

# Donor Voice

The Experience and Relationship Company



## What no one else will tell you about acquisition

How fusing identity and lead generation provides a new acquisition model

## Executive summary

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Our current acquisition systems are not working like once they did. They are becoming more expensive and bringing in donors already saturated with appeals. It's time to shift from getting people who donate to care about our missions to getting people who care about our mission to donate.

First, we must find those who care about our missions. That starts with donor identity – the core reason that your most valuable supporters are giving to your organization. It may be a personal connection to your cause, their religious beliefs, or their adopted shelter puppy – it varies from organization to organization.

Once you have that, you can use GIFT (Google, Instagram/Facebook, and Twitter) advertising to talk people with that identity. This is less expensive and more valuable when you have valuable content focused on that core identity and prime that identity. These combination increases click-through rates, decreases costs, and acquires constituents who become donors at costs that can pay back within the first 12 months.

If you'd like to learn more about different, better ways to acquire supporters and ways to create donor journeys that fit their reasons for giving, contact Nick Ellinger at [nellinger@thedonorvoice.com](mailto:nellinger@thedonorvoice.com) in North America or Craig Linton at [clinton@thedonorvoice.com](mailto:clinton@thedonorvoice.com) outside of North America. We can do a virtual meeting and walk you through what the identity advantage can do for you in more detail.

## The coming acquisition revolution

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*“Picture a pasture open to all. It is to be expected that each herdsman will try to keep as many cattle as possible on the commons. ...the rational herdsman concludes that the only sensible course for him to pursue is to add another animal to his herd. And another; and another... But this is the conclusion reached by each and every rational herdsman sharing a commons. Therein is the tragedy. Each man is locked into a system that compels him to increase his herd without limit—in a world that is limited. Ruin is the destination toward which all men rush, each pursuing his own best interest in a society that believes in the freedom of the commons.” – Garrett Hardin, “The Tragedy of the Commons”*

This tragedy of the commons for donor acquisition isn’t coming. It has already arrived for the model of list rental and exchange. How do we know? A few reasons:

**Our donors are reporting it.** People who get more solicitation requests say they write down when they gave to a charity last, try to find out when last they gave before donating, limit their giving to charities of a certain type, and/or put the “maybe” solicitations in a box or pile for later reference. And, not surprisingly, the more mail they get, the more they agree with the statement “I feel I must protect myself from the mail I get from charities.” Cumulative exposure to nonprofit appeals erodes donors’ likelihood of donating.<sup>1</sup>

**Some arguments for list rental/exchange stretch credulity.** We asked a panel of list cooperatives when they see diminishing marginal results. The representative from the co-op said there wasn’t such a point; everyone who gives to another organization is always more likely to give to the next one.

This is mathematically impossible.

Somewhere on that co-op’s file is the person who gives to the most nonprofits. Let’s say 70. Since they have never seen anyone give to 71, that would have to be the point of diminishing marginal returns. It’s probably before then, but there is (by definition) a point.

In other words, the co-op’s answer is like saying people get healthier and healthier and healthier until the moment they die, when they are at the peak of their health. Until next year, when their decomposing body will be even healthier.

**We are seeing experimental evidence.** Almost two-thirds (63%) of the “new” revenues from a new mail piece are cannibalized from those that surround it.<sup>2</sup> Thus, only 37% of a new mail piece’s revenues are new to the organization.

An additional 10% of mail revenue isn’t new revenue to the sector; rather, it is cannibalized from other organizations in the sector. Thus, only 27% of a new mail piece’s revenues are new to nonprofits.

This is the tragedy of the commons. There exists a place between 27% and 37% where an organization has an incentive to add a mail piece because it increases their net revenue, but it decreases the overall net revenue for the sector. The same is true for acquisition mailings – there is a sour spot where it is good for the nonprofit to add another donor and bad for the sector overall.

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<sup>1</sup> Diamond, William D and Stephanie M Noble. “Defensive Response to Charitable Direct Mail Solicitations.” Journal of Interactive Marketing 15(3):2-12. June 2001.

<sup>2</sup> <http://repub.eur.nl/pub/19423/ERS-2010-015-MKT.pdf>

**We are seeing sector-wide evidence.** There was a 19% decrease in new donors retained by organizations in 2017.<sup>3</sup> And results through Q3 2018 are down a further 8%.<sup>4</sup> It's tougher to get and keep new donors than it was.

What's to be done? After all, fundraising orthodoxy preaches it's far easier to get people to add another organization to their already crowded list of charities.

It's time to challenge that received wisdom. We are at the point where it may be easier to get people who care about our mission to donate than it is to get people who donate to care about our missions. **This is what no one else will say: the change in acquisition environment means not just improving within current strategies but the creation of new strategies.**

This means lead generation – using our petitions, white papers, online brochures, pledges, and program materials to get people to sign up for more information. Thankfully, the GIFT online sites – Google, Instagram/Facebook, and Twitter – make it moderately easy to get eyeballs, clicks, and list sign-ups.

But not donations. Except in rare cases like disaster, people don't search for your website to donate. The Norwegian Cancer Society asked people coming to their site "which five tasks are most important to you?" There were 79 (!) tasks listed.

Of those 79 tasks, six tasks got 25% of the votes:

- Treatment of cancer
- Symptoms of cancer
- Preventing cancer
- Types of cancer
- Latest research
- Choosing a hospital

Dwelling in the cellar were:

- Donating
- Volunteering
- Making a memorial gift
- Making a gift in your will

Constituents don't come to us wallet in hand. They come to us looking for something. If we can provide it – something of value – we can get donations through a value exchange. This isn't just adding bodies to our list. Rather, it's to attract the right people to our mission and our list – the ones whose identity matches to our mission and our message. That's why we need to:

1. Know your donors' identities and your target identities
2. Use the GIFT sites to generate leads from those identities, using identity-specific messages and targeting, then converting them on your own owned properties
3. Use the GIFT sites as part of the marketing mix for your most lucrative existing donor identities.

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<sup>3</sup> <http://www.theagitator.net/uncategorized/what-you-need-to-know-from-the-2018-fundraising-effectiveness-project-report-the-bad-news/> and <http://afpfep.org/reports/>

<sup>4</sup> <http://donorretention.donortrends.com/fep-fundraising-stats-watch-the-results>

## Step one: know your donor identities

All of us have many identities that we inhabit and move through in our daily lives. In a matter of an hour, you might move from worker to American to child to parent to fan of a football team to alumnus to amateur genealogist – all based on what situation you are in and what identities have been primed.

If you doubt the power of identity to change our behavior, think of what would happen if you took your fan-of-a-football-team identity and behavior into a parent-teacher conference.

Each of your donors has a donor identity – a core reason they choose to give to you. This is the part of them that intersects with your mission. The deeper this goes, the more committed and valuable the average donor will be.

For a simple example, take a hospital. They will have donors who are directly connected (“I was a patient”), indirectly connected (“I care about someone who was a patient”), and not connected. In one hospital’s case, those who were directly connected had twice the lifetime value of those who had no connection.

Moreover, their reasons for giving were different. For those with a direct connection, 60% of the relationship with direct connections is their involvement with the organization and patient care services. Those who don’t have a connection don’t care about this. At all.

When you send out the same communication to both groups simultaneously, you are missing the point of your organization to at least one of them. That’s why it’s so important to segment by identity. It’s also highly profitable. The Royal Society for the Protection of Birds added a question at the beginning of their inbound call center script to ask whether someone was more interested in birds or general nature. Then they played that back to callers later in the script. It led to a 15% increase in response rate and a 15% increase in average gift. Plus, they had that information for later campaigns that could be lifted similarly.

There are myriad possible identities. Just a few that we’ve seen or hypothesized:

- **Direct impact** (e.g., I have the disease; I have been poor myself) versus indirect (I love someone who has the disease/has been poor) versus none
- **Receiving services** from your organization versus received services from your organization versus no services
- For religious organizations: “I give to live out my **X religious identity**” versus “I am not a X, but you do good work”
- **Religion**, even for non-religious organizations. You may laugh, but some animal organizations have reported that they have a segment who respond differently to subtle cues like “helping all God’s creatures.”
- **Interacted with your organization directly** versus not. e.g., behaviors of people who have adopted an animal from your shelter are often different from those who haven’t.
- **Interactions with your mission**. Similarly, someone who adopts an animal from a shelter may respond differently for an unrelated animal organization.
- **Volunteers** versus non-volunteers.
- **Those who relate to volunteers versus those who relate to those served**. Let’s say you are Habitat for Humanity – you may have a segment of people who wish they could be out there swinging a hammer, but who are doing so vicariously through your volunteers. A traditional appeal emphasizing the plight of the homeless may not work as well for this group.



- I've used **cats versus dogs** repeatedly as an example because 1) it's simple and 2) it works. What's your organization's equivalent?
- Especially for cultural organizations, have they **been to the museum/opera/library/monument/park** or not? One such organization reports that the average lifetime value of a donor is cut in half once you get more than 50 miles away from their site (one of the few relevancies of location).
- **Content patterns.** What program(s) do you tune in to your PBS stations to watch? (Answer: for me, British people killing each other: Sherlock, Poirot, Miss Marple, etc.; for my wife, British people not killing each other: Downton Abbey, Victoria, Pride and Prejudice, etc.) Is there a difference in donors by what content they consume?
- For environmental/nature organizations, do they like to experience nature **outdoor or indoor**? I'm in the former group – I like nature if and only if I don't get any on me.
- An interesting quirk of crime victim organizations is a small subset of donors who may have **committed the crime** or an antecedent in their past.
- **Disaster versus non-disaster donors.** Identity in these types of donors is usually based on how they came into the organization rather than by self-identification. Sometimes a person may have donated to a mail package because it was in front of them when a disaster hit and they are actually disaster-only donors. Or someone who donated to a disaster, but is willing to support other efforts.
- **Globalists versus "here firsts."** If you serve both populations, you will likely have some donors who want to go as far as to restrict their donation to their home country... or to anything but their home country. Clearly different behavior...
- **Parents versus non-parents.** We've also seen a variant on this where parents *who involved their kids in their philanthropy* are different from parents who don't.

The trick is that not all of them meet the most important criteria: segmenting and/or customizing by that identity must increase your results. After all, you certainly have parents and non-parents as donors to your organization. But if they give at the same rate for the same reason and priming doesn't increase those results, it's not a helpful identity.

When you do have a helpful identity, it's a powerful thing. People will choose causes they are connected to over those that are more effective without an identity connection. Researchers tested this by first giving donors options of charities in the same area with different levels of effectiveness.<sup>5</sup> Simple as pie, donors chose the more effective organizations. However, when they gave donors a variety of causes...

Well, here's one of the researchers in an interview:

"[I]f you give them a choice set that consists of a variety of causes, and you provide that same information on effectiveness and make it really easy for them to understand that information, those are the cases in which people ignore the effectiveness information. The reason is because **they care about it, but not enough to sacrifice their own personal preferences when choosing a cause to support.**"<sup>6</sup> [our emphasis]

<sup>5</sup> <http://journals.sagepub.com/doi/abs/10.1177/0956797617747648>

<sup>6</sup> <http://knowledge.wharton.upenn.edu/article/maximizing-charitable-giving/>

That's right. Donors picked the causes they care about, whether the charities were effective or not. The University of Kent found a similar thing:

“[P]eople do not give to the most urgent needs, but rather they support causes that mean something to them. In particular, the study finds four non-needs-based criteria that commonly influence donors' decision-making: Donors' tastes, preferences and passions, acquired as a result of an individual's social experiences. These motivate many giving decisions, even among donors who perceive themselves to be motivated by meeting needs. Donors' personal and professional backgrounds, which shape their 'philanthropic autobiographies' and influence their choice of beneficiaries. ...”<sup>7</sup>

In other words, if you are beloved and fit your donor's identity, they don't care if you are efficient or not. (This isn't an excuse not to be efficient, just an argument for how much this matters to the donor.)

The possibilities for identity and the need to test them is why **DonorVoice's Identity-Based Lead Generation** starts with a survey of your existing donors that determines what will be the most worthwhile identities to test for your organization.

## Step two: use your GIFT platforms to generate leads from your best identities

First, two words of warning on these platforms:

- We aren't recommending investing a lot of time and treasure on organic reach.
- We aren't recommending using these platforms to get donations.

Why not?

### Organic reach – building your house on rented land

It used to be you posted on Facebook and your followers saw it. Or rather, a sizeable subset of your followers did. It used an algorithm that weighed:

- Affinity: How close the person creating the content is to the person receiving it.
- Weight: How much the post has been interacted with it, with deeper interactions counting more.
- Time decay: How long it has been since it has been posted.

These interactions were multiplied together and summed, roughly. The better you score for a person, the more likely they were to see your post. This is called organic reach – the people who are shown your post through unpaid distribution.

And don't worry – you don't have to worry about organic reach any more.

Back in 2014, Ogilvy talked about Facebook Zero: what would life be like when brands would have no organic reach on the platform.<sup>8</sup> At that point, large brands had organic reach of about 2% and Facebook was changing the algorithm to halve that.

<sup>7</sup> <http://www.cgap.org.uk/uploads/reports/HowDonorsChooseCharities.pdf>

<sup>8</sup> <https://social.ogilvy.com/facebook-zero-considering-life-after-the-demise-of-organic-reach/>

The algorithm changed again in 2016 and organic reach was cut in half again.

Now, we have seen the future of Facebook and it is very much like the Facebook Zero vision. Right now, there's a Facebook Explore Feed – for brands who want to advertise to you but you don't currently like their pages – and the News Feed – for people and brands you like.

Facebook has been experimenting with making it so that the News Feed is now restricted only to friends and paid ads. Even if a constituent likes you, your content would then be in the Explore Feed (read this as Facebook Ghetto).

But, you say, how much worse can it get? Well, a great article titled “Biggest drop in Facebook organic reach we have ever seen” shows the results of Facebook testing this approach in other countries. Interactions dropped by more than half again.<sup>9</sup>

Similarly, Google used to have the best deal in the business for nonprofits: grant money to attract users to your site from Google ads.

What do I mean used to? They still have the program, technically. But in December 2017, Google changed the parameters to require grantees to have a click-through rate (CTR) of 5% instead of 1%. Nonprofit's abilities to use Google Grants widely has collapsed like a Barbie chair under a sumo wrestler. To meet 5% CTR, most nonprofits have slashed their keywords, spend, and reach to hit this arbitrary threshold. I say arbitrary, because entire industries like Legal, Education + Employment, and Financial are well below the 5% CTR that Google is asking of nonprofits. These are (probably not coincidentally) the industries paying the most per click.<sup>10</sup>

Facebook and Google can do this because it's their platform. Let's say you want to paint your classic Dogs Playing Contract Bridge. You put time and energy into redoing a wall of your rented apartment with these canines at cards. Then you market it. Pretty soon, you have a following, especially that cute pug who just bid five no trump.

But it's on your apartment's wall. That means it isn't your painting. Your landlord can paint over it. She can restrict people from seeing it. She can take your revenue from people seeing it. She can put ads around the mural. She can kick you out. And if you change apartments, it's hers, not yours.

For organic reach, the GIFT platforms are your landlords. That's not to say they are good or bad. It just means that your Facebook, Instagram, and Twitter followers and those getting Google search results are as much yours as your apartment or mural. Which is to say, barely.

Facebook doesn't owe us organic reach. Google doesn't owe us grants. They are a business and the business of business is business. If they believe they can maximize shareholder value by making these moves, more power to them. In the words of Darth Vader “I am altering the deal. Pray I don't alter it any further.”

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<sup>9</sup> [https://medium.com/@filip\\_struharik/biggest-drop-in-organic-reach-weve-ever-seen-b2239323413](https://medium.com/@filip_struharik/biggest-drop-in-organic-reach-weve-ever-seen-b2239323413)

<sup>10</sup> <https://acquisio.com/blog/innovation/google-adwords-industry-benchmarks-2018-infographic/>



## Facebook and Google donations – money, but poor data

Facebook used to have a five percent transaction fee; now they don't. It's easy to donate through the site; if you want to donate through non-Facebook functionality, you must click a pop-up box to leave. And it's growing leaps and bounds – it doubled Giving Tuesday donations in 2017 and will likely do so again in 2018.

Google also has created Google Search Donations, so a donate button shows up next to your organization when it is searched for.

On the one hand, these are super convenient. With digital, we work to minimize the steps necessary to donate – these have zero steps. They don't have to come to your site. And it's free.

But this isn't a panacea. It isn't any sort of acea, because:

**You don't own the donor.** In its terms of service for donations, Facebook says it will provide the nonprofit with first name, last name, and email address (if provided).<sup>11</sup> Notable in their absence are physical address and opting into different channels of communications, meaning that you have no effective way to contact this donor (especially if they choose not to provide their email address).

Likewise, in its FAQ, Google says

“Will I receive donor contact information? No. At this time, Google does not share user contact information with Google for Nonprofits organizations. We recognize that this is an important component of the relationship between nonprofits and donors, and are considering how to strengthen this in the future.”

These, then, are donors who are unlikely to keep giving if only because you can't take steps to retain them. The lifetime value of a \$20 donor acquired any other way is more than \$20 – I have a chance to turn this person into a long-time donor. The lifetime value of a \$20 donor acquired through Google Search Donations is \$20.

**You don't own the donor relationship.** Congratulations! You have a great welcome series, online and offline, that thanks donors appropriately, starting with a warm thank-you letter, followed by a series of communications that learns more about the donor so you can communicate with them in the way they'd like.

You can't send it.

Even if you have the email address, Facebook says it is sending a payment receipt to donors, including your name, logo, mission statement, and EIN.

As you might guess, this receipt fills in the blanks and checks the boxes. It does not, however, tell a donor what their gift did or anything about the organization, resulting in an acknowledgment that is as personalized as a McNugget.

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<sup>11</sup> <https://www.facebook.com/help/1640008462980459>

**It's deceptive.** People think they are donating to you – they are not. They are donating to donor-advised funds, who act as a pass-through. This is disclosed to the donor the same way the undercoating fee is disclosed to you on a used car: only under duress.

So let's say a donor calls you up at the end of the year and says they need a new receipt for their \$100 donation. You don't see it in your database. You tell them they didn't make any such donation to you. You will be right. And that fact will not do you one bit of good to your justifiably irate donor.

**Other nonprofits can target your donors.** Let's say you work for Operation Smile. A list of Smile Train donors would be golden for you. That's why in the direct mail world, you have a list exchange and rental arrangement that you will not rent to competing organizations lest they poach your donors and vice versa. (They will still be able to get those names through co-ops, though; yet another reason to try another route.)

However, Facebook allows you to advertise to people who are interested in Operation Smile and Smile Train. That means if you work at one, you can advertise to fans of the other. Could you target your advertising even more to donors of the other organization? While no such targeting currently exists, Facebook has also made no promises to keep that donor information secret. And since until September 2017, they allowed advertisers to target a category called "Jew Haters"<sup>12</sup>, I am personally not betting on moral rectitude winning out over revenue.

In short, Facebook and Google donations may be good at helping you get transactional donations. But it will take more information sharing, privacy negotiations, and abilities to do donor stewardship in place before donors through the Facebook platform are ready to become organizational donors. And even then, if all that comes to pass, you are still building your house on rented land.

## So why bother with the GIFT platforms?

**Efficiency.** The tagline for the 2010 movie The Social Network was "You don't get to 500 million friends without making a few enemies."

How quaint.

There are now more people who use Facebook daily than there are in China.<sup>13</sup> And that's just the core Facebook platform. In July 2018, not only did Facebook have almost 2.2 billion monthly users, but Facebook Messenger also had 1.3 billion and Instagram (owned by Facebook) had one billion. Twitter had 336 million,<sup>14</sup> but is particularly strong for news quick hits.

In 2017, Google and Facebook accounted for 84% of all non-China digital advertising investments. They also account for 186% of the growth in digital advertising.<sup>15</sup>

How is that possible? You know that only coaches and the innumerate talking about giving 110% – how can two companies make up 186% of growth?

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<sup>12</sup> <https://www.propublica.org/article/facebook-enabled-advertisers-to-reach-jew-haters>

<sup>13</sup> <https://newsroom.fb.com/company-info/>

<sup>14</sup> <https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/>

<sup>15</sup> <https://www.mediapost.com/publications/article/311053/google-facebook-account-for-84-of-digital-invest.html>

These two companies aren't just all the growth in the digital ad marketing, they are also taking the extra 86% away from competitors. In other words, Facebook/Instagram and Google are 84% of the digital advertising market *and growing that market share*.

The days of massive free benefits of GIFT platforms for acquiring constituents are gone. The potential for significant growth, however, is still there. These are paid platforms. Time to pay.

Why identity? Because traditional digital advertising is waning in effectiveness

Andrew Chen posited my favorite-named marketing law. His Law of Shitty Clickthroughs says "Over time, all marketing strategies result in shitty clickthrough rates." There's great truth in this. Customers respond to a new form of marketing with excitement. The first banner ads had a 78% clickthrough rate. Or early search engines, which could be hacked by repeating the text you wanted to have indexed over and over in the same color as the background.

Eventually, novelty wears off. Tactics are forbidden. Con men are banned. And the fast give way to the effective.

We seem to be at that inflection point with Facebook. In 2012, Facebook had fewer than one million advertisers; today they have over six million. Those advertisers are facing an environment where Facebook has focused on organic content (not for brands, but for people), so there is less inventory. And what happens when more demand meets less inventory? Prices go up. For the first quarter 2018, CPM and CPC (cost per thousand ad impressions and cost per click, respectively) were up 91% and 92%.<sup>16</sup>

Now, let's look at the audience. North American daily active users are flat; European DAUs are down. So you can't count on new people expanding the audience. And clickthrough rates (CTR) are flat.

So advertisers are getting less for their money with no relief in sight.

For the nonprofit sector, Facebook is discontinuing third-party information. This means that one of our more useful targeting datums for acquisition – whether someone donated to a nonprofit – is going away. There are proxies for this, but it makes it that much harder to achieve on Facebook what we've done for years in the mail – targeting the philanthropic to become more so.

This is neither to praise or bury Facebook. If you consider that Facebook may become just another channel, or even subset of the larger digital advertising ecosystem, that's still huge. We aren't at the end of Facebook, just at the end of the beginning.

For search ads, Google itself represented the end of the beginning. Before Google, pay-per-click search engines were just that – the more you were willing to pay, the higher your listing. Google's central innovation was that they got more revenues if they looked at the intersection of CTR and CPC. That is, a person bidding \$1 for a click would make more money for them than someone bidding \$1.50 if the former ad was clicked on twice as much. It also made for a better user experience, which, according to contemporaneous accounts, was why they made the move – the greater profit was a side benefit.

This still holds true, albeit with a bit more obfuscation than in the old days. Ads with greater Google Quality Scores enjoy higher ad ranks and lower costs. The biggest component of Quality Score is click-through rates.

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<sup>16</sup> <https://blog.adstage.io/2018/05/24/facebook-ads-q1-2018>

All this means there are two ways to get to Google prominence: pay more or be more relevant. Since we are nonprofits competing with others with much larger budgets, more relevant seems to be the better approach.

The easy money is gone. Time to be the smart money.

### The smart money: Facebook/Instagram lead generation with identity

As our donor pools shrink from overfishing, it's important for us to bring new people to giving and philanthropy. To date our business models are built on a cornerstone of getting people who give to another organization to care about our organization. But, to insure a brighter future we need to look beyond this and bring new people into giving.

In other words, instead of/in addition to getting people who give to care about us, it's time to get people who care about us to give. This is using Facebook's strategy on Facebook – they built themselves up by taking other people's audience and making it their own; we're going to take Facebook's audience and make it ours.

Despite everything we've said about Facebook, it does excel at this. A test of Facebook versus three list rentals found Facebook produced 193% more leads at 44% lower cost producing 285% more donors. All of this meant an 81% lower cost to acquire than its near list rival.<sup>17</sup>

Facebook is even better at this when paired with identity. Let's take the example of a disease-focused charity: the American Headache Society (AHS). Their identities are: direct (I have headaches), indirect (someone I care about has headaches), and no connection to the cause. When we looked at their file, only three percent of their file were people who had no connection to headaches. A bit over a third (35%) only had indirect connections to headaches. And fully 62% of their donors had headaches themselves (despite headaches impacting only about nine percent of the general population).

With that one finding, they stopped trying to differentiate among direct connection, indirect connection, and no connection. Instead, to get donations, they chose to ignore those who didn't have the disease. Instead they concentrated on attracting, retaining, and differentiating between those with direct and indirect connections.

They created a tool that asked a few basic questions. Those questions screened for the prospects' likelihood of getting headaches. The problem was that this tool had Field of Dreams thinking. Alas, just because they built it didn't mean that people would come.

Thus, they had to promote the tool. Since part of their mission is to help people with this awareness, they were doing programmatic outreach. (Yes, I used the word "programmatic" here intentionally – it can be classified as such on your cost allocations.) These screeners also signed up to receive more information about how to lower their risk, manage their condition, and/or generally live a hangnail-free existence. They also get asked to support AHS in those communications and they identified people who had headaches, one of their core identities.

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<sup>17</sup> <https://www.nextafter.com/events/cracking-the-code-of-facebook-fundraising/>

So AHS started with Facebook ads, asking people to learn their risk of headaches in just one minute. Because Facebook is soooooo dedicated to privacy, it wouldn't allow them to target ads to those most susceptible to headaches, so the targeting was super broad. We were worried that CTR and ad relevance would suffer.

Relevance certainly did suffer – we had to advertise to a lot of people who weren't likely to get headaches for another 20-30 years. Nonetheless, the CTR was five percent and the cost-per-click was \$.31, lower than their search engine marketing. It turned out that the right people worried about and clicked on ads regarding headaches. The demographics of participants matched nicely with those who should be worried.

When you consider that M+R Benchmarks find that nonprofits raise \$1.13 per website visitor<sup>18</sup>, being able to attract a website visitor in a valuable category and identity for \$.31 was a significant return on investment.

Your average visitor may not make \$1.13. It's important to know what that figure is so you know what to spend. You also want to know this by identity – you should be willing to spend more to get a constituent from a high-value identity than a low one.

Identities can also provide significant value on Facebook campaigns through priming. Working for Make-A-Wish, research indicated that medical professionals who worked with children in a position to have wishes granted may have a different reason for giving than a layperson. We put up three Facebook ads with identical images and calls-to-action, but with different descriptions:

**No identity:** When you donate and help grant a wish, you help her fight her illness.

**Soft identity:** You know the heartache of a child diagnosed with a critical illness. When you donate and help grant a wish, you help her fight her illness.

**Hard identity:** As a medical professional, you know the heartache of a child diagnosed with a critical illness. When you donate and help grant a wish, you help her fight her illness.

As a medical professional, you know the heartache of a child diagnosed with a critical illness. When you donate and help grant a wish, you help her fight her illness.



secure2.wish.org  
**Grant a child's wish today**  
Make-A-Wish is the premier wis...

We advertised this to Facebook groups IDing as:

- Emergency medicine physician
- Emergency room nurse
- Oncology RN
- Pediatric nurse practitioner
- Pediatric nursing
- Pediatrics
- Registered nurse

The heavy identity had a CTR of 1.72%. The soft and no identity conditions had a CTR of 1.22%. A 42% increase for heavy identity.

<sup>18</sup> <https://mrbenchmarks.com/>

(Why did the heavy identity have almost as many impressions as the other two conditions combined? The Facebook algorithm was already optimizing for click-through rate and refused to show the soft and no identity ads as often. As a result, we were also able to get the hard identity clicks cheaper than the soft and no identity clicks.)

Will “as a medical professional” work for you? Maybe; maybe not. If you are with Doctors Without Borders, probably. If Sierra Club, probably not. That’s the power of a properly chosen identity.

Likewise, Make-a-Wish doesn’t have to create different ads for every occupation from abacus repairperson to zoologist. These other occupations don’t prime a reason for giving the way “medical professional” does.

If you would like to run a similar test with your donors, please contact Nick Ellinger at [nellinger@thedonorvoice.com](mailto:nellinger@thedonorvoice.com) (North America) or Craig Linton at [clinton@thedonorvoice.com](mailto:clinton@thedonorvoice.com) (elsewhere).

Once you have an identity you know you want to prime and target, the lift we’ve seen here is the bare minimum. After all, there is no blunter or more simplistic way of priming medical professionals than we did in this test. Instead, you can go deeper into this audience, looking for additional ways to target it and deeper messaging specifically for them.

You can also get information you would not be able to get elsewhere. When using Facebook lead generation ads (which collect information on their platform, not yours), you can ask for and get information that Facebook has, like phone number. You can also ask up to 15 custom questions, one or more of which can be identity questions to guide your constituent’s post-acquisition journey.

Moreover, this solution also automatically integrates with solutions like Salesforce and MailChimp, has an API to bring over data if your database doesn’t have automatic integration, and allows for the download of csv files if your technical resources are limited. Thus, many of our warnings about Facebook owning your data become moot, as you can make it your own.

## The smart money: Google lead generation with identity

Everything already said for Facebook/Instagram also applies to Google: targeting interest audiences with identity-specific messaging works. But Google has two additional bits of functionality that should be of great interest:

**Google can target by URL.** To extend our earlier example, if you worked at Operation Smile, you could advertise to everyone interested in smiletrain.org and vice versa. You can literally advertise to people who like your “competitors” web sites.

While that alone can be a game-changer, there are several more identity-based ways to use this functionality to better recruit new constituents:

- Identity-specific remarketing. You have different parts of your website frequented by different donor identities; this allows you to advertise to them differently. For example, you can target those who have gone to any of your advocacy or action alerts with additional opportunities to get involved in policy (or, if they’ve already gotten involved, to give to such efforts).
- Identity-specific cart abandonment. You can target people who have been to a form and subtract off everyone who has taken the action you desire from that form. This subtraction problem gives you everyone who has been to the form, but not taken the action you desire, with a highly specific ad.



- Identity-specific targeting of other people’s resources. Let’s say you have a globalist identity of donors – people who believe that people across the world are their neighbors and they have an obligation to them. Previously, you might rent the list of a publication like the International Herald Tribune. Now, you can target just the people who read about that issue in that publication or from Nicholas Kristof or Thomas Friedman.

**Google can target by keyword.** Keyword advertising isn’t just for placement alongside that search. Rather, organizations can target people who have had certain searches in the past with continuing advertising. Using our example of the American Headache Society, someone who searches for “migraine relief” is a likely prospect for the identity of someone who has the ailment.

## Step three: Targeting existing donors by identity

All the GIFT audiences allow you to load in custom audiences. The general idea is you load up your current (and/or lapsed) donors to see if you can get additional donations out of them. Not only does this increase net revenue, but it also is useful in lifting mail and email responses when done in concert.<sup>19</sup>

But you, wise identity user, do not have to upload your file as one giant undifferentiated unit (or by transactional variables like RFM, which is almost as bad). You can upload different identity files and target these users with different ads based on their different identities and reasons for giving. Just as different messaging works for different audiences to acquire donors, so too does it for retaining them.

This can also be used with lookalike audiences, where the GIFT platform tries to find people that look like your current donor identity, and with retargeting, where you can target different ads to people based on the different places they went on your site.

A word of warning, however, for lookalike audiences. If your core donor identities are things like “parent” or “cat people” or “medical professional,” these services should give you a lookalike audience that looks very much like your current best audiences.

However, if your donor identity is “prostate cancer sufferers” or “parents who involve their kids in their philanthropy” or “crime victims”, Google and Facebook will give you people who they think look like those people. But, since they are basing this on their searches and catalog purchases and whether they like Taylor Swift v. Kayne, the results will be slightly more accurate than feeding the audience into a Ouiji board. The algorithm will do what it can, resorting to its baser instincts, but you won’t be able to get to these people’s core reason for giving.

Moreover, if you have a database full of cat people and you run a lookalike audience/modeled list approach, it will give you an audience full of cat people. Yay! But it won’t tell you what would happen if you tried a dog appeal to dog people. It can’t imagine that counterfactual.

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<sup>19</sup> See, for example, <https://www.nextafter.com/research/2017/10/how-targeted-digital-advertising-affected-direct-mail-revenue/>.

## A final word: Growing your own data after acquisition

Places like Google and Facebook are called walled gardens. You can play all you want in the garden while you are there, but everything stays in the garden. To get your results, you must give them any data you want to build into the model. They combine it with second- and third-party data and eye of newt to create your model, then use it with no visibility into the inner workings.

Imagine having to show up at a restaurant with raw chicken thighs, sea salt, and fennel. Then, they tell you how good the meal they cooked with it was.

In addition, all the data you don't bring to the table – second and third-party data – is in common to anyone using the platform. Thus, if you work at the Loving Shepard Foundation, your mortal enemies at the Shoving Leopard Foundation can work from the same hymnal as you.

What is a cause to do, short of welcoming our new data overloads?

This is why we advocate for learning identity. You can grow your own data garden. That is, ask your donors for information about themselves. We know that the right questions in the right context will be answered and those who don't answer questions are less valuable anyway. But these data are also a defense mechanism: get them from the horse's mouth and you won't have to pay for them.

They also have the advantage of being 99.9% accurate (one must allow .1% for user error). If Google or Facebook says someone is interested in environmental causes or interior design or cinema of the Ukraine, they are X% certain that is true, where X is close enough to 100% that people will pay to target that segment (and no more). If a person says they are interested in environmental causes, it's true. And they won't mind if you target them based on that information – they gave it to you.

This means asking for information at the point of acquisition, whether that acquisition is as a donor or a non-donor constituent, then customizing that journey based on what you now know. The ASPCA's has a "Tell us about yourself!" page that asks for identity and topic preference.<sup>20</sup> From this information, they customized emails and subject lines to fit the cat versus dog preference of the donor. The response rates increased 230 percent as a result. Now, that was in 2007, so donors are probably more accustomed to customized emails. But that's also part of the point: people are now used to customized emails. If you aren't sending them, you are well behind the times.

It's also valuable to ask for commitment and satisfaction. Asking for this at point of acquisition helped Amnesty Belgium increase their six-month retention rate of monthly donors from 60% to 80%.<sup>21</sup> Commitment and satisfaction were the most predictive variables in their modeling. This means they had a better idea of who would lapsed with just these questions.

Learning the level of commitment and satisfaction also allowed them to prioritize outreach to donors who love the organization but didn't like their interaction. These are the donors most likely to forgive and become productive long-term donors with a bit of apology. They could also focus their acquisition on the tactics that brought in the most committed donors, not the most donors.

<sup>20</sup> <https://secure.asPCA.org/form/tell-us-about-yourself>

<sup>21</sup> <http://embed.vidyard.com/share/uVRyuLG2kz37Fo8N6rmmBy>

This is a strength of the DonorVoice offering: we aren't looking to help you acquire leads, then walk away. In addition to Identity-Based Lead Generation, DonorVoice's proprietary Commitment Score can help you identify those donors and constituents who will stick with you for the long-term. We can also help you build journeys that focus on your constituent's identities, making them more likely to donate and donate for the long-term.

So if you are going well with your current acquisition efforts, we hope you enjoyed the white paper. If not, and you'd like to learn more about different, better ways to acquire supporters and how to create an effective donor journey for them thereafter, contact Nick Ellinger at [nellinger@thedonorvoice.com](mailto:nellinger@thedonorvoice.com) in North America or Craig Linton at [clinton@thedonorvoice.com](mailto:clinton@thedonorvoice.com) outside of North America.

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The Experience and Relationship Company

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