



# Donor Intelligence

Using segmentation to understand and engage donors to international nonprofits

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# “Segmentation offers nonprofits a way to maintain a competitive advantage in the increasingly aggressive donor marketplace.”

## 1

It's no secret that the social sector is becoming increasingly competitive. There are an unprecedented number of nonprofits—a whopping 1.5 million in the U.S. alone—and donors are becoming more demanding of them. These trends pose significant threats to nonprofits: organizations that are unable to attract donors or satisfy their needs will watch as funders take their dollars elsewhere.

There is a solution. In simplest terms, “segmentation” involves breaking a bigger group into smaller groups. In business, it usually means dividing a customer pool into mutually exclusive “segments” based on their habits or preferences. Malcolm Gladwell famously described segmentation using a food industry example:

*“If you sit down, and you analyze . . . data on spaghetti sauce, you realize that all Americans fall into one of three groups. There are people who like their spaghetti sauce plain; there are people who like their spaghetti sauce spicy; and there are people who like it extra chunky.”*

*Those preferences are much more than mere semantics. Prego, upon realizing that a third of Americans prefer extra-chunky spaghetti sauce, began to sell the first extra-chunky*

*bottled sauce in the U.S. in the 1980s and “completely took over the spaghetti sauce business in this country. And over the next 10 years, they made 600 million dollars off their line of extra-chunky sauces.”*

Luckily, segmentation isn't limited to pasta sauces or even just the private sector—there are limitless opportunities for segmentation strategy in the social sector. In particular, segmentation offers nonprofits a way to maintain a competitive advantage in the increasingly-complex donor marketplace.

How? Segmentation enables more relevant, compelling outreach to donors and a more intentional focus on engaging donors most aligned with an organization's brand, cause, and strategic priorities.

### **Our Purpose**

In this white paper, we deliver specific strategies for segmenting donors in ways that can have a powerful impact in the social sector. We offer a nuanced definition of segmentation along with case study results of recent research regarding donor segmentation.



# Segmentation: An Overview

## 2

Segmentation is a fundamentally versatile approach to business; its use cases are seemingly endless. For example, supply chain and sales teams use segmentation to distribute products such as snow shovels to the North, and hot sauce to the South and West. Product teams use geographic segmentation to inform regional menus—that’s why customers can order a McCurry Pan in India, a Pineapple Oreo McFlurry in Colombia, and a McShrimp sandwich in Russia. Segmentation can also be internally focused: HR leaders can use segmentation to inform staffing decisions and structure employee trainings.

### *Segmentation is Data Driven*

All segmentation requires data. Organizations must be able to assess all members of the target population against the same criteria, whether psychographic (attitudinal), behavioral, demographic, or other. Data can come from existing internal records like donations, engagement records, or membership data or data can be deliberately collected through primary research. The analysis is relatively flexible: analysts may segment according to pre-determined criteria (e.g., gender, age, total donations, etc.) or they can use a

variety of methods from cross-tabulation to cluster analysis to see what segments the data itself suggests.

For example, consider how organizations working with the homeless use data-driven segmentation. The U.S. Department of Housing and Urban Development (HUD) segments the homeless based on the length of time they have experienced homelessness. They label two groups as “chronically homeless”: (1) those who have a disabling condition and have experienced continuous homelessness for one or more years, and (2) those who have had at least four episodes of homelessness within the past three years. The chronically homeless also tend to have severe problems with health, mental health, and substance abuse. Service providers across the Continuum of Care are then able to tailor services and housing options to the unique needs of the chronically homeless.

### *Five Criteria for Viable Segments*

It’s important to note that not every group should become a segment. Viable segments must meet five specific criteria: they should be unique, relevant, sizeable, sustainable, and actionable.



**Unique:** Defined by multiple clear differences. Separating customers by gender, for example, doesn't accomplish much if those gender differences aren't also associated with differences in preferences or behavior. In the case of HUD, segmenting by length of time homeless is effective because the chronically homeless typically have greater needs and require more robust support services than the rest of the homeless population.

**Relevant:** Classified according to the organization's mission or products. It might be interesting to divide a customer base by their favorite Muppet, but that's probably not the most helpful way to make business decisions. (Unless, of course, you're in the puppet industry... Mark us down for the Swedish Chef.)

**Sizable:** Large enough to be considered a discrete group. For segmentation to be used to guide strategic decisions, segments need to achieve a relative critical mass. A 1,000-person donor base divided into 100 segments with 10 donors each would be a nightmare to manage and would likely defeat the purpose of segmenting.

**Sustainable:** Consistent, likely to persist. Done well, a segmentation structure should last an organization many years. Design segments that will withstand the test of time.

**Actionable:** Translatable into practical behaviors or initiatives. To be truly actionable, you should be able to identify the unique consumption or engagement habits of each segment. In other words, leaders need to know how to best reach or serve each segment: Print or online? Facebook or Twitter? Phone calls or texts? Monthly or weekly contact?

To illustrate, here are three examples of segmentation from the private and social sectors.

## **NIVEA International**

Skincare giant Nivea has used market segmentation to better design and sell their sun-related products. They isolated four attitudinal population segments:

**Sun Avoiders:** Deliberately avoid sun exposure

**Conscientious Sun Lovers:** Like a good tan but are wary of the risks over-exposure

**Careless Tanners:** If they use sunscreen at all, it's a product with low SPF

**Naïve Beauty Conscious:** Know that they should wear sunscreen but don't quite understand SPF

Nivea then created products tailored to each

segment. For example, high SPF lotions are targeted to the Conscientious Sun Lovers, who want to spend time in the sun and have adequate protection from UV rays. More luxurious mousses are targeted to the Naïve Beauty Conscious, who are more likely to be interested in a high-quality cosmetic than a simple sunscreen. This approach improved sales for Nivea while also allowing them to more effectively protect their customers from ultraviolet radiation.

## **Avon Products, Inc. Breast Cancer Crusade**

Over the last 25 years, direct-sales paragon Avon has educated millions about breast cancer, raised over \$800 million for related causes, and financed health screenings for millions of women through their Breast Cancer Crusade program.

In 2017, Avon launched a fundraising initiative targeting two discrete groups: the general public and Avon Representatives.

Marketing for each was tailored to resonate with each group. For example, the general public saw websites featuring candid photos of real-life event participants—images they'd be able to relate to. Representatives were shown staged studio photography more consistent with the company's traditional messaging. Both groups were encouraged to host fundraising events, but here again recommended formats were segment-specific: the general public was encouraged to host wine and cheese parties while Representatives were suggested an Avon "beauty party." These subtle distinctions enabled Avon to communicate more effectively with two fundamentally distinct audiences.

## **University of California, San Diego, Alumni**

Colleges and universities lean on their alumni for donations and brand promotion. To more strategically connect with their former students, UCSD used segmentation to tailor their outreach.



Among the segments they found were:

**Zoomers:** Recent UCSD grads still finding their footing and direction.

**True Titans:** Highly loyal alums and university friends who actively give whatever they can to UCSD.

**"Is It Something We Said":** Disconnected alumni who haven't donated recently but could be convinced to become active donors.

These distinctions allowed the Alumni team to identify and focus on community members who could be persuaded to donate rather than on those who were either very likely or very unlikely to give.

### Overcoming Common Roadblocks

The reasons for segmenting seem obvious and the opportunities endless . . . so why aren't more social sector companies using it? The most common roadblocks are familiar: time, lack of information, expense, etc. Fortunately, segmentation is a flexible practice so there are simple solutions to each concern.

For example, there's no one way to segment.

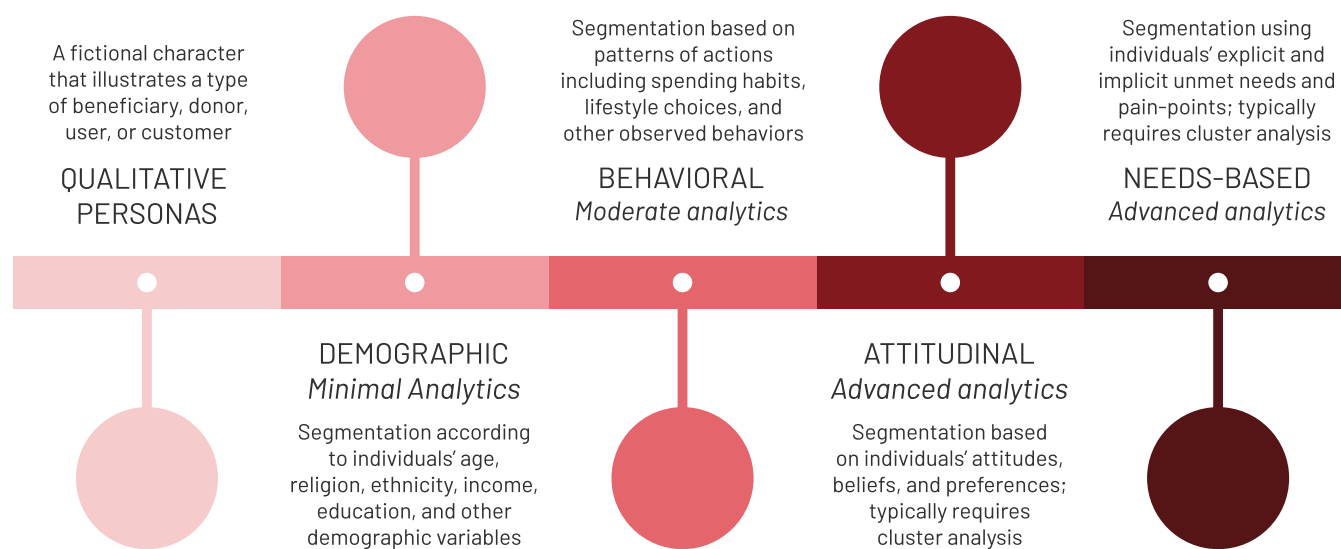
Instead, segmentation covers a spectrum of more and less technical methods (see Figure 1). We recommend using the most advanced methodology accessible to your organization—and the methodology that is most practical considering the time investment you will make to understand and implement it. Some methods are ready to use while others have a bit of a learning curve.

Further, while statistically-robust segmentations of huge populations can certainly be expensive—especially if you don't have the capability internally—there are much simpler and less expensive segmentation methods that can also provide value. Like any service you implement, you may not need to purchase the Cadillac version when a Ford will do just fine for beginners. As you become informed regarding possibilities, you can plan for segmentation that expands over time as your organization's capacity grows.

### Case Study

To show how one international nonprofit overcame these common pitfalls, we have included a case study in the next section that highlights the approach and results of a donor segmentation

FIGURE 1: THE SEGMENTATION SPECTRUM



initiative we recently conducted with Church World Service (CWS). Because the results we're sharing in this report are not limited to CWS, these findings and donor segments can benefit any social impact organization; particularly those raising funds to serve people and communities overseas. Ultimately, we at Cicero Group hope that this case study will enable social sector leaders to expand their horizons and see new opportunities for segmentation within their organizations.



# Case in Point: Church World Service

## 3

In 1946, seventeen religious denominations joined together under the banner of feeding the hungry, clothing the naked, healing the sick, comforting the aged, and sheltering the homeless. Over the last 70 years, this alliance—Church World Service (CWS)—has grown to include 37 Christian denominations and communities. To date, its remarkable reach includes:

*Delivering 11 million pounds of food, clothing, and medical supplies to Europe and Asia in the immediate aftermath of World War II*

*Planting 20,000,000 fruit and forest trees in North Africa to protect against soil erosion*

*Hosting over 1,000 annual Hunger Walks across the U.S. to raise money for international hunger relief efforts (120,000 people participated in the 2016 CROP Hunger Walks alone and raised \$10,000,000)*

*Resettling over 500,000 refugees*

*Building transformative water systems in 182 East African villages.*

In 2017, CWS worked with Cicero to develop engagement strategies for current and prospective

donors. Under the hypothesis that donors are motivated by different causes, we recommended using market segmentation to inform those strategies. To gather data, we conducted a survey of 550 prospective U.S. donors. We screened for individuals over the age of 18 who made a monetary donation in 2016. The survey included questions about demographics, donation history, and behavior at each stage of the donation lifecycle. Note: Survey was representative of the national donor population, not CWS-specific donors.

Some survey findings were consistent across all donor groups. We found that, on the whole, donors tended to be:

**Younger:** Sixty-five percent (65%) of donors were between the ages of 18 and 45. Twenty-nine percent (29%) of the sample indicated that they were between 26 and 35.

**Highly educated:** Seventy-two percent (72%) have bachelor's or graduate degrees.

**Christian:** Thirty-eight percent (38%) are Catholic, 23% are Evangelical Christian, and 11% are Mainline Protestant.

**Travelers:** Forty-six percent (46%) went on international vacations in 2016.





**Active donors:** Ninety percent (90%) donate multiple times per year; 32% donate monthly.

**Focused on children:** Forty-nine percent (49%) ranked issues affecting children as one of their top three areas of philanthropic focus. Health and disaster relief were runners up, making the lists of 27% and 23%, respectively.

**Diverse donors:** The average donor financially supports four charities each year, donating a total of approximately \$500.

**Researchers:** A majority of donors research organizations they donate to, even ones they have donated to in the past. 59% research the organizations that they donate to on a yearly basis.

**Open to religious organizations:** Fifty-two percent (52%) of donors indicated that they would be happy to donate to a religiously-affiliated organization. Another 30% said that it was their preferred type of charity to support.

**Invested:** Eight-six percent (86%) of donors indicated that the specific use of their donation was important to them. Ninety percent (90%) care about the organization's effectiveness in achieving their mission.

**Concerned about their personal information:** The protection and respect (i.e. appropriate rate of contact) of their contact information is important to 79% of donors.

**Media consumers:** On a daily basis, 77% of donors conduct internet searches. Seventy-two percent (72%) use social media, and 71% watch television or online shows. Facebook, YouTube, and Instagram are the preferred social media, engaging 92%, 75%, and 60% of donors respectively.

**Receptive to email:** Donors prefer email-based communication, whether for initial information (58% prefer), donation requests (54%), or updates on the organization's progress (63%).



**Sympathetic Crisis Responders** spring into action when crises arise. Whether domestic or international, natural or human-instigated disaster, these donors are there to help.



**Enthusiastic Givers** are a millennial-heavy segment. They aren't overly committed to a specific issue area but are highly invested in their donations and have high expectations of the nonprofits they support.



**Global Humanitarians** are drawn to established and respected humanitarian organizations that respond to international needs, like Doctors Without Borders and UNICEF.



**Supporters/Re-Payers** support causes that have personally impacted them or a loved one. As such, their causes are diverse, but these donors are united in a lack of desire for recognition of their donations.

As illustrated in Figure 2, each segment except for the Enthusiastic Giver accounts for between 11% and 16% of the donor population; the Enthusiastic Givers alone represent 34%.

In the next several pages, we describe each type of donor profile in detail using the findings of this research study. For a quick bird's eye overview of the data segmentation, please see the charts on pages 18 and 19 of this document.

### Applicability of Results

While we did this research in conjunction with CWS, these segments are broadly applicable! In other words, because these segments were derived from a general population sample of donors, they can be used by any donation-based organization. Thus, if you are associated with a non-profit organization, we encourage you to keep your own organization in mind as you read the next section. We anticipate that you'll see immediately ways that these profiles can support the work your organization is doing to collect donations from its target market.

We then segmented the donor population using both factor and cluster analyses. This process revealed six distinct donor segments:

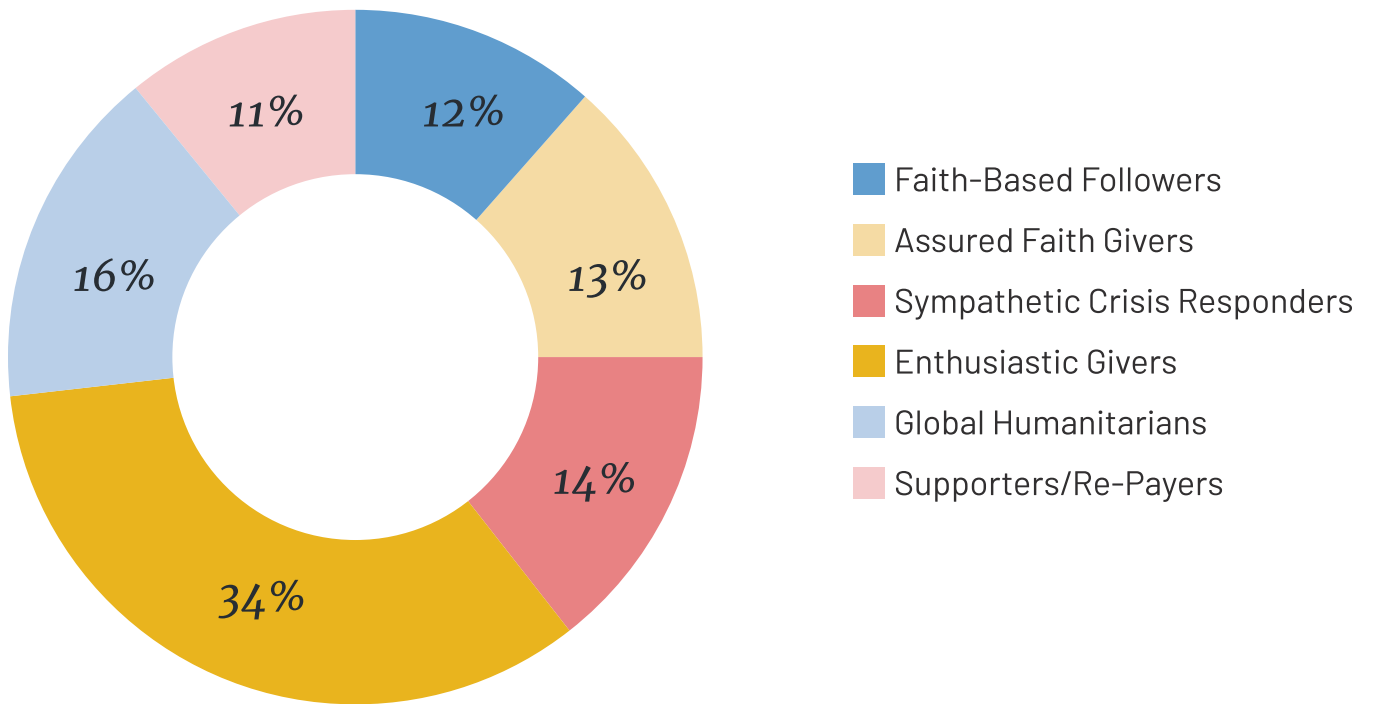


**Faith-Based Followers** are deeply motivated to donate by their faith and spiritual beliefs. They prefer to donate to religiously-affiliated charities and are most likely to give at the request of their congregation or religious leader, or at faith-based events.



**Assured Faith Givers** are also religiously motivated to give but are more cautious donors; they reserve their donations for established and trusted organizations.

FIGURE 2: DISTRIBUTION OF DONOR SEGMENTS



## Faith-Based Followers

Faith-Based Followers (FBFs) are deeply motivated to donate by their faith and spiritual beliefs. A majority (64%) prefer to donate to religiously-affiliated charities. They represent the segment most likely to give at the request of their congregation or religious leader, or at faith-based events.

Across segments, FBFs donate most frequently—48% donate monthly. They're also some of the most generous donors, giving a total of \$600 a year to about three organizations.

It's interesting to note that FBFs earn less than the average donor in household income; only 50% earn more than \$75,000, compared with 60% of the total donor population. This further supports the conclusion that the FBF donations are reinforced by a sense of philanthropic and/or spiritual obligation.

FBFs are highly loyal to the charitable organizations they support. Seventy-five percent of their annual donations are committed to a single organization, meaning that only about 25% (\$150) is "switchable," or available for reallocation to another organization or cause, each year.

Because FBF donations have spiritual significance, they are typically uninterested in receiving attention or social prestige for their philanthropy. For example, when selecting a charity to support, FBFs care least about receiving recognition for donating (11% selected top 2 on a 5-point scale), attending charity-hosted social events (14%), and donating to an organization with national renown (23%). Instead, they want to know that they are supporting the right organization and that their contribution is making a difference.

Eighty four percent of FBFs are Christian (44% identify as Evangelical Christian, 20% as Mainline Protestant, and 16% as Catholic). Ninety-two percent of FBFs attend weekly religious or spiritual events. Of these, 81% attend Bible study classes and 65% participate in prayer services. Interestingly,

63% attend sermons and lectures apart from their normal worship services and 52% attend religious conferences.

DONOR PROFILE: FAITH-BASED FOLLOWERS	
<b>Gender</b>	Majority female (59%)
<b>Age</b>	26 to 55 years old (71%)
<b>Education</b>	Bachelor's degree or more (71%)
<b>Political Affiliation</b>	- Socially conservative (64%) - Fiscally conservative (75%)
<b>Household Income</b>	Less than \$99,999 (70%)
<b>Total Annual Donations</b>	\$600 to 3 charities
<b>Donation Frequency</b>	Monthly (48%)
<b>Top 3 Causes</b>	- Children (61%) - Hunger in the U.S. (28%) - Global hunger (27%) - Health (27%)
<b>Most Researched Information</b>	- Percent of dollars given to the cause versus overhead (77%) - How the organization will use my donation (77%) - The types of projects the organization is leading (60%)
<b>Most Valued Characteristics % Ranked Top 2</b>	- The organization's effectiveness in achieving its mission (91%) - Knowing how the organization will use my donation (84%) - That my contact information will not be abused (73%)
<b>Least Valued Characteristics % Ranked Top 2</b>	- Public recognition of my donation (11%) - Social events hosted by the charity (14%) - That the organization is known nationally (23%)



## Assured Faith Givers

Assured Faith Givers (AFGs) adhere to the teachings of their faith. They want to give but are more cautious than Faith-Based Followers; they reserve donations for established organizations.

AFGs are the oldest age group and most cautious segment. They are the most likely to research an organization before donating and are generally the most active internet users. This shows up when we compare AFGs with the total donor population (TDP). For example, 77% of AFGs conduct their research on the internet (compared to 66% TDP); 71% explore the organization’s website (compared to 61% TDP); and 69% rely on websites that have information on many charitable organizations (compared to 60% TDP).

AFGs want to know that they’re contributing to high-functioning charities that are making a difference in the world. They’re less interested than most in directing their donations within an organization (57% AFG vs. 68% TDP) and in supporting specific projects that they care deeply about (59% AFG vs. 72% TDP). Further, only 38% of AFG donations are available for reallocation, perhaps because of the effort they expend on finding trustworthy organizations.

Although they research organizations on the internet, AFGs are slightly less likely than average to use social media—and 11% report that they never use it. Also, a significant percentage prefer to receive printed letters in the mail over other types of communication; 53% prefer mailed initial information (compared to 37% TDP), 45% progress updates (compared to 31% TDP), and 46% donation requests (compared to 33% TDP).

The highly-informed AFGs are more likely to watch local news (71% AFG vs. 53% TDP) and read newspapers (61% AFG vs. 53% TDP).

Fewer than average submit monetary donations through a charity’s mobile application (7% AFG vs. 21% TDP), a third-party website like GoFundMe (5% AFG vs. 22% TDP), or text/SMS (4% AFG vs. 13% TDP).

### DONOR PROFILE: ASSURED FAITH GIVERS

<b>Gender</b>	Majority female <b>(59%)</b>
<b>Age</b>	46 to 75 years old <b>(59%)</b>
<b>Education</b>	Bachelor’s degree or more <b>(66%)</b>
<b>Political Affiliation</b>	<ul style="list-style-type: none"> <li>- Socially conservative <b>(35%)</b></li> <li>- Fiscally conservative <b>(51%)</b></li> </ul>
<b>Household Income</b>	\$75,000 or more <b>(50%)</b>
<b>Total Annual Donations</b>	\$500 to 4 charities
<b>Donation Frequency</b>	3 to 4 times per year <b>(42%)</b>
<b>Top 3 Causes</b>	<ul style="list-style-type: none"> <li>- Children <b>(53%)</b></li> <li>- Immediate disaster relief <b>(34%)</b></li> <li>- Health <b>(28%)</b></li> </ul>
<b>Most Researched Information</b>	<ul style="list-style-type: none"> <li>- How the organization will use my donation <b>(86%)</b></li> <li>- The impact the organization is having <b>(77%)</b></li> <li>- Percent of dollars given to the cause versus overhead <b>(74%)</b></li> </ul>
<b>Most Valued Characteristics % Ranked Top 2</b>	<ul style="list-style-type: none"> <li>- The organization’s effectiveness in achieving its mission <b>(93%)</b></li> <li>- Knowing how the organization will use my donation <b>(86%)</b></li> <li>- That my contact information is not abused <b>(76%)</b></li> <li>- The percentage of costs to overhead <b>(76%)</b></li> </ul>
<b>Least Valued Characteristics % Ranked Top 2</b>	<ul style="list-style-type: none"> <li>- Public recognition of my donation <b>(15%)</b></li> <li>- Social events hosted by the charity <b>(20%)</b></li> <li>- The ability to personally engage with beneficiaries <b>(28%)</b></li> <li>- That the organization is known nationally <b>(23%)</b></li> </ul>



## Sympathetic Crisis Responders

Sympathetic Crisis Responders (SCRs) answer the call to action when crises arise. The SCRs were there to help after Hurricane Katrina, the Indian Ocean tsunami, and the Sichuan earthquake. Their checkbooks are out before Sarah McLachlan even asks. They donate to various local and global relief efforts, including forest fires, earthquakes, famines, epidemics, or genocide.

While they may have bleeding hearts, SCRs do some homework before donating. They typically research an organization for at least 30 minutes—specifically searching the web for information on the organization's projects, impact, and efficiency.

SCRs aren't looking for recognition for their donations, nor are they looking to be more directly involved. They value public recognition and outward appreciation for their involvement the crisis relief.

Although SCRs are more likely to donate in response to a domestic or international event, their donations maintain a degree of consistency: approximately 60% of their annual donations go to the same organizations. These donations may not support the same causes but are instead directed within multi-faceted organizations with whom SCRs have established some degree of trust. This leaves approximately \$180 per SCR donor (40%) available for reallocation each year.

SCRs watch more television and online shows than any other segment—77% tune in daily. Of those, a majority watch local news (64%), one-hour dramas (64%), movies broadcast on television (64%), and cooking, gardening, or home improvement shows (61%).

### DONOR PROFILE: SYMPATHETIC CRISIS RESPONDERS

<b>Gender</b>	Majority female (59%)
<b>Age</b>	26 to 55 years old (71%)
<b>Education</b>	Bachelor's degree or more (71%)
<b>Political Affiliation</b>	<ul style="list-style-type: none"> <li>- Socially moderate (35%)</li> <li>- Fiscally conservative (43%)</li> </ul>
<b>Household Income</b>	\$50,000 to \$99,999 (48%)
<b>Total Annual Donations</b>	\$450 to 4 charities
<b>Donation Frequency</b>	3 to 4 times per year (44%)
<b>Top 3 Causes</b>	<ul style="list-style-type: none"> <li>- Children (49%)</li> <li>- Global hunger (34%)</li> <li>- Animals (27%)</li> </ul>
<b>Most Researched Information</b>	<ul style="list-style-type: none"> <li>- How the organization will use my donation (84%)</li> <li>- The impact the organization is having (68%)</li> <li>- Percent of dollars given to the cause versus overhead (68%)</li> </ul>
<b>Most Valued Characteristics % Ranked Top 2</b>	<ul style="list-style-type: none"> <li>- The organization's effectiveness in achieving its mission (89%)</li> <li>- Knowing how the organization will use my donation (86%)</li> <li>- Percent of costs to overhead (78%)</li> <li>- Supporting projects and causes I care deeply about (78%)</li> </ul>
<b>Least Valued Characteristics % Ranked Top 2</b>	<ul style="list-style-type: none"> <li>- Public recognition of my donation (18%)</li> <li>- Outward and personal appreciation for my involvement (30%)</li> <li>- That the organization is known nationally (37%)</li> </ul>



## Enthusiastic Givers

Enthusiastic Givers (EGs) make up the largest segment, accounting for 34% of donors. No one issue area or organizational characteristics unify their donations; they care about everything. At the same time, EGs are the segment most likely to research charities—even organizations they’ve donated to in the past—and they than other segments do. Compared with the total donor population, EGs spend more time researching (30 to 60 minutes per organization) and they consider more criteria when deciding which to support. They are significantly more likely than the total donor population to value nearly all surveyed organization characteristics.

Unlike other segments, however, EGs are specifically interested in receiving personal attention from organizations they support. They are uniquely invested in social events, public recognition, and direct interaction with beneficiaries. They may not donate again in the future, but they want to be celebrated for what they’ve done and be involved with the organization’s broader community.

A majority (66%) of EGs are male. This is unique, as this study and others have found that women are more likely than men to make charitable donations.

EGs are also the youngest segment: around 60% are Millennials, born between 1981 and 1996. They are the most educated segment (55% have graduate degrees) and they earn the highest annual household income of all donor populations. Seventy percent went on an international vacation in 2016. Fifty-six percent of EGs identified as Catholic, compared to 38% of the total donor population.

### DONOR PROFILE: ENTHUSIASTIC GIVERS

<b>Gender</b>	Majority male (66%)
<b>Age</b>	26 to 45 years old (73%)
<b>Education</b>	Bachelor’s degree or more (83%)
<b>Political Affiliation</b>	- Socially moderate (37%) - Fiscally conservative (34%)
<b>Household Income</b>	\$75,000 or more (72%)
<b>Total Annual Donations</b>	\$600 to 4 charities
<b>Donation Frequency</b>	3 to 4 times per year (45%)
<b>Top 3 Causes</b>	- Children (44%) - Health (23%) - Education (22%) - Immediate disaster relief (22%)
<b>Most Researched Information</b>	- The impact the organization is having (58%) - The type of projects the organization is leading (53%) - How the organization will use my donation (52%)
<b>Most Valued Characteristics % Ranked Top 2</b>	- The organization’s effectiveness in achieving its mission (88%) - Knowing how the organization will use my donation (85%) - That my contact information will not be abused (83%) - The ability to get involved (83%)
<b>Least Valued Characteristics % Ranked Top 2</b>	- Public recognition of my donation (70%) - Outward and personal appreciation for my involvement (75%) - The novelty/innovativeness of the organization’s approach (75%) - That the organization is nationally known (75%)



## Global Humanitarians

Global Humanitarians (GHs) are drawn to established and respected humanitarian organizations that respond to international needs. A GH is more likely to support Doctors Without Borders, Catholic Relief Services, or the Red Cross than a small, local nonprofit. They are the segment least open to supporting religious organizations; 42% indicated that they would only donate to a religiously-affiliated charitable nonprofit if it was a leader in a cause the donor cared deeply about.

Comparatively, GHs donate the lowest total amount of any segment: about \$400 across four charities. They also earn lower annual household income than the average donor: only 50% earn more than \$75,000 compared to 60% of the total donor population. GH annual donations are relatively flexible: approximately 50% or \$200 per donor is available for reallocation.

Like the Sympathetic Crisis Responders, GHs tend to stay informed. They are more likely than the average donor to watch national and local news (60% GH compared to 53% TDP), use Twitter (71% GH vs. 55% TDP), and read news and politics magazines (61% GH vs. 47% TDP), and read newspapers (64% GH vs. 53% TDP).

As a segment, GHs have the greatest minority representation: 14% are African American, which is double the total donor sample average (7%). Thirty-three percent (33%) of GHs claim to be spiritual/non-denominational or not religious, which is more than twice as many compared with the total donor population (13%).

### DONOR PROFILE: GLOBAL HUMANITARIANS

<b>Gender</b>	Majority female <b>(65%)</b>
<b>Age</b>	18 to 35 years old <b>(52%)</b>
<b>Education</b>	Associates or Bachelor's degree <b>(59%)</b>
<b>Political Affiliation</b>	<ul style="list-style-type: none"> <li>- Socially liberal <b>(51%)</b></li> <li>- Fiscally moderate <b>(48%)</b></li> </ul>
<b>Household Income</b>	\$25,000 to \$149,999 <b>(70%)</b>
<b>Total Annual Donations</b>	\$400 to 4 charities
<b>Donation Frequency</b>	3 to 4 times per year <b>(49%)</b>
<b>Top 3 Causes</b>	<ul style="list-style-type: none"> <li>- Children <b>(47%)</b></li> <li>- Animals <b>(33%)</b></li> <li>- Health <b>(27%)</b></li> <li>- Global hunger <b>(27%)</b></li> </ul>
<b>Most Researched Information</b>	<ul style="list-style-type: none"> <li>- How the organization will actually use my donation <b>(90%)</b></li> <li>- The impact the organization is having <b>(83%)</b></li> <li>- Percent of dollars given to the cause versus overhead <b>(75%)</b></li> </ul>
<b>Most Valued Characteristics % Ranked Top 2</b>	<ul style="list-style-type: none"> <li>- The organization's effectiveness in achieving its mission <b>(92%)</b></li> <li>- Knowing how the organization will use my donation <b>(92%)</b></li> <li>- That my contact information will not being abused <b>(76%)</b></li> <li>- The percentage of costs to overhead <b>(76%)</b></li> </ul>
<b>Least Valued Characteristics % Ranked Top 2</b>	<ul style="list-style-type: none"> <li>- Public recognition of my donation <b>(15%)</b></li> <li>- Social events hosted by the charity <b>(23%)</b></li> <li>- That the organization takes time to engage with me in person <b>(27%)</b></li> </ul>



## Supporters/Re-Payers

Supporters/Re-Payers (SRPs) support causes that have personally impacted them or loved ones. As such, SRP causes are diverse and typically less aligned in religious affiliation. For instance, a young professional whose sibling battled leukemia and a retired Afghan War veteran who lost a limb in combat are both in the SRP segment.

Because their philanthropy comes from a deeply personal place, SRPs don't want recognition or even personal interaction with the organization or its beneficiaries. They are the segment least likely to care about:

*Whether the organization takes time to engage with the donor in person (10% SRP selected top 2 on a 5-point scale vs. 48% of the total donor population)*

*The ability to personally engage with the organization's beneficiaries (15% SRP vs. 46% TDP)*

*Outward and personal appreciation for the donor's involvement (22% SRP vs. 45% TDP)*

*Opportunities to hear stories from the organization's beneficiaries (29% SRP vs. 58% TDP)*

*That the organization has been endorsed by trusted persons (31% SRP vs. 53% TDP)*

*Opportunities to get involved (39% SRP vs. 59% TDP)  
SRPs follow a strong internal compass shaped by their personal experiences. They don't need to be convinced of the worthiness of a cause.*

SRPs are also the least results-oriented segment. They are the least likely to research a charity before donating. They are least likely to value:

*An organization's national renown (15% SRP vs. 44% TDP)*

*An organization's leadership team (36% SRP vs. 60% TDP)*

*The narrowness of an organization's mission (36% SRP vs. 58% TDP)*

*Receiving progress and impact reports (46% SRP vs. 66% TDP)*

Again, this is likely because the act of donating provides SRPs with a degree of emotional release. They don't need outcome statistics to justify their

philanthropic gifts.

SRPs are the highest predominantly-female segment (76% compared to 53% of the total donor population). They are the most avid users of social media and online research.

### DONOR PROFILE: SUPPORTERS/RE-PAYERS

<b>Gender</b>	Predominantly female <b>(76%)</b>
<b>Age</b>	36 to 55 years old <b>(46%)</b>
<b>Education</b>	Bachelor's degree or more <b>(68%)</b>
<b>Political Affiliation</b>	- Socially liberal <b>(44%)</b> - Fiscally conservative <b>(42%)</b>
<b>Household Income</b>	\$75,000+ <b>(59%)</b>
<b>Total Annual Donations</b>	\$500 to 4 charities
<b>Donation Frequency</b>	3 to 4 times per year <b>(61%)</b>
<b>Top 3 Causes</b>	- Children <b>(51%)</b> - Health <b>(39%)</b> - Animals <b>(34%)</b>
<b>Most Researched Information</b>	- How the organization will actually use my donation <b>(92%)</b> - Percent of dollars given to the cause versus overhead <b>(85%)</b> - The impact the organization is having <b>(70%)</b>
<b>Most Valued Characteristics % Ranked Top 2</b>	- The organization's effectiveness in achieving its mission <b>(90%)</b> - Knowing how the organization will use my donation <b>(81%)</b> - That my contact information will not be abused <b>(81%)</b>
<b>Least Valued Characteristics % Ranked Top 2</b>	- That the organization takes time to engage with me in person <b>(10%)</b> - Public recognition of my donation <b>(10%)</b> - That the organization is known nationally <b>(15%)</b> - The ability to personally engage with beneficiaries <b>(15%)</b>





# So You Want to Segment?

## 4

By this point, we hope your mind is brimming with ideas for how your organization might use these donor profiles—or segmentation more broadly. If you're ready to kickstart this process in your organization, the best place to begin is with market research.

Virtually every organization invests in some sort of market research because leaders recognize that it's critical to understanding donors. In addition to looking at data collected in prior years about past donors, we recommend that organizations gather information about their target donor demographic via digital data collection and client surveys.

Go digital. We have seen excellent results as we partner with organizational teams that can comb through digital data and gain insights about metrics that are important to organizational goals.

Assessment is key to beginning the path of customer segmentation. Without understanding the channels your clients, donors, customers, friends or family are taking, segmentation becomes an almost impossible task. By analyzing this data, we can ultimately determine who is currently engaging with

the organization. Both internal and external data are rich sources for segmentation analysis.

Just ask. In many circles, surveys are considered an old-school approach to learning about a customer base. However, this tried-and-true practice still yields accurate and measurable data. Asking customers to explain their experience with your organization in their own words seems simple enough, but many clients are often surprised by the results. Survey market research involves in-depth learning and integration to achieve the strongest results. By working closely with stakeholders and decision-makers, teams craft questions to derive the best answers.

With large data-sets in particular, in-house expertise is critical to exposing the nuanced insights that don't come at face value.

### *Conclusion*

In sum, it's critical that organizations learn where donors are receiving information and how they prefer to receive requests. Learn what they value most and least in giving. Learn why they give and where they may have flexibility to re-allocate. Taking advantage of market research methods and



practices like data analysis and customer surveys can provide unique insight into a customer base.

And, of course, feel free to ask for third-party support. From helping at the outset to running complete segmentation analysis efforts, we have supported many organizations in this rewarding and vital process of understanding their donors and thus boosting donations received.



## DONOR SEGMENTS: DONATION HABITS

<i>Characteristics of importance when selecting a charitable nonprofit organization for donation</i>	Faith-Based Followers	Assured Faith Givers	Sympathetics Crisis Responders	Enthusiastic Givers	Global Humanitarians	Supporters/ Re-payers
The organization's efficiency in achieving it's mission	91%	93%	89%	88%	92%	90%
Knowing how the organizations will use my donation	84%	86%	86%	85%	92%	81%
Overview of leadership team	45%	53%	53%	79%	57%	36%
Percent of costs to overhead	72%	76%	78%	79%	76%	63%
Ease of donation	59%	70%	75%	81%	58%	54%
That my contact information is not abused	73%	76%	76%	83%	76%	81%
Having the ability to direct where my donation goes	56%	57%	70%	80%	67%	54%
Progress and impact reports by program/operation	55%	64%	63%	77%	67%	46%
Endorsement by a person I trust	44%	43%	43%	76%	40%	31%
Outward and personal appreciation for any involvement	28%	32%	30%	75%	32%	22%
That I have the ability to get involved	47%	41%	51%	83%	53%	39%
That the organization's approach is novel/innovative	34%	41%	56%	75%	44%	36%
Having the ability to personally engage with beneficiaries	28%	28%	39%	80%	28%	15%
Having the opportunity to hear stories from beneficiaries	48%	45%	61%	76%	52%	29%
Social events honored by charity	14%	20%	38%	77%	23%	22%
Public recognition of my donation	11%	15%	18%	70%	15%	10%
That the organization has a narrow and focused mission	50%	53%	51%	79%	44%	36%
That the organization takes the time to engage with me in person	42%	35%	38%	81%	27%	10%
That the organization has a presence in my local community	41%	47%	63%	77%	39%	53%
That the organization is known nationally	23%	28%	37%	75%	31%	15%
That the organization supports projects/causes I care deeply about	60%	59%	78%	82%	67%	91%
<b>TOTAL ANNUAL DONATIONS</b>	<b>\$600</b>	<b>\$500</b>	<b>\$450</b>	<b>\$600</b>	<b>\$400</b>	<b>\$500</b>
<b>PERCENT ANNUALLY AVAILABLE FOR REALLOCATIONS TO OTHER ORGANIZATIONS</b>	<b>25%</b>	<b>38%</b>	<b>40%</b>	<b>50%</b>	<b>50%</b>	<b>40%</b>

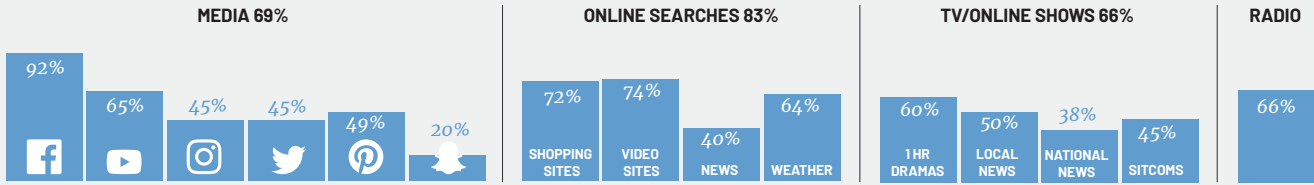


## DONOR SEGMENTS: MEDIA PREFERENCES



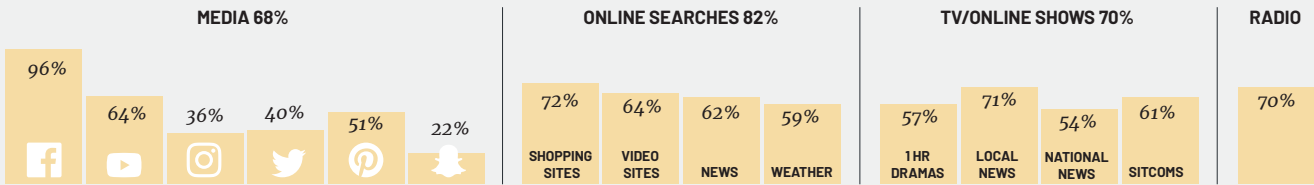
### FAITH-BASED FOLLOWERS

Deeply motivated by their faith and spiritual beliefs



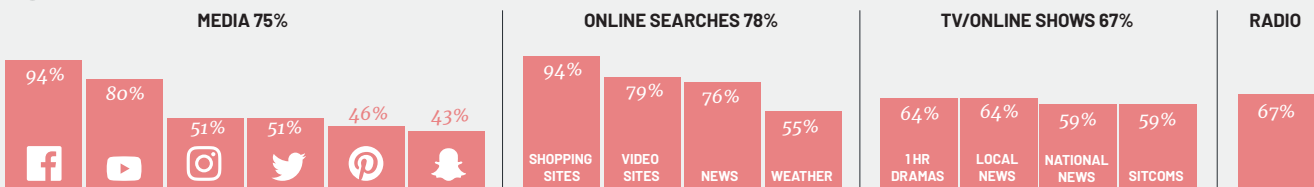
### ASSURED FAITH GIVERS

Adhere to the teachings of their faith but donate cautiously



### SYMPATHETIC CRISIS RESPONDERS

Answer the call to action when crises arise



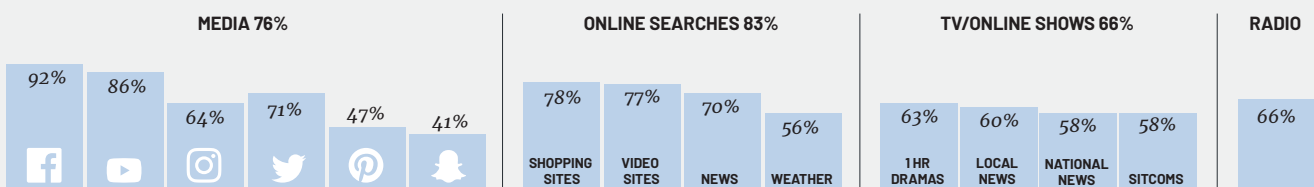
### ENTHUSIASTIC GIVERS

Are eager to give to a wide variety of causes and organizations



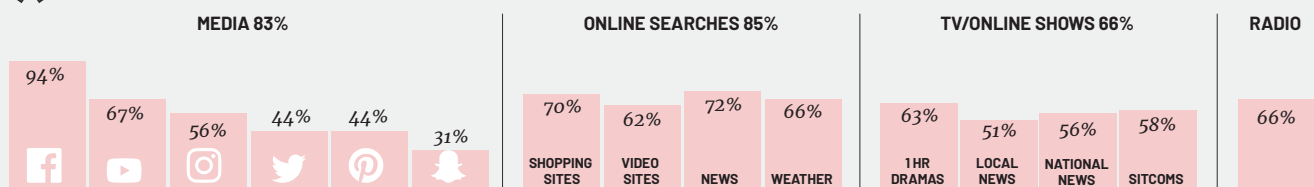
### GLOBAL HUMANITARIANS

Are drawn to respected NGOs that respond to international needs



### SUPPORTERS/RE-PAYERS

Support causes that have impacted them personally



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Cicero Group is a premier management consulting firm focused on implementing data-driven strategies for a broad mix of private, public, and social sector organizations across the globe.

Headquartered in Salt Lake City, Utah, with additional offices in Dallas, Texas, and Washington D.C., Cicero Group's clients include Fortune 1000 and mid-cap companies, nonprofits, foundations, government agencies and educational institutions.

Cicero Group uses data and experience to generate insights, create actionable strategies, and drive transformation with an overarching purpose of helping people create and continuously deliver extraordinary results.

For more information, visit [www.cicergroup.com](http://www.cicergroup.com).

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