’s leading humanitarian organization. The Quebec Division delivers all of the traditional Red Cross services: disaster relief, first aid and emergency preparedness.

High-profile organization, strategic campaigns

To fulfill its mission, the Quebec Division of the Canadian Red Cross maintains a network of volunteers and conducts a series of regular fundraising campaigns. Rather than advertise in mainstream media, the Quebec Division focuses on public outreach and press relations to maintain its strong public profile. It does, however, run several direct-mail campaigns each year.



The charity’s direct-mail strategy relies almost exclusively on the Addressed Admail service to solicit donations from regular supporters and to attract new donors. The Quebec Division maintains a database of current and lapsed donors and sometimes exchanges lists with other non-profit organizations for use in its prospecting campaigns. The results yielded from this approach, however, have declined steadily in recent years.

“We have a strong base of regular supporters,” says Anne Le Beller, who is in charge of direct marketing for the Quebec Division of the Canadian Red Cross. “But, eventually, some of our regular supporters stop donating. This means we must continually strive to connect with new donors. We believe

that appealing to lapsed donors can be a valuable way to build up our list of regular supporters.”

Targeting for better results

For one of the charity’s 2008 campaigns, Canada Post offered to run a test to demonstrate the advantages of the Addressed Admail service in combination with modern targeting methods. The Quebec Division agreed to partner with Manifold Data Mining—a company that specializes in customer and market intelligence—on a campaign aimed at lapsed donors.

Manifold analyzes research published by groups, such as Statistics Canada and the Bureau of Broadcast Measurement, to

identify commonalities among Canadians in each six-digit Postal Code^{OM} across the country. The commonalities include demographics, household-spending patterns and lifestyles. Using this data, Manifold can not only provide a charity with an accurate description of its current supporters, but also identify qualified prospects—people who share attributes with a charity’s strongest supporters.

Proving the value of profiling

The Quebec Division of the Canadian Red Cross provided a list of the addresses associated with its strongest regular supporters. Manifold entered these into its national database and pinpointed commonalities. The analysis enabled the company to develop a profile that would help the charity identify the lapsed donors most similar to its current supporters.

In the next step, the Red Cross applied Manifold’s profile to a list of addresses of lapsed donors—people who had not responded to the appeals the charity had sent during the past four years. These addresses were compared to the Manifold profile and ranked according to how well they matched. To test the effectiveness of this approach, Canada Post and the Red Cross conducted a test.

After eliminating people who had registered to have their names removed from direct-mail lists, the charity assigned the names of lapsed donors to one of two groups. The test group included names that strongly matched the Manifold profile; the remaining names were assigned to a control group. Copies of the same appeal were then mailed out to members of both groups. In all, approximately 22,000 mailers were sent via the Addressed Admail service and the results monitored closely.

Results

Response rate

53 per cent increase over the control group

Average gift per donor

34 per cent increase over the control group

Revenue per name mailed

104 per cent greater than the control group

Test generates important information

The test generated several interesting results that the charity continues to study. The average donation received from the profiled group, for instance, was significantly higher than the average from other groups.

“I think that the Manifold profile helps us understand our best donors,” says Le Beller. “We can put this knowledge to use effectively when we communicate with current and prospective donors.”

The charity has begun an in-depth study of the campaign results to see if it can gain any additional insights. In any event, Le Beller says the test clearly demonstrates the value of targeting.

“I expect we’ll apply what we’ve learned from this test to our future campaigns,” says Le Beller.

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The test clearly demonstrates the power of profiling. Solicitations sent to the profiled group yielded significantly more responses.

"We're certainly happy with the results of the campaign," says Le Beller. "Although we would have liked to get a better overall response rate, the campaign succeeded in convincing many lapsed supporters to donate again."

"We're delighted to use our analysis tools to help the Canadian Red Cross, Quebec Division, boost their response rate," says Nigel Pleasants, Vice President of Marketing for Manifold Data Mining Inc. "The test shows that profiling can play a valuable role for charities looking to reconnect with lapsed donors."



"Profiling and the Addressed Admail service proved to be a cost-effective way to reactivate lapsed donors."

**Anne Le Beller,
Canadian Red Cross,
Quebec Division**

About Canada Post

Canada Post is a leading provider of direct mail and other targeted-marketing solutions. Businesses, charities and other groups use Addressed Admail service to promote their products and services to leading customers and prospects on a targeted and personalized basis. For more information, please visit canadapost.ca or call 1-866-747-3871.