



American Red Cross Chapters Tap StrategicOne for Donor Centered Direct Marketing Program

OVERLAND PARK, KS — March 21, 2007 Looking to develop a donor-centered model of fundraising for its direct marketing strategies, nine chapters of the American Red Cross have tapped the analytical resources of StrategicOne, a CRM consultancy and analytics firm based in Kansas City..

StrategicOne is moving the chapters away from a campaign-focused view of direct marketing to a donor-centered view. This new view emphasizes analyzing the value of donors on a variety of levels to be able to know which donors to engage with which themes at which time and through which solicitation channel.

“The chapters of American Red Cross wanted a donor selection strategy that minimizes mail quantities while maximizing ROI and net revenue,” stated Nancy Kindelan, CEO for the Greater Long Beach Chapter of the American Red Cross, one of the nine chapters utilizing StrategicOne’s services.

StrategicOne has developed a predictive modeling approach known as Analytically Based Campaigning (ABC), which is a segmentation methodology that utilizes a combination of regression and factor analysis. The model uses prior donor behavior in combination with demographic and attitudinal data to identify the most promising donors for marketing campaigns. Correspondingly, it also identifies those segments of the donor database most likely to be non-responsive. This not only improves efficiency, but minimizes the biggest problem facing nonprofits today: donor fatigue.

“The chapters have traditionally used the RFM (recency, frequency, monetary amount) model of direct marketing,” stated Mike Rogers, president of StrategicOne. “With the new predictive modeling approach each donor will now be selected for a specific campaign based upon their predictability to return an acceptable ROI.”

The modeling program launched this month for the American Red Cross and will continue to be optimized in the coming months. This optimization will analyze seasonality in solicitations as well as sequencing to yield stronger results and enhance return on investment.

About StrategicOne

StrategicOne, founded in 1997, is a 30-person firm with offices in Kansas City, Lincoln, NE and Washington, D.C. StrategicOne enables non-profit and commercial clients to make better marketing decisions by learning from past donor behaviors, understanding the present and anticipating the future. Such clients include: The Salvation Army, American Red Cross, Focus on the Family, Prison Fellowship Ministries, and ALSAC - St. Jude Children's Research Hospital. For more information, visit www.strategicone.com.