



LIST BAZAAR

MAY 12, 2022

The Legend returns...

Our Session Partner!



Special Panel

Maximizing the Merge

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MAY 12, 2022

MAXIMIZING THE MERGE

INTRODUCTIONS

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TODAY'S AGENDA

- **The State of Direct Mail Acquisition**
- **Deconstruction of the Merge: Full List Level Attribution**
- **Getting More Out of the Merge to Address Today's Challenges**

THE STATE OF DIRECT MAIL ACQUISITION



What is going on:

- Decreasing response rates and increasing cost per donor is leading to extended ROI
- Shrinking universes – organizations are getting creative to find sources of volume
- Increased competition from other organizations and candidates during election seasons
- Multi composition has changed

Can the merge:

- **Cut costs?**
- **Increase response rate?**
- **Increase average gift?**

Can the merge:

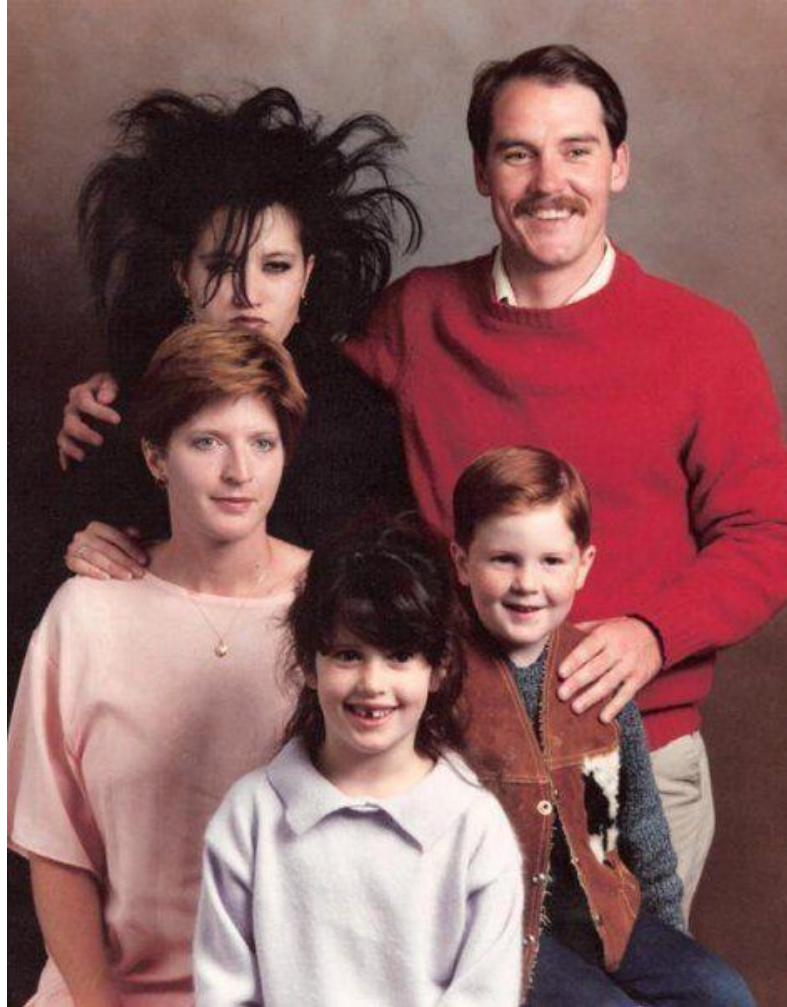
- **Cut costs?**
- **Increase response rate?**
- **Increase average gift?**

YES!

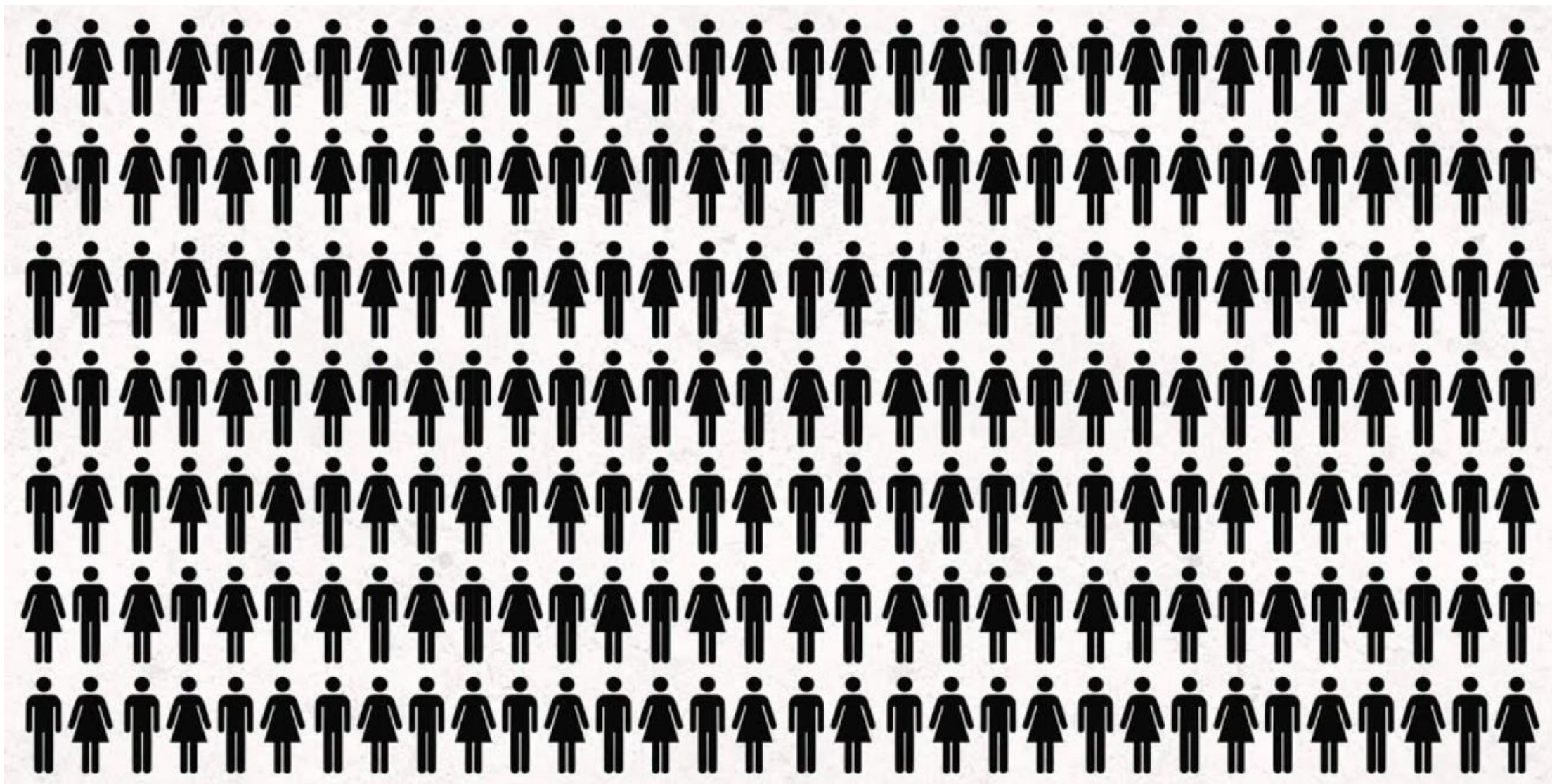
DECONSTRUCTION OF THE MERGE

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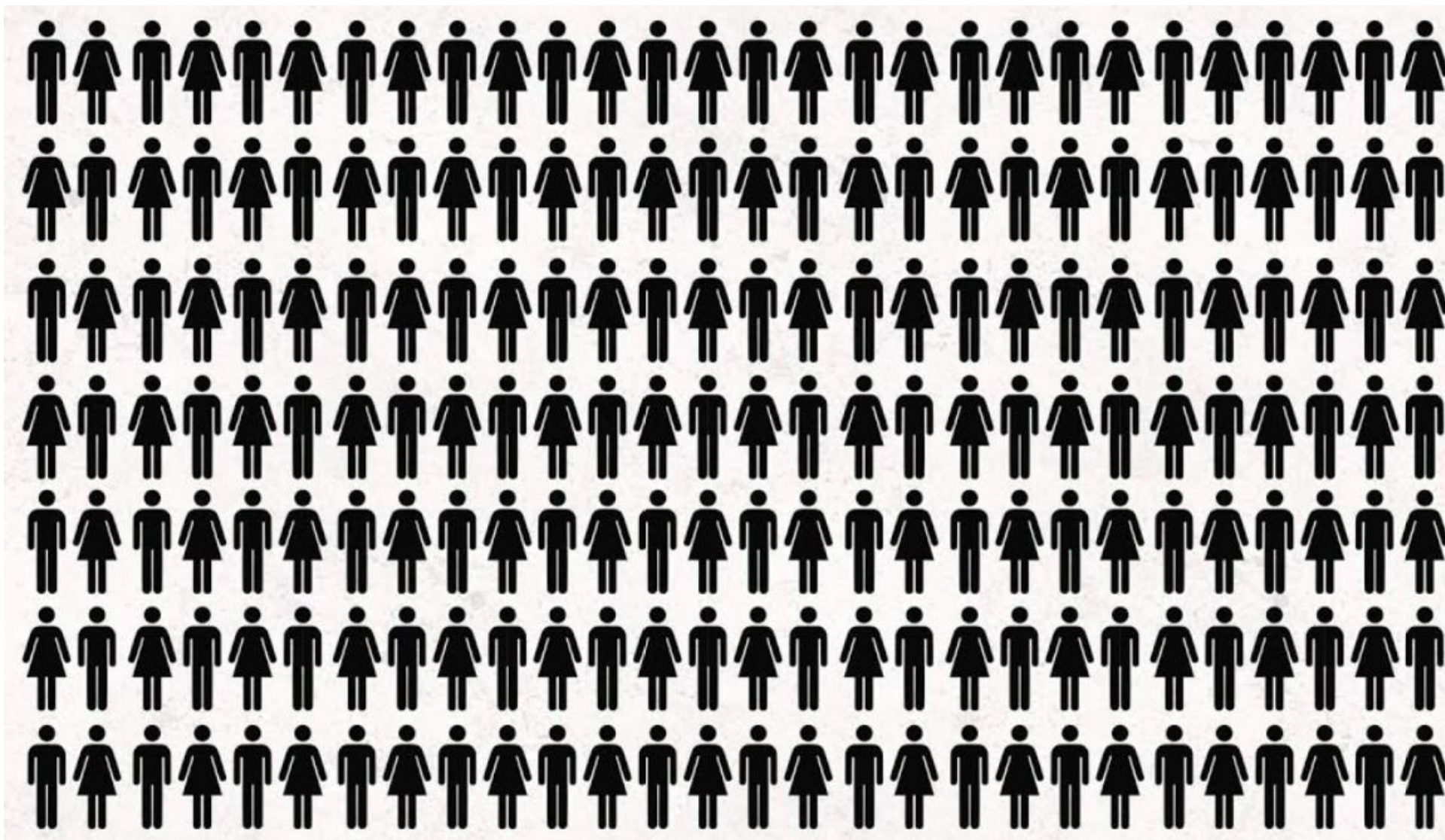
What is the Merge?



DECONSTRUCTION OF THE MERGE

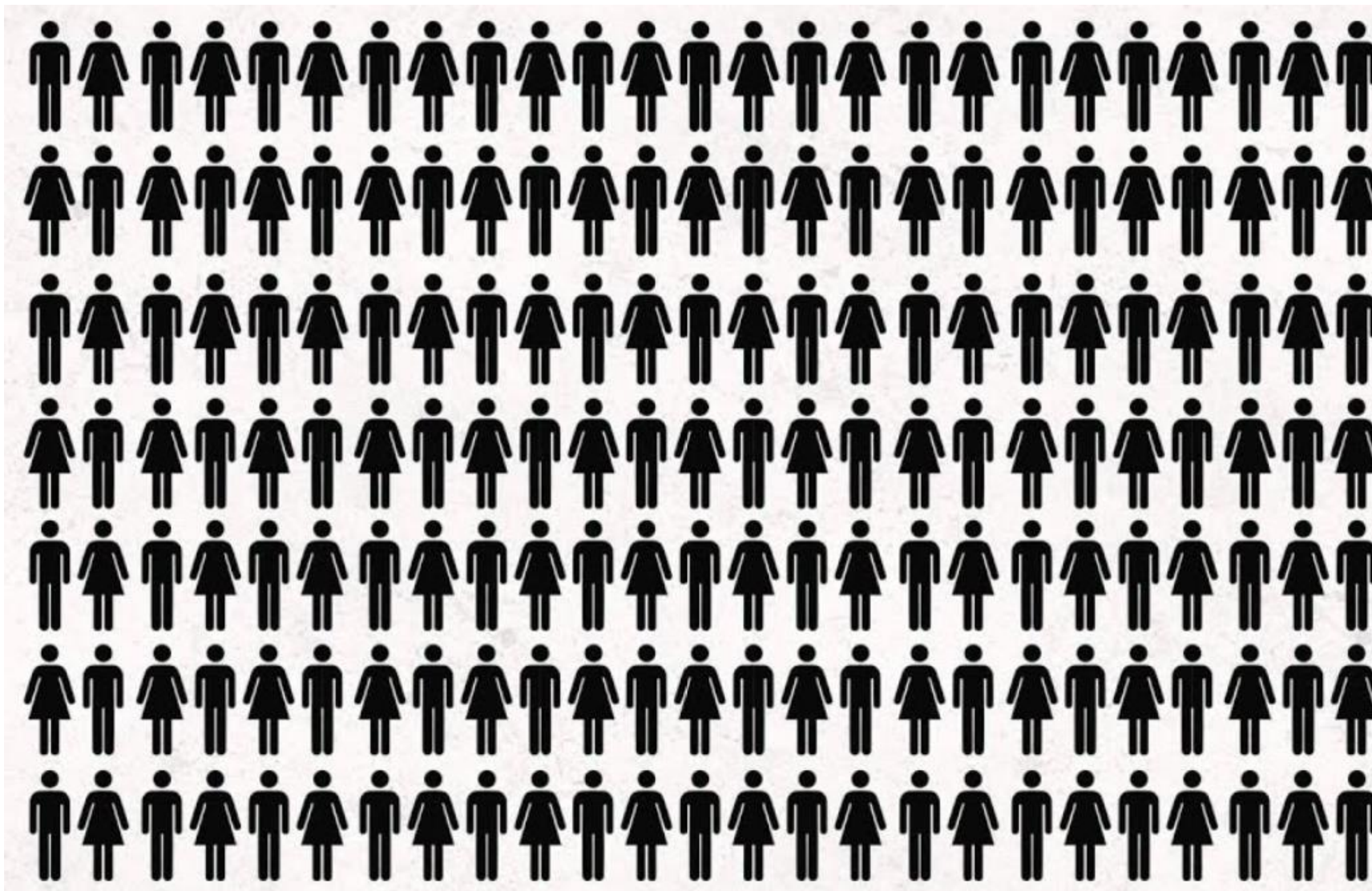


DECONSTRUCTION OF THE MERGE



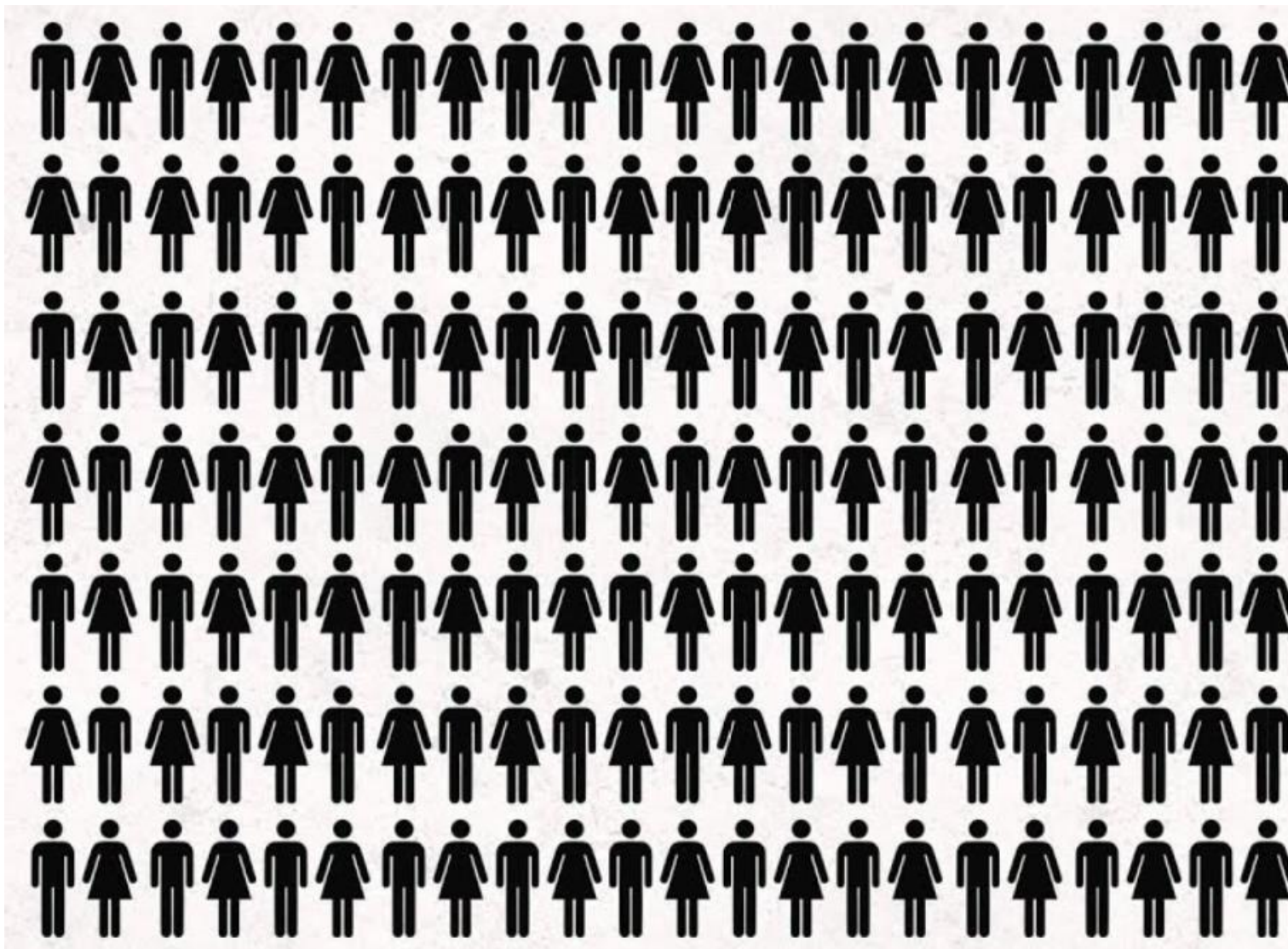
Your active
donors

DECONSTRUCTION OF THE MERGE



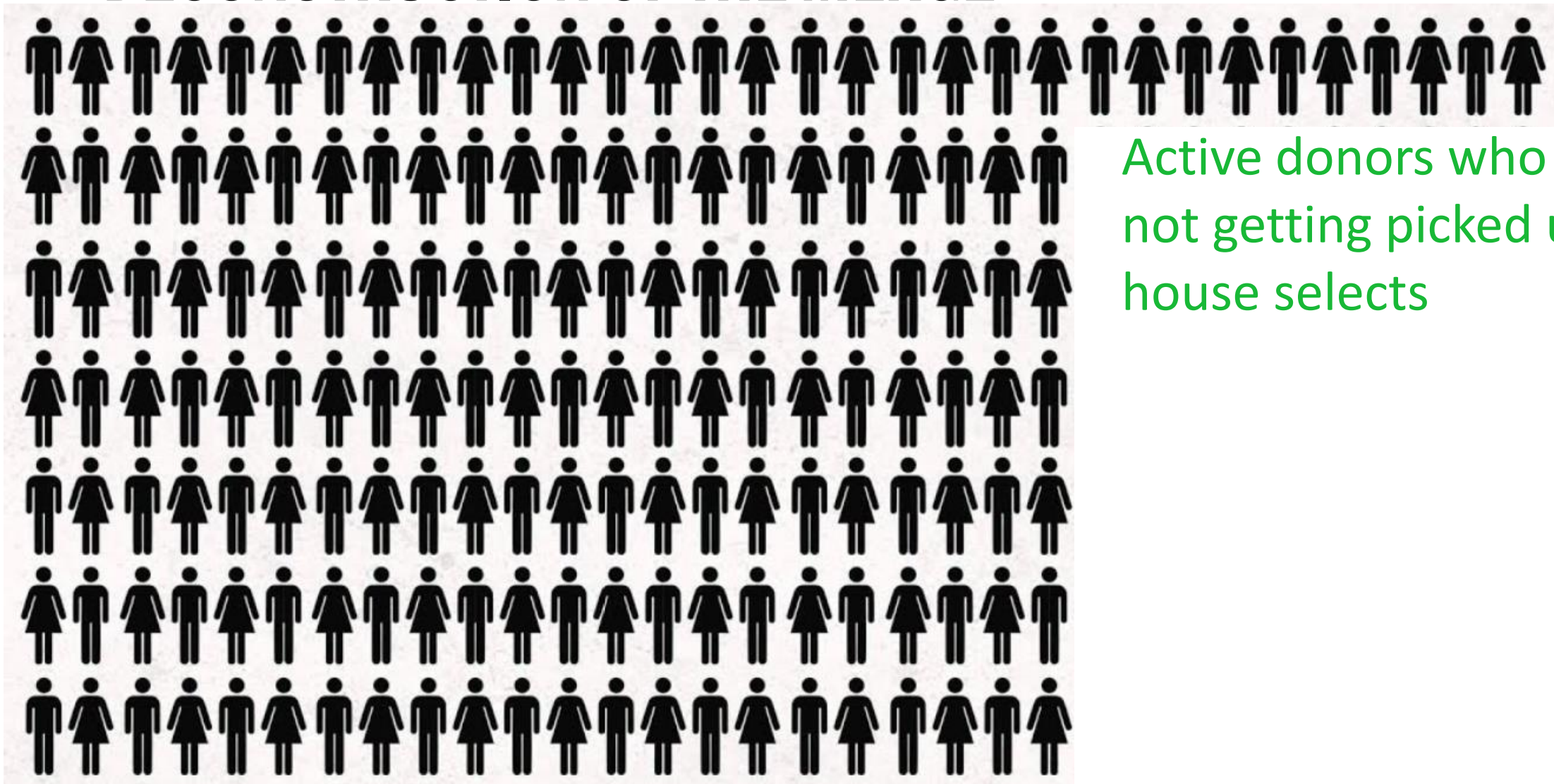
Suppression
lists

DECONSTRUCTION OF THE MERGE



Duplicate
names from
other lists

DECONSTRUCTION OF THE MERGE



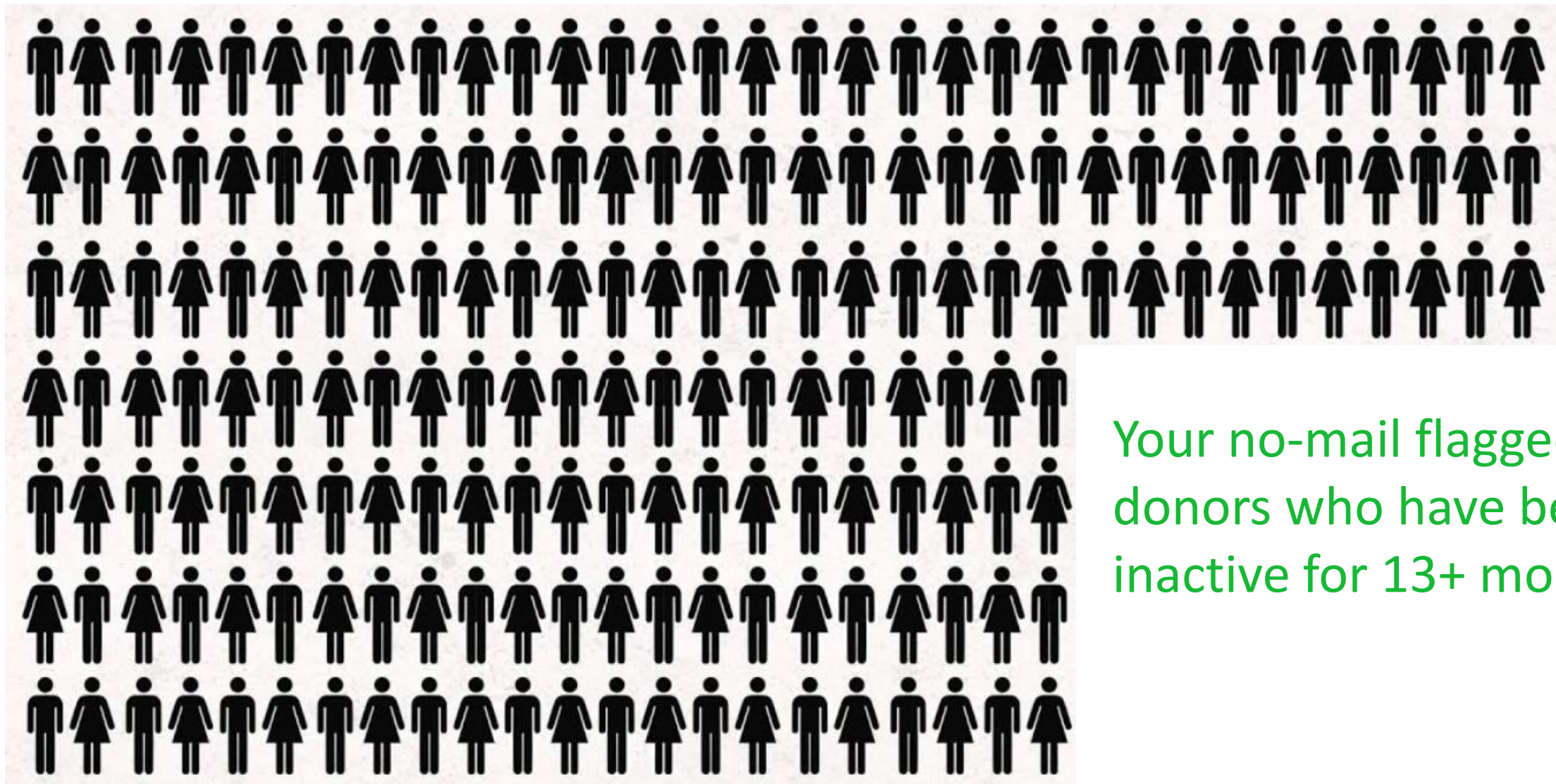
Active donors who are
not getting picked up in
house selects

DECONSTRUCTION OF THE MERGE



Your non-donor activists

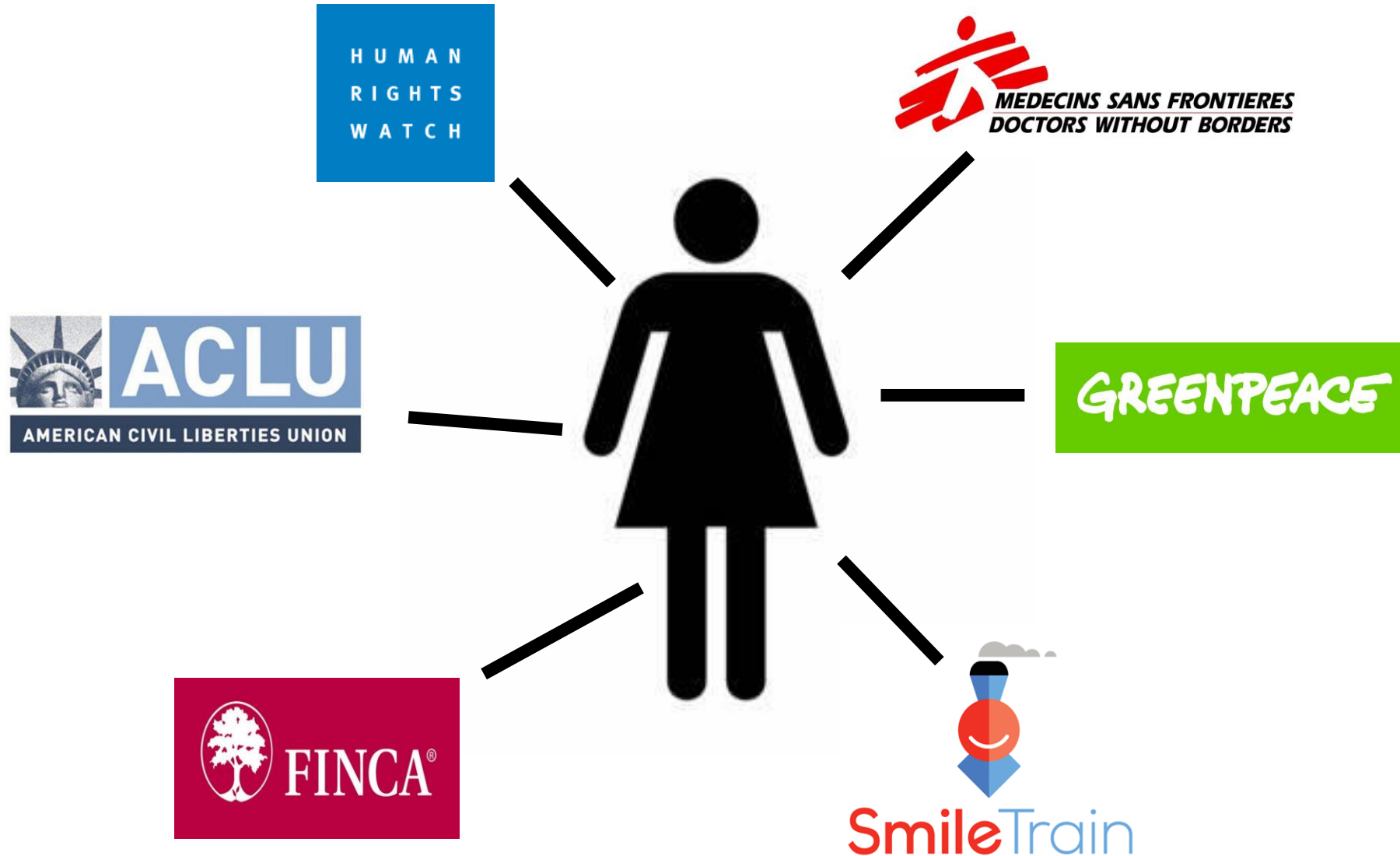
DECONSTRUCTION OF THE MERGE



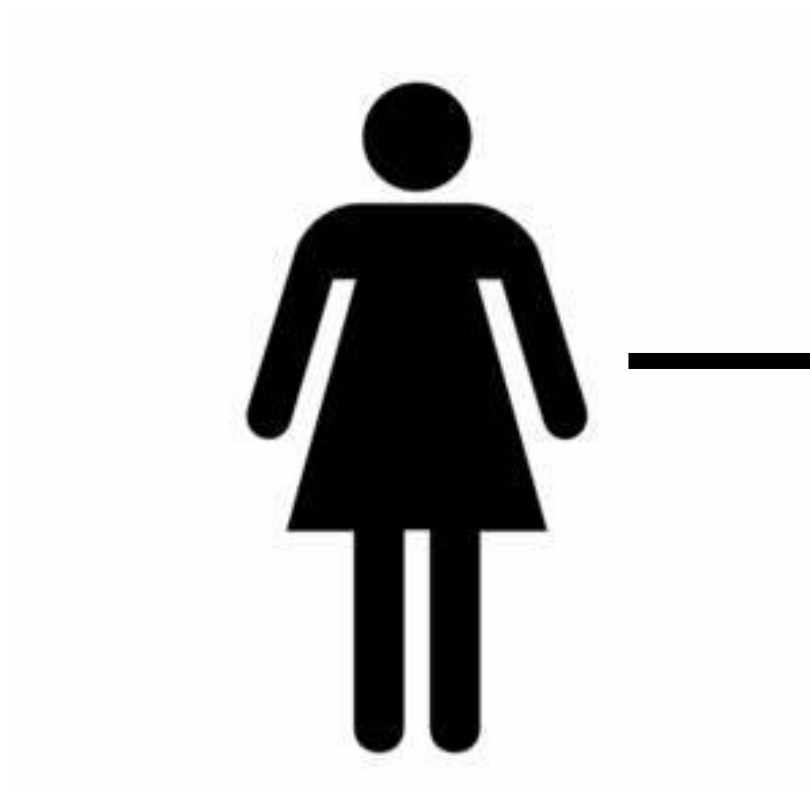
Your no-mail flagged
donors who have been
inactive for 13+ months

**DEPRIORITIZATION:
FULL LIST LEVEL ATTRIBUTION**

FULL LIST LEVEL ATTRIBUTION



FULL LIST LEVEL ATTRIBUTION



FULL LIST LEVEL ATTRIBUTION



FULL LIST LEVEL ATTRIBUTION

- **How?**
- **Merge Partner:** New Report: FinderID + each list code the name originally came from
- **Caging Partner:** New Report: FinderID + gift source code + gift amount
- **Putting it all together:** Full performance of the list regardless of which list got credit post merge aka “MAGIC”

THE “MAGIC”

- Breakdown results by uniques and multis in the first wave
- Identify the best source of unique names
- So..... Make smarter decisions when building list plans

WHAT WE FOUND

Exposing the full list level performance creates an opportunity to cut underperforming lists and invest in more profitable opportunities (list sources, creative, tests, etc.)

WHEN BEING *Single*
REALLY SUCKS

ALL SINGLES AND MULTIS ARE NOT CREATED EQUALLY

Number of Lists	List Category	Quantity	Revenue	Avg Gift	\$ per 1000	CP\$R
1	Cold	542,407	\$67,718	\$38	\$125	\$0.95
	Co-op	567,110	\$116,433	\$56	\$205	\$0.40
2	Cold	246,440	\$47,733	\$49	\$194	\$0.61
	Co-op	516,877	\$117,393	\$64	\$227	\$0.36
3	Cold	118,950	\$28,743	\$57	\$242	\$0.49
	Co-op	192,685	\$47,292	\$64	\$245	\$0.33
4	Cold	51,805	\$14,987	\$65	\$289	\$0.41
	Co-op	60,314	\$19,026	\$78	\$315	\$0.26
5+	Cold	31,105	\$10,105	\$45	\$325	\$0.37
	Co-op	25,381	\$6,750	\$43	\$266	\$0.31

When we add in list costs we see, overall, cold singles are nearly losing money even before production costs are added in

AN OPPORTUNITY TO EVALUATE LIST SOURCE AND INVESTMENT

	Cold Singles	Coop Singles	Cold Multis	Coop Multis
Volume	542,407	567,110	448,300	795,257
Rev/M	\$124.85	\$205.31	\$226.56	\$239.50
% Total Volume	23.05%	24.10%	19.05%	33.80%
% Total Revenue	14.22%	24.45%	21.33%	40.00%
CP\$R	\$0.95	\$0.40	\$0.53	\$0.34

- **Cold Singles made up 23% of volume and only 14% of total revenue**
- **Coop Multis made up only 34% of volume and 40% of total revenue**

DEEP DIVE ON COLD LISTS – WHAT TO CONSIDER?

List Name	Total Quantity	CP\$R
Cold List A	9,134	\$1.09
Cold List B	28,775	\$0.72
Cold List D	15,631	\$0.75
Cold List I	30,216	\$1.03
Cold List K	3,673	\$0.72
Cold List L	2,517	\$2.50
Cold List N	11,689	\$0.61
Cold List S	22,220	\$0.56
Cold List T	9,994	\$1.63
Cold List U	23,921	\$0.77
Cold List V	11,041	\$0.90
Cold List W	11,103	\$1.61
Cold List AA	37,187	\$0.92
Cold List CC	2,745	\$2.97
Total	219,846	
Overall Total	496,605	



44% of cold lists had a CP\$R >\$.54

13 out of 28 lists had a CP\$R >\$.54

(1) What's your next best opportunity?

- **Cold singles CP\$R \$.95**
- **Cold multis CP\$R \$.53**

(2) Consider these lists as a first place to cut as the value of some cold list multis is not enough to offset the cost of list singles.

HOW CAN YOU EVALUATE COOP VALUE?

Coop	DonorMultiFlag	Total Quantity	Full List CP\$R		Singles Only CP\$R
Coop A	Single List	95,431	\$0.36		\$0.72
Coop A	Single List	109,509	\$0.29		\$0.69
Coop B	Single List	24,363	\$0.68		\$1.07
Coop C	Single List	21,708	\$0.40		\$1.23
Coop D	Single List	2,959	\$0.73		\$1.96
Coop E	Single List	86,312	\$0.26		\$0.58
Coop E	Single List	59,064	\$0.37		\$0.92

Coop singles aren't really singles – for a coop to ship a record name, they must have 2 or more transactions on the data base.

Allocate all costs to coop singles (names you wouldn't have found UNLESS you ordered from

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Go back to your original benchmarks – drop lists that aren't providing unique universe/value and are only adding cost.

Where we landed:

By running a full merge list source reallocation we can:

- See each list sources true contribution to the campaign;**
- Evaluate coops based on their true, unique source value;**
- Set benchmarks for investment;**
- Identify list sources to invest in and those to drop.**

Where we landed:

Based on this analysis, reinvesting the \$100K saved from cutting low-performing cold lists into top performing coop sources could result in a net revenue gain of \$97K.

GETTING MORE OUT OF THE MERGE

Merge tips and tricks:

(1) Randomize your merge priority

To maximize the reach and effectiveness of your lists, it's important to consider a randomization merge strategy. Using a randomized merge approach allows you to:

- Understand what really works
- Leverage data to make better business decisions
- Obtain greater insight into your list performance
- Look at metrics such as Life Time Value (LTV) with more accuracy
- To understand how a different list might perform as a replacement source, test an “nth” of an equal quantity in higher priority. This is particularly effective if you are testing for replacement, not for your regular merges.

Merge tips and tricks:

(2) Consider using some sources as post merge/balance names.

With this strategy, you won't pay for names you can't use, and you still have access to good incremental lists.

Merge tips and tricks:

(3) The Impact of Attribution on Online Retargeting and Activation – Permission, Payment, Performance

- Lapsed
- Activists
- Coop/Compiled Reuses

Merge tips and tricks:

(4) Short on volume? Look no further than lapsed singles

If you are looking to find more volume, test including lapsed singles/uniques in your multis wave. You own the names and can use them as much as possible.

Merge tips and tricks:

(5) Understand that the exchange universe is shrinking.

Ensure that if your mailing strategy heavily relies on exchanges that you begin testing to replace it.

Consider testing high \$ coop universe to replace \$100+ exchanges.

Merge tips and tricks:

(6) The Value of Matchbacks

- **Do you know what % of your online donors were driven through direct mail?**
- **What about whitemail donors?**

Keep challenging the norm:

Started as a conversation about merge-purge, turned into a conversation about list sourcing – evaluate both!

- **Make sure your merge priority aligns w/ your campaign and program objectives**
- **DO ANALYSIS**
 - **Partner with an internal analytics or analytical partner to dig in**
 - **Kate Methodology (finder files)**
- **TALK TO YOUR BROKER**
 - **Work through analysis and findings with your broker. Ask yourself what are you giving away/gaining?**
 - **Where can you save and reinvest**
- **INCLUDE YOUR COOP PARTNERS IN THE CONVERSATION**
 - **Share your findings, program goals and objectives**
 - **Discuss ways to reinvest and test into new list universe**
 - **Consider optimization options for marginal cold lists**

Moving the goal post (for now):

It's time to reframe your investment targets and avoid reviewing your channel ROI in silos. The mail acquisition goals organizations may have set years ago are now, or will be, nearly impossible to meet.

Use a full program new donor investment model to potentially keep to a 3-year ROI, by allowing for other channels that are breaking even much quicker but don't have the ability to scale like mail can.

Don't cut if you can. The long-term implications of cutting mail volume now will lead to shirking programs and revenue declines down the road.



THE END



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THANK YOU!