Consumer Reports Rates Fundraising Results as Top Notch

Consumer Reports, published by Consumer Union, is an expert, independent, nonprofit organization dedicated to a fair, just, and safe marketplace for all consumers and to empowering consumers to protect themselves. Founded in 1936, it maintains its independence and impartiality by accepting no outside advertising and no free samples. Instead it employs mystery shoppers and technical experts to buy and test the products it evaluates.

The Challenge: Consumer Reports mixes it up

Ed Mills, director of fundraising for Consumer Reports, is a mathematician, a former software developer, and an experienced fundraiser. His background gives him a deep appreciation for the power of data and analytics and has created financial opportunities for Consumer Reports as the organization takes a new look at its subscriber base.

"We have had a lot of success with our fundraising efforts through data analysis, benchmarking and targeted appeals, but to deal with what's going on today, we knew we had to do something different," Mills says. "With both the economy and the publishing industry depressed, the fundraising arm of our organization has become even more important."

In support of its mission to serve only the interests of consumers, the organization eschews advertising and promotional revenue, fundraising solely from its subscribers. Print and online direct marketing form the core of their strategy.

"We don't use outside lists, and while our subscriber file is very loyal, we didn't have a way to prioritize it — to know who would be the most likely to respond to an appeal," says Mills. "To meet our financial goals, we had to figure out who was most likely to make a gift before we could reach out."

Familiar with Blackbaud **Target Analytics®** solutions, Mills wanted to use **Target Tags™** to identify and prioritize new prospects within their list. But he admits, "We had to spend a little time talking about it in the office. It was a big step to let someone outside the organization analyze our data. In the end, we were comfortable with the security."

That, combined with the potential of learning who their best prospect donors were, proved too good to ignore.

"We knew the status quo was not sustainable in this economy. To get the results we wanted, we had to try some new things," says Mills.

The Solution: Who cares enough to give?

The staff at Consumer Reports knows that subscribers to their publication and other services care about consumer protections and the importance of unbiased information, but they didn't know who in that large constituency had philanthropic inclinations and the means to act on them.

By using **Target Tags™**, they were able to find out. First, the Consumer Reports' database of over seven million active subscribers was overlaid with philanthropic data from Target Analytics' unique Nonprofit Cooperative Database, which includes demographic, behavioral, and other data, enabling predictive models to be developed. Then, individual subscribers in several categories were rated from one to 30 on how likely they were to give.

Given the results, Mills and team decided to pursue a test to 215,000 newly identified prospects, and in January 2011, they launched a targeted direct marketing campaign.

The results amazed them. Even Mills, who had championed the project, admits, "The results exceeded our expectation. We had better than a two percent response from a group of new contacts, and we actually made a profit. Including the cost of Target Tags, it cost us seventy-nine cents to raise one dollar — in terms of acquiring new donors, that is almost unheard of in the nonprofit community. Most acquisition direct marketing campaigns accept a substantial loss to get new donors. By using Target Tags, we were able to avoid that."

The Results: An increase in revenue year over year

Pleased with the January results, Mills conducted a direct mail appeal in April to test the newly acquired donors via the philanthropic overlay against the organization's other active donor base. These new donors outperformed the existing active donors by three to one.

At this point, Mills said, "I knew I was sitting on a very powerful tool and budgeted to mail as many as two million prospects in the coming fiscal year using Target Tags. Knowing which of your potential donors has a propensity to give is invaluable."

And he should know: This year, Consumer Reports realized a nine percent increase in fundraising net revenue over the previous year.

About Blackbaud

Blackbaud is the leading global provider of software and services designed specifically for nonprofit organizations, enabling them to improve operational efficiency, build strong relationships, and raise more money to support their missions. Approximately 24,000 organizations — including The American Red Cross, Cancer Research UK, Earthjustice, International Fund for Animal Welfare, Lincoln Center, The Salvation Army, The Taft School, Tulsa Community Foundation, Ursinus College, the WGBH Educational Foundation, and Yale University — use one or more Blackbaud products and services for fundraising, constituent relationship management, financial management, website management, direct marketing, education administration, ticketing, business intelligence, prospect research, consulting, and analytics. Since 1981, Blackbaud's sole focus and expertise has been partnering with nonprofits and providing them the solutions they need to make a difference in their local communities and worldwide. Headquartered in the United States, Blackbaud also has operations in Australia, Canada, Hong Kong, the Netherlands, and the United Kingdom. For more information, visit www.blackbaud.com.

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