

Frequently Asked Questions

What is Donor IQ?

Donor IQ utilizes proprietary predictive modeling techniques to help direct mail fundraisers increase net donations. The power of Donor IQ comes from its ability to process, manage, and detect patterns in hundreds of millions of solicitations and donations to find the most likely donors for a house mailing or a prospect mailing.

Why Donor IQ is right for you?

Donor IQ's unique proprietary predictive modeling approach is proven to successfully improve direct mail fundraising efforts for both house and prospect mailings. Our approach for evaluating an individual's likelihood and capacity to give far exceeds traditional analytical methods used by many direct mail fundraisers. Our clients average a 5 cent improvement in net donations per piece of mail sent for prospect mailings and a 12 cent improvement in net donations per piece of mail sent for house mailings over traditional selection methods. This equates to **\$1.3 Million in additional net donations** per 20 Million pieces of mail sent (assuming 80% of mail is prospect). Any organization with direct mail fundraising campaigns stands to gain from using Donor IQ.

How Does It Work?

Donor IQ creates a modeling database from your historical mailings and donations along with customized predictive models to provide you with evaluations of potential individuals for a mailing. Donor IQ evaluates an individual's likelihood and capacity for giving based on hundreds of variables which describe their behavior on previous campaigns, seasonal response patterns, and demographic information. The modeling database contains a history of solicitations and donations along with a key which links the same individuals across the files. When a new list is acquired or a house mailing is requested, the modeling database is accessed and evaluated with Donor IQ to recommend the best candidates for a solicitation.

Is Donor IQ intended only for "for-profit" fundraisers or only for "non-profit" fundraisers?

No, Donor IQ can be used for any direct mail fundraising purpose. Donor IQ works by analyzing the behavior of individuals and their propensity to give which is not specific to the type of fundraiser.

My clients vary widely from each other, how does Donor IQ work for all of them?

Donor IQ works by assessing an individual's propensity to donate to each client individually. For every potential list, the individual's with the highest likelihood and capacity to donate to that particular client are selected and those with the lowest likelihood to donate are removed from the list.

Does Donor IQ take into consideration the long term value of a prospect in addition to his/her likelihood of donating in the short run?

The life time value of a prospect is taken into consideration in Donor IQ. Both the short term and long term likelihood and capacity of donations are built into the product to insure those most likely to improve overall net donations are selected for both prospect and house mailings.

How is the Product set up?

When a direct mail company purchases Donor IQ, historical data is collected for incorporation into the system. EQDS builds custom predictive models which are optimized for your clients and integrated into the software. The system can be hosted at your headquarters or by EQDS.

How is the product tested?

We determine the value of Donor IQ by comparing its selections to your current methods in a head-to-head live test on actual mailings for both house and prospect campaigns. The goal of the testing will be to determine the improvement in net donations attributable to Donor IQ.

How long does setup and testing usually take?

Once data is provided to EQDS, customized predictive models are built and integrated within 60 days. Following setup, a live test is conducted which takes an additional 30 to 60 days. At the conclusion of the test, a short analysis is conducted to determine the improvement attributable to Donor IQ.

How long does it take to integrate Donor IQ into your current processes?

Donor IQ is simple to integrate into your current processes. You will need to setup an extract to update Donor IQ's modeling database. Evaluations of lists or house files are requested from Donor IQ using a simple interface. Donor IQ returns recommendations via email or by FTP to your staff.

I already use analytics, why is this better?

Donor IQ uses proprietary predictive modeling techniques that have been proven to increase net donations above traditional analytical methods. Equity Decision Systems' expertise in financial services, insurance, and retail industries has provided a foundation to create a system which taps into proven analytical techniques in many industries. Unlike Donor IQ, most traditional methods in direct mail at most rely on only a few variables, like an RFM (recency, frequency, magnitude) approach, or are heavily based on census or demographic data to make decisions. Donor IQ uses hundreds of key variables which are derived from hundreds of millions of records to choose the best candidates. Analytics, by itself, will not produce equivalent results.

How is Donor IQ different than other products?

Most of the other products in the market depend on simple analytics and/or census data to improve of the efficiency of their mailings. While simple rules such as "select those individuals who donated at least \$30 in the last year" are useful, they are not as accurate as a model which simultaneously takes hundreds of variables into consideration. Methods claiming to find individuals which are "similar to" individuals who have donated to your clients are fundamentally inferior to our approach. They do not utilize any behavioral information about the individuals that are selected and rely simply on demographic similarities. While the use of census data is also beneficial, without taking the prospects entire solicitation and donation history into consideration, those methods lack the power of Donor IQ.

How quickly can we expect to see Donor IQ deliver noticeable results?

Donor IQ delivers noticeable results with the first test. When Donor IQ eliminates the worst performing candidates from a prospect list or chooses the best candidates from a house list, the client improves the average donation rate per piece mailed right away.

How often will we need to update the statistical models in Donor IQ?

Model performance is monitored on each selection that is made and compared to boundaries of acceptable performance. If performance deviates from acceptable levels, the models are rebuilt on newer data and retested.

How much does Donor IQ cost?

The price of Donor IQ is based only on performance. We charge a fraction of the amount of improvement in net donations we can demonstrate in our tests. That means that if Donor IQ does not improve your performance, it doesn't cost you a thing. We guarantee a positive return on investment.

Will I need to hire employees to support Donor IQ?

Regardless on your selection of hosting service (the system can be hosted at your headquarters or hosted in the EQDS data center), EQDS is responsible for supporting Donor IQ. Very minimal work will be required from your employees once the system is up-and-running.

Who can I call for a Reference?

Please contact us for references.