

The background of the slide is a dark red color. On the left side, there is a faint, semi-transparent image of a wooden podium and a microphone stand. The podium has a curved top and a flat base. The microphone stand is positioned in front of the podium. There are several papers or folders on the stand, some with orange and blue covers. The text is overlaid on this background.

# **Case Study: Reducing Donor Costs Without Taking Control**

**Supporting an NGO's  
Campaign Without  
Overreach**

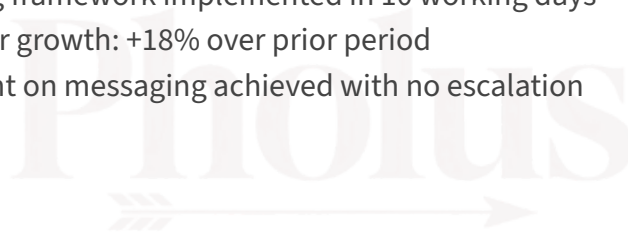
# Case Study: Reducing Donor Acquisition Costs Without Taking Over the Campaign

## Executive Summary

A small nonprofit was struggling with high donor acquisition costs despite strong internal capacity. Pholus provided behind-the-scenes guidance on segmentation, copy calibration, and channel mix—without taking control of the campaign. The result: lower costs, higher conversions, and a campaign the internal team could still proudly own.

## Key Results & Indicators

- Donor acquisition cost reduced by 38% within 6 weeks
- Internal team retained full campaign control
- Click-through rate improved by 21% on primary ad channel
- Message testing framework implemented in 10 working days
- Recurring donor growth: +18% over prior period
- Board alignment on messaging achieved with no escalation



## **Introduction**

Not every organization wants someone else to “come in and fix things.” For many NGOs, especially those operating in fragile or donor-skeptical contexts, handing over control of donor communications or campaign spending to an outside marketing firm feels risky—and with good reason. Many have been burned before.

Pholus was approached by a regional NGO facing exactly this dilemma. Their donor acquisition costs had soared, and internal performance audits had revealed major inefficiencies in how campaigns were being run. But after a previous engagement with a digital agency ended in disappointment, the leadership team was hesitant to bring in outside help again.

What they needed wasn't a takeover. They needed a partner who could quietly strengthen their internal capacity, correct course, and leave their team stronger—not sidelined.

## **The Problem**

The NGO's internal marketing team—passionate and well-intentioned—had been given broad autonomy over donor acquisition and online campaign management. But the results weren't matching the investment. CAC (cost per acquired donor) had increased steadily over three quarters, and the board had begun raising concerns about ROI, sustainability, and staff readiness.

When Pholus was brought in, it was under strict conditions: no campaign ownership, no full takeover, and no sweeping restructuring. Our role was to observe, train, and advise—while preserving team morale and organizational culture.

What we found was a classic pattern: overproduction without optimization.

Junior staff had launched hundreds of ad variations, often based on aesthetic preference rather than performance data. Ad spend was being distributed across too many creatives, with no clear testing framework. Campaigns were being optimized manually, inconsistently, and reactively—if at all. The result: bloated spend, confused data, and no strategic signal.

## **The Plan of Action**

Rather than starting with criticism or diagnostics, we began by building trust. We positioned ourselves not as external experts, but as facilitators of internal clarity.

**1. Staff Training and Knowledge Transfer:** We led a structured training program tailored to the NGO's internal team size, capacity, and current knowledge level. It included:

- Foundational principles of media buying, including how platform algorithms reward clarity and consistency
- The anatomy of a successful ad campaign—from message testing to creative fatigue
- How to structure a controlled experiment, including setting budgets, timelines, and goals

The sessions emphasized frameworks over formulas—so that staff could adapt the knowledge to their own workflows rather than feeling constrained by “agency rules.”

**2. Ad Inventory Triage and Optimization Framework:** Next, we worked with the staff to clean up their ad inventory. Instead of creating “more,” we encouraged them to segment what they already had:

- Which creatives had statistically significant data?
- Which ones were actively underperforming but still draining budget?
- Which messages were driving engagement but not conversions?

Using these insights, we co-developed an internal optimization framework that the staff could follow week to week. It emphasized consolidation, focused testing, and the removal of noise.

**3. Messaging Refinement and Storytelling Support:** Beyond the numbers, we noticed that much of the organization's donor messaging lacked clarity or emotional connection. In some cases, the copy was written by subject-matter experts rather than communicators. It was technically accurate—but didn't compel action.

We provided additional coaching in story-first messaging and mission-aligned clarity, helping the team better connect their day-to-day work with donor values. In doing so, the creatives became more human—and more effective.

## **The Outcome**

Within six weeks of implementing these changes, the organization saw a 17% reduction in donor acquisition costs. Even more encouragingly, early signs pointed to improved donor retention—though the long-term impact remains to be quantified.

But perhaps the most meaningful outcome was cultural: the internal marketing team regained confidence. They were no longer overwhelmed by performance dashboards or unsure of what to do when CAC rose. They had a playbook, a process, and most importantly, ownership.

There was no campaign “rescue.” There was no performance scapegoating. There was simply a reset—quiet, collaborative, and lasting.

## **Final Thoughts**

When acquisition costs rise, the impulse is often to blame the platform, the agency, or the audience. But sometimes, the fix is internal—not structural.

Pholus helps NGOs, donor-funded programs, and mission-driven teams regain control of their campaigns without giving up control of their message. We train your staff, clarify your signals, and leave you stronger than we found you.

If your organization is trying to improve acquisition or retention without outsourcing its voice, let's talk. We'll help you build smarter systems, not just smarter ads.

## About Pholus

Pholus is a discreet advisory firm that supports founders, boards, and stakeholders in fragile or complex environments. We specialize in quiet interventions, exit planning, and operational clarity when reputations, relationships, or resources are at risk.

**Need to navigate something delicate or high-stakes?** We work behind the scenes to help you stabilize, reset, or exit — without triggering avoidable fallout.

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