



Prospect Research:
Principles & Application

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Prospect Research

- General principle: acquiring & using data
 - ☉ Measuring capacity and sometimes affinity
 - ☉ Help stratify donor base
 - ☉ Qualify current large-gift donors for upgrades
 - ☉ Qualify annual giving/DR donors for cultivation
- Common service providers
 - ☉ Broad databases with proxy/estimated data
 - ☉ Narrow but deep databases linking very specific data



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Sample Giving Pyramid



How General Overlays Work

- Database compilers
 - ☯ Acxiom, Experian—“credit bureau” data
 - ☯ Routinely used by mailing list owners to segment
 - ☯ Masterfiles will feature age ranges, gender, household composition, lifestyle indicators, etc.
 - ☯ Our interests primarily: estimated income & wealth
 - ☯ Large ticket purchases
- Principles are same
 - ☯ Large-scale DM support: statistical donor/member acquisition/renewal modeling
 - ☯ Smaller scale overlays of current donor files



Applications to CRS

- Catholic Relief Services: \$600+ million NGO
 - ☉ 350,000 annual donors: 2+ gifts, \$145 average value
 - ☉ Smaller major gift/planned giving programs
 - ☉ 25% of total giving
 - ☉ Responses:
 - ☉ Overlays plus giving history support creation of midlevel program.
 - ☉ Assignment of “account reps” with personal letters, phone calls, purely cultivational
 - ☉ Emulating CARE’s midlevel program (Trish Longmire)
 - ☉ Profiling, upgrading, soft selling



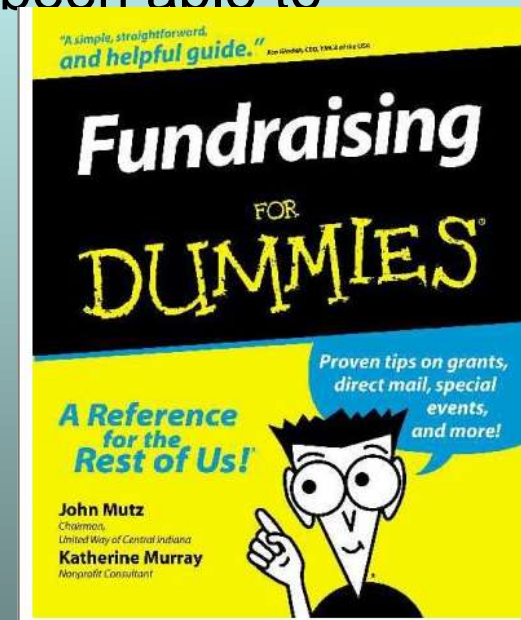
Our Approach at CRS

- One person department
 - ☯ Former private investigator with an M.A.
 - ☯ Serving 14 MGO department
 - ☯ Briefing papers: ramp up to meet foundation needs
- Deep files:
 - ☯ Tracking personal wealth
 - ☯ Proprietary sources
 - ☯ Often “signals:”
big-ticket purchases
 - ☯ Contributions (FEC etc)
- ☯ **Broad files:**
 - ☯ Estimated wealth
 - ☯ Home values, financial assets
 - ☯ Demographics
 - ☯ Estimated income
 - ☯ Lifestyle indicators



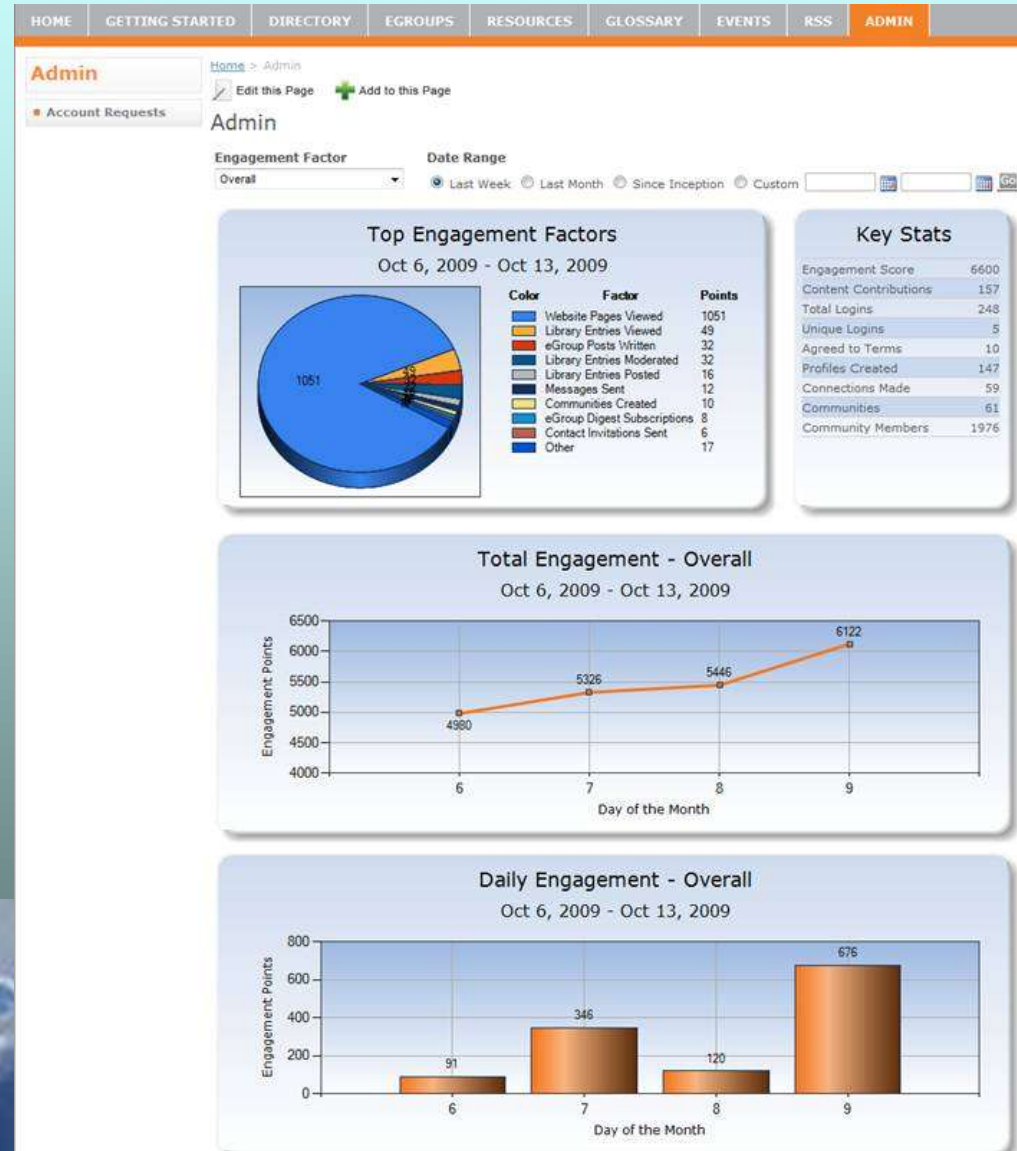
Data Collection: Best Prospects

- Data collection with best prospects
 - ☯ How do you learn what you need for top prospect?
 - ☯ During the cultivational period, can you determine:
 - ☯ What they care about most
 - ☯ Then build on what the MGO has already been able to collect?
 - ☯ Like PI work, it's a matter of learning something you don't already know.



Data Presentations:

- ☯ In a way, you're in a better position with communities:
- ☯ Better, more comprehensive data
- ☯ Real-time metrics
- ☯ Pressure to act on it
- ☯ But same limitations: you influence community rather than direct or lead



Key Questions to Ask of Prospects

- Have a battery of questions that work well

- Some of the basics for cultivation:



- Why do you visit? (litany of features)

- Why do you visit? (your professional need)

- Did you find what you were looking for?

- If not, why not?

- Satisfaction: with depth & uniqueness of content, quality of navigation

- And some of the extras:

- How much does the web contribute to membership value

- What are your communications preferences



Approach #1 to Screening: Marts & Lundy

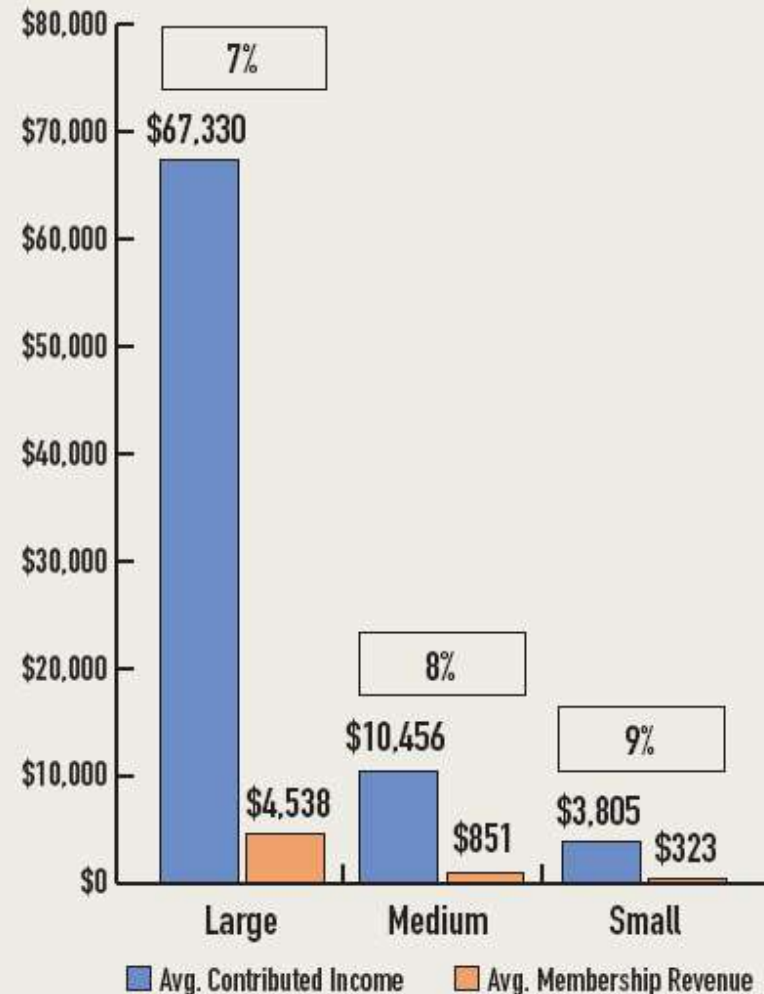


Marts & Lundy's portfolio of analytical tools provides a comprehensive set of options to help answer questions about your

fundraising program. If you are curious about your institution's performance, as well as what to invest in the future, you may want to consider **Institutional Comparison** services. If you would like to measure the feasibility of various campaign goals relative to the capacity of your prospects and staffing resources, you may want to consider a **Fundraising Projections and Modeling Analysis**. If you need more information about your prospects' level of engagement with your institution and their likelihood

Diagnostic Benchmarking Example

Membership Revenue as % of Total Contributed Income



*Both Membership Revenue and Contributed Income are a 3-year average (2004-2006).

Our Experience: Marts & Lundy

- Very favorable impression: high end tools emphasizing the science of estimating capacity
 - PR manager liked the tool.
 - Unclear to what degree it was effective.
 - Required access to a single line of data at a time.
 - Annual subscription model with refreshes felt unnecessary.
 - Question: do prospects' wealth vary? Yes
 - In a meaningful way beyond what we can tell through meetings/contact? Probably not
 - Bottom line: fine tool comparable to WealthEngine, others.
 - Good example of the higher end tools for matching file.
 - Not as much enduring value as would like.



Approach #2 to Screening: Target America



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- If available, full biographies from Marquis Who's Who in America
- The Target Tiger, a powerful Internet research tool that prowls the web for information about your prospect and automatically summarizes each site it uncovers. The Tiger conducts regular searches and notifies you when new information appears about your prospect
- Individual FEC contributions
- Qualified consumer preferred email addresses
- An integrated moves management system

Our Experience: Target America

- ☯ Better experience: also something I could relate to in DR.
- ☯ Accustomed to membership files with extensive demographics, business characteristics.
 - ☯ Much more amenable to sorting entire datafile
 - ☯ Matching with donor history to drive DIY analytics.
 - ☯ In our environment, long term cultivation yielded data:
 - ☯ Disaster responsiveness
 - ☯ Media sensitivity: mail, telemarketing, e-mail givers
 - ☯ Interests in regions: Asia, Africa, Latin America
 - ☯ Interests in programs: food aid, HIV/AIDS, safety net, microfinance, etc.
 - ☯ Our needs don't run as deep and affinity has unique nuances
 - ☯ Your cause may also have similar uniqueness..



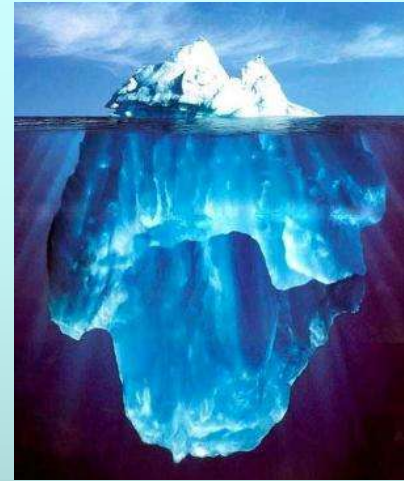
Big Issue: The Long & Short of It

- Many of us prefer to ask very short surveys
 - ☯ Works well, need to meet a few conditions
 - ☯ Identify the respondent (do overlays)
 - ☯ Allows for analysis by segment
 - ☯ Divvy questions across instruments
 - ☯ So far, seems like you need to know a lot
 - ☯ No need to collect it all overnight
 - ☯ But linking it is really helpful
 - ☯ If you can't link, then doing it all at once makes more sense



Overlays: Core Purpose

- We need tools that flag the best prospects
 - ☯ All your outreach, direct response, program activities generate a base of supporters
 - ☯ Not all are created equal
 - ☯ Affinity & capacity may move inversely
 - ☯ Those who are the most are in-kind
 - ☯ Those who care less may be most capable of larger gifts
 - ☯ Our tools and methods need to
 1. Filter and distinguish
 2. Probe deeply into the latter's motivation, history, etc.



Why a Mix of Techniques Really Works

- Surveys & metrics only get you so far
 - ☯ I need both logical & emotional perspectives
 - ☯ Getting past “fine”
 - ☯ Understanding you better than you know yourself
 - ☯ What people say and do are two different things
 - ☯ This is why observation of behavior is important
 - ☯ In-person: office visits and behavior tracking
 - ☯ Personal demos
 - ☯ Think experience, then question ...
experience then question
 - ☯ Having something to react to & talk
about helps



Research for the Long Cultivation Cycle...

- We all know that fundraising is a long process
 - ☯ Various prospects lie at various points in the funnel
 - ☯ Cultivation cycles often 18-24 months for major asks
 - ☯ Research needs to feed the process; monitor for changes in status/wealth, other actions



Segmentation and Filtering

- This is a “do as I suggest” rather than do as I did
 - ☯ When I co-founded a dot-com I relied on real-time testing
- Critical to cross-tab, understand your core audiences
 - ☯ With push email, other communications, best to be able to contact the right person
 - ☯ Manage the initial relationship; they’ll get the hint and follow your lead
 - ☯ Best customer visitor (member or non) will use RSS feeds; give you a clickstream to help understand behavior, needs



Research for Your Future

- My conclusions

- ☯ Choose a service that serves your needs now and on an ongoing basis.
- ☯ Start with tool that measures annual donor file.
 - ☯ Flag the lurking “millionaire next door”
 - ☯ Cultivate to upgrade
 - ☯ Profile your file for “quality”—proportion who meet \$10,000, higher capacity levels
 - ☯ Other demographic, giving, related variables
 - ☯ Use this tool to understand capacity, affinity & interests of current/potential major givers
 - ☯ Complement with “normal” web research during giving cycle.



Conclusion & Thanks!!

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