Identifying potential high value donors using data analytics

Converting non-donor contacts to high value donors is of substantial value in the not-for-profit space. This process, however, poses two major challenges: how do we identify who are the most likely to convert to donors and what is the best method of approaching them? Due to the vast number of contacts and solicitation methods available, these tasks become both a time consuming and costly endeavour.

A methodology has been deployed at a prominent Go8 University in Australia to identify contacts who are high probability and high value, created by members of our team. Using appropriate statistical modelling built off donor and non-donor data, it is possible to address these challenges. While not as fashionable as the ubiquitous “machine learning” or “artificial intelligence” models, statistical models have a strong history of delivering valuable and accurate insights. Unlike these newer models, which are often not tuned for the specific business problem and frequently have issues with the data generation process which can lead to erroneous results, the traditional statistical modelling methodology we used is thoughtful and sensibly selected for this specific use case.

These statistical models will allow for the prioritization of contacts based on both how likely they are to donate and their subsequent expected donation amount. Additionally, the model can assess and compare the impact of various factors, including characteristics of donors and their engagement with the not-for-profit. The model then allows the not-for-profit to glean insights into the best methods of approaching the different demographics of contacts. By leveraging this data driven method, we can transform contacts into high value donors. The previously build models also included an understanding of where the University's efforts were being wasted, leading to significant cost savings on donor engagement.

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