

## Test results & case studies

In the following test, the difference in cost between a long and short letter is marginal.

### December 2004 Test – Warm Appeal

Media: Warm direct mail cash appeal  
 Target: All donor types active to dormant  
 Timing: December 2004  
 Hypothesis: A longer letter will increase response and income

Segment	Mailed	Cost	Response	Response Rate	Avg Gift	Gross Income	Net Income	Net Income per 1000	ROI
Four Page	5,051	\$16,731	348	6.9%	\$86.69	\$30,170	\$13,438	\$2,661	1.80
Two Page	5,053	\$16,081	311	6.2%	\$77.48	\$24,097	\$8,016	\$1,586	1.50

Results: The four page letter increased average gift by \$9.21 and response rate increased by 0.7%. This resulted in over \$5,000 additional net income and increased return by 30c per dollar invested.  
 Comments: Small volume test, two page letter struggled to present the full emotion of the story.

### August 2005 Test – Warm Appeal

Warm direct mail August 2005  
 Target Audience: Active cash donors - mid value  
 Hypothesis: A 4-page highly personalised letter will perform better than a 2- page highly personalised letter when mailing mid value donors

Lift	Mailed	Cost	Resp	Resp Rate	Avg Gift	Income	ROI	Net Income
Four Page	9,415	\$25,985	2,554	27.1%	\$59.03	\$150,754	5.80	\$124,769
Two page	9,415	\$25,232	2,287	24.3%	\$57.44	\$131,361	5.21	\$106,129

Results: The four page letter increased response and average gift. The resulting difference in net income is statistically significant. The four page letter beat the two page letter.

### December 2005 Test - Acquisition

Direct mail cold regular giving acquisition - Dec 2005  
 Target Audience: Magazine Subscribers, Bought Lists & Internal Prospects  
 Hypothesis: Longer letter will deliver better regular giving response

Pack	Tests	Qty Mailed	Cost	Total Resp Rate	Cash Resp Rate	Ave Cash Gift	Cash Gross Income	RG Resp Rate	Av Mthly Gift	1st Yr RG Income	1 Yr Net
B	Four page	15,645	\$21,083	1.04%	0.28%	\$71.07	\$3,127	0.76%	\$10.87	\$15,516	-\$2,440
C	Two page	15,646	\$20,150	0.89%	0.24%	\$56.11	\$2,076	0.65%	\$10.73	\$13,128	-\$4,946

Results: The four page version of the pack delivered higher regular giver response, overall response and higher average gifts (marginal on regular giving average).

Comments: B & C were version of a new pack. The four page letter allowed for better justification of a regular gift incorporated into the story.

March 2007 Test – Warm Survey Appeal

Warm Survey - March 2007

Target Audience: Various

Hypothesis: A 6 page letter will increase response and average gift over a 4 page letter without reducing ROI

High Value and Standard Value

Pack	Qty Mailed	Resp. Rate	Resp	Cost	Gross Income	Avg. Gift	Net income	1 Yr ROI
High Value - four page	234	12.40%	29	\$1,796	\$35,205	\$1,214	\$33,409	19.6
High Value - six page	253	16.60%	42	\$2,239	\$28,460	\$678	\$26,221	12.71
Standard Value - four page	4,083	18.30%	747	\$24,353	\$43,409	\$58	\$19,056	1.78
Standard Value - six page	4,156	19.10%	794	\$24,485	\$48,389	\$61	\$23,904	1.98

Results: The six page letter increased response for both segments tested. Impact on average gift was marginal for standard value and skewed by large gifts for high value (this is to be expected with the small volumes and ask levels). The six page letter delivered better ROI for standard value.

## Hong Kong Case Study

This was the first appeal with this client. The test conducted was a head to head test of this charities appeal pack approach (two page letter, attached response form, no personalisation, no specific asks) against the Pareto Fundraising approach (the resulting pack developed for this campaign included a four page or five page letter, depending on variables used, separate response form, personalisation, calculated specific asks, 2 lifts and a high value pack version).

Summarily the test returned the following results which highlight that the Pareto pack delivered substantially higher response rates and average gifts across donor types and resulted in a substantially higher net income.

Pareto four page letter Pack	(All)
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Data	Donor Type			Grand Total
	Cash Appeal Donor	Event	RG & Cash Donor	
Mailing Qty	25,725	356	3,044	29,125
Cost	\$360,813	\$4,966	\$42,574	\$408,354
Response	3,680	26	714	4,420
Response Rate	14.3%	7.3%	23.5%	15.2%
Gross Income	\$4,796,859	\$26,700	\$1,361,330	\$6,184,889
Average Gift	\$1,303.49	\$1,026.92	\$1,906.62	\$1,399.30
Net Income	\$4,436,046	\$21,734	\$1,318,756	\$5,776,535
ROI	13.3	5.4	32.0	15.1

Client Two page letter Pack	(All)
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Data	Donor Type			Grand Total
	Cash Appeal Donor	Event	RG & Cash Donor	
Mailing Qty	25,725	356	302	26,383
Cost	\$64,055	\$886	\$752	\$65,694
Response	1,218	2	15	1,235
Response Rate	4.7%	0.6%	5.0%	4.7%
Gross Income	\$1,248,262	\$1,200	\$22,600	\$1,272,062
Average Gift	\$1,024.85	\$600.00	\$1,506.67	\$1,030.01
Net Income	\$1,184,207	\$314	\$21,848	\$1,206,368
ROI	19.5	1.4	30.1	19.4