KNOW YOUR DONORS:
THE MONEY FOR GOOD UK DONOR SEGMENTATION TOOL

What is Money for Good UK?

Money for Good UK explores the habits, attitudes and motivations of the UK's donors. For this study, we worked with Ipsos MORI to survey 3,000 people, including both high-income and mainstream donors, and carried out focus groups and in-depth interviews.

We identified seven distinct donor types as a result:

Loyal supporter
"I give because I care about the cause."

Engaged champion
"I give time and get my friends involved."

Thoughtful philanthropist
"I give to make an impact."

Ad hoc giver
"I give because I'm asked."

Good citizen
"I give because it's the right thing to do."

Benefactor
"I give to lead by example."

Faith-based donor
"I give for my community."

Why is this important for fundraisers?

Money for Good UK discovered that 20% of mainstream donors and 34% of high income donors would increase their overall giving if charities did a better job in the areas they care about: explaining how donations are used and providing evidence of impact. This equates to an additional **£665m** per year—an increase in total giving of about 11%--and up to a further **£1.7bn** in 'switchable donations', money that might be switched to these charities. Essentially, the research shows that if charities communicate more effectively, they will build more rewarding relationships with donors.

Donor segmentation could help to improve a charity's fundraising performance, but many struggle to implement a segmentation approach. Our aim is to share a generic segmentation of donors, and continue to work with charities to ascertain how it could support their fundraising efforts in the future.

What is the donor allocation tool?

Working with our research partners, Ipsos MORI, we have developed **Know your donor: the Money for Good UK donor segmentation tool,** so that you can easily identify your supporters' donor type.

The tool is simple to use: donors **answer 13 questions**, and the tool allocates them to one of the seven segments based on their responses. We have also created shorter **single segment tools** which calculate whether or not a donor falls into a particular segment.

This tool makes insights from *Money for Good UK* open and accessible to the whole sector. It offers a straightforward way to apply and test the segmentation, so that individual charities can investigate how it might work for them in practice.

The level of confidence with which these tools allocate donors to segments varies by donor type, and depending on whether you use the main tool or the single segment tools. On the fourth worksheet of the main tool, you can see confidence levels, which Ipsos MORI considers very successful.

How could you use the tool?

There are a number of ways! You might want to use it when talking to individual donors to find out more about their preferences—either in person or on the phone. For this kind of activity, it is probably best to use the **'Know your donors' worksheet**: this simply involves clicking your answers on the worksheet and pressing the **calculate** button at the end.

If you want to gather information from a large number of people—by sending the questions in a supporter survey, for example—the **Multiple Respondents** worksheet might be easier. All you do is collect the data in the right format, and then copy it into the worksheet to calculate everyone's donor type at once. For further instructions, please see the **Multiple Respondents Notes**.

Where could this be useful?

Ask **major donors** these questions during your conversations or build up a picture over a number of interactions, and then use the tool to see which donor type they are.

For your main **database of supporters**, consider the following options:

- Start collecting answers to questions through your **existing communications channels**; for example, by including the questions in your welcome or thank you surveys.
- Put the tool online as a **donor quiz** in a way that engages your supporters, and collect the responses of those who take part directly into your database.
- Run a specific piece of **research to profile your database**; for example, a sample of your lapsed donors, to find out more about how you might better engage them.

You might also find this is relevant to your **volunteers**. Did you know that volunteers give twice the average amount as non-volunteers? Many charities do not ask their volunteers to give, concerned that they might be offended. But for lots of donors, the ability to get involved with the cause is an important motivating factor. You could survey a portion of your volunteer database and find out how many would be open to giving money alongside their time.

What happens once the donors are allocated to segments?

The original *Money for Good UK* research provides a profile of each of the donor types, so you can see what motivates and interests each of the segments. You could adjust your communications to match the information they are interested in. If you find that your charity has strong support from different donor types, you might want to think about developing targeted campaigns, tailored to meet the interests of these different audiences.

If you only have information on a segment of your database, you will be able to see the spread of different donor types. Your charity might be particularly strong with one segment, and you can play to these strengths when developing your campaigns. If you find one of the bigger segments is missing among your supporters, this might shape your thinking about new products or campaigns you could run to appeal to this missing audience.

Help, the tool doesn't seem to be working!

This is an excel-based tool. If you can't click the 'calculate' button, you may need to 'enable macros' by clicking on 'enable content' in the yellow security warning at the top of the screen.

On the 'Know your Donor' worksheet, you need to click the 'calculate' button before getting your result. Remember to reset the form by clicking 'clear' before you start using the tool with a new person.

I think only one of the segments is relevant to us

The main tool allocates people to all segments. If you think just one of the segments is a target audience, you can use the shorter single segment tools. These will tell you whether or not a donor belongs to that particular segment. Links to these tools are available at the bottom of the 'Know your donor' page on the NPC website.

I want to know more about how it works

The calculations for the donor segmentation tool can be seen in the hidden columns to the left and right of the questions (columns A to E, and K to AG on the Know your Donor worksheet). These have been hidden to make the tool easier to use but can be unhidden by clicking on the + sign at the top of the worksheet.

The donor allocation tool works using a shortened version of the original *Money for Good UK* questionnaire. The original questionnaire can be found in Appendix A of the *Money for Good UK* research. To find out more about how the original segmentation was conducted, see Ipsos MORI's technical report.

Is this all free to use?

The allocation tools are available to download for free as a resource for the sector. Our main objective with this work is to understand what insights the *Money for Good UK* research provides, and how the tools can be used to inform and improve fundraising approaches.

NPC is keen to support any charities looking to use these tools, and act on the findings in the research. We would like to accompany charities through this process and learn from practical examples of charities using the tools. If you have used the Money for Good UK tools or the research we'd love to hear about your experiences; please contact us at MoneyforgoodUK@thinkNPC.org.

We will share our findings from this process with the sector in a publication planned for *Summer 2014.*

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unity trust bank

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