

Loyalty Insights from Target Analytics



How do you separate the donors that care deeply about your mission from those that are “one and done”? Would you treat those supporters differently if you knew that your organization was among their favorite charities?

Every day, charities receive donations from both new and returning supporters. Whether those gifts are made online, through the mail, or as the result of a special event, fundraisers and direct marketers struggle to uncover information about these new donors and how to better understand their motivation for giving. But that’s only half the battle. Developing a plan of action to retain and engage them is where the real challenge begins. Since many of your repeat donors look the same in terms of giving history, they therefore tend to receive the same treatment – resulting in missed revenue opportunities for your organization.

Understanding behaviors yields better strategies.

Target Analytics, a Blackbaud company, has compiled the largest nonprofit cooperative database of giving behavior from hundreds of participating organizations and billions of donations. This database is used to assess your organization against all other organizations your donor supports, using numerous statistical measures and rankings. The results are then refined into one of seven actionable, behavioral groupings called “Loyalty Insights,” providing you a clear understanding of which donors have the strongest affinity to your cause. The result is a report that highlights their level of support specific to your organization compared against all the others, enabling you to easily determine how to develop your ongoing engagement strategies.

Key groupings make it easy.

The segments help you identify how to focus your efforts to reinvigorate your direct marketing program.

- **Tipplers:** Infrequent givers to your cause, they are frequently single-gift donors to other organizations in your sector. You can save precious direct marketing resources by minimizing solicitations to this audience. When you do reach out to them, deliver a transactional message (e.g., a gift catalog offer), rather than a mission-based message.

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- **Constant Low Dollar:** Multi-gift, low-dollar donors to your cause (as well as many others), their average gift size to you is in line with their giving to other organizations they support. Instead of asking them to increase their gift size (which they likely will not), try testing a no-upgrade ask string to increase response rates, and consider using a cheaper package to improve your return on investment
- **Not That Into You:** Long-term, highly philanthropic donors to other organizations in the cooperative database, these donors have given only a few gifts over many years and historically give less to you than to the other organizations they support. Minimize solicitations to this group or, if the donor lapses, consider testing with an acquisition message.
- **New and Noteworthy:** Donors just starting on their journey with you, these givers have demonstrated consistent support of their chosen organizations. Now that your organization is among their selected group, upgrade and cultivate this group to reinforce a stronger relationship that can lead to years of continued giving.
- **Truly Connected:** Contributors to very few coop organizations, these donors give, on average, twice as many gifts to you than to other organizations. They also trend younger with shorter history of giving in the coop, so take a multichannel approach to determine their optimal giving channel. Screen them for wealth and, based on results, invite them to join sustainer program and try to upgrade them to a mid- or major-giving level.
- **Habitually Generous:** These donors are highly philanthropic to you and to other organizations in the coop, but have no noticeable preference for your organization compared to others. Avoid risking their generosity by using caution when testing higher-cost packages and consider smaller upgrade asks. Stay the course with these donors and enjoy their gifts.
- **Best of the Best:** These are the donors all organizations strive to acquire. Characterized as highly philanthropic individuals that have shown a greater charitable commitment to your organization than to their other charities, this group should be treated like gold with the strategy of moving them up the giving pyramid to their ultimate gift.

Loyal, frequent donors are the cornerstone of a successful direct marketing program. You can maximize their potential and solidify their commitment by cultivating your donors along the right path. During a time when many organizations are seeing their donor retention rates decline and average gift sizes drop, you cannot afford to treat your most loyal supporters as just another donor in a crowded RFM segment. Uncover critical donor intelligence, communicate more effectively, and maximize fundraising results with Loyalty Insights from Target Analytics.

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