

Reactivation of Dormant Donors: Can Geographic Profiles Substitute Donation Data in Predictive Accuracy?

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Abstract

Non-profits face the challenge of low response rates to solicitations. They are unable to retain active donors and reactivate dormant donors. Whereas data is available from active donors that can be used for prediction-based customized targeting for retention, updated data for dormant donors is not. We propose that nonprofits can use dormant donors' geographic profiles to predict expected donations, thereby facilitating targeting for reactivation. Results validate that donation data and geographic profile-based predictions of expected donations are statistically equivalent. Hence, geographic profiles, which explain heterogeneity in donors' behavior, can be used for prediction-based targeting strategies and work for both dormant and active donors. Geographic clustering of donations result from socially influenced decision making through interpersonal interactions within and across communities. These findings provide cost-effective targeting strategies for both dormant and active donors.

Keywords: *Non-profit targeting; Active vs. Dormant Donors; Geographic Profiles vs. Donation Data*

Track: Public Sector and Non-Profit Marketing