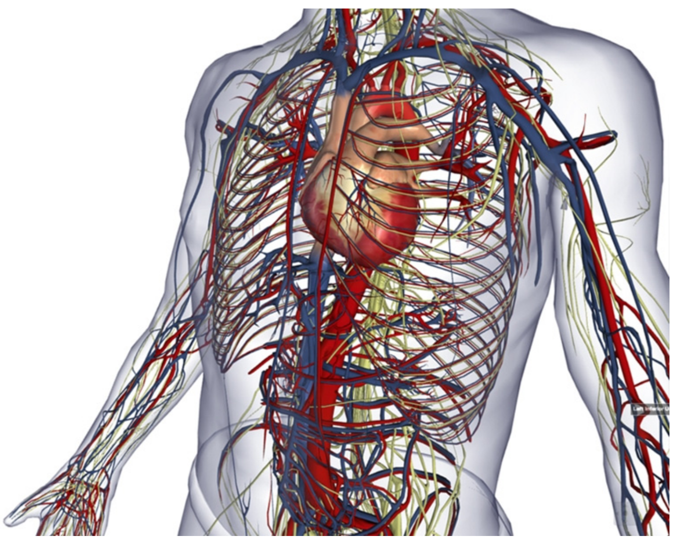
anatomy of a non-profit donor

get to know your best prospects and influence their behaviors to increase net revenue generation

are you getting a compelling message out to the right people, and convincing them to act?

There are great donor prospects out there, but many non-profits aren't reaching them cost-effectively. At one extreme, they're sending "snail mail" and e-mail newsletters and appeals that get thrown out without being opened. At the other end of the spectrum, they're blanketing the latest trends in social media without a plan, often spending too much time and money for the contributions they're getting. Yet socially responsible non-profits that deliver results have all the tools they need to maximize return on investment (ROI). By personalizing the donor "market" and targeting outreach strategies, they can get so much more "bang for the buck." The best part? It isn't very hard to do–it just requires some up-front effort and on-going attention, and it can pay off great dividends.



Let's start with the basics. According to Constant Contact (July 2016), about two percent of e-mails sent in an average campaign get "click-throughs." This means that only two out of every hundred recipients heed the "calls to action" in the messages, which may take them, for example, to non-profits' donation pages. Of those, not everyone donates. There are many reasons why, but the point is that e-mail appeals are not typically very effective in securing contributions. This isn't to say that they're never successful, but in many cases, they're not generating adequate returns Some non-profits are starting to recognize this, and they're using popular social media and other platforms to try to get the word out. However, many are finding that those efforts aren't cost-effective either.

This is because their messages either aren't reaching their best prospects, or they're not resonating with them. On the one hand, many still rely on traditional methods to get to the population, while at the other end of the spectrum non-profits are flooding social media without a coherent strategy. A big part of the problem is that non-profits don't know anything about their target audience–specifically, they don't know who's in it, their prospects' giving potential, or what makes them "tick." Without this understanding, the only way non-profits can connect with the right people is by sheer luck, and the statistics indicate they don't typically have it. Clearly, organizations cannot get the most out of their efforts by counting on good fortune. They need coherent, customized plans.

Non-profits that "get it" follow four key principles that help them develop targeted, cost-effective strategies that leverage the available tools appropriately, and to great effect:

1. Explore the market
2. Personify the audience
3. Customize outreach
4. Prioritize actions

Exploring the market means collecting and analyzing data on the population. There are multiple ways of conducting market research,

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using current donor data and/or surveys, focus groups, or similar methods. Market research is important because non-profits can find out a great deal about audience demographics, economics, psychographics, and behaviors–that is, who the best prospects are, how they get information, how they make the decision to contribute, and what they want to see in return. The market can also typically be segmented, because donors aren't usually monolithic. People may have different giving thresholds, interests, and preferences, and getting a clear picture of those factors helps with targeting and prioritizing outreach strategies to maximize ROI.

Personifying the audience gives names, faces, and profiles to typical donors, bringing them into focus so non-profits can develop strategies for specific people. Obviously, it's not possible to have a cup of coffee with every prospect, and developing "personas" is the next best thing. Personas attach giving potential, probabilities, and key attributes to individuals representative of the donor pool and its sub-groupings. They drive the creation of "journey maps," which detail prospects' knowledge, thought processes, engagement methods, and likely actions from initial contact (getting interested) to conversion (making the decision and completing the "buy") to retention (donating again). Journey maps also identify opportunities for outreach and engagement based on the relationship's progress.

Customizing outreach is about tailoring relationship-building to the individuals identified in the previous step. This includes, for example, the (1) Information non-profits need to provide at each stage of the journey, (2) Best methods and timing for delivering the messages, (3) Incentives that might entice prospects to make milestone decisions (e.g., learning more, writing and sending the check, and staying connected long-term), and (4) Desired outcomes from each phase (e.g., appropriate "calls to action," accessible and informative "destinations," easy-to-use platforms). Customized engagement is critical to cost-effective engagement, and helps non-profits avoid "flying blind" and applying "one-size-fits-all" approaches that don't deliver optimal benefits for the costs incurred.

Prioritizing actions revolves around understanding budgets, and the costs and estimated revenue associated with individualized outreach strategies. It can be difficult, at least initially, for non-profits to "invest" in prospect marketing–that is, they often cannot spend more than they currently have–but they may be able to put the returns generated from one segment plan into additional strategies that will ultimately return more. Priorities are therefore based on both specific costs and net income, estimated from persona giving potential and probability. Risk also needs to be factored in, since there Is always the possibility that an approach will not deliver the expected outcomes. Ultimately, prioritization is both science and art, and it requires informed decisions by the organization's leaders and development staff.

Of course, once non-profits settle on and execute plans of attack, they need to monitor outcomes, and may have to adjust strategies and tactics based on results. As such, engagement data is key. Fortunately, tools are widely available to measure click-throughs and other interactions, and actual contributions. However, well-crafted, appropriately targeted strategies will minimize the degree of adjustment that will need to occur, and successful planning depends on the up-front effort of exploring, personifying, customizing, and prioritizing. The rewards are worth the attention that is required, as focused, individually-tailored marketing strategies will result in better outcomes than most non-profits are getting using their current methods, and often for lower tangible and intangible costs.

Does this mean the newsletter is dead? Not necessarily–for some non-profits' prospect pools, "snail mail" or e-mail may in fact be the best way to engage, while for others those approaches simply won't deliver. The key is knowledge. Getting to know prospective donors really, really well makes all the difference in deciding whether to spend time writing and mailing slick brochures, designing and sending attractive e-mails, posting on selected social media outlets, developing videos, blogging, and/or any number of other strategies that will reach and influence prospects and turn them into repeat donors. The point is you don't have to wonder what will work… you can know, in advance, and get the most out of your resources to fund your organization with confidence and consistency.

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