

Article appeared in Fundraising & Philanthropy Australasia, Issue 13, November 2007-January 2008.

Best Practice – Donor profiling

In business it pays to know your customer. In charity it pays to know your donor. Rob Cowperthwaite explains what you need to know about your supporters, how to find it, and what to do with it.

What is a Donor Profile

A donor profile is simply a snapshot of the kind of person who currently donates to your organisation. By analysing your donors' characteristics you can identify traits and attributes that are common to your donors to get a better understanding of who they are and why they give to you.

And once you have this information, you can use it to help drive donor acquisition activity and develop deeper relationships with your supporters.

Elements of a Donor Profile

Standard donor profiles include elements such as age, gender, income, where they live, property type and ownership, leisure interests, credit card usage, other charities supported, and much more.

These allow you to build a portrait of your typical donor. She may be female, over 65, and own a home in a suburb that has responded well to past charitable appeals. Applying additional elements such as leisure and other interests may indicate her likelihood of responding to your campaign. Has she previously expressed an interest in environmental or animal welfare issues? Has she responded to church-based appeals? Does she have a credit card for ease of donation?

Obtaining Profile Information

The first source of information about your supporters is within your current donor database. You may have an internal system that allows you to easily store, retrieve and analyse different donor information. Or, like many fundraisers, you may have access to only limited data, such as name, address and donation amount.

Whatever the level of detail, profiling can provide you with the additional information you need for a greater understanding of your donors; who they are, what they do, their age and family structure, net worth, likes and dislikes and so on.

A Word about Surveys

Another great way to help build a picture of your donors is to survey them. This will allow you to further qualify and optimise your database. Surveys can elicit far more detailed information about supporters, what motivates them to give and possible future donation behaviour.

Surveys can also be used to identify lapsed donors and how they might be re-activated. Thinking ahead to include surveys within previously planned mailings such as newsletters avoids incurring additional costs.

Surveys allow you to ask questions that can really add value to your knowledge and understanding of donors. For example they can be used to discover:

- Why donors give to your organisation
- Other organisations supported
- Whether they would consider giving more frequently
- Preferred methods of communication
- Whether they have considered bequests
- The reasons behind a lapse in giving and chances of reactivation

Seeking opinion and feedback from donors through surveys allows you to not only build a better profile of them, but to engage and build affinity with them. If your goal is managing donor relationships more effectively, think further ahead to optimising these relationships with best practice steps such as tailored surveys to current and lapsed donors.

Using Donor Profile

So now you've got a profile of your typical donor, what do you do with it?

One of the key applications is to identify other people who "look" like your donors and to try to acquire them as new donors. Using various analytic and modelling techniques you can generate "look-alike" profiles of fresh prospects who closely resemble the characteristics of your donors.

Armed with this information you can work with list providers to target direct marketing initiatives to the most appropriate prospects for personalised mail approach, unpersonalised inserts or door drops.

A "look-alike" model can also identify current donors who closely resemble your highest value donors, or most regular supporters or bequeathers, enabling you to target existing donors for possible upgrade.

Case Study 1

Through surveying current and lapsed supporters, one nonprofit discovered that the number of people who had included the organisation in their will was five times more than what it thought. Many nonprofits also successfully utilise surveys in their acquisition strategies, with questions specifically structured to educate potential donors about their cause to draw them in emotionally.

Case Study 2

A large charity was in the unexpected position of managing a sudden donor influx following a major humanitarian crisis. Rather than continue mailing a very large database, the organisation applied data profiling principles to successfully segment its donors, identifying those resembling its regular givers to approach for ongoing support.

*Rob Cowperthwaite is Data Partnerships Manager with Acxiom
www.acxiom.com.au*