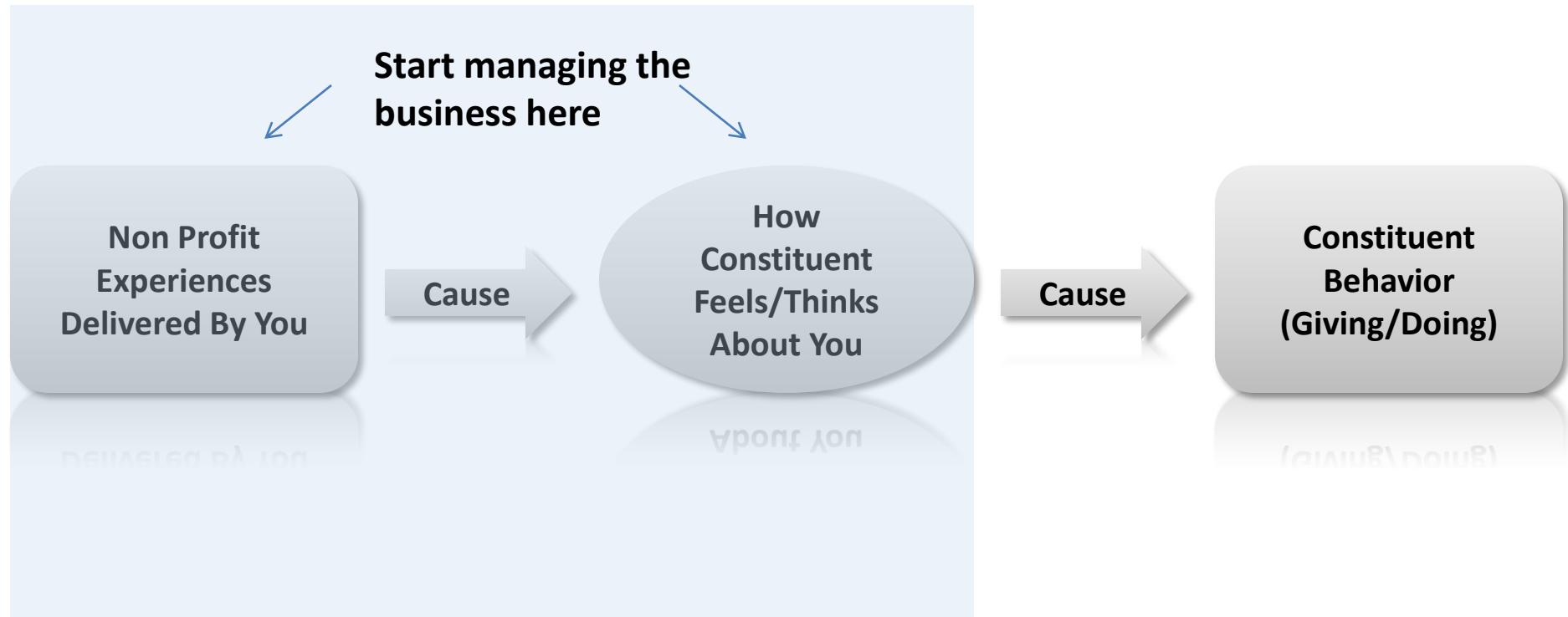

UK Donor Commitment Project

August 2012

This Project Has One Simple Premise

Impacting how the donor feels/thinks about your organization is THE key to retention.



Extended Premise....

Are Good Donors Created or Born?



How Define “Good/Loyal” Donor

Transactional Variables = Good/Loyal Donor

How do you manage this?

“Born” Formula

These are both outcomes,
there is no cause and effect.

Experiences from/with organization = How Feel = Transaction = Loyal Donor

Creation Formula

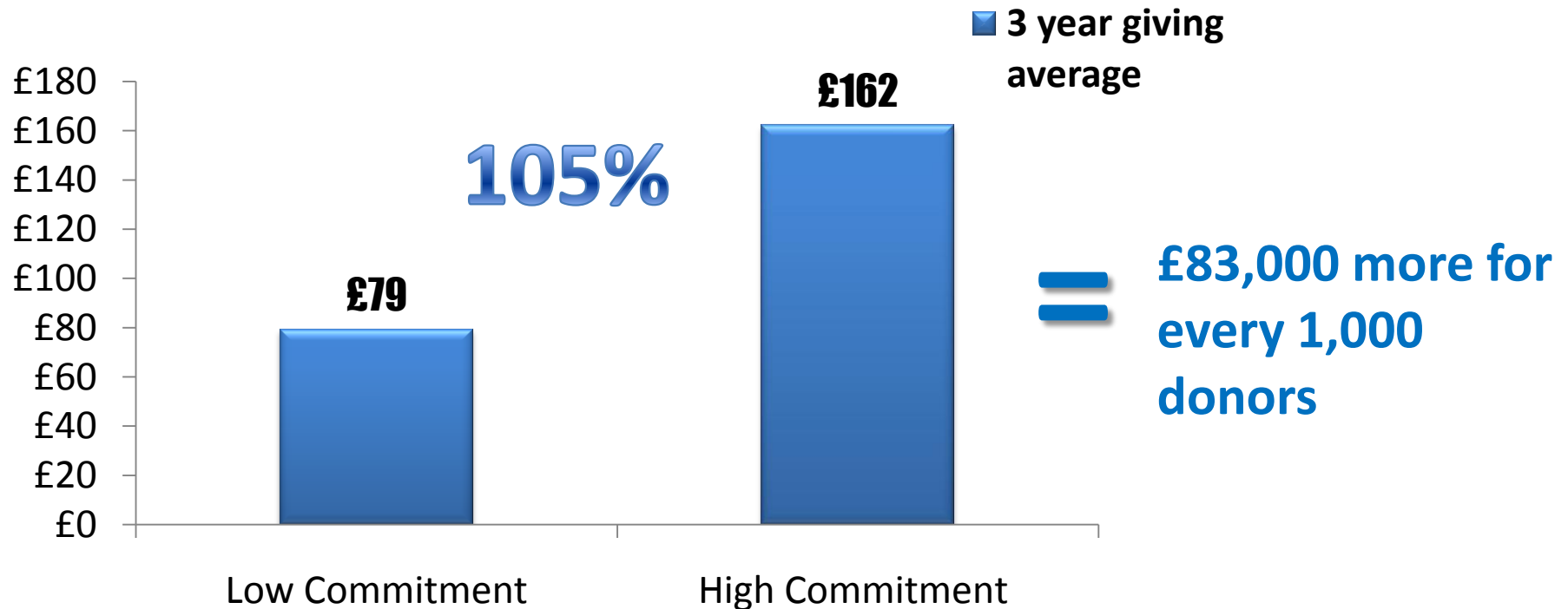
These are not outcomes, they are means
and you directly control experiences

What You'll Learn Today

- We will show you the bottom line link between Commitment and income.
 - HINT: For every 1,000 donors you steward from Low to High Commitment, you can expect **£83,000** more in income (over 3 years)
 - How to get into the “creation” biz and measure the strength of the constituent relationship – we call it Commitment - to your organization.
 - You will learn a new and better way to segment your file for maximum marketing efficiency and return using Commitment.
 - We will show you how to manage the relationship with the 7 experiences you should focus on tomorrow to improve Commitment to your organization.
-

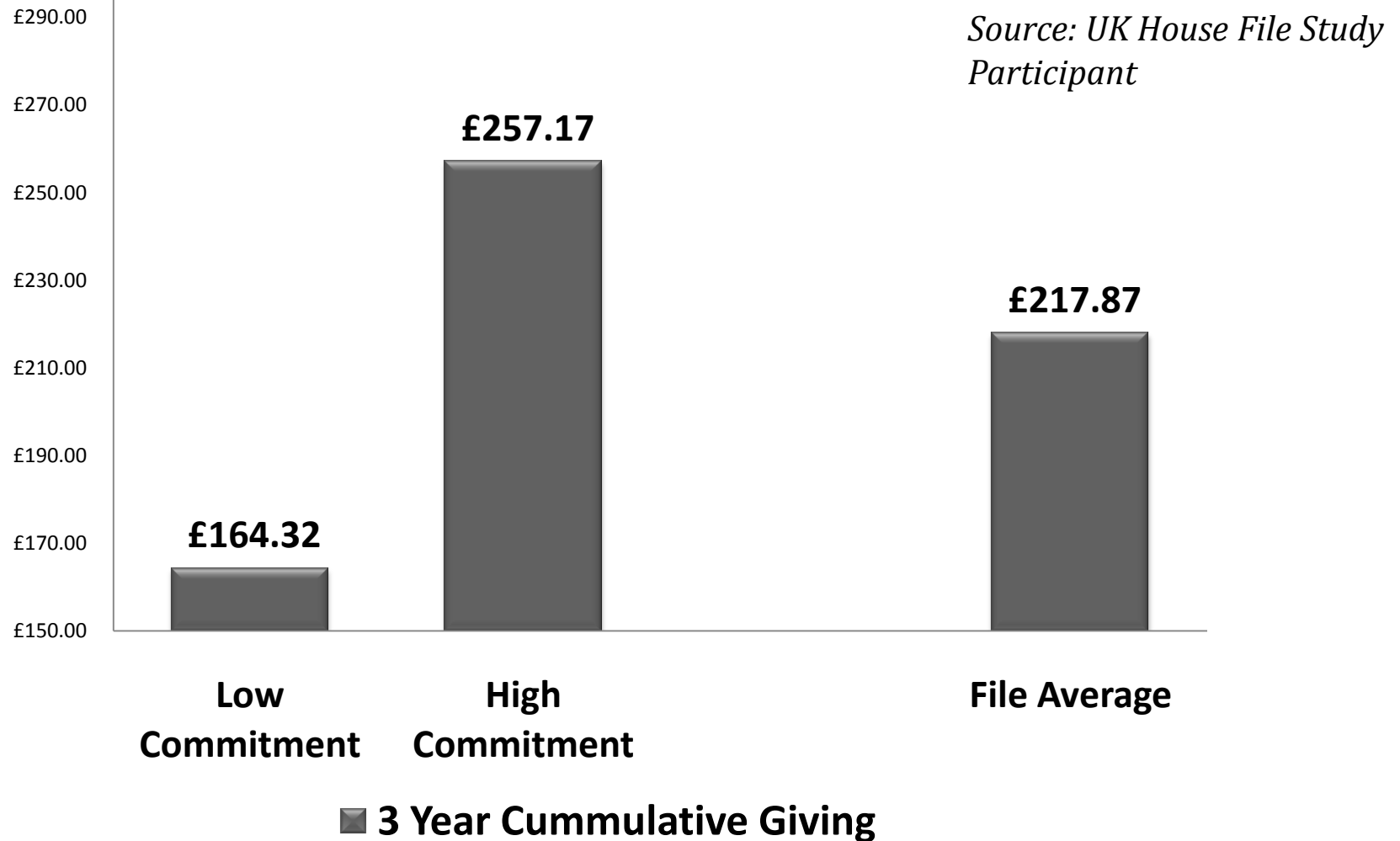
- **National survey of 1200, recent, frequent UK cause donors**
- **Nine UK organizations supplying house file names and associated transactional information**
- **All work completed in first half of 2012**

Reason to believe: Expected impact on income if manage the business to increase Commitment

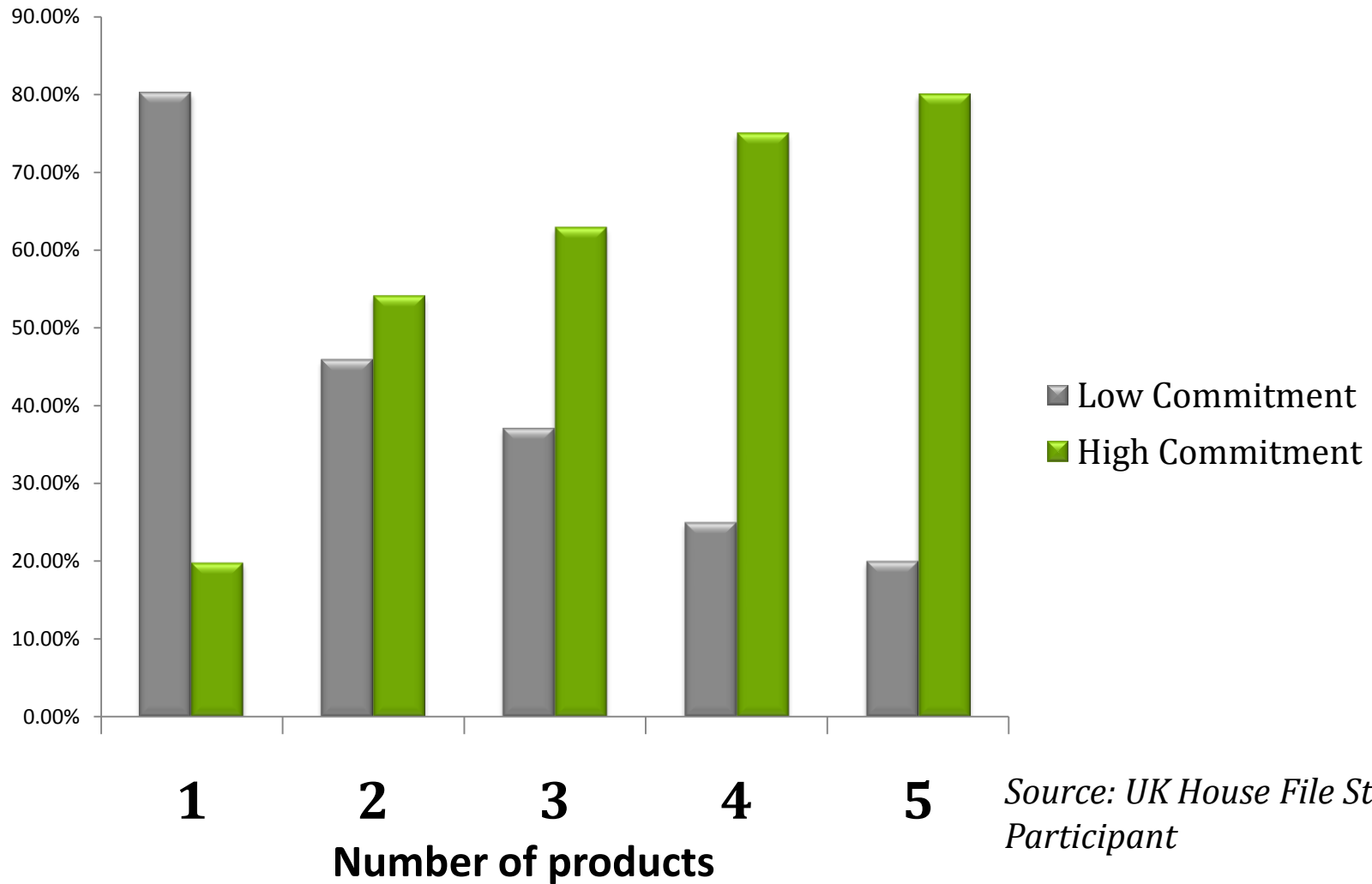


Source: National UK Study

Reason to believe, Part II



The Committed are best targets for multi-product upsell and cross-sell



Commitment is not only “a” framework it is THE best

**Highest HIGH
& lowest LOW**

	Commitment	Favorability	Satisfaction	Recommend/NPS
High	£162.07	£154.10	£154.62	£125.88
Low	£79.22	£92.14	£97.93	£120.45
% increase	105%	67%	58%	5%

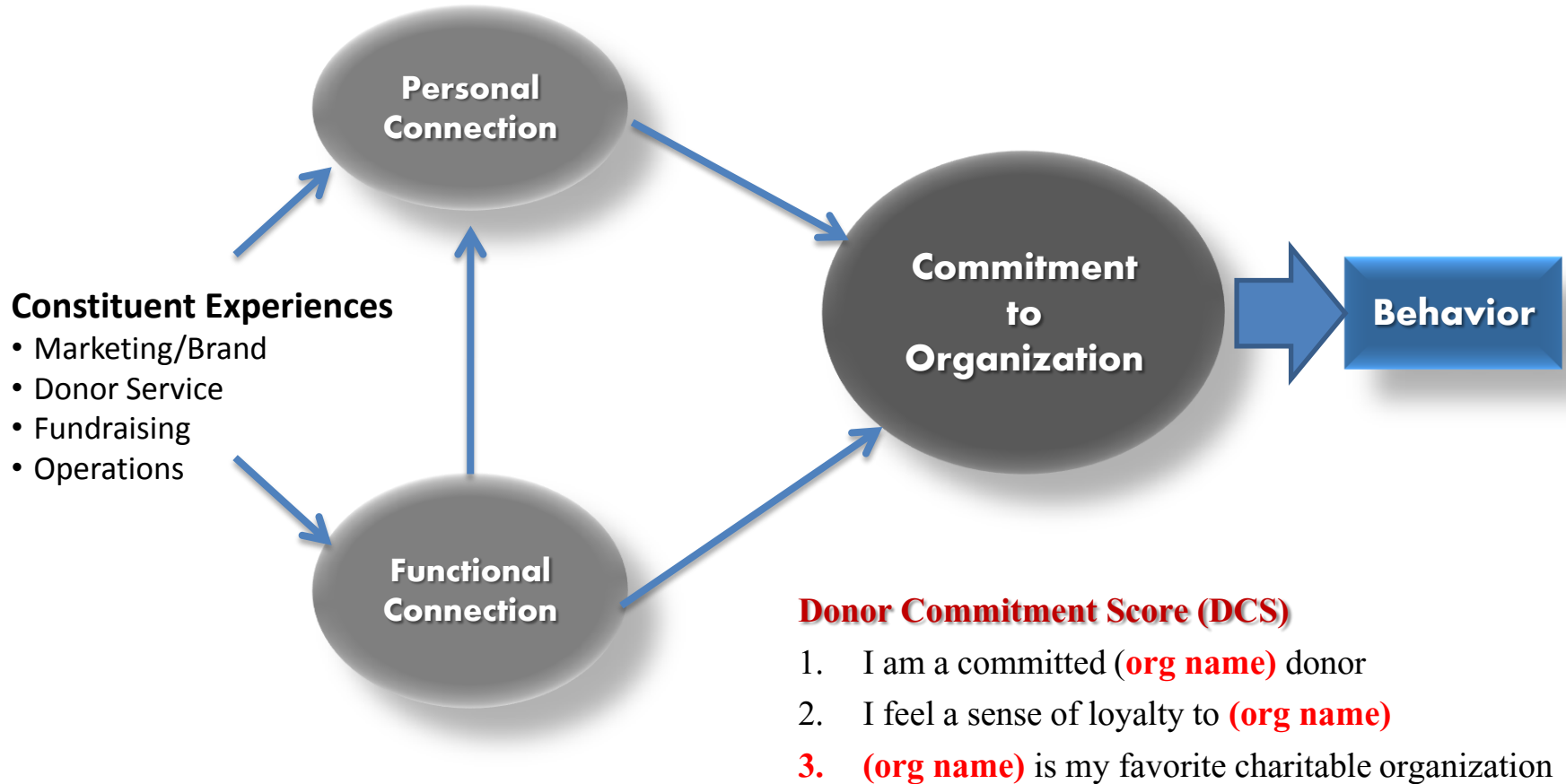
Source: National UK Study

**Biggest %
Increase**

What is All This Relationship & Commitment Stuff?



Commitment Framework

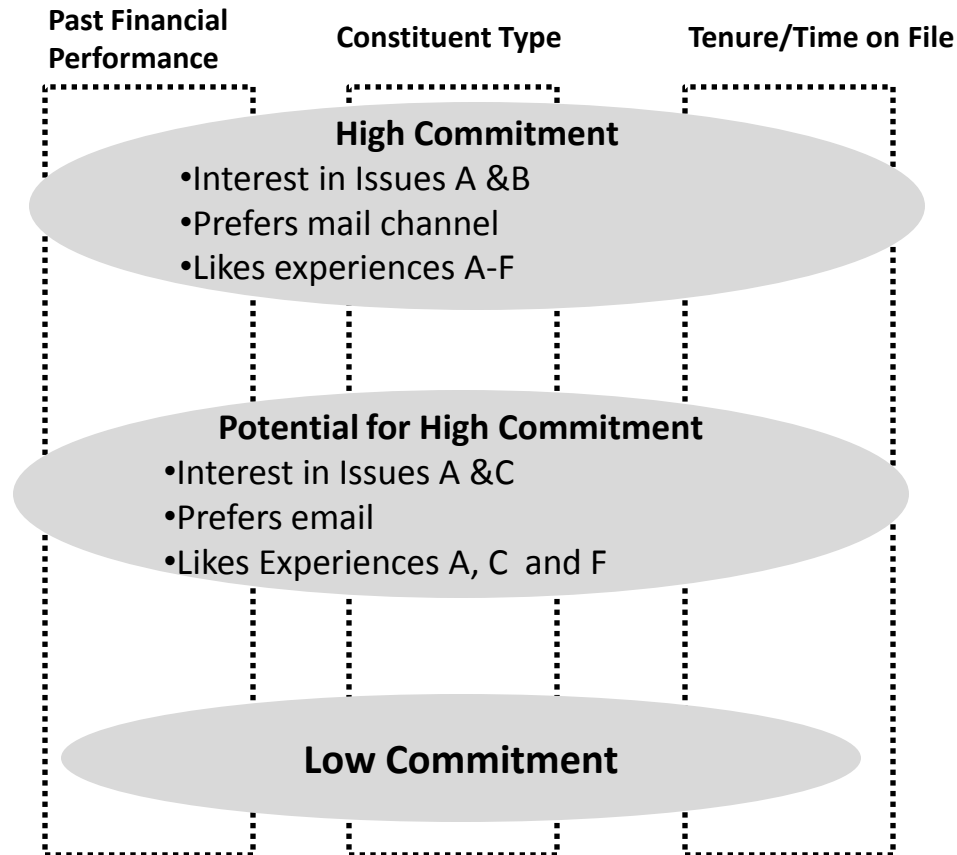


Application of Model

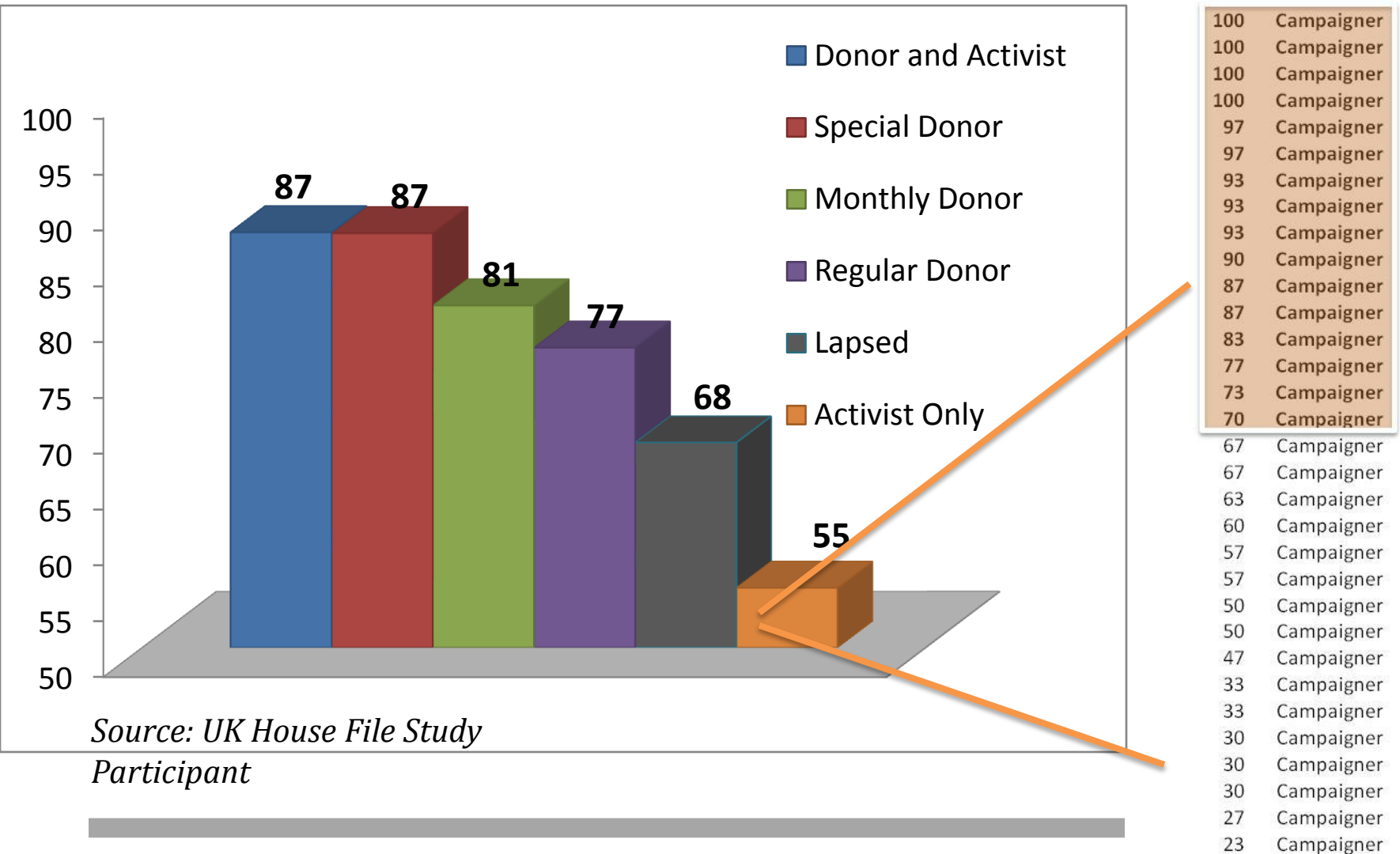
- **Change Who**
 - A Better Way to Segment
 - Enterprise wide
 - Strategic
 - Better ROI
- **Change the What**
 - Differentiated levels of service
 - Differentiated marketing treatment and spend
- **Benchmark & KPI**

Enterprise Wide Segmentation Based On Relationship, Needs

- Slice the world horizontally, not vertically.
- Treat them differently.

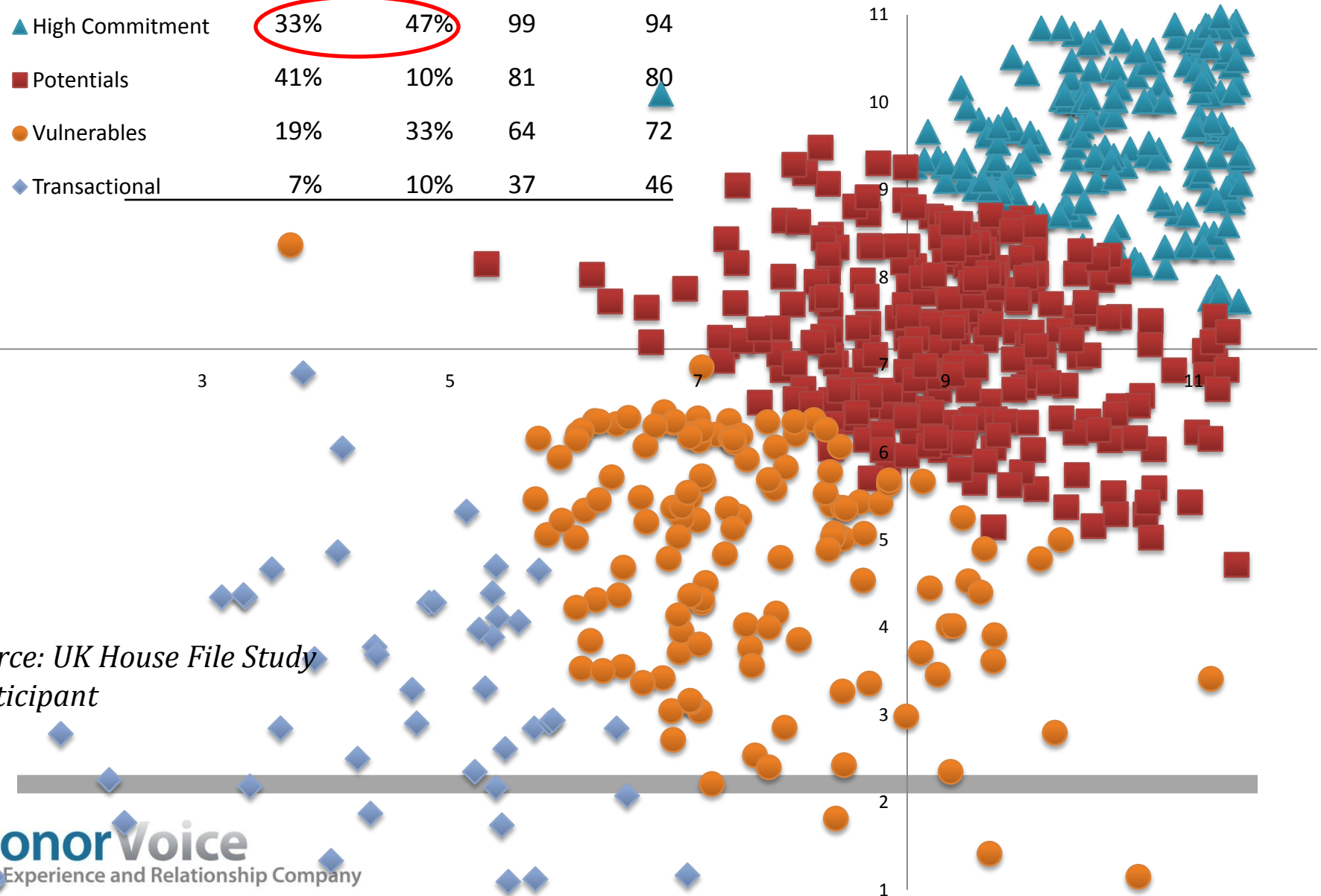


The Problem with Organization Centric Segmentation



Enterprise Wide Segmentation

Org % of File	UK National Avg	Org DCS	UK National DCS Avg.
▲ High Commitment	33%	47%	99
■ Potentials	41%	10%	81
● Vulnerables	19%	33%	64
◆ Transactional	7%	10%	37



Source: UK House File Study Participant

The New Who - Applied

- Reverse engineering – shift from CAUSE to PREDICTION.
- Use transactional or other hand raiser data as proxies to FIND attitudinal segments on customer file

$-1.61331 + (\text{Contribution recency} \times .00177) +$
 $(\text{Number of children in household} \times .48508) +$
 $(\text{Membership length} \times -.00011) +$
 $(\text{Number of active sponsors} \times -.39679) + (\text{Age} \times .02530) +$
 $(\text{Household income} \times .17480) +$
 $(\text{Sum DF (fy09-fy12dec)} \times .00036) +$
 $(\text{Gender} \times -.44085) +$
 $(\text{Letter recency} \times .00031) +$
 $(\text{Sum Contr (fy09-fy12dec)} \times -.00029)$

Scores over .5

Scores below
.5

**High
Commitment/
Potential**

**Low
Commitment**

Changing the What – Experiences and Service Levels

Simple Question:

What, under organization's control, might impact how the donor feels about us?

- Marketing/Communications
- Fundraising
- Donor Service
- Operations



Master List of Experiences from National UK Study

Personal

- Timeliness of their thanking you for your support
- Sending a personalised thank you for your support
- Thanking you for your support in a way that makes you feel good about your donation
- How regularly they thank you for any on-going support
- Providing you with a feeling of accomplishment made possible by your support
- Providing you with a feeling that your involvement is appreciated
- Providing you with a feeling of being part of an important cause
- Being an innovative charity
- Being clearly focused on their mission
- Being a well respected charity
- Providing opportunities to take action for the cause (e.g. sign petition, organise others, attend rally)
- Providing opportunities to get more involved (e.g. see the organisation's work first hand, meet staff, volunteer time)
- Providing opportunities to make my views known (e.g. solicit your opinion on where they should focus their effort, easy to make suggestions)
- Publicly recognising my contribution

Functional

- Informing you how your donation was used
- Explaining the tax benefits of your donation
- Knowledge of issues they are focused on
- Efficiently spending their money
- Effectively trying to achieve their mission
- Using donations ethically
- Asking you for appropriate donation amounts
- Keeping me informed about how organisation is getting results
- Sending information that shows who is being helped
- Sending information that makes me glad I support it
- Sending information that reflects my specific interests
- Providing readable information
- The frequency of requests for donations
- The frequency of information not requesting donations
- Creating a sense in me that they would do a good job of responding to a complaint or question if I had one.
- Knowing what to expect from the organisation each time you interact with it
- Communicating with you in the way you prefer (e.g. by mail, email, phone, mobile device)
- Having a similar look and feel to all communications with you (e.g. by mail, email, phone, mobile device)

***These would be very
customized for a client
specific study!***

How Experiences Group Together in Mind of the UK Donor

COMMUNICATIONS

RELIABLE EXPERIENCE

MISSION EFFECTIVENESS

TAXES

THE ASK

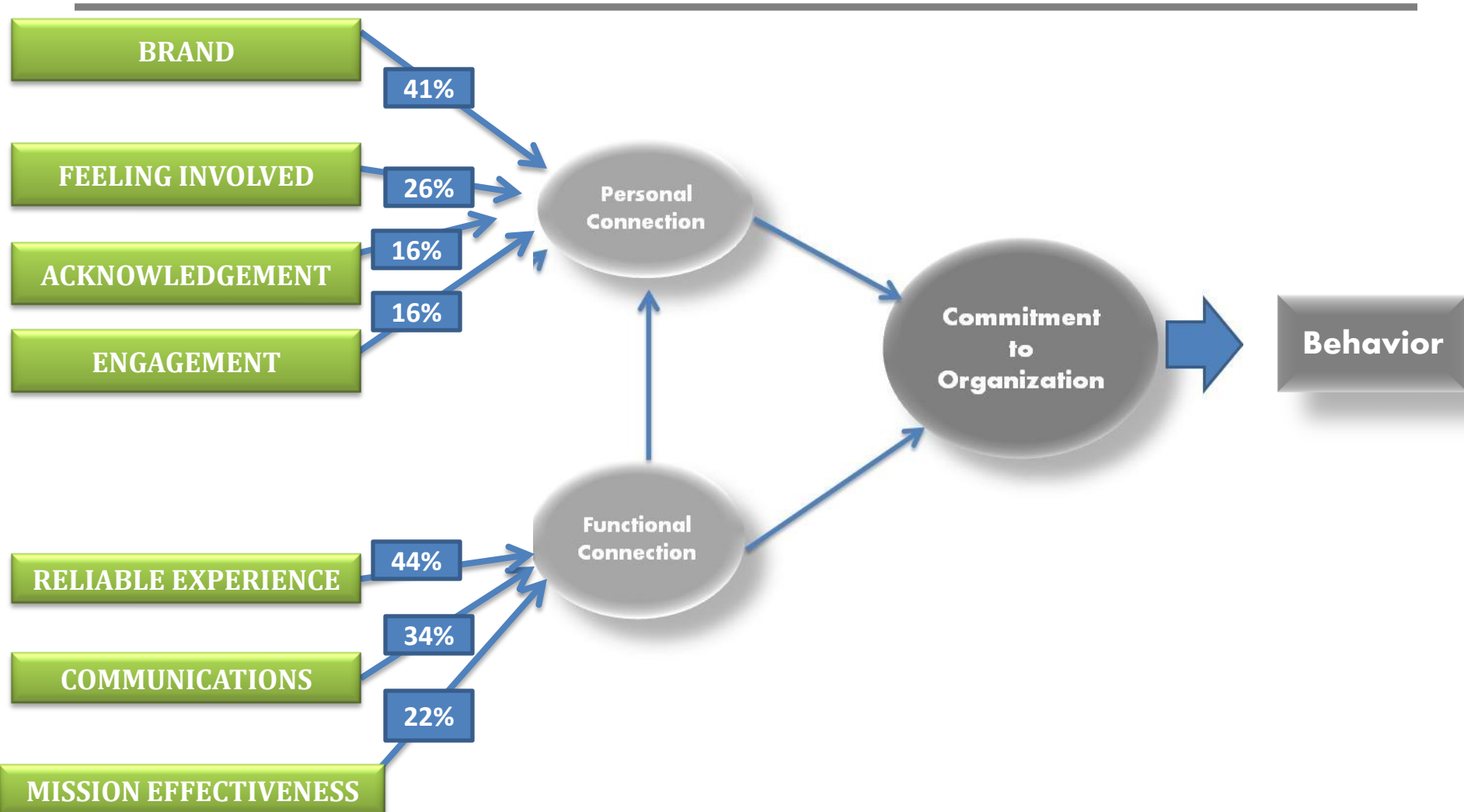
ACKNOWLEDGEMENT

FEELING INVOLVED

BRAND

ENGAGEMENT

Key Drivers of UK Commitment



The Details

BRAND

Being a well respected charity

Being clearly focused on their mission

FEELING INVOLVED

Providing you with a feeling that your involvement is appreciated

Providing you with a feeling of being part of an important cause

Providing you with a feeling of accomplishment made possible by your support

ACKNOWLEDGEMENT

Publicly recognising my contribution

Sending a personalised thank you for your support

Timeliness of their thanking you for your support

Thanking you for your support in a way that makes you feel good about donation

How regularly they thank you for any on-going support

ENGAGEMENT

Providing opportunities to get more involved (e.g. see the organisation's work first hand, meet staff, volunteer time)

Providing opportunities to take action for the cause (e.g. sign petition, organise others, attend rally)

Providing opportunities to make my views known (e.g. solicit your opinion on where they should focus their effort, easy to make suggestions)

The Details

COMMUNICATIONS

Sending information that makes me glad I support it
Sending information that shows who is being helped
Keeping me informed about how organisation is getting results
Sending information that reflects my specific interests

RELIABLE EXPERIENCE

Knowing what to expect when I interact with the organisation

MISSION EFFECTIVENESS

Knowledge of issues they are focused on
Using donations ethically
Effectively trying to achieve their mission

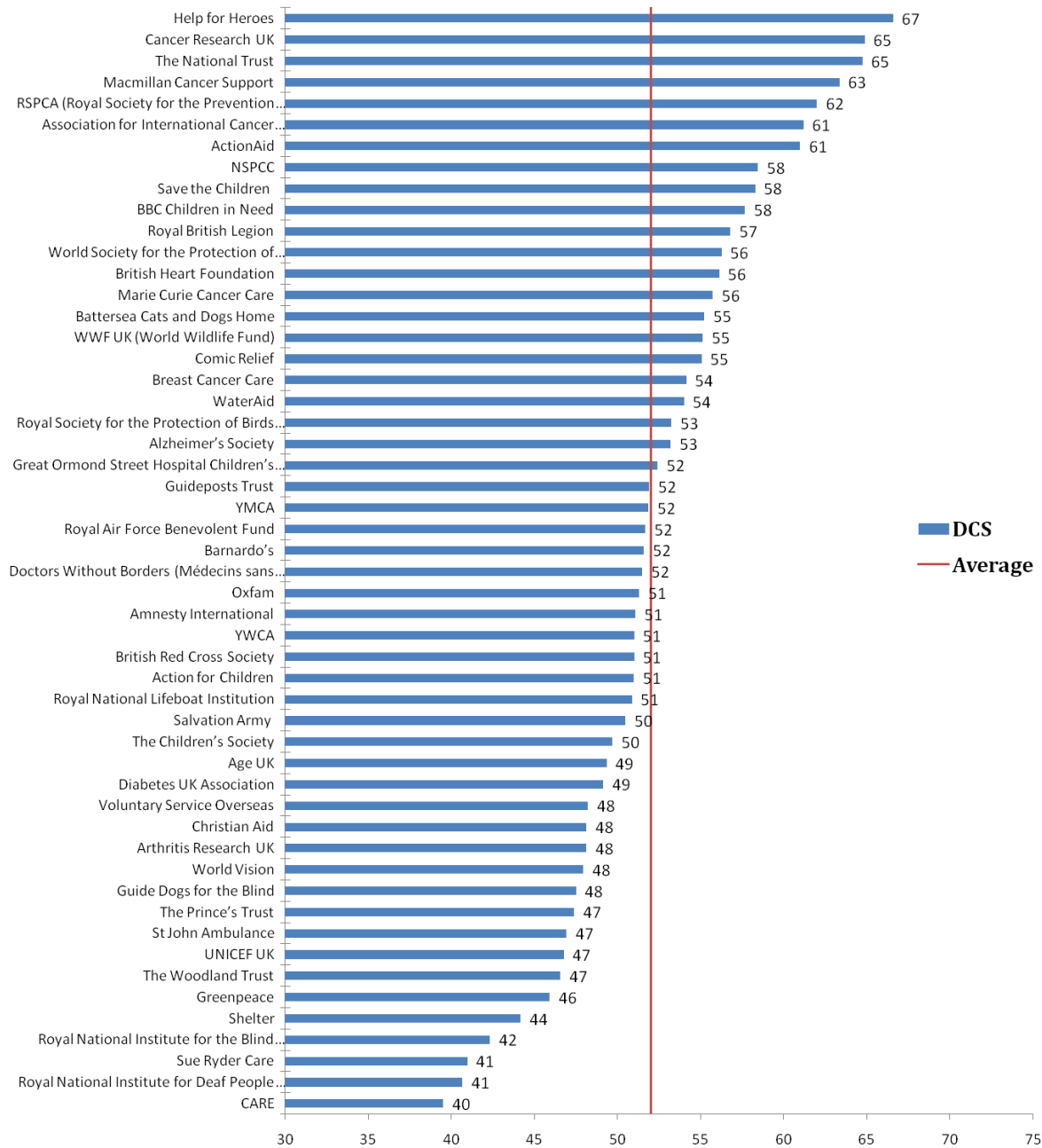
TAXES

Explaining the tax benefits of your donation

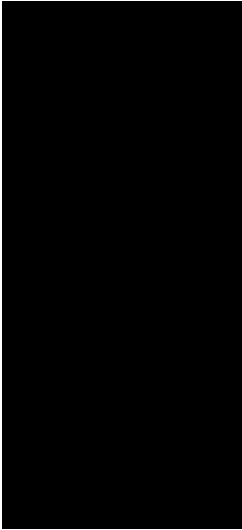
THE ASK

The frequency of requests for donations
Asking you for appropriate donation amounts

Prospect Benchmarking



House File Benchmarking

	Overall Donor Commitment Score (DCS)	High Commitment DCS	% of File that is High Commitment	% Difference in Giving for High vs. Low Commitment
	88	88	43%	57%
	82	97	37%	149%
	81	99	33%	41%
	79	95	32%	34%
	76	97	27%	9%
	76	95	32%	13%
	71	94	29%	34%
	63	86	24%	138%
	44	75	17%	443%
house file average	73	92	30%	102%

Thank You for Your Interest and Time Today

- We will send an email to all webinar registrants with a link to the presentation and a recorded version of the webinar.
- For questions or comments or to learn about a custom Commitment study for your organization, contact us here:

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