



# Hearing Donors' Third Voice

**Technology offers smaller nonprofits a new way to “listen” to donors.**

By Robert Salta & Dana Heter

In seeking philanthropic dollars, organizations must listen to their donors' voices. These voices can be expressed in three ways:

(1) Donors “speak” through the gifts they give and the causes they support.

(2) Donors' second voice is heard in comments they make via e-mail, surveys, and other feedback tools.

(3) And today's technology gives us access to a third, relatively new voice derived from information-mining techniques. These include such methods as customer segmentation, donor profiles, and modeling. The insights from this third voice are compelling because they aren't derived from limited samples but from larger populations.

Major nonprofits might respond, “What's so new about this? We've been doing this for years.” Yes, traditional market analysis has been around for years. However, it was out of reach for smaller organizations due to the large minimum data run required. Plus, subsequent data interpretation was both time consuming and costly. What's novel today is that technology is putting

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sophisticated profiling and monitoring capabilities within reach of nonprofits with limited budgets.

A recent strategic partnership between our two companies (Robert Salta's DirectMail.com and Dana Heter's DirectStrategies) reveals the impact technology is having for smaller charities. DirectMail.com provides marketing solutions to nonprofits, and DirectStrategies is a direct response fundraising agency. In some circles they could be viewed as competitors, but both believe that mapping a new vision for fundraising strategies and donor engagement is a priority that trumps competitive concerns. Thus, DirectMail.com licensed its patented GeoSelector™ technology to DirectStrategies, which rebranded it as Insight<sup>SM</sup>-GeoSelector™, and the two firms are working together to document the technology's capabilities for data extraction, analysis, mapping, and visualization, not to mention its capacity to increase

nonprofits' marketing return on investment.

GeoSelector marries Google mapping technology with a high-end geo-coding program and links it to over 200 million consumer records. It allows users to upload their databases, plot donors' physical locations on a map (whether on a neighborhood, city, state, or national level) and identify their demographic characteristics along more than 400 choices. The output is “visible” data, which gives voice to donors' characteristics, segment concentrations, and trends.

## Some Cases in Point

### A Charity Delivering Food to the Needy

A complex donor acquisition mailing recently dropped on behalf of an organization providing meals to needy people. Using data extracted by GeoSelector, the mailing used copy based on an analysis of earlier mailings' results and new understanding of donors' touch-points and motivational triggers. The mailing also included a series of minor themes prompted by the technology's ability to reveal previously unknown donor voices.

The nonprofit's fundraising team was able to compare people's profiles to their responses to the mail-

ing. This process pinpointed the dominant donor groups, which comprised about 65% of the mail file and the majority of the response file.

But they discovered something even more interesting: There were incredibly high response rates among some of the so-called “minor mosaics,” which included Minority Metro Communities, Mature America, Young Cosmopolitans, Latina Nuevo, Professional Urbanites, Urban Diversity, African American Neighborhoods, and Second-Generation Success. Some of these groups popped up as having very good response rates for donor acquisition.

For example, within the Minority Metro Communities grouping, the nonprofit mailed to 1,571 people; over 30 people responded, yielding a response rate of almost 2%. This figure is 1.5 times the average response rate. Eliminating lapsed donors from the mail file equated to a response rate of 2.5 times the average. So, while the Minority Metro Communities group constitutes only a small percentage of the overall mail file, its adjusted response rate is 2.5 times higher than normal.

Technology is putting sophisticated capabilities within the reach of small nonprofits.

This finding represented a previously unknown niche with great potential. So, the next mailing included Latino-oriented pieces. Likewise, since analysis revealed a strong showing among Minority Metro Communities in which African Americans predominate, another mailing was directed toward this group.

#### A Nonprofit Assisting Seniors

A less sophisticated use, but just as revealing, involved analysis of one nonprofit’s donor files. GeoSelector’s data-append-and-profile feature uncovered an amazing fact: There were large numbers of potential intermediate and major donors among the nonprofit’s list of lower donors. This organization had more major-donor lookalikes among its lower donor roster than it had in its major donor file!

This finding carries huge implications for the development strategy to use with these people, as they now become prospects for cultivation as intermediate and major donors. Before the study, this organization didn’t know its database was replete with major-donor prospects. Now they’re devoting resources toward a major-donor development program.

#### Can You Hear Me Now?

Affordable technology is the new tool for small- to medium-size nonprofits. It’s driving prospect identification, messaging, imaging, and



suggested giving amounts. It can provide untold amounts of information about how people behave, what their philosophical leanings are, what they’re willing to give, and what strategies will appeal to them. With this new tool, nonprofits can take donor engagement to the next level. ■

*Robert Salta (rsalta@directmail.com, 888-690-2252) is a principal of Direct Mail.com, a leading provider of integrated direct marketing solutions. GeoSelector, the firm’s patented data analysis and market intelligence product, promotes connections with prospects and customers across multiple channels. Dana Heter (dana@dirstrat.com, 469-450-4797) is founder and president of DirectStrategies, a direct response fundraising agency. He brings more than 36 years of experience to the position.*

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