



## CULTIVATING DISASTER DONORS

Sponsored by Russ Reid and the American Red Cross

WCAI Research Opportunity

8 December 2011

<http://wcai.wharton.upenn.edu> @WhartonCAI



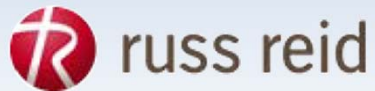
# INTRODUCTIONS

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## THE AMERICAN RED CROSS AND RUSS REID

## ABOUT: THE AMERICAN RED CROSS



Since its founding in 1881 the American Red Cross has been America's premier emergency response organization. As part of the worldwide movement that offers neutral humanitarian care to all, the American Red Cross distinguishes itself by also aiding victims of natural disasters. Over the years, the organization has expanded its services, always with the aim of preventing and relieving suffering.

*The American Red Cross is where people mobilize to help their neighbors—across the street, across the country, and around the world.*

## ABOUT: THE AMERICAN RED CROSS



In the US alone, the American Red Cross responds immediately to nearly 70,000 disasters, including:

- House or apartment fires (the majority of disaster responses)
- Hurricanes, floods, earthquakes, and tornadoes
- Hazardous materials spills, transportation accidents, explosions, and other natural and man-made disasters

In addition to domestic disaster relief, the American Red Cross offers services in:

- Community services that help the needy
- Support and comfort for military members and their families
- Collection, processing and distribution of lifesaving blood and blood products
- Educational programs that promote health and safety
- International relief and development programs

## ABOUT: THE AMERICAN RED CROSS



Around the world the American Red Cross helps vulnerable people and communities prepare for, respond to, and recover from natural disasters, humanitarian emergencies and health crises by mobilizing the world's largest humanitarian network made up of 187 Red Cross and Red Crescent national societies and more than 10 million volunteers.

Working with partners around the globe we support:

- Disaster Response and Recovery
- Disaster Preparedness
- Disease Prevention—including the Measles Initiative
- Aid in Reconnecting Families
- Teaching Humanitarian Law



## ABOUT: RUSS REID



At Russ Reid, we're devoted to helping nonprofit organizations grow beyond probabilities. Every day, we tenaciously pursue fundraising innovations that inspire action and commitment for the causes we serve. And together with our clients, we're helping transform millions of lives around the world.

- World's largest direct response agency exclusively dedicated to nonprofit organizations and fundraising
- Preferred fundraising partner of more than 200 nonprofit organizations
- We raise over \$700 million a year for our clients
- Expertise in multi-channel integrated campaigns
- Data and analytics focused for constant campaign performance improvements

**Our *goal* is to make the world a better place by helping our client partners achieve their missions.**

## THE STAART PROGRAM & DONATION PROCESS



# THE STAART PROGRAM: INTRODUCTION

STAART (Strategy Through Applied Analytics, Research, and Testing)

- National Disaster Donor Conversion Program
- Began originally as Project RED (Retaining Episodic Donors) after Hurricanes Katrina and Rita and the Southeast Asian Tsunami brought with them thousands of new, unsolicited donors to American Red Cross (white mail, phone, online).
- These donors were not affiliated to any chapter in particular, but had given gifts designated to disaster relief to the American Red Cross, and the goal of the program was to convert them to ongoing support of the continued work of ARC.

# THE STAART PROGRAM: AUDIENCE

The STAART Program segments donors into three audiences:

- Pre-qualified lead (PQL) – Donor who has given in response to a disaster once (either solicited or through a solicitation/acquisition program)
- Cultivation – Donor who has given a second time and is now considered a “current supporter”
- Lapsed – Donor who gave a second gift in cultivation has not given a gift in the last 18 months
- Lapsed donors move back into the PQL communication stream

## THE STAART PROGRAM: RESULTS


Since the STAART program has been in place, it has become a resource with three distinct and significant values.

- A productive base of generous, unaffiliated donors
  - A resource for generous disaster response
  - A trove of R&D for enhancing all Red Cross fundraising for individual support
- 
- Through Project RED and STAART, the Red Cross was able to fully explore the power and benefits of donor modeling, which enabled the program to meet its goals. The conversion of disaster donors was maximized to annual support and at the same time provides net revenue to both chapters and national.

# THE DONATION PROCESS: DISASTER GRAM (D-GRAM)









## Disaster Gram (D-Gram)

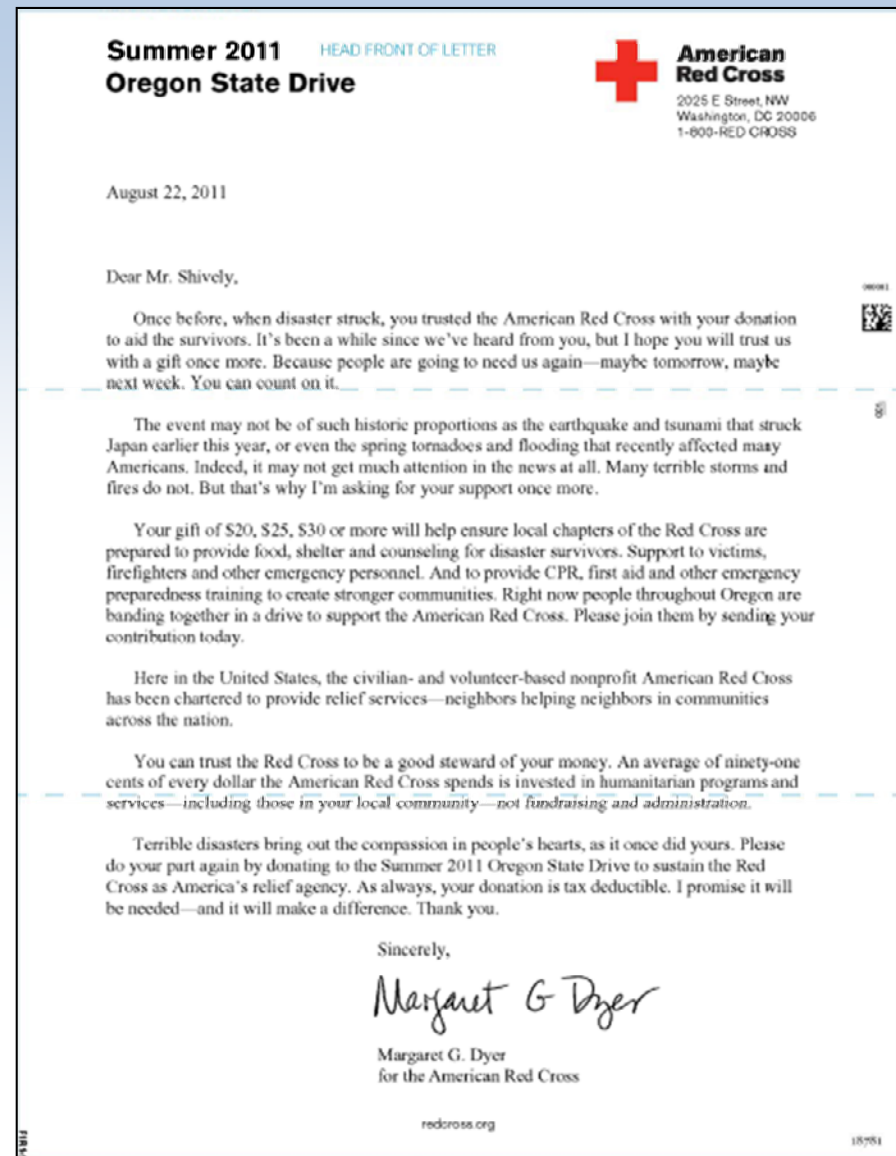
- Used at times of disaster

<p>American Red Cross Disaster Relief Fund 2025 E Street NW Washington, DC 20006-5009</p> <p><b>Victims of Hurricane Irene need your help.</b></p> <p>61384311 RRD1108CMB01</p> <p>RRD1108CMB01 4900 27765 61364311 33430 1</p> <p><b>URGENT - URGENT - URGENT - URGENT - URGENT - URGENT - URGENT</b></p> <p>Dear Mr. Fleming,</p> <p>Thousands are still suffering and need your help today in the aftermath of Hurricane Irene. The surging storm slammed the Eastern Seaboard, disrupting lives and destroying property from North Carolina to New England. People will continue to need help for weeks, even months, to put their lives back together.</p> <p><b>Please make a donation to American Red Cross Disaster Relief today.</b> You can help people affected by disasters such as Hurricane Irene, floods, earthquakes and tornadoes by making a donation to support American Red Cross Disaster Relief.</p> <p>Even before the massive hurricane reached land, the Red Cross was in action setting up shelters. We quickly mobilized more than 250 emergency response vehicles—nearly two-thirds of our total</p> <p>(over, please)</p> <p> <b>American Red Cross</b></p> <p>1-800 HELP NOW</p> <p><a href="http://redcross.org/storms">redcross.org/storms</a></p> <p>2044000-A1-001-000001</p>		<p><input type="checkbox"/> Please charge my donation:</p> <p><input type="checkbox"/> AMEX <input type="checkbox"/> MC <input type="checkbox"/> VISA <input type="checkbox"/> Discover <input type="checkbox"/> Diners Club</p> <p>Card Number _____ Exp. Date _____</p> <p>Signature _____</p> <p>E-mail Address (to receive Red Cross alerts, news and information) _____</p> <p><b>DISASTER SERVICES</b></p> <p>American Red Cross volunteers are trained and ready to respond when a disaster threatens a community.</p> <p>In fact, the Red Cross responds to nearly 70,000 disasters annually. 200 times a day, we help families across the nation by providing shelter, meals and emotional support, as well as for basic necessities like clothing, medicine, and household goods.</p> <p>This type of immediate, on-the-scene support is made possible through your gift and the dedication of Red Cross volunteers.</p> <p>of Fund ing Center 20090-6103    </p> <p>ted by the storm. Due to mandatory evacuations, in just 24 hours the Red reported nearly 500 shelters with more than 27,000 residents who fled their continued up the coast, our volunteers worked around the clock to provide comfort kits and other necessities to help victims begin their difficult recovery. rom over...we urgently need your help!</p> <p>a government agency, we can only be there for victims of Hurricane Irene cause of neighbors like you! You can help people affected by this devastating tless crises at home and around the world by making a donation to support Disaster Relief today.</p> <p>ayable to American Red Cross Disaster Relief and help us to rebuild communities. Please don't delay. If you'd like to help recent victims even ately at <a href="http://redcross.org/storms">redcross.org/storms</a>. Thank you!</p> <p>saster Services</p> <p>2044000-A1-001-000001</p>
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## THE DONATION PROCESS: PQL

- Direct Mail
- Sent to PQL and Lapsed Audiences
- Letter, verbal appeal, and labels as premium offer incentive
- Response device included

	Mr. David A. Shively 14777 NE Prairie View Ct Aurora, OR 97002-9513		Mr. David A. Shively 14777 NE Prairie View Ct Aurora, OR 97002-9513		Mr. David A. Shively 14777 NE Prairie View Ct Aurora, OR 97002-9513
	Mr. David A. Shively 14777 NE Prairie View Ct Aurora, OR 97002-9513		Mr. David A. Shively 14777 NE Prairie View Ct Aurora, OR 97002-9513		Mr. David A. Shively 14777 NE Prairie View Ct Aurora, OR 97002-9513
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# THE DONATION PROCESS: CULTIVATION

- Direct Mail
- Sent to current supporters (cultivation)
- Letter, verbal appeal
- Response device included

American Red Cross  
2025 E Street, NW  
Washington, DC 20006



Middle of the night...a call goes out:

"Six-story condo engulfed in flames...  
firefighters on the scene...children  
and families huddled on the street...  
one elderly couple still inside."



August 8, 2011

Dear Lcdr Charles Moore & Mary Moore,

This is the kind of call that Red Cross chapters receive every night all across America.

We quickly mobilize our relief efforts to help struggling survivors. Red Cross volunteers arrive at our office in minutes to load blankets, food, water, medical supplies and more. Then they rush to the scene to deliver whatever relief is needed to shaken victims—even stuffed animals for the youngest survivors.

**All this is possible because caring people like you give to the American Red Cross.**

And because we never know when that next call will come, I'm asking for you to give a special gift today.

With your contribution, the Red Cross and communities we serve across the country will be better prepared to respond quickly and effectively with **food, shelter, comfort and hope** when it is needed most! But they will only be ready if we prepare them now.

**Please send a gift of \$40, \$50, or even \$65 to help disaster victims today.**

Any amount you can send will be critical to keeping us prepared at a moment's notice. In addition to providing immediate relief, your support will help us:

- Acquire and upgrade emergency response equipment;
- Restock relief supplies including food, blankets and comfort kits; and,
- Train volunteers to be ready to respond, day or night.

In addition to disaster relief, we offer first aid, CPR and other health and safety classes so that every day people are better prepared to save lives when every second counts. We're even there to keep members of the Armed Forces in contact with loved ones during emergencies back home.

(over, please)

redcross.org


18772/18773



# THE DONATION PROCESS: NEWSLETTER

page 4 redcross.org crossnotes

## Training by the numbers



Last year more than 9.5 million Americans entered Red Cross classrooms to learn lifesaving skills. Gifts from donors like you made this training possible.

- Nearly 10 million people take Red Cross classes annually
- The Red Cross has nearly 300,000 authorized instructors
- More than 500,000 individuals volunteer with the Red Cross

For classes in your area, call your local American Red Cross chapter or visit [redcross.org](http://redcross.org)

## You can be ready

An emergency arises. An accident strikes. If you've taken a Red Cross Lifesaving Skills training class, you can be ready to help.

From CPR to first aid, last year the American Red Cross taught more than 9.5 million Americans how to save lives. Generous supporters like you have made these classes possible so that our community can be prepared whenever disaster strikes.

### A history of preparedness

It was 1908 when the Red Cross offered its first health education program. Today, the Red Cross offers a variety of courses from AED (Automated External Defibrillator) to Babysitters Training. Courses are designed to meet the needs of today's world, whether you are someone interested in learning CPR or a professional rescuer. They can be tailored to meet the needs of specific groups and individuals.

### Red Cross classes include:

- First Aid
- CPR



**To learn about what classes we have available now, visit [redcross.org](http://redcross.org)**

**YES** I'll help even more. Here is my gift of:

☐ \$15 ☐ \$25 ☐ \$35 ☐ Other \$ \_\_\_\_\_

☐ My check is enclosed, payable to the American Red Cross.

☐ Please charge my donation:

☐ AMEX ☐ MC ☐ VISA ☐ Discover ☐ Diners Club

CARD NUMBER \_\_\_\_\_ EXP. DATE \_\_\_\_\_

SECURITY CODE \_\_\_\_\_

SIGNATURE \_\_\_\_\_

EMAIL ADDRESS (to receive Red Cross alerts, news and information) \_\_\_\_\_

PHONE \_\_\_\_\_

Visit us at [redcross.org/help](http://redcross.org/help) or call 1-800-RED CROSS

Please return this form to:  
American Red Cross  
P.O. Box 95454  
Washington, DC 20090-6454

## crossnotes

A PUBLICATION OF THE AMERICAN RED CROSS

July 2011

### Spring storms and tornadoes leave communities and lives devastated



Thousands lost everything in the wake of tornadoes

remains of her home, looking for any personal belongings that she could salvage. She and her husband rode out the storm in the bathroom and emerged to see their home and their neighborhood in pieces.

A neighbor wiped away tears from his face while talking about what was left of his home. "I've never experienced anything like this in my life," he said.

### You helped the Red Cross respond

Thanks to you, the Red Cross was on the ground immediately to provide food, shelter, comfort and more to tornado victims. Volunteers continued to work tirelessly in the weeks that followed—as heavy rain and swelling rivers led to massive flooding in many of the recovering states.

Nearly 4,500 Red Cross workers from all 50 states assisted with relief and recovery efforts. Since the end of March, the Red Cross has:

- Served more than 1.7 million meals and snacks with the help of community partners.
- Opened more than 200 shelters and provided more than 17,000 overnight stays.
- Handed out more than 1 million relief items like hygiene kits, mops, brooms, tarps, shovels, work gloves and coolers.
- Provided nearly 40,000 health and mental health consultations.
- Deployed more than 8,700 Red Cross workers.

### Staying prepared

Thanks to your generous support, the Red Cross was ready when last spring's storms hit. As hurricane season is upon us and winter storms are around the corner, it's vital we stay prepared. If you'd like to donate, please visit [redcross.org](http://redcross.org) or call 1-800-RED CROSS.



An American Red Cross emergency response vehicle delivers meals in Concord, AL

### INSIDE

- 1 A Message from the President & CEO
- 2 Remembering 9/11
- 3 Could you save a life?
- 4

**+** American Red Cross

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4.5 X 7.5  
1-875-B-2-275  
DO NOT PRINT FOR KEYTUNES OR TYPE

DIE CUT WINDOW  
4.5 X 1.25  
1-875-B-75  
DO NOT PRINT FOR KEYTUNES OR TYPE

**crossnotes**  
Your Fall Edition Enclosed

crossnotes redcross.org page 5

## Remembering 9/11 and preparing for future disasters



As buildings fell, a nation came together



Overwintering disaster

either in person or phone by Red Cross staff or volunteers

### Becoming better prepared for future disasters

The tenth anniversary of these horrific attacks should also remind us that the unimaginable can in fact occur, and that we all must do more to prepare our families and make our communities ready for manmade and natural disasters of all kinds and all sizes.

While we don't know where or when, we do know that large disasters will strike this country again, and preparedness steps taken today can save lives and livelihoods tomorrow.

September 11, 2001 was an unforgettable day for our entire nation, but even as we look back and remember the victims, we also should look ahead with a renewed commitment to be better prepared for the future.

The 9/11 terrorist attacks were a seminal moment for our nation, as one of the worst days in American history brought out the best of the American spirit.

People from across the nation came together to support the victims and survivors of the attacks with donations of time, blood and money. Together, we responded, recovered and have rebuilt.

As our nation marks the tenth anniversary of the 9/11 attacks, we should remember the victims of the attacks, honor the brave responders, and rekindle the spirit of service to help those in need.

### A major Red Cross relief effort

The American Red Cross met the challenge of the 9/11 attacks with immediate on-the-scene responses before the smoke cleared from chapters in New York, Washington, DC and Pennsylvania. And our work continued thanks to the unwavering commitment of volunteers and staff from throughout the U.S.

The massive Red Cross relief operations were made possible by the generosity of donors who donated nearly \$1.1 billion, which allowed us to help more than 59,000 families affected by the terrorist attacks.

The Red Cross 9/11 disaster relief operations included:

- 14,113,183 meals and snacks served
- 60 shelters opened for 3,554 families
- 101 sites opened to deliver services
- 292 emergency vehicles deployed
- 57,434 Red Cross employees and volunteers assigned from all 50 states
- 240,417 mental health contacts and 133,035 health contacts made

The Red Cross responded immediately, providing meals, shelter, comfort and hope to devastated survivors at Ground Zero. The lessons of 9/11 have helped us better prepare for disasters of all kinds.




- Current supporters – 3x yr.
- Response device included

## THE DONATION PROCESS: RESPONSE DEVICE

# Direct Mail Reply Card

- Source Code to track campaign
- “Fund” that will receive money, e.g.
  - Where the need is greatest
  - Disaster Relief
  - Local Red Cross Chapter
  - Current Event

	<b>Front</b>	<b><i>Rapid Response</i></b> C A M P A I G N
<p>I am proud to send a special donation to the Rapid Response Campaign. I want to ensure the Red Cross and the communities it serves are always prepared to respond quickly and effectively when <u>every second counts!</u></p> <p> <input type="checkbox"/> \$40  <input type="checkbox"/> \$50  <input type="checkbox"/> \$65  <input type="checkbox"/> I prefer to give \$ _____  <input type="checkbox"/> I've enclosed my check, payable to the American Red Cross.  <input type="checkbox"/> Please charge my credit card. (See reverse)           </p>		<p>Your gift supports the lifesaving mission of the American Red Cross down the street, across the country and around the world.</p> <p align="center"><b>Or contribute online at:</b> redcross.org/help</p>
		RRA1108CMA15    0000    27761    44222110    05348    5
<div style="position: absolute; bottom: -50px; left: 50%; transform: translateX(-50%); background-color: white; border: 1px solid black; padding: 5px;">Source Code</div> Arrow pointing from Source Code box to first arrowhead		<div style="position: absolute; bottom: -50px; left: 50%; transform: translateX(-50%); background-color: white; border: 1px solid black; padding: 5px;">Fund to receive money</div> Arrow pointing from Fund to receive money box to second arrowhead

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<p><input type="checkbox"/> You may charge my: <input type="checkbox"/> AMEX <input type="checkbox"/> MC <input type="checkbox"/> VISA <input type="checkbox"/> Discover <input type="checkbox"/> Diners Club</p> <p>Card Number _____</p> <p>Exp. Date _____</p> <p>Signature _____ Phone Number _____</p> <p>E-mail Address (to receive Red Cross alerts, news and information)</p> <p>Please ensure the address shows ► through the return envelope window.</p>	<p><b><i>Thank you for your support!</i></b> Your gift to the American Red Cross is tax deductible.</p> <p>AMERICAN RED CROSS P.O. BOX 96454 WASHINGTON, DC 20090-6454</p>
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Back



**DATA**

# DATA

- **Donations** (~500k donors who gave their first donation between 2006 and 2011)
  - Date
  - Amount
  - Fund that received donation (e.g., General Fund, Haiti Earthquake Fund)
  - Source code for interaction that the donation is attributed to
- **Interactions** (for the subset who first gave between 2009 and 2011)
  - Date
  - Campaign type
  - Campaign initiation date
  - Target group
  - Channel (mail, online, phone, newsletter)
  - Package code (pdfs will be available for many of the packages)
  - Segment

WCAI will provide a detailed data key along with .csv files and a database; and can assist with data processing.

# DATA

## Summary

Cohort	Cohort Size	Number of Interactions	Number of Gifts
10/1/2009	1,800	9,500	1,800
11/1/2009	1,500	29,100	1,700
12/1/2009	2,500	400	2,800
1/1/2010	1,900	31,700	2,300
.			
.			
.			
9/1/2011	2,300	15,600	4,200

\* values on this page are synthesized

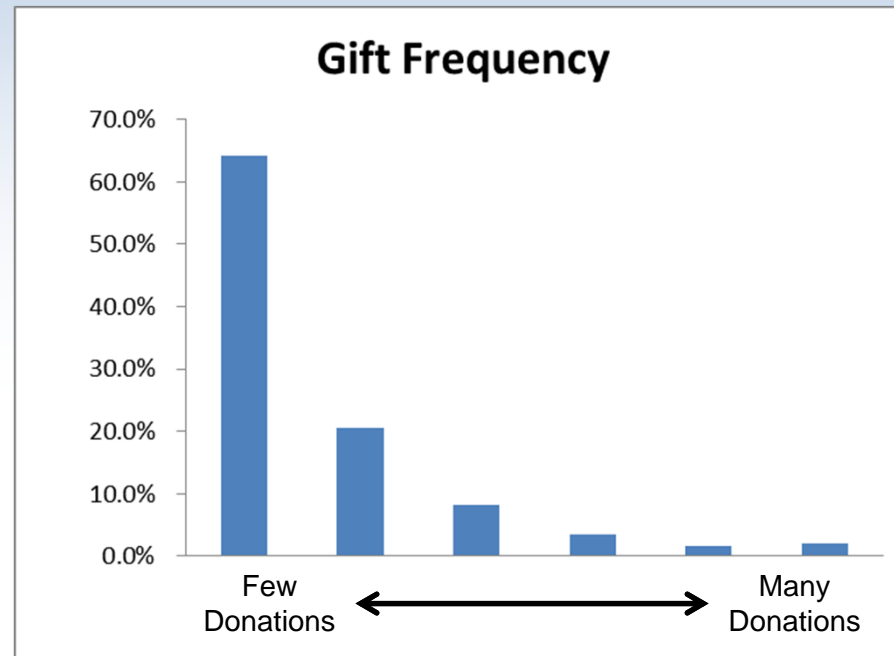
# DATA

## Potential Research Questions

- What is the best way to convert "disaster donors" – those who first give to the American Red Cross in response to or during a major disaster relief effort – to long-term donors?
- What are the general patterns of donation response among these donors? Do they always give in response to disasters? Are these donations incremental over some baseline? Or do disasters “pull ahead” donations that would have otherwise been made by regular donors?
- Can likely repeat donors be identified shortly after their first donation so that resources are not wasted on soliciting those unlikely to give again?
- What types of communications (channel, creative execution, frequency) appeal to these donors and how should disaster donors be cultivated?
- What types of donors are acquired during different types of disasters? For instance, do disasters tend to draw more donations from people who live near where the disaster occurred? What types of donors give to international versus US disasters?

# DATA

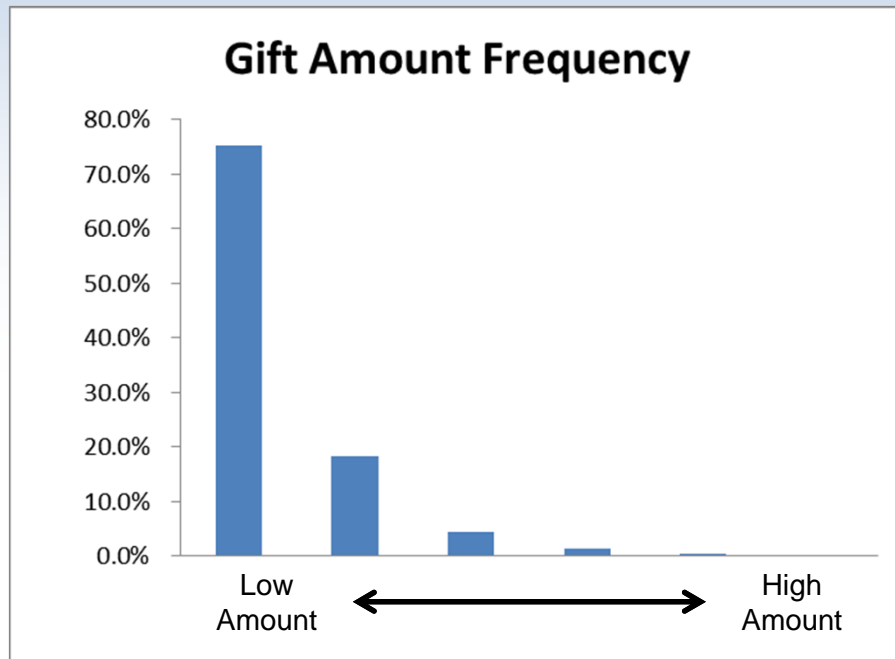
How many donations did each donor make?



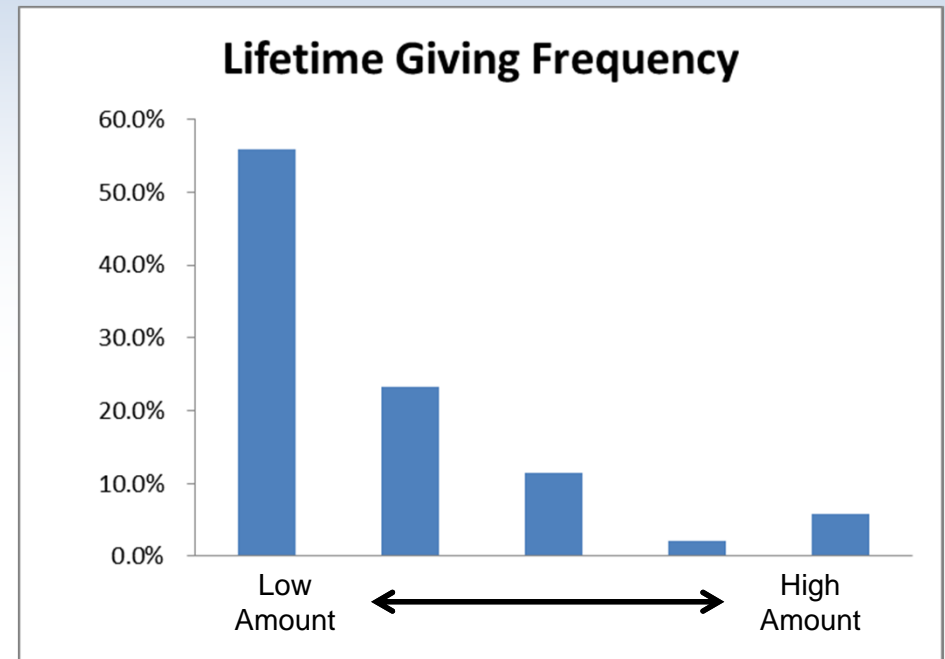
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# DATA

How much was given with each donation?



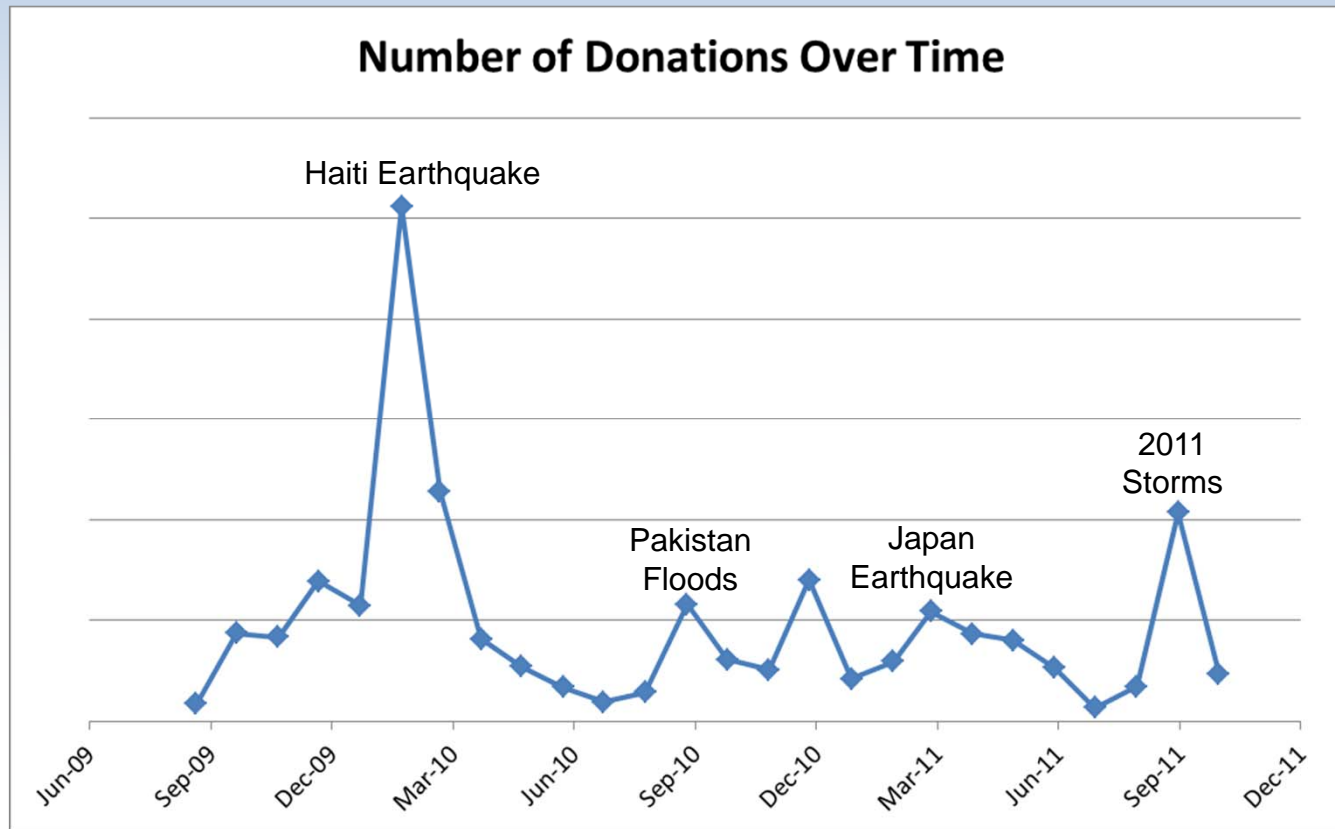
How much was given over each donor's lifetime?



\* values on this page are synthesized

# DATA

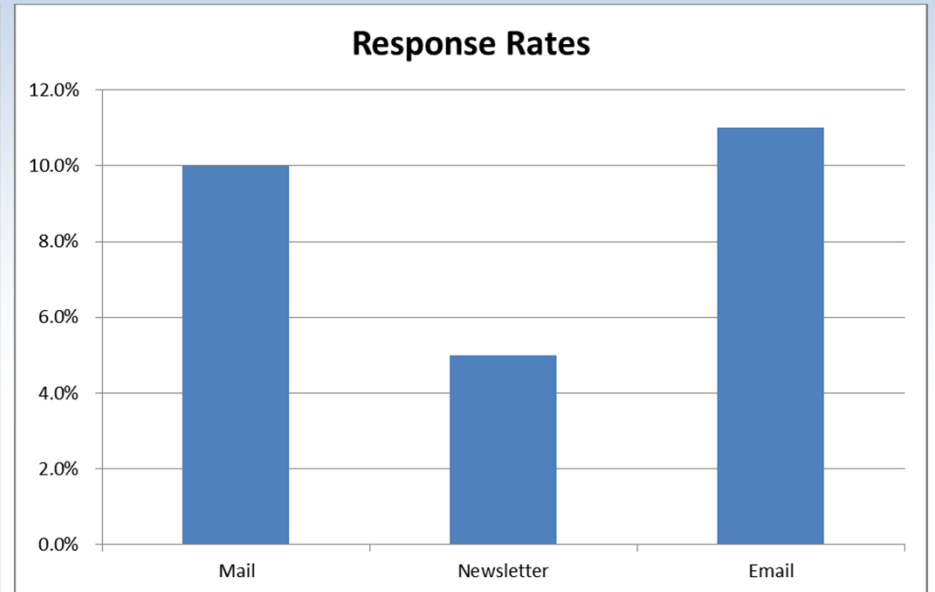
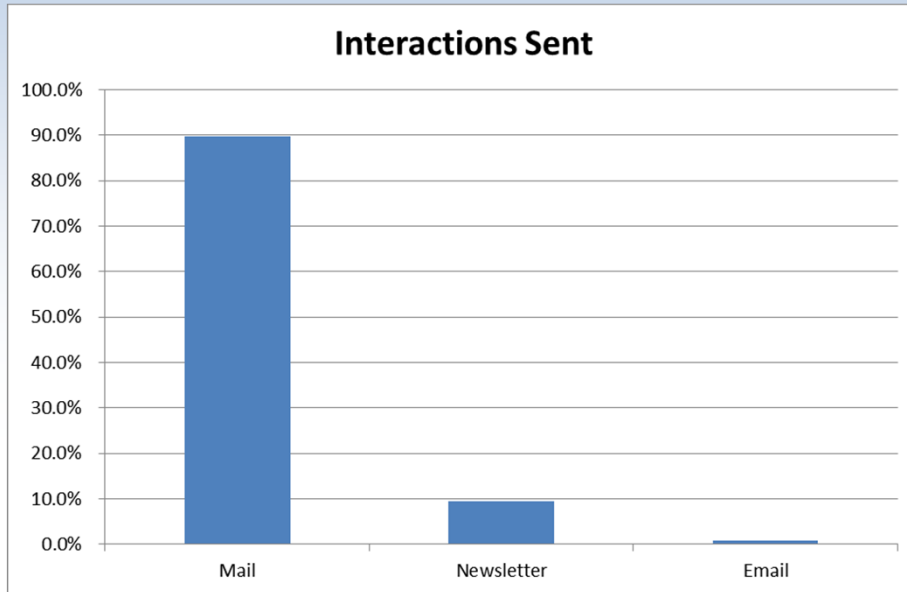
## Gifts by Month



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# DATA

## Marketing Channels

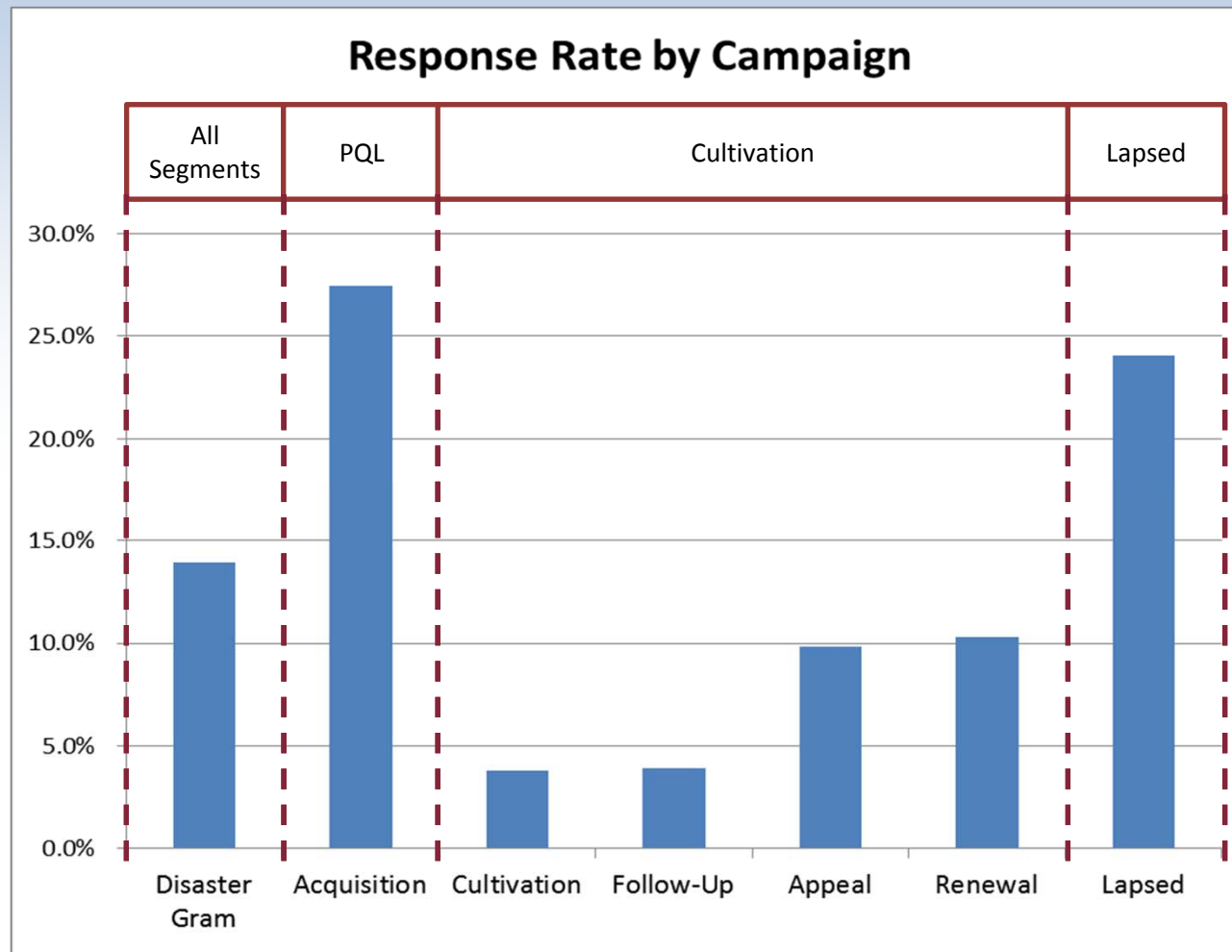


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# DATA

## Response Rate by Campaign Type



\* values on this page are synthesized

# DATA

## Campaign Copy

- Images of contents of direct mailings going back to 2009 will be made available for analysis
- WCAI will be coding this copy for key features

If you are interested in studying the effect of changes in copy on the response, please contact [wcai-research@wharton.upenn.edu](mailto:wcai-research@wharton.upenn.edu) before you submit your proposal.

**Q&A**

## Q&A: PROPOSAL PROCESS

- Review the WCAI FAQ on Research Opportunities:  
<http://www.wharton.upenn.edu/wcai/dump/FAQ.cfm>
- Submit a brief proposal to [wcai-research@wharton.upenn.edu](mailto:wcai-research@wharton.upenn.edu) by January 3, 2011. Proposals should be less than 2,000 words and should include:
  - Research team, affiliations and e-mail addresses
    - Please designate a corresponding author
  - Objectives & contribution to the academic literature
  - Proposed methods
  - Rough timeline
  - Potential for managerial insights & impact for ARC and other non-profits
  - PDF format preferred
  - Please put “RO: ARC Proposal” in the subject line
- Proposals will be evaluated by Pete Fader, Eric Bradlow, Elea Feit, Tim Gilbride, Bas Donkers, Rob Christian, Janet Couperthwaite, Tony DiPasquale, and John Wilburn
- Clean data can be in your hands by the end of January!

## Q&A: BENEFITS FOR AWARDEES

- Access to unique data
- Assistance with data cleaning and preparation
- Teleconference Q&A sessions with the corporate partners
- Invitation to a private symposium to share your research findings with the corporate partner
- Promotion of your research paper through the WCAI SSRN Research Paper Series

## Q&A: OTHER OPPORTUNITIES FOR RESEARCHERS

- If you registered for this webinar, you will receive regular announcements about:
  - Research Opportunities like this one
    - Sirius/XM coming in early 2012
  - Grant/funding opportunities
  - WCAI Conferences
    - Marketing on the Move: Understanding the Impact of Mobile on Consumer Behavior, Feb 27-28 at The Wharton School (co-sponsored with MSI)  
<http://www.wharton.upenn.edu/wcai/MobileConference2012.cfm>
  - Announcements are also available at <http://wcai.wharton.upenn.edu>
- Visit SSRN Research Paper series: <http://www.ssrn.com/link/Wharton-Cust-Analytics-Initiative-RES.html>

## Q&A: MORE ABOUT WCAI

The Wharton Customer Analytics Initiative (WCAI) is the preeminent academic research center focusing on the development and application of customer analytic methods. Acting as "matchmaker" between academia and industry, WCAI has had a broad impact on the practice of data-driven business decision-making, and the dissemination of relevant insights to managers, students, and policy makers.

Based in the Wharton School's Marketing Department and designed to capitalize on Wharton's longstanding strength in conducting empirical research, WCAI is an interdisciplinary effort that brings a passionate data-driven perspective unmatched by any other business school.

