



MEDICARE HEALTH

Name/Nombre

CASE STUDY

National Committee to Preserve
Social Security and Medicare

File Stabilization
& the Road to
Recovery



BACKGROUND

Founded in 1982, the National Committee to Preserve Social Security and Medicare (NCPSSM) is a large 501(c)(4) advocacy-



based membership organization with nearly 300,000 active members and donors. Being an advocacy-based organization can be difficult due to the changing political environment, which can lead to major fluctuations in year-over-year results and unreliable income. It also means that there are very few “control” packages, as campaign themes and formats change from year to year.

CHALLENGES

NCPSSM had been faced with declining revenue and file size. There were several reasons for this deterioration, including:

- ▶ Revenue from the marketing program being its sole source of income, which was not a viable funding structure for the long term
- ▶ A decrease in the number of new donors, which was in part attributed to the falling response rates in recruitment, cuts to the recruitment budget, and increase in the expense required acquiring new donors
- ▶ A steep decline in net revenue, which was partly a function of a significant drop in mail quantity and a decrease in response rates as the average gift remained stable
- ▶ Untapped lapsed universes, which were not mailed consistently or to its full extent

OBJECTIVE

We had one main goal: stabilization. Knowing it would take a couple of years to recover, NCPSSM partnered with The Lukens Company (TLC) to embark on a multi-year stabilization strategy.

TLC SOLUTIONS

The first step on the road to recovery was creating NCPSSM's first ever Strategic Road Map. This would be based on NCPSSM's performance as well as the current political and economic climate. TLC set out to do so by enacting a three-step plan:

1. IDENTIFY PRIORITIES

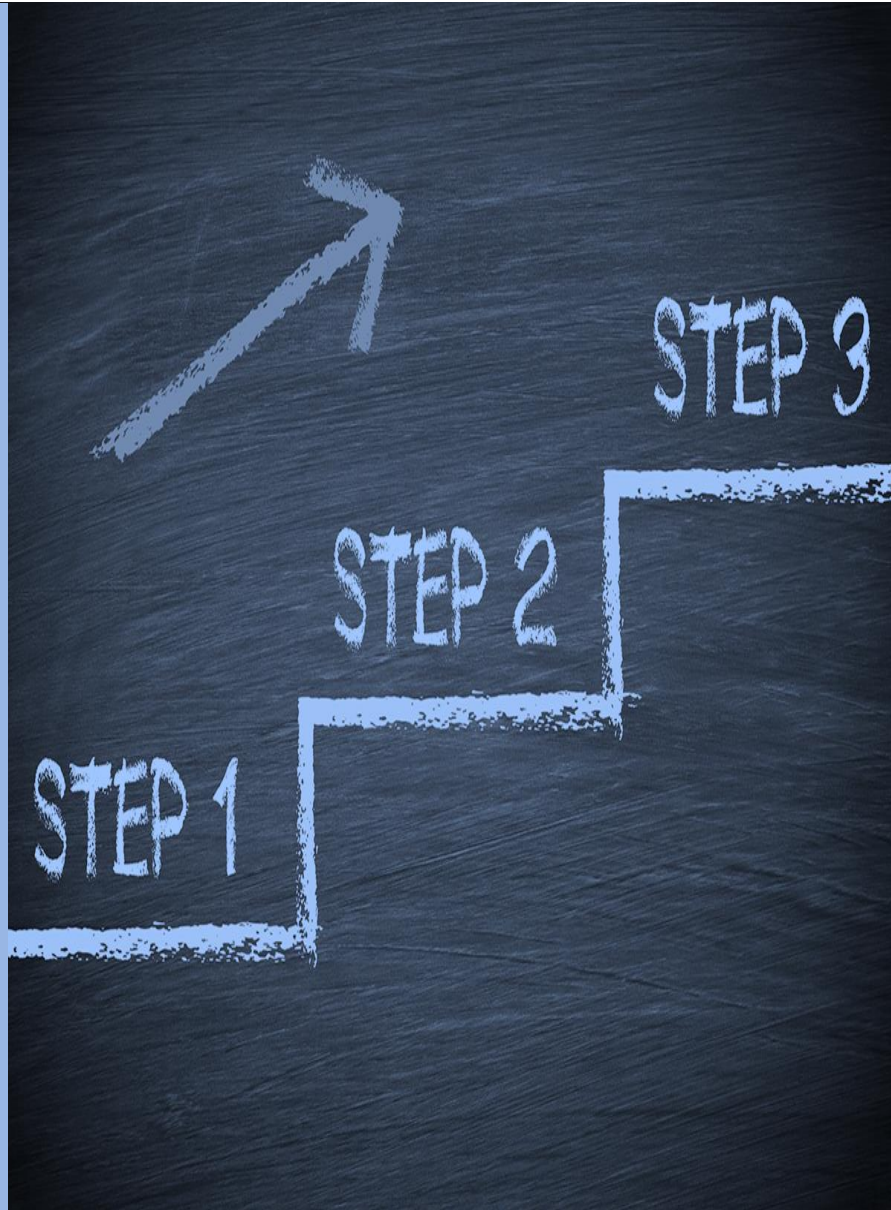
Review the current marketing program as well as understand the competitive landscape and industry conditions that might affect outcomes to inform and shape our focus.

2. ESTABLISH OBJECTIVES

Craft a Strategic Road Map for the program that has an immediate impact, builds a strong foundation for future years, and includes strategic and tactical course corrections.

3. EXECUTE STRATEGY

Enact tactical strategies that will address these objectives.



As we solidified our relationship with NCPSSM, we were able to fully assess the landscape and its program. From there, we identified five essential priorities rooted in diversifying NCPSSM's revenue sources and stabilizing its direct marketing program.



1. **Generate leads from new revenue streams**



2. **Acquire more new donors**



3. **Leverage internal assets**



4. **Improve investment efficacy**



5. **Increase conversion and retention across the program**

Utilizing TLC's extensive industry expertise, we began establishing objectives and putting specific strategies in place to tackle these priorities. These included:

- ▶ Initiating Board Member giving
- ▶ Conducting targeting networking and cultivation to obtain major gifts
- ▶ Expanding digital efforts, which thus far had been minimal
- ▶ Utilizing lifetime value and net present value to inform list strategy
- ▶ Increasing lapsed names in recruitment
- ▶ Increasing offer mix
- ▶ Limiting the number of contacts made by audience
- ▶ Improving conversion of warm prospects

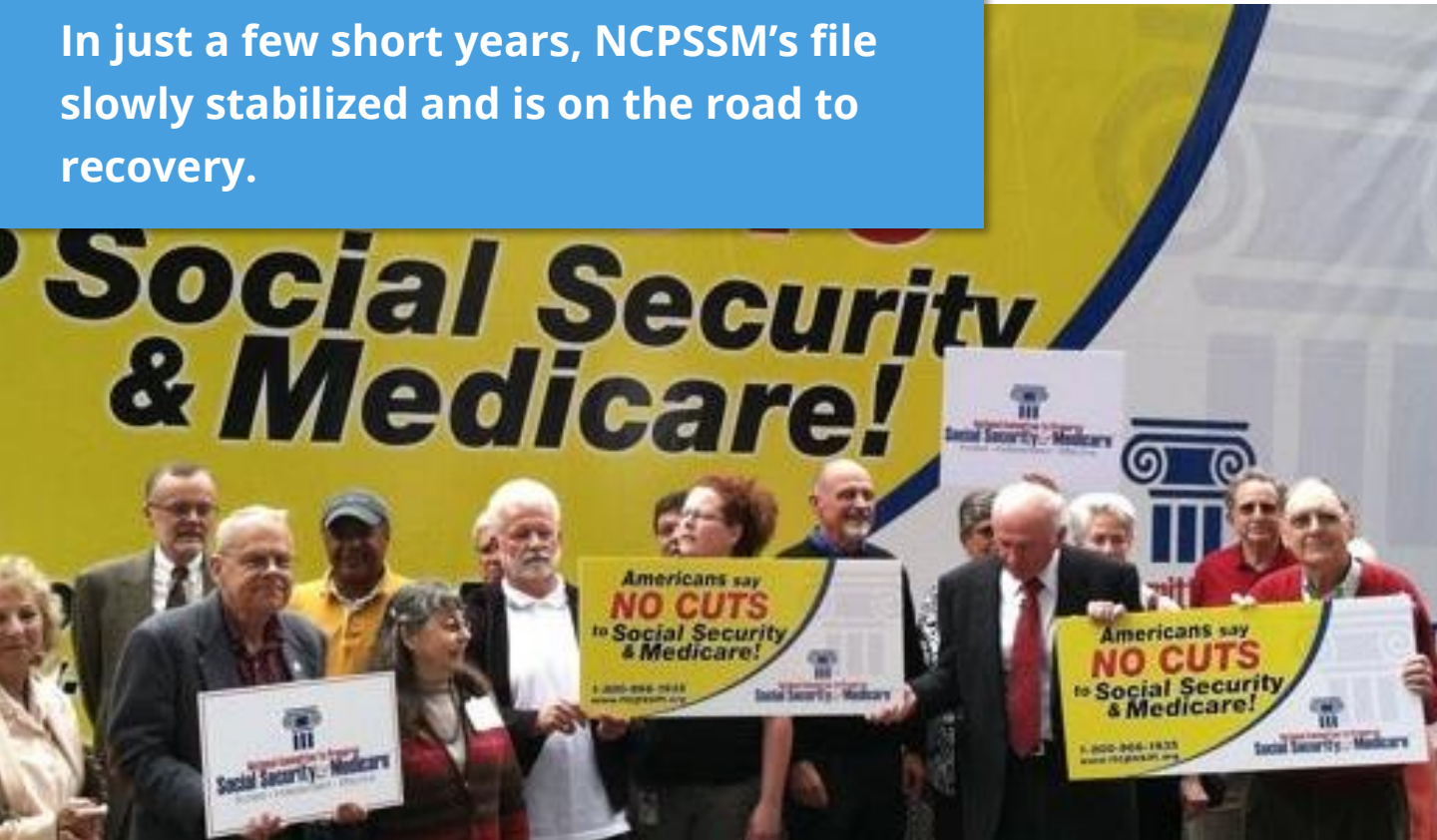
From there, TLC created a multi-year Operational Plan, which outlined twenty-seven specific tactics that would be employed to help achieve the fiscal year goals. Some of the items included and implemented were:



- **Creating an Advisory Board** to help with brand awareness and major giving
- **Pursuing telemarketing** as another means of revenue
- **Expanding digital recruitment** after identifying that donors with an email address have an LTV that's 4.5x greater than donors without an email address on file
- **Expanding the budget** for recently lapsed names which perform significantly better than prospect names
- **After years of only mailing modeled names, shifting to recency, frequency, and monetary value** for campaign selection to ascertain that good donors weren't being left behind inadvertently as they had in the past
- **Considering Second Gift Velocity and Life-Time Value** when ranking acquisition outside list performance
- **Evaluating and testing different data models** for warm prospects and lapsed donors
- **Mailing more efficiently** by testing and rolling out with less expensive letter-rate packages compared to its large-flat format control pieces
- **Promoting more cohesive messaging** between digital and mail efforts
- **Testing an acknowledgement program** and donor Welcome Package
- **Adding incremental touch points** via automated thank you calls, digital ads, and Informed Delivery emails

RESULTS

In just a few short years, NCPSSM's file slowly stabilized and is on the road to recovery.



Although there is still much work to be done, we've already seen a reduction in expenses due to a more concerted effort to convert mailings from expensive inline packages to letter-rate formats, a critical achievement given increased production and postage costs and that NCPSSM had tried to test letter-rate packages for years with little success.

We've also been seeing a consistent slowing rate of decline for retention rates as well as a steady decline for NCPSSM's cost to acquire.

For the past few years, net revenue, average gift, and program ROI have consistently increased. In the first year of program changes, we saw net revenue increase by 113%, average gift by \$0.39, and ROI increase by 370%. Three years later, we

continue to show positive results, with net revenue continuing to rise by 95%, average gift by \$0.09, and ROI increasing by 36%.



YEAR 1

▲ 113%
Net Revenue

▲ \$0.39
Average Gift

▲ 370%
ROI

YEAR 3

▲ 95%
Net Revenue

▲ \$0.09
Average Gift

▲ 36%
ROI

Since our partnership began, the Strategic Road Map and Implementation Plan process has been repeated. Goals continue to be redefined and adjusted based on current circumstances and file metrics.

Based on progress thus far and NCPSSM's current performance, we expect to start seeing real positive change and growth within the next two fiscal years. But it's safe to say that we are fully on the road to recovery.

Are you ready to grow your donor base, raise more funds, and increase your impact?

Whether you're refreshing your direct response program, ramping up your fundraising, or expanding your donor file, we can provide you with dynamic strategies that champion your cause.

Get in touch with our team of experts to begin crafting data-driven, creative, and cost-effective communications that are finely tuned to your audience.