

Leveraging Data to Overcome the Personalization Paradox

Strategies for Creating Donor-Centric Marketing



Foreword



by Helene Vallone Raffaele
Vice President of Donor Strategy and Experience
UNICEF USA

"During her tenure, Helene has raised more than \$1 billion from individual donors, and leads the largest small-donor fundraising program for the organization. She leverages her multidisciplinary expertise to drive organizational transformation and develop innovative strategies through diversification aimed at acquiring and stewarding high-value donors."

How did they know that about me? I never shared that information.

These are never thoughts we want a donor or prospect to have. However, all savvy nonprofit leaders know that in order to increase giving and engagement, we must find ways to personalize our communications to our constituents. It's a balancing act — we need to use the data to engage our audiences in a personal way that falls within the bounds of donor comfort.

Technology has increased our ability to engage audiences. Over time, and with the aid of a more sophisticated tech stack, we have learned how to personalize impact pieces for segments of our constituents. With all the data tools we now have access to, organizations can further their donor-centric fundraising with smarter segmentation. Classifications such as "renewals," "lapsed," and "nondonor" are being phased out for more audience-level segmentation such as "monthly" and "mid-level."

Twenty years ago, fundraisers might pull a list of all donors to their organization over the last five years. We might ask for a column to represent each year, and ask the cells to be populated with the amount each donor gave in a given year. It's Fundraising 101. Same amount every year for five years? Time to call and ask for an upgrade. The idea of picking up the phone and calling the donor in these situations is not a lost art, but it also isn't scalable. And when looking to grow our organizations, scalability is key.

We can use the data we have to pull out all the donors who regularly give \$500. We can ask all of them for a gift of \$550 this year. We can tell them what that extra \$50 will do in hopes that it inspires them to give the new, increased amount. What if we pulled this list of regular \$500 donors six months prior to our planned appeal and emailed them a survey? In it, we asked which three of our programs they most enjoy helping to fund. Now when we send the appeal, that group of \$500 donors can be divided into three segments, each receiving an impact video story about the area they told us they are most interested in. We just used data we can collect to enhance personalization in our donor experience. On the donor's end, they know they gave us this data and may even appreciate that we listened to what they care about. Data appends can help us personalize the communication even further by incorporating what we know about giving patterns of like groups.

Let's dive into this "personalization paradox" and examine solutions.



Defining the Paradox

If you're checking out the news or the blogosphere, you're probably feeling a bit like Henny Penny, and the sky is falling. There are warnings of a looming recession, concerns on changes in consumer behavior, demands for online data privacy, and expectations for personalized digital experiences. There are contradictions and paradoxes around every click, with users wanting both privacy and personalization. It's a bit of a marketing quandary.

And speaking of quandaries, check out these amusing — and very contradictory — facts:



So, what do we do now, knowing that consumers want personalization but also want to feel like their privacy is being protected? We turn to the data... and not just because it's in our name, but because data is our ultimate source of truth. Data is straightforward. It can't pretend to be something different; the counts are what they are, the percentage is what it is, and the rates don't lie.

But before your eyes glaze over at the word "data," we've broken down the data personalization journey into three easy-to-understand categories:

- 1 Data you have:** In this section, we'll share our thoughts on the treasure trove of data you already have that you may not be leveraging within your program.
- 2 Data you can collect:** We'll dive into how you can easily enhance the data you have for existing constituents, also known as zero-party data.
- 3 Data you can append:** In this last section, we'll discuss how when you don't have data and can't easily collect it, you can append it. There are more than 400 variables you could append, but you probably don't need 400. We've outlined some of our favorites for you.

We're complex individuals who often say one thing and do another. Using these different types of data can help you crack the code on giving consumers an experience they're looking for without feeling like we've invaded their privacy, which will help guide you down a path of improved strategies, thoughtful investments, and, ultimately, boosted results.

Data You Have – How to Capitalize on and Establish Patterns

by Amy Braiterman & Shana Masterson

Every interaction your supporters have with your organization represents an opportunity to communicate with them more personally. By using information you can readily access based on their interactions, you're able to reach them at the right time and the right place. Doing so isn't a new concept, and it's probably talked about in every QBR. While the topic is discussed often, implementation has been slow to progress.

Personalization goes far beyond ensuring you use the correct name when addressing someone. Advancing your fundraising program relies on your ability to spot and act on the patterns in your data. Interaction data is a treasure trove of information that indicates an individual's preferences — and where you're able to identify patterns in your donor and prospect behavior.

While the goal is to develop one-to-one personalized experiences for prospects and donors, for many organizations, technology may limit this ability. Let's not let our limitations inhibit progress. Creating audience segments based on donor patterns is the first step to creating personalized experiences.

We're all creatures of habit and draw comfort from the familiar. While parents know that toddlers thrive on routine and patterns, fundraisers also realize that growing revenue depends on their ability to create habits and patterns in giving. Let's get started.

Where can you look for patterns in your existing data?

There is so much more to your audience than just segmenting into donor, lapsed, and prospect groups! Below are some data points you can use to develop more specific audience segments based on supporter interactions.

DONOR INFORMATION

- Location
- Amount donated
- Number of gifts per year/lifetime
- Campaign they gave to
- Donation date
- Donation channel

EMAIL ACTIVITY

- Campaign they gave to
- Message they donated to
- Number of emails opened per month/year
- Clicks — which links generated gifts
- Actions taken
- Unsubscribes

PAID MEDIA

- Campaign they gave to
- Channel: search, social, display, video
- Messaging: evergreen, mission-focused, campaign-specific
- Impressions
- Clicks
- Actions taken

WEBSITE TRAFFIC

- Pages visited
- Time on page
- Bounce rate



Unleashing the Power of Donor Patterns

As human beings, we're habitual by nature; therefore, it's not surprising that we're habitual with our giving too. The likelihood that an individual will repeat a pattern once established is very high. As fundraisers, we can make it easier for donors to establish, repeat, and upgrade their patterns.

Donor Pattern — Date of Donation

When a person gives, they tell a lot about their preferences and affinity to the organization. Donations can be either spontaneous or intentional gifts. Spontaneous gifts tend to be in response to a campaign, whereas intentional gifts are given at the end of the year or on a special date. Look for patterns from your donors.

- ✓ Did they give a memorial gift around the same time each year?
- ✓ Did they give in response to a certain campaign? That is, match, mission-focused, or premium campaign?
- ✓ Do they give the same amount each year?
- ✓ Do they have a preferred giving channel?

December Donors

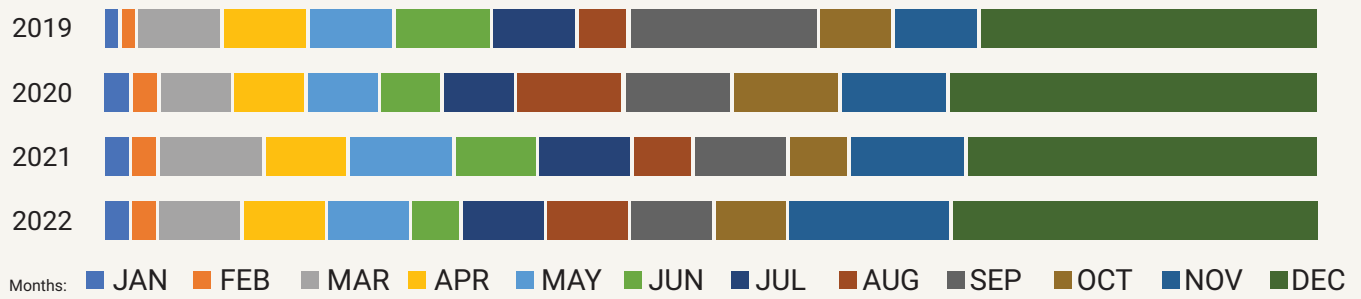
End-of-year giving is probably the most obvious example of the influence nonprofits themselves have had on donor giving habits. Even for people who benefit very little from tax incentives, our industry has ingrained the idea of the importance of beating the tax deduction deadline into millions of people's heads. As a result, we've established a pattern of December giving, and many people will simply not give at any other time, despite our best efforts.

A team member at Data Axle recently shared a story of her own mother, a 76-year-old retiree, who flat out refuses to give to an organization except on the one day a year in December when she doles out her generosity to her favorite organizations.

So, what's the message here? In this example, look for your established year-end donors and develop a communications track that aligns with their pattern of giving. Maybe reduce the number of appeals this group receives throughout the calendar year. Instead, focus on ensuring they are receiving engaging and informative messaging that keeps them up to date on the good you're doing. This is a reliable group of donors with a distinct giving pattern. For our retiree, her year-end gift is the culmination of the engagement and connection she has felt throughout the year.



Nonprofit Revenue Share by Month



Looking beyond December for giving patterns

As you'll see in the chart, nonprofits can expect to bring in one-third of their donations during the month of December, so the time and effort that goes into these campaigns is warranted. And the time and effort to develop a specific communications track is also warranted. When you dive into your own December data, you'll probably notice that of the December donors you've retained, 60 percent or more of them made their second gift the following December.

With December covered, what about the other 11 months of the year and the other two-thirds of donors? Consider these questions.

- ✓ What makes these donors unique?
- ✓ Do they have a deeper connection to your organization?
- ✓ Why are they choosing to support you?
- ✓ What type of campaign did they give too?
- ✓ What channel did they give too?

We all love our December donors, but if you want to grow your program, you need to look beyond December. Challenge yourself to identify at least three high-value patterns among your non-December donors, and develop a strategy to encourage repeat giving and the establishment of new patterns.

You may notice existing patterns in your data, like the type of campaign a person tends to donate to. Maybe there's a subset of donors who routinely give to your match campaigns, or some donors who prefer campaigns tied to a special day or activity. You could learn that some donors prefer to make their donation via your website even though they're receiving emails and direct mail packages. Maybe you'll learn the donor's location matters — and find a concentration of repeat givers in a specific region of the country.

We've established that we're predictable and habitual by nature. Habits are our brain's way of creating efficiencies. We can use our donors' habits to create efficiencies and improve performance with our fundraising programs. The trick is to uncover the patterns, and then build on them.





Pro tip

Data science isn't just for Netflix and Amazon! Nonprofits are now creating custom acquisition audiences based on their existing donor data. Data Axle uses cost-effective modeling techniques to find an organization's ideal donors. These custom segments can be utilized to acquire donors through email, direct mail, paid media buys, and more. Because these audiences are "clones" of your current audience, response rates are much higher.

Meet the Authors



Amy Braiterman

Amy Braiterman

Strategist Extraordinaire

Motto: Think big, but keep it actionable.

What I'm passionate about: Helping organizations bridge the gap between online and offline efforts to improve results with an omnichannel marketing strategy.

Shana Masterson

Agent of Momentum

Motto: Onward and upward!

What I'm passionate about: Learning about an organization's mission and helping achieve it through smart communication and fundraising strategies.



Shana Masterson

Data You Can Collect: AKA Zero-Party Data

by Daniella Dowiak & Emma Lindberg

As consumers, we've become accustomed to giving away our data (i.e., personal information); whether it's volunteering our birthdays to Starbucks for a free drink, submitting an email address to download a gift guide, or even allowing apps like TikTok to mine our preferences to create a more curated experience. Data is one of our most valuable currencies, and it's up to the consumer's discretion to decide when it is worth it to divulge personal information.

You're probably hearing about zero-party data, a term coined in recent years to define the type of data that individuals intentionally and proactively share with a brand. Collecting zero-party data from supporters is on the rise, so marketers can provide personal experiences expected from donors while continuing to adjust to privacy legislation and a third-party cookie-less future.

However, this new world of data collection and privacy concerns has also invited a healthy dose of skepticism from consumers, making people more wary of giving their information to organizations and corporations. As nonprofit organizations, we have the responsibility to build trust with donors and to use the data we do have well — in a way that is responsible and enhances the donor experience.

This requires being thoughtful about the way we collect data and how we use it. Creating opportunities for data collection can be costly, time-intensive, and provide little value-add if you don't have clear goals and plans for how the data will benefit the program. But, if you do it right, collecting data is a low-cost way to get to know your donors better.

Reasons to collect data

Before embarking on a data-collection journey, it's important to have a reason for putting in the work. Ultimately, you are probably hoping to increase revenue, retain more donors, garner more event participants, or even rally more advocates. But, where along that path does data collection fit in?

Two primary goals for data collection:

To gather information.

Tailor a user's experience based on their preferences.

Collecting preference data generally requires a user's consent to participate and provide the information you're seeking.

To inform performance.

What's most/least effective from a tactical standpoint (e.g., particular creative, design, wording, etc.)?

Collecting performance data is often a subtle approach where users don't even realize they're providing you with helpful and useful data.

Earlier we shared the paradox we find ourselves in as marketers and fundraisers — consumers demand personalized experiences, but they also demand their privacy. Data is being collected every day, with every email sent, ad clicked, and direct mail response. How are you using performance and preference data to maximize the donor's experience?



Data Collection – The Nitty Gritty

We're going to get into the weeds and break down ways that you can collect data to ensure efficiency and effectiveness.

1

Assess your tools

With the data collection goal in mind, identify the limitations and abilities of your platforms. Knowing what you can and cannot implement will help you determine how you'll collect and use performance and preference data. Here are a couple examples:

Goal: Learn how email recipients are engaging with email messages.

Data collection strategy: Embed source codes into links for buttons, text links, and images to examine where recipients click and which calls to action drive more donations. This is where knowing the abilities and limitations of your platforms matters. To set up this form of data collection, be sure to know where this information will be stored in your platforms and how to report on it.

Goal: Learn more about supporters' interests.

Data collection strategy: Surveys are commonly used to collect data. You can ask a variety of questions to learn more about your supporters: connection to the cause, topics they're interested in, and their birthday.

Pro tip

Before creating a plan to collect information from your supporters, know how your systems work. Are surveys customizable? What can be automated? Are you able to sync the data you collect (from an external system) to your existing CRM? Can you add email recipients to certain groups/lists based on survey actions?

2

User experience

"If you build it, they will come" only works in the movies. Just creating a survey doesn't mean supporters will take it. When developing your survey, determine how you'll engage and create value for supporters to ensure they act. Keep in mind, if you ask your supporters for information, be sure to have a plan to use the information.

Some motivating factors might be to:

- **Receive more relevant content**
- **Be part of a larger initiative**
- **Receive something in return**
(e.g., a download, an ecard, access to something, a premium, etc.)

Pro tip

When collecting information, keep it to a minimum. The more you require, the smaller — although probably more connected — response audience you'll get.



Let's get collecting!

Once you've determined what's feasible, you can begin to get creative with your strategy. What form will your data collection take? Are you looking to gather performance insights, or learn about your supporters' interests? Or both?

You've made it this far, and are now wondering what this actually looks like! Well, we have some ideas for you:

Make your new donor welcome series work for you. A welcome series is a great way to collect information from your donors by asking them a key question that can be used in future communications. Here are two examples of the same tactic used quite differently.

Chimes [Donate Now](#)

YOUR OPINION MATTERS
Let us know what interests you most!

Shana,

We're so happy you're here. In communities throughout the Mid-Atlantic, thousands of people with disabilities and behavioral health challenges depend on your support.

We'd love to know more about why you've chosen to support Chimes and particularly which areas of our work are most important to you.

Take a look at the stories below that connect to our different focus areas and choose which one you connect with most.

☐ **Choose Employment Services**
Reggie is proudly earning a paycheck with the team that helps keep Baltimore's busy airport clean and safe.

☐ **Choose Behavioral Health Support**
Kathleen has learned to manage her depression and anxiety, and she's inspiring others in her community to seek help, too.

☐ **Choose Comprehensive Disability Care**
Bobby has autism, and he lives with people who have other disabilities. They receive daily support to help them enjoy a meaningful day, every day.

Thank you for taking a moment to share your interests with us and for helping children and adults realize their fullest potential.

Many thanks,
Mr. Lindy Bowman
Vice President of Development & Communications
Chimes International, Ltd.

[DONATE NOW](#)

[Find us on Facebook](#)

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www.chimes.org | 41015 Seven Dr. Baltimore, MD 21215
Unsubscribe | View Online | Subscription Center

Example: Chimes

Goal: Capture new donors' and subscribers' interest in Chimes programs and services.

BIDEA WEE [Donate Now](#)

WELCOME TO THE BIDEA WEE FAMILY
Now, for an important question:
Are you a cat or dog person?

[DOGS](#) [CATS](#) [I LOVE BOTH!](#)

Hi, [Fname]!

Thank you for taking action to help animals. As the newest member of the family, getting to know Bideawee is as easy as:

- 1** "Bideawee" is a fun little word that means "stay awhile" in Scottish.
- 2** We were founded in 1993 as one of America's first no-kill animal welfare organizations.
- 3** Our mission is to create and strengthen the human-animal bond through best-in-class licensing and compassionate care for pets and people who love them.

I'm so excited that you're here. And, as we start our journey together, I have just one important question. **Please choose one:**

[DOGS](#) [CATS](#) [I LOVE BOTH!](#)

My family and I live with two loveable dogs and three adorable cats. I love them all so much. How about you? **Let us know by clicking your selection above!**

Thanks,

Leslie Granger
President & CEO

[DONATE NOW](#)

[Twitter](#) [Instagram](#) [Facebook](#)

Example: Bideawee

Goal: Capture new subscribers' pet preference. Dogs or cats... you have to ask.

What's unique about Chimes and Bideawee is that both organizations are asking for a connection to the cause without explicitly saying "Why do you support us?" By knowing someone's connection or interest, you can relate to them in specific ways and provide more relevant information.

For example, if a Chimes supporter selects Employment Services, a future appeal can have conditional content that highlights the employment program or shares a success story from the program.



Collecting zero-party data isn't limited to the welcome series. You can (and should!) incorporate quizzes and questionnaires into your monthly email program. This allows you to collect valuable information on user preference while also keeping your audience engaged (an email deliverability best practice).

Collecting zero-party data also isn't limited to email. Surveys or a one-answer question can drive greater engagement with your ads while collecting both performance and preference data from your target audience. You can also incorporate a key — and short — question into your donation form. Make sure the question is relevant to the donor and aligns with donating because the last thing you want to do is clutter the form, which could lower your conversion rate.

There's no set way on how to collect zero-party data, and the more creative you get, the better your response will likely be. The important things are: Have a reason for the data collection, make participating enticing to users, and have an actionable plan that considers the information you plan to collect, all while building trust with your supporters

Meet the Authors



Daniella Dowiak

Daniella Dowiak

Secret Data Geek

Motto: You can't be all things to all people.

What I'm passionate about: Using data-informed strategy to leverage software in support of organizations' missions.

Emma Lindberg

Strategy Execution Master

Motto: The magic happens right outside of your comfort zone.

What I'm passionate about:
Digging into the story within the data and finding ways to use it meaningfully to maximize performance for organizations.



Emma Lindberg

Data You Can Append: Sometimes There's Information You Want But You Can't Ask For It

by Tara Kagey & Rozi Singh

To get the most bang for your buck and retain quality donors, data appends are essential. By using the data you have and the data you've collected in tandem with demographic, wealth, and giving information, you'll get right to the audience that's most likely to engage.

With data you can append, we aren't referring to when your car's warranty will expire, but we are referring to information an individual might be less likely to offer up. For example, a supporter will probably give you their birthday, but is less likely to provide the year they were born. There's a line that we need to be mindful of when asking for personal information:

You want to ask for items people are comfortable sharing and stay away from things that might give someone pause.

And this is where data appends come into play. An append can help provide demographic, social, and economic layers of information that can be added to a supporter's record, giving you a comprehensive view of your donors. Not only will this help you create a personalized experience, but it will also help cut costs by focusing your targeting efforts on those most likely to respond.

While there are countless variables you can append to a constituent record, not every variable will factor into your marketing plan. To navigate the world of appends, we've created three categories using some of our favorite append variables..

Group 1: ALL ORGANIZATIONS

- ✓ Age
- ✓ Giving history
 - Donation sector
 - Number of organizations given to in the last 12 months
 - Average gift amount
- ✓ Income
- ✓ Wealth

Group 2: MOST ORGANIZATIONS

- ✓ Gender
- ✓ Ethnicity
- ✓ Interests (sports, shopping, travel, kids, gaming, health, tech, etc.)
- ✓ Voter status
- ✓ Home value

Group 3: SOME ORGANIZATIONS

- ✓ Political issue/engagement
- ✓ Presence of children
- ✓ Education level
- ✓ Length of residence



If we could pick only three...

When developing our fundraising strategies, two things happen — we develop a plan that can be all things to all people, or we develop a plan that caters to our current donor file.

There are more than 400 variables you can append to records and countless things you could do if time and resourcing weren't an issue. But time and resources are always factors. We've narrowed the list down to three variables that could have a positive impact on your program.

1

What happens if we use age as a key variable in our marketing efforts? What changes?

Consider this... in a Data Axle study that focused on the generational shifts in marketing preferences, we learned that boomers, Gen X, millennials, and Gen Z place different weight on a brand reputation, brand interactions, and brand trust. Brand trust stood out to us — 84 percent of boomers said product quality was key in earning their trust, while only 69 percent of Gen Z said the same.

You might be wondering what product quality has to do with nonprofit organizations... it has everything to do with nonprofits. Let's equate product quality with mission delivery. Boomers are more focused on the bottom line, while Gen Z places greater value on deals and sales as factors to earn their trust. Trust equals donations. If you want to increase your retention rate and acquire new donors, you need to cater your messaging to what your audience values. And this is why age appends take the top spot of our top three variables.

Pro tip

Think about Gen X, born between 1965 and 1980. While they are usually an afterthought, Gen X makes up more than 25 percent of the U.S. population and accounts for 31 percent of the total U.S. income (Gen X has purchasing power!). This tech-savvy group has seen a lot, from the Cold War to big clunky computers to partying like it's 1999. One thing is for sure, Gen X loves nostalgia — you'll catch this group reminiscing about surviving the Oregon Trail, making mix tapes, and using encyclopedias for book reports. Lastly, they value authenticity and transparency in marketing campaigns.

2

What happens if you know more about a donor's giving history?

Imagine the possibilities that you could unlock if you knew how your donors interact with other organizations? Along with the demographics like age, gender, and ethnicity, you can also append data such as:

Number of organizations they support.

Sectors they give to.

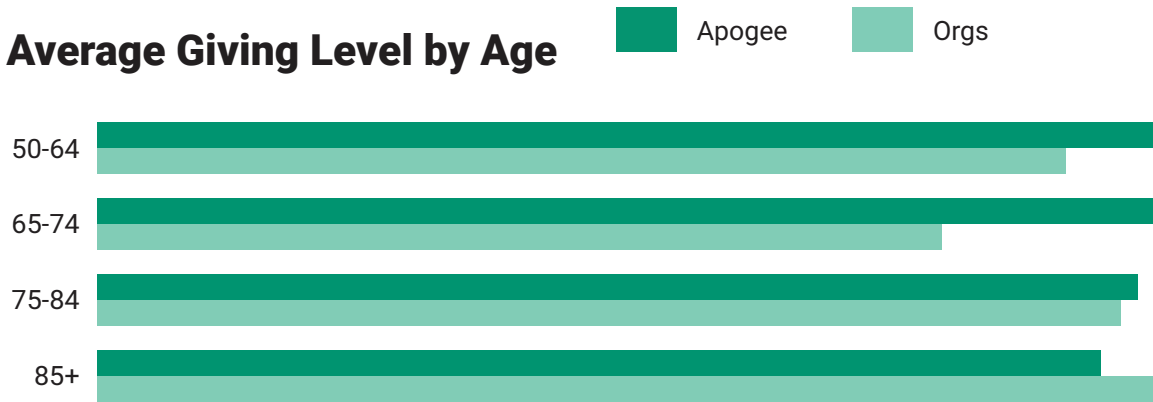
Average gift to other organizations compared to yours.

With this information, you're armed with knowledge that can inform your ask or upgrading strategies; tailor messaging based on their giving history to other organizations; and reach them in their preferred communication channels.

For example, we can append both age and giving level to compare how much your donors are giving to you vs. the population. In the illustration below, the nonprofit is not asking enough of the donors between 50 and 74, and is asking too much from the 85+ audience. Not only could the nonprofit be getting higher gift amounts, but it could be getting more money from donors who will be on file longer, equating them with more revenue in subsequent years.

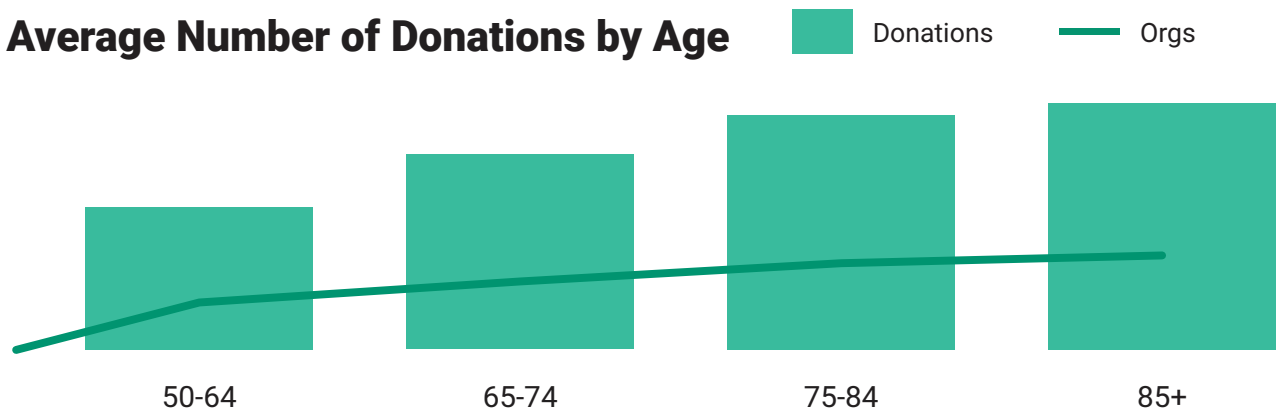


Average Giving Level by Age



What about how your donors are interacting with other nonprofits? We can look at how often and to how many other organizations they're giving to — maybe you need to target an audience with a sustainer ask, or maybe you're not asking often enough and are leaving valuable donations on the table.

Average Number of Donations by Age



Understanding what drives a donor is the key to unlocking their enhanced personalized experience... without the creep factor! If donors are getting the content that is relevant to them and with the opportunity to respond in their preferred channel, they won't unsubscribe, and will continue to support you. These focused marketing campaigns will help maintain/increase response & retention rates while cutting marketing costs.



3

What happens when you know their voter status?

Could how (or even whether) a person votes have an impact on your fundraising? The answer is... absolutely. Are you trying to drive advocacy by getting people to sign a petition? Is there a crisis that needs immediate funds? Do you just want your donors to fully understand the mission? Voter status can lead you to the donors who will get the job done — they take an action that's important to them and have values they are connected to. Think about how those values can connect to your mission; message accordingly, and watch your donors take action!

You may also want to target a politically active segment for a specific campaign. Apogee allows you to confirm that a target has donated to a nonprofit organization as well as that target's political party affiliation. Combined with our party affiliation propensity models, you'll be able to maximize campaign ROI.

Meet the Authors



Tara Kagey

Tara Kagey

Data Whisperer

Motto: Action and adaptability create opportunity.

What I'm passionate about: Putting together the puzzle by bringing all the separate data pieces in to tell a story that will lead to the next great fundraising strategy.

Rozi Singh

Omnichannel Guru

Motto: *"Do the best you can until you know better."* Maya Angelou

What I'm passionate about: Continuing to learn about and educate non-profit organizations on how to enhance their marketing strategies so they in turn help create a better, kinder, and more sustainable world.



Rozi Singh



Wrap-up

Are you ready to see how personalized audiences can transform your acquisition and retention strategies? Data Axle is here to help. Donors and potential donors alike are consuming information across channel mediums more than ever before — don't let the opportunity to bring them to you pass you by. Data Axle has brought everything we know from our extensive work with direct mail into the digital world to build custom experiences for nonprofits.

Creating custom audiences based on sophisticated modeling techniques isn't as difficult or cost prohibitive as 99 percent of the industry thinks. We can find your ideal donors. Based on a foundation of clean data, our innovative technology and custom-built models allow you to target and message based on micro-audiences such as age, ask amount, party affiliation, hobbies and interests, and much more. We look forward to working with you.

SOURCES

- 1 [deloitte.com](https://www.deloitte.com)
- 2 [mckinsey.com](https://www.mckinsey.com)

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