dataro

Reimagining fundraising - how to unlock more gifts with AI

dataro.io

About me

- John Roberts (JR)
- Head of UK Sales (Dataro)
- 10 years introducing new technologies to over >1,000 charities around the world
- Loves seeing tech make an impact and seeing non-profits smash goals!
- Living in Hampshire, UK!

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Our mission is to set a new standard in charitable fundraising, using AI and BI to ensure every charity can make a bigger impact in the world.

Smarter fundraising for a better world

Since 2018

Agenda
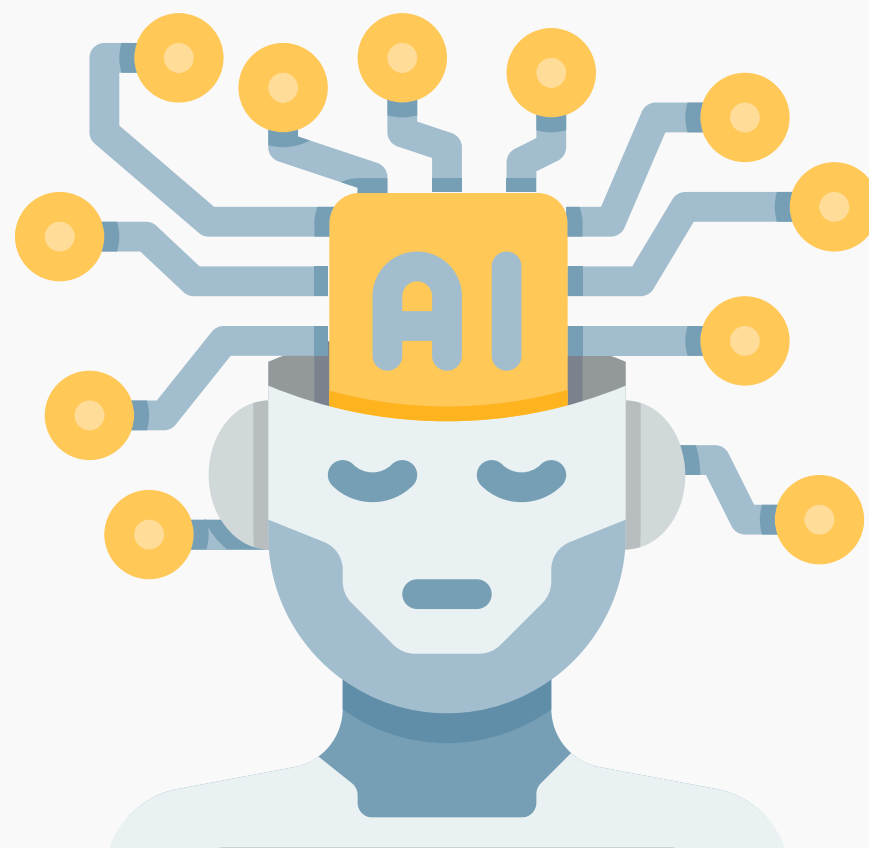
🤖 AI Masterclass: 8 Lessons in 8 Minutes

💪 Using AI in Fundraising

❤️ How charities are already using AI to increase revenue

🏃‍♀️ Q&A

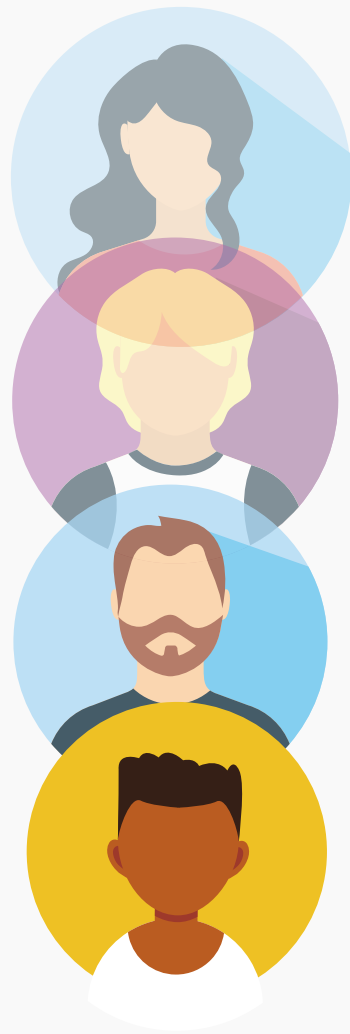# Why are we talking about AI?
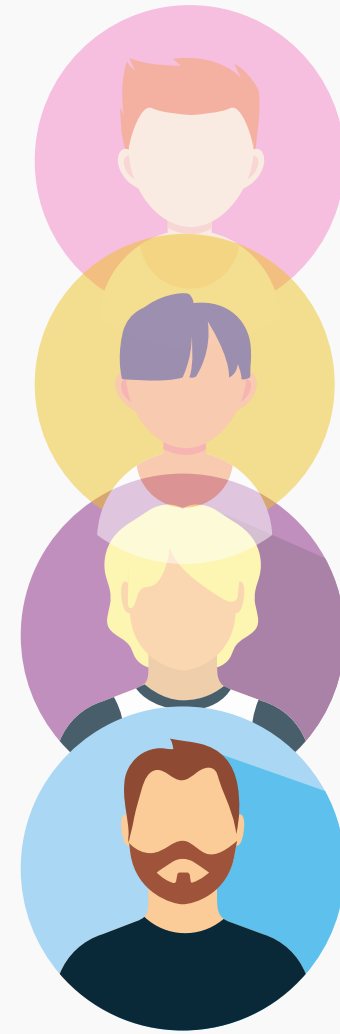
It's because charities have <u>lots</u> of donor data

It can help charities raise more funds and further their mission!

Upgrade opportunites

Reactivations

Mid-Level

Legacies
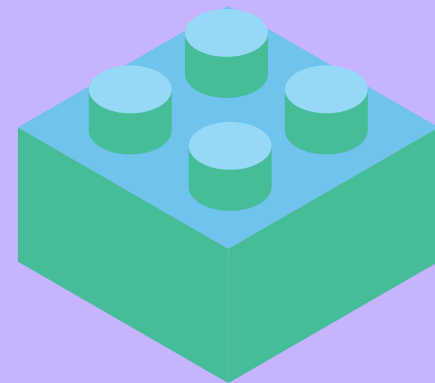
and much more!

PART ONE

8 x AI principles

(in 8 minutes)

1. Two types of AI

PREDICTIVE AI

- Generates predictions
- Requires lots of data
- Learns from your data
- Better for tasks that require accuracy

GENERATIVE AI

- Generates new content
- Requires user 'prompts'
- Already learnt from other data (typically)
- Better for tasks that require creativity or speed

2. Predictive AI
=
Machine Learning (ML)
=
Pattern analysis
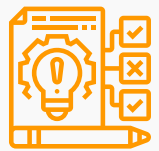
3. Input to ML is historical data

To predict an outcome (e.g. giving to an appeal) ML will...

1. Connect to data source
   (e.g. charity's CRM)

2. Identify every historic instance of the fundraising action we're trying to predict
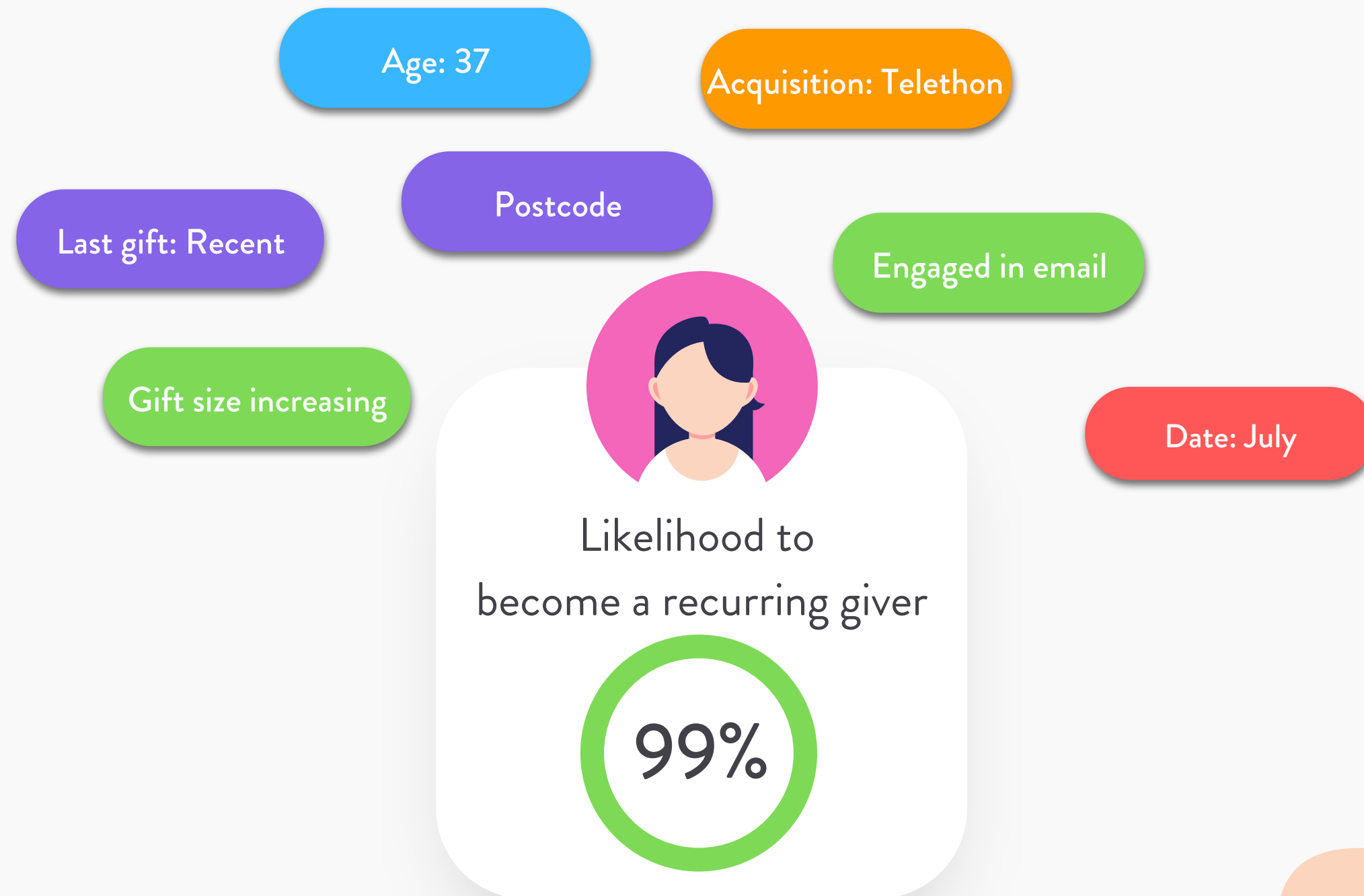   (e.g. giving a major gift, giving to an appeal, become a legacy donor)

3. Analyse each one to identify common patterns
   (e.g. transactions history, comms, actions, demographics)

4. These patterns are then used to pinpoint the best future prospects

4. Output of ML is future predictions

Age: 37

Acquisition: Telethon

Last gift: Recent

Postcode

Engaged in email

Gift size increasing

Date: July

Likelihood to become a recurring giver

99%

5. Generative AI
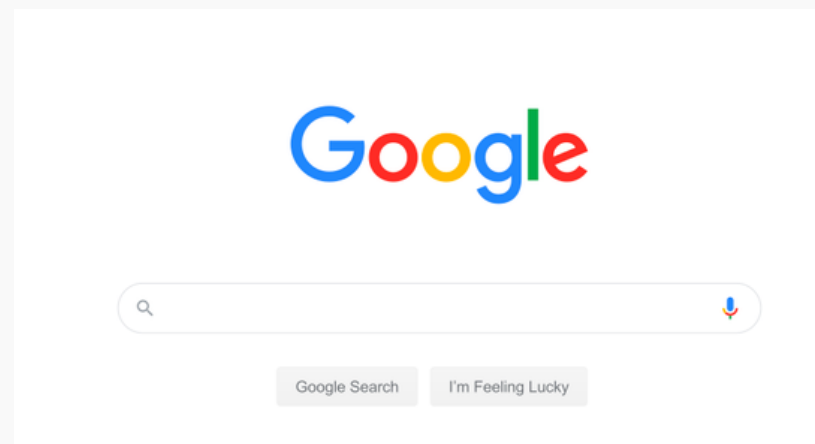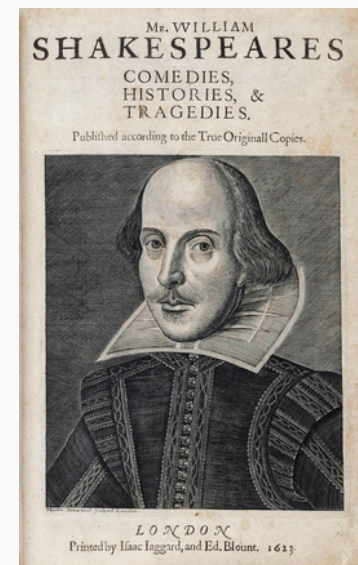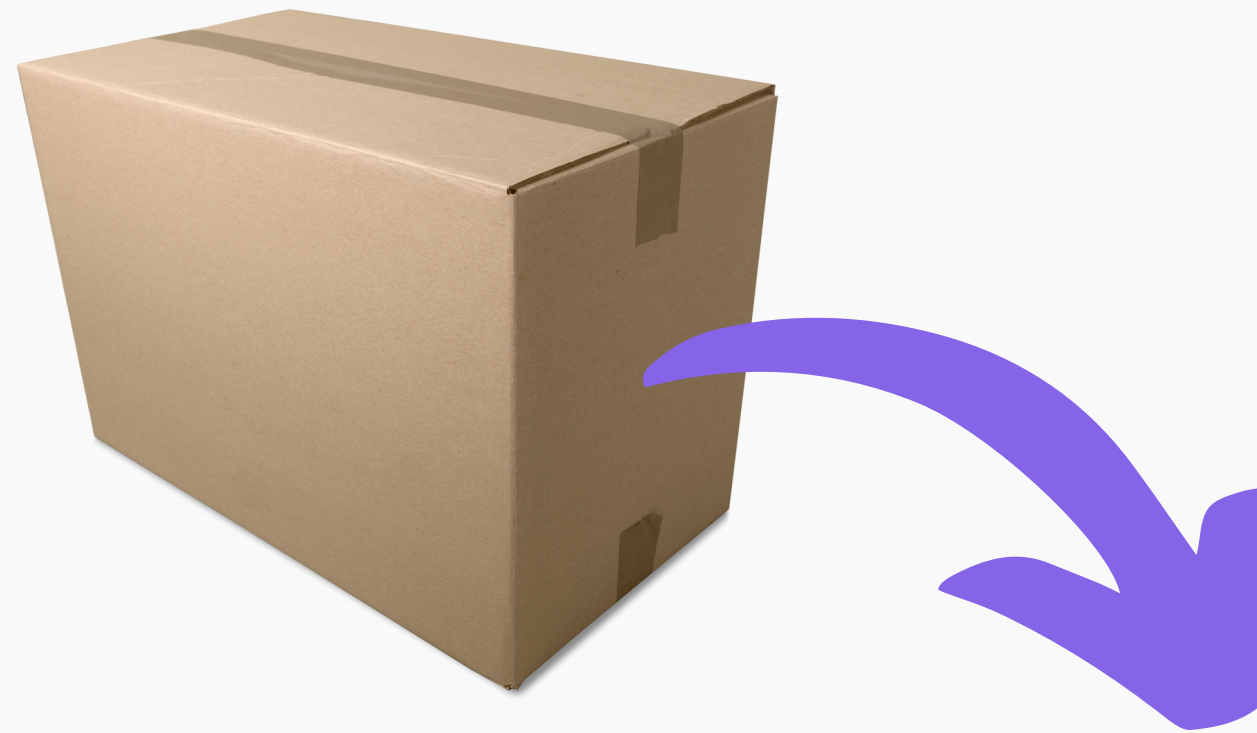
=

Large Language Models (LLM)

=

Chat GPT

6. ~~Large~~ Huge Language Models

+100s GB words

7. LLMs are predicting the next word

What is the next word in this _____?

8. If AI were students?

Predictive AI

The student who has studied just 1 subject and takes the test over and over again to keep getting better...

Generative AI

The student who reads all the text books but never went to class....
so doesn't always know what is right and wrong!

PART TWO

Using AI in Fundraising

The **BIG opportunity** in fundraising

- Find the best prospects for every type of campaign
- Improve engagement with donors
- Reduce costs and improve efficiencies
- Boost your productivity
- Raise more funds for your cause!

The 4 W's (and H) of fundraising

Likelihood to give

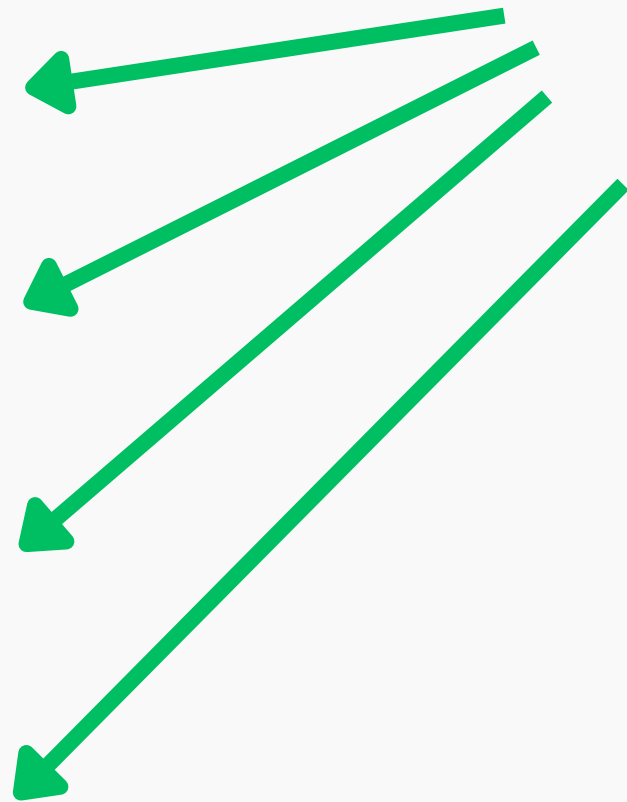95%

Who

When

Why

How

What

AI informs the 4 W's (and H)
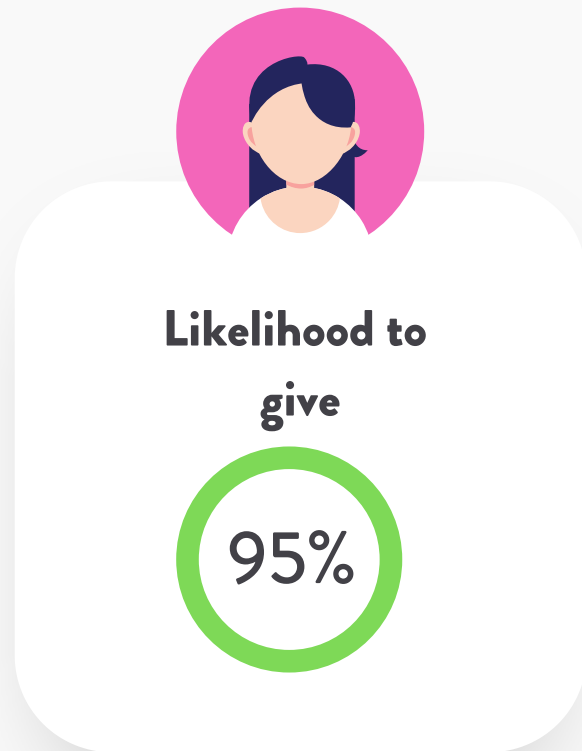
Who

When

Why

How

What

Predictive AI
(ML)

Generative AI
(LLM)

Likelihood to give

95%

Fundraising without AI (the old way)
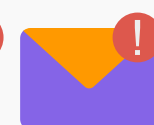
Treats donors like 'segments'

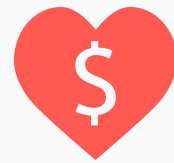Gave a gift in past 3 months
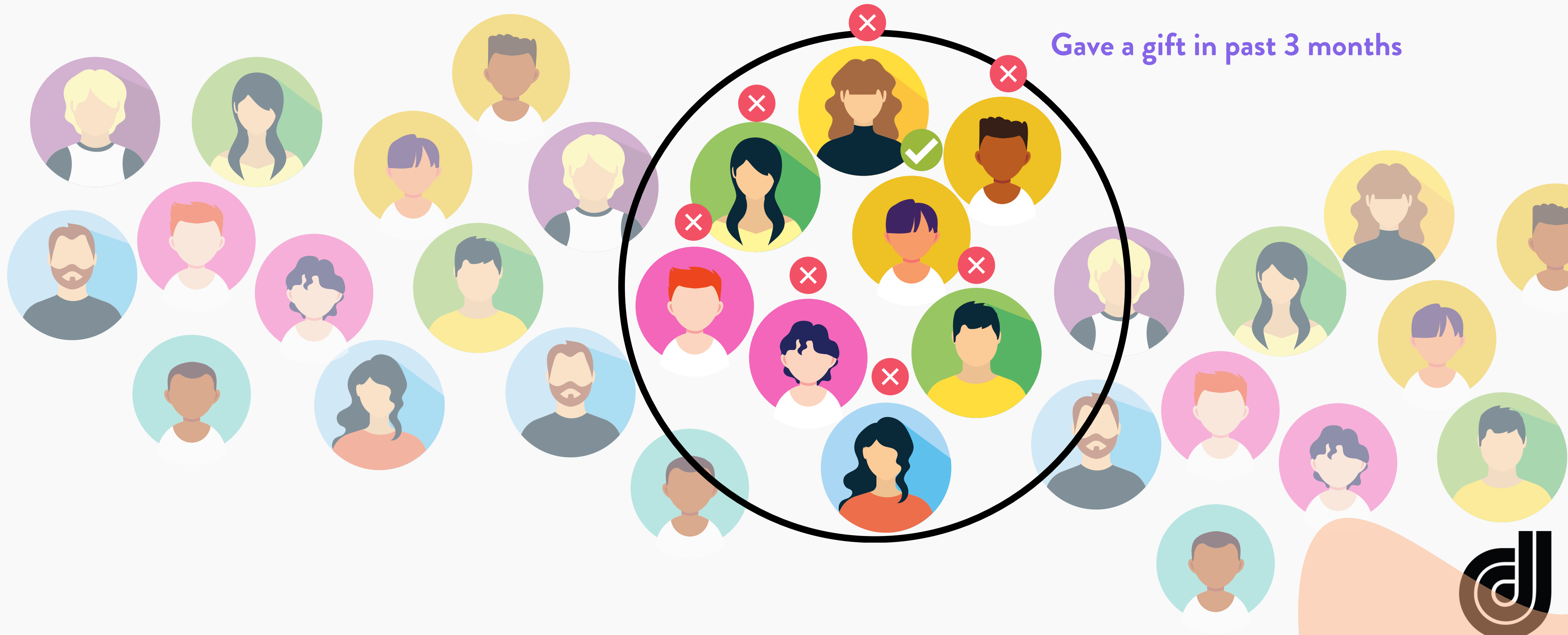
AI helps us treat them like individuals
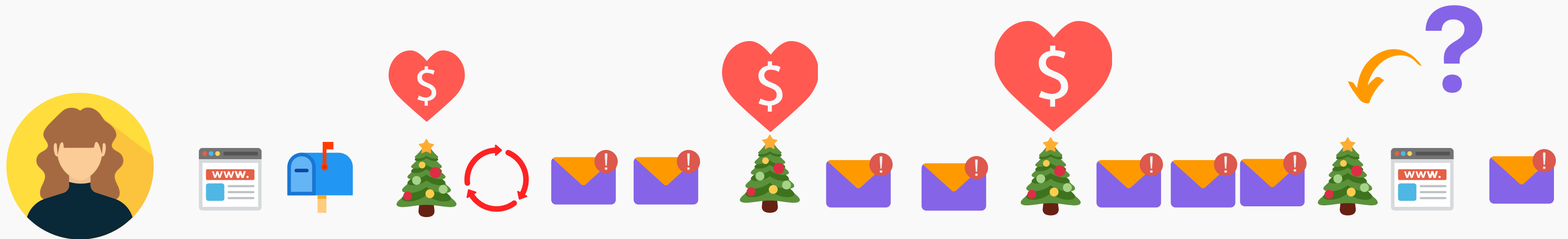
AI helps treat them like **individuals**

Unlikely to convert

Most likely to convert

Likely to give £58

Most receptive to mail
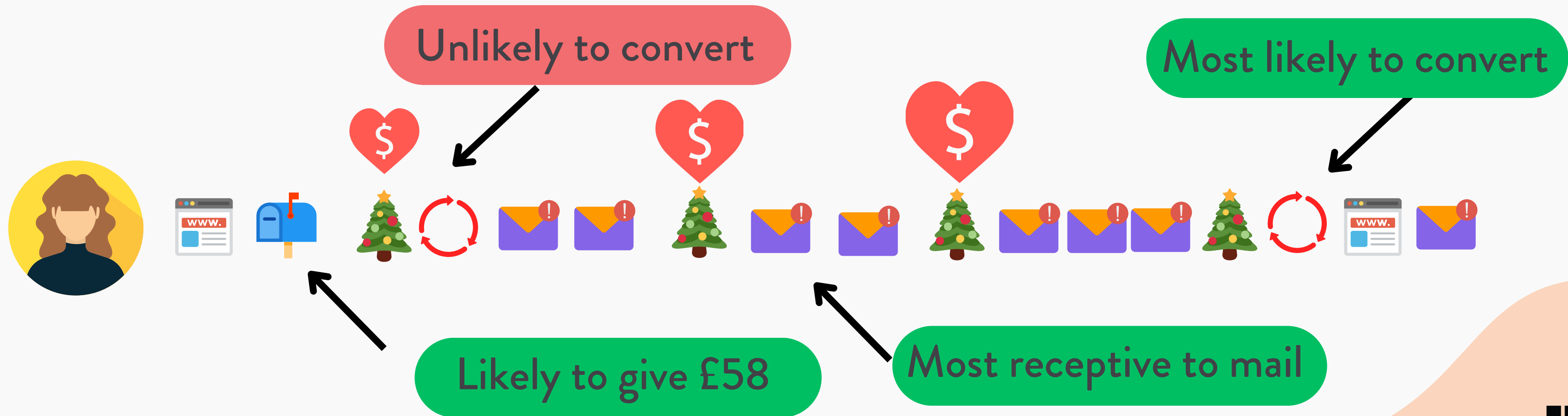
Likelihood to give to an appeal
21%

Likelihood to convert to RG
99%

Likelihood to become a major donor
2%
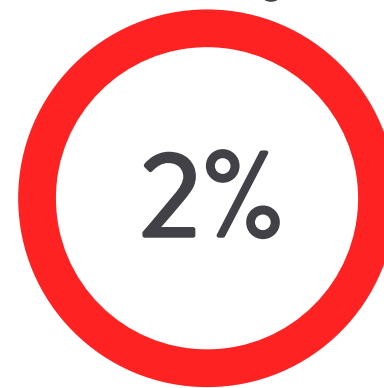
Likelihood to become a mid donor
5%
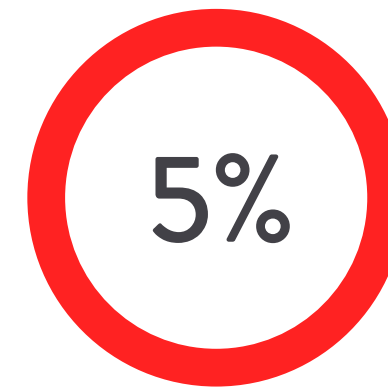
Generating Ranks, Scores & Amounts for every donor

Predict Scores

DM Appeal ⓘ
57%
Rank: 1,930th
Likely to give

DM Appeal >$500 ⓘ
35%
Rank: 4,654th
Likely to give >$500

24M Lapsed ⓘ
32%
Rank: 4,021st
Likely to give (lapsed donor)

RG Churn ⓘ
71%
Rank: 320th
Likely to churn

Major Giver ⓘ
Rank: 1,694th

Mid Value Giver ⓘ
Rank: 4,830th

Raffle ⓘ
15%
Rank: 8,116th
Likely to participate in raffle

Ask Amount (Single) ⓘ
$28

Channel Recommendation ⓘ
Phone
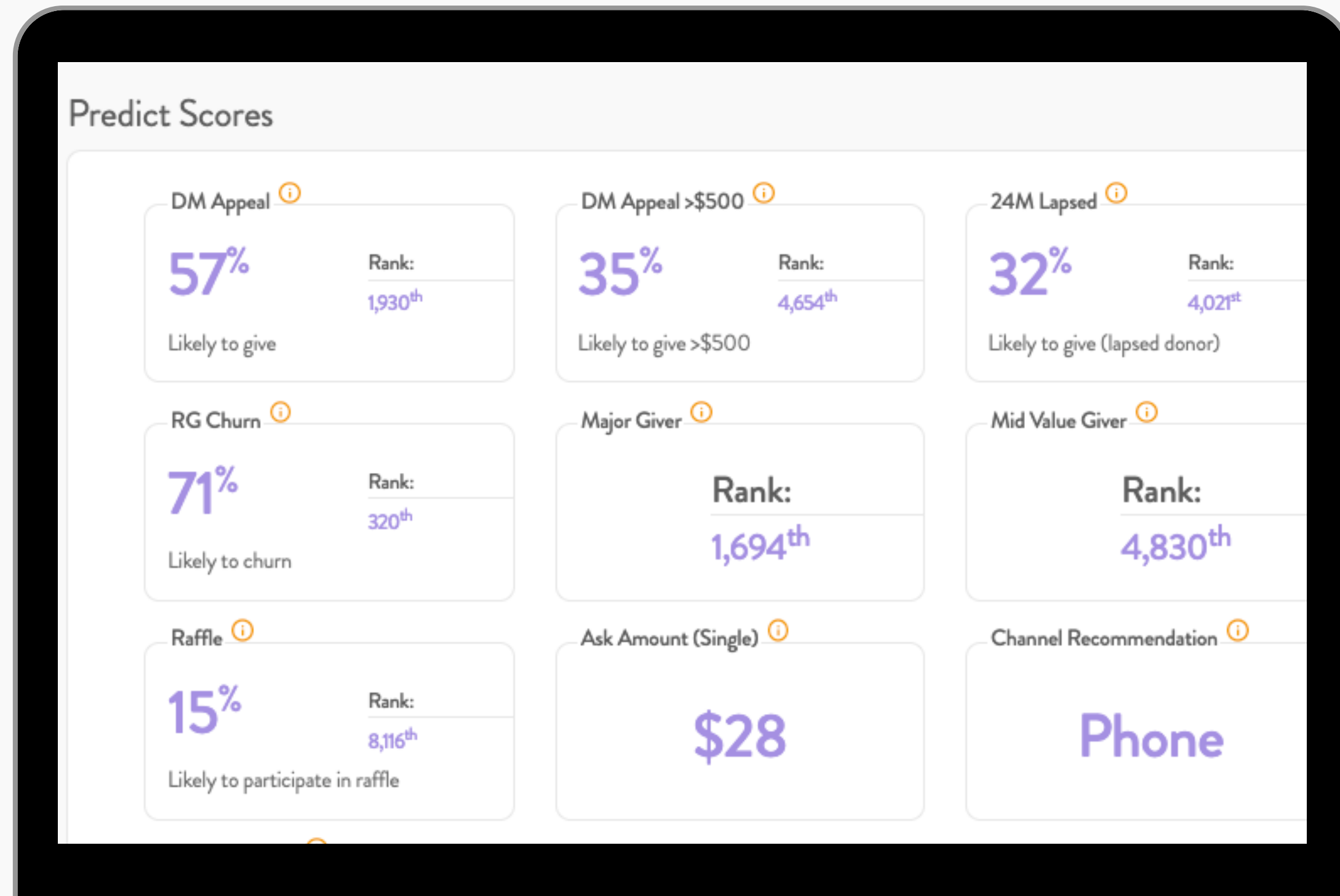
Fundraising AI in practice

Likelihood to become a recurring giver

99%

Best monthly conversion prospects

Likelihood to give to next appeal

99%

Donors most likely to give to an appeal

Likelihood to cancel active RG

99%

Donors most likely to churn from RG

Likelihood to give a major gift

99%

Best major donor prospects

10 ways to use Predictive AI

1. Who will give to your next appeal?
2. Who will become mid-value donors?
3. Who is a good major donor prospect?
4. Who is likely to convert to a monthly donor?
5. Who will leave a legacy gift?
6. Who will upgrade their gift?
7. Who will reactivate?
8. How much is the best gift amount?
9. Which channel will they most likely respond to?
10. What is the optimum campaign size?

👍 **Predictive AI in fundraising**
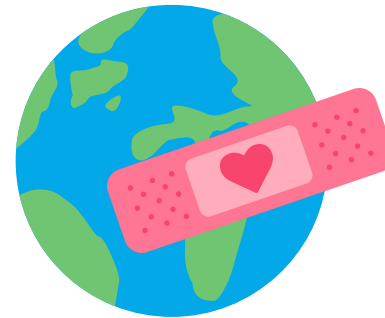
⏰ **Right time** + 🌍 **Right ask** = 🥰 **Improved donor experience**

The 4 W's (and H)

Who Kate Smith ← Predictive AI (ML)

When Now!

Why Likely to give a £50 gift

How Email
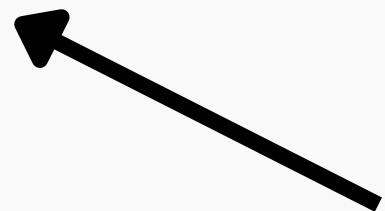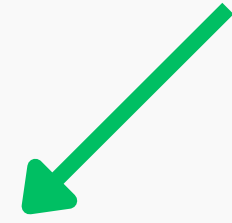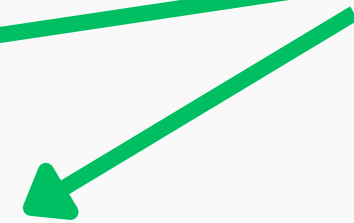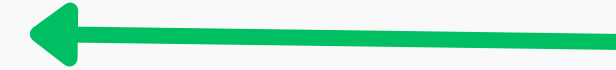
What ? ← Generative AI

Likelihood to give

95%

Generative AI is best used for creating new fundraising content

Creates first drafts 10x faster

Letters

Emails & subject lines

DONATE

HELP THE 🌍

SMS & social media
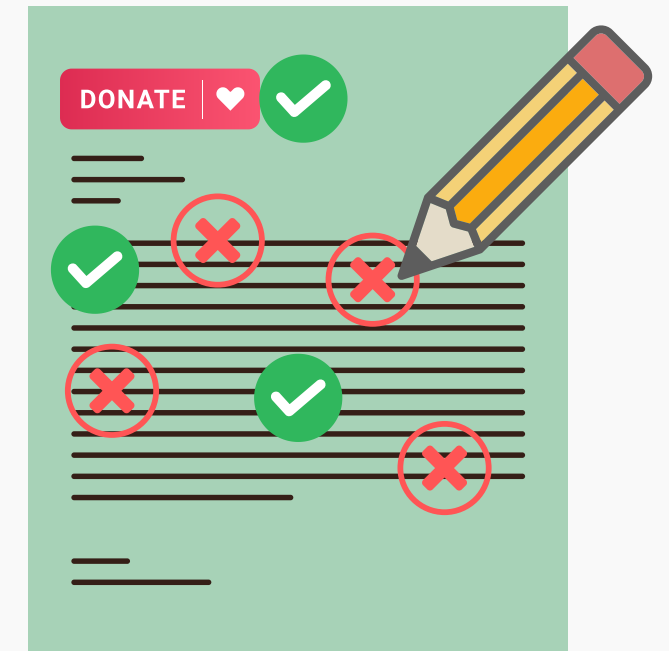
Enhance & tailor copy

DONATE

But using GPT takes skill 😔

👌 Incredibly easy to generate something good.

👎 Very tricky to get something <u>really</u> good (and fundraising specific)
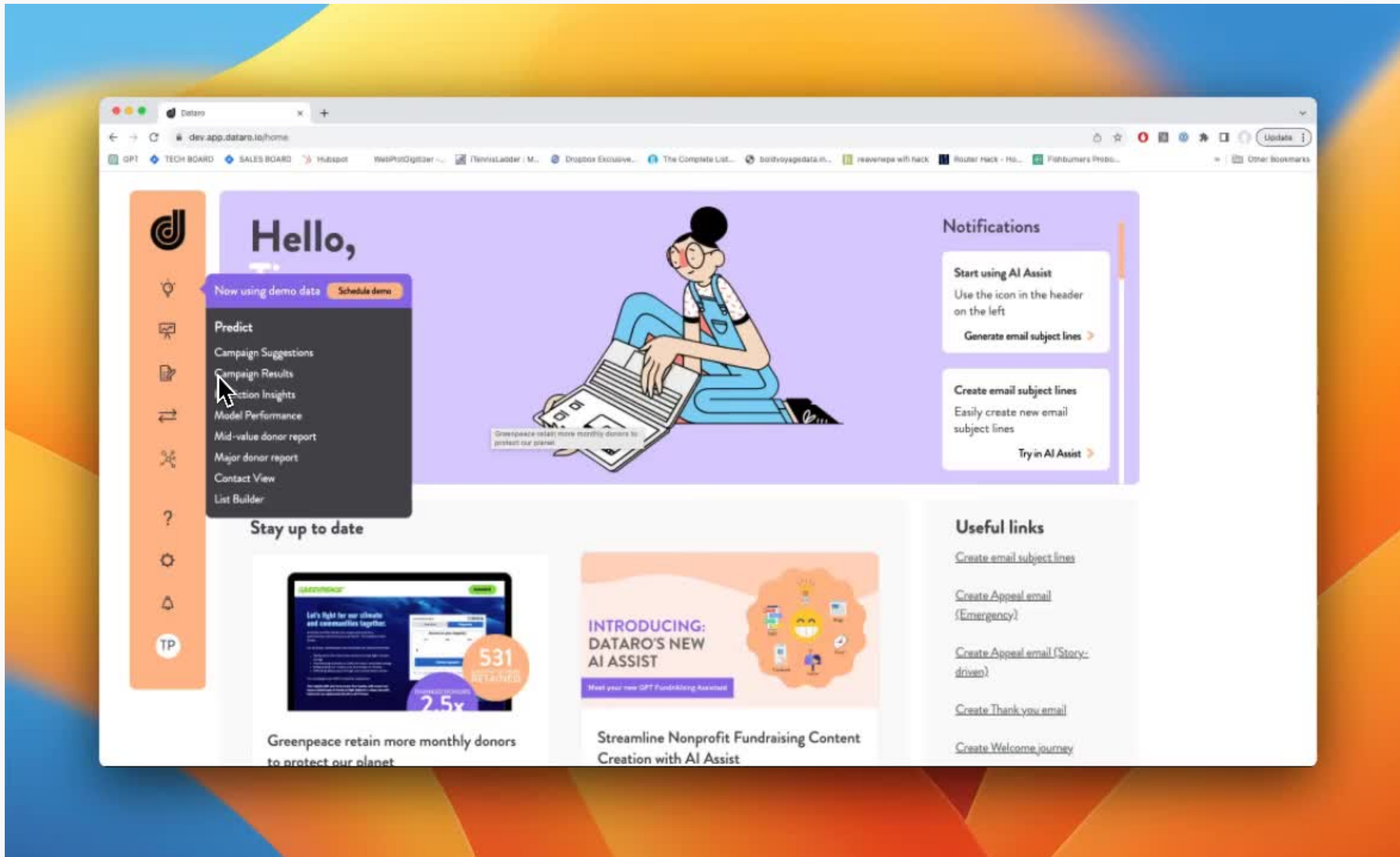
Check out dataro.io/ai-assist

But there a few risks...

- Perpetuating social biases
- False information (hallucinations)
- Plagiarising content

Avoid the common mistakes fundraisers make when using ChatGPT

SCAN ME
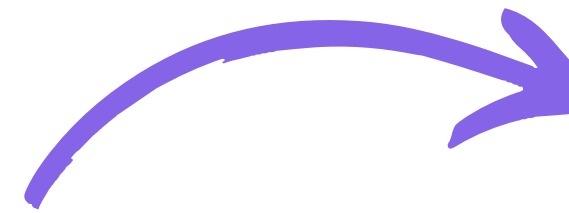
Let's see some examples...

Appeals: Parkinson's UK

Increased first appeal net revenue by 23%

Received 411 extra gifts that would have been missed, worth over £15,000

ROI of >5.5 on initial Dataro investment

And then raised >£30,000 extra in the second appeal!

"This new way of predicting which supporters are likely to give means we can generate more revenue for our organisation, and send appeals only to those supporters who may be interested in receiving them. We're now rolling out this technology for all of our appeals."

Ceri Smith, Individual Giving Manager, Parkinson's UK

PARKINSON'S UK
CHANGE ATTITUDES.
FIND A CURE.
JOIN US.

Appeals: UNHCR Australia

Tested Dataro's predictions across four appeals

Average appeal ROI increased by 28%

Average appeal costs decreased by 23%

"In targeting mailing volume at high propensity donors only, we can make significant savings in costs, without jeopardizing revenue"

UNHCR
The UN Refugee Agency
Australia for UNHCR

Uncovering the best legacy prospects

- Dataro used to identify the best 500 prospects
- Donors targeted via a TM campaign
- 22 donors pledged to leave a legacy or confirmed they already have.
- Forecast value between £440,000 - £1.1 million

RG Optimisation: Erskine

Preventing RG Churn via 'Engage & Retain'

1. <u>Identify</u> donors with the highest 'churn score'
2. <u>Engage</u> these donors via a 'thank you' call
3. <u>Retain</u> more 'at risk' donors through re-invigorated relationships

75% reduction in churn (test vs. control)

- **18.6%** > **4.6%**
- **61** donors **saved** in a single month
- Extremely robust **model validation**

🚀 Upgrade rates also boosted by 148%! 🚀

ERSKINE
Caring for Veterans since 1916

In 3 months with Dataro, Victor Chang Cardiac Research Centre...

- Launched 'engage & retain' strategy
- Successfully pinpointed the 'at risk' supporters
- Among the high-risk donors, churn reduced by ~50%
- Saved an estimated 296 regular givers from churning
- And after 12 months had saved ~900 RGs from churning

"The thing that stood out for me the most was that we are able to be proactive in our retention strategies instead of reactive. I don't know a simpler and more accurate way than Dataro propensity scores to determine who and when to contact RGs for better retention."

Andrew Jung, F2F & Telemarketing Manager

Churn Rate (%)

Donors excluded from the campaign

Donors included in the campaign

0.9 0.8 0.7 0.6 0.5 0.4 0.3 0.2 0.1 0.0

High Risk of Churn   Medium Risk of Churn   Low Risk of Churn

Dataro Churn Score (Before Campaign)

Victor Chang
Cardiac Research Institute
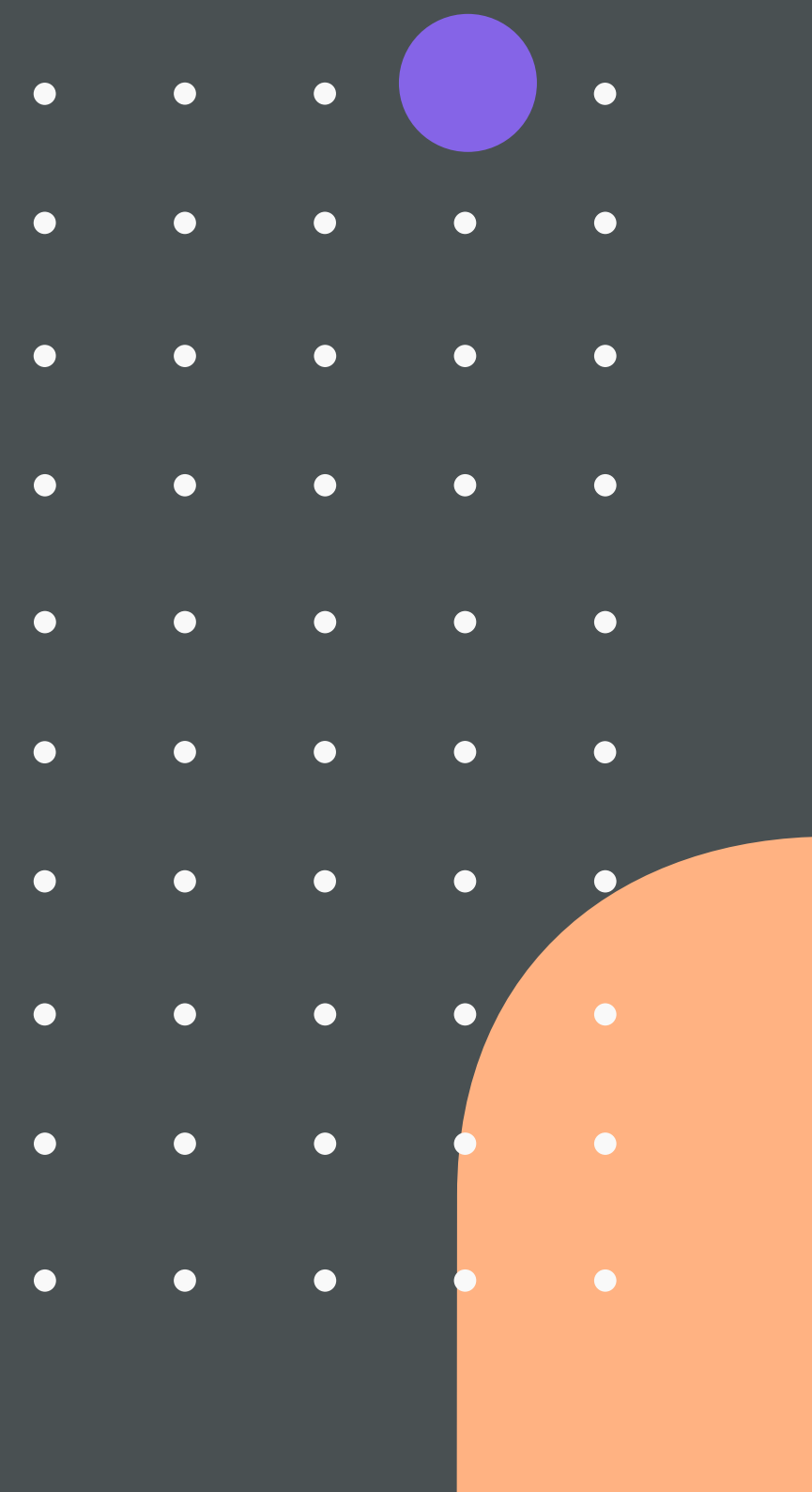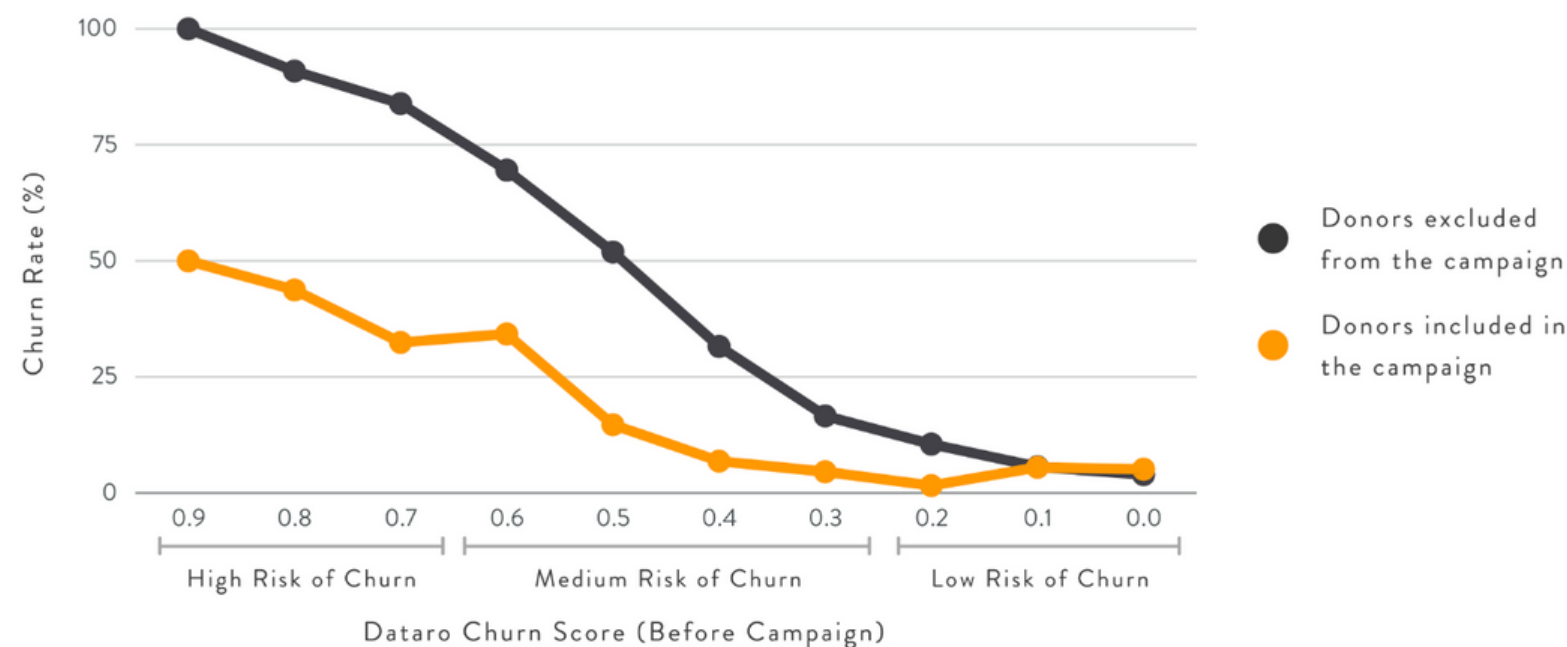
Increasing Major Gift Income: The RFDS

Major Gift income jumped 15% year on year

___

Confirmed the capacity of donors identified through previous wealth scans

___

Implemented a system for prioritising top prospects for research and stewardship

___

"Dataro's AI donor predictions has made our major donor prospect research and stewardship process far more robust! Dataro's major donor ranks and scores help us prioritise our prospect list. It has confirmed which donors we thought had capacity and that what we are doing to identify and steward people is working. We wouldn't be without Dataro's major donor predictions now."

Naomi Lehrer - Philanthropy Manager

Royal Flying Doctor Service

Building a Mid-Value programme: Red Cross

Goal of identifying the best 'standard value' donors to nurture & upgrade to 'mid-value'

During 2022 Festive Appeal, $266k generated by mid-value prospects identified _exclusively_ by Dataro

34 prospects identified by Dataro successfully moved from standard to mid-value giving

45% YOY growth in base income

"Our investment in machine learning has paid off in identifying the most highly qualified mid-value prospects to be nurtured. We're thrilled with our results so far and can't wait to see what the next 12 months of stewardship effort delivers with our new group of prospects."

Lenny Elario - Senior Fundraising lead

Australian Red Cross

Q&A