

Entrepreneurs, Widows, and Others

Planned Giving Mentor

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Marketing gurus say that the secret of successful marketing—whatever your “product”—is segmentation. The more personal the appeals, the more likely the people receiving the appeals will be to respond. The days of mass marketing the same message to a broad spectrum of potential “customers” and hoping for cost-effective results are effectively in the past.

Each day’s mail brings another flood of appeals to give to this and to support that, some from organizations we have supported in the past and some from organizations that we have never heard of, organizations that have purchased our names from lists in a long-shot effort to draw us into the circle of giving. Sometimes the strategy works, at least often enough that the mass mail appeals (and their telephone and email cousins) keep coming.

One of the results of this daily deluge of demands is to cause us to be far more cautious about the organizations to which we do donate than we hitherto might have been. We seek to differentiate the appeals from one another, and we focus ever more on the messages that seem to focus specifically on us.

Smart charities know this too. And smart charities have migrated from a focus on the needs of the organization to a focus on the issues of import to donors. Donor perspectives, donor stories, and donor concerns have come to play—as they probably always should have—a greater role in the marketing plans of charities, especially as they discuss planned gift options.

Charities can theoretically divide their prospects into a virtual infinity of subgroups. But let's look just at a couple of the most important such market "segments." One such is the "entrepreneurs." Often "baby boomers" who have parleyed a good idea and business savvy into what are sometimes a series of successful business ventures, entrepreneurs tend to think about their major gifts in much the same way as they think about their investments. They like to be in control, so it may be difficult to give up total control of an asset. They are usually excellent planners, so they appreciate the opportunity to brainstorm with a gift planning professional on the many ways of accomplishing their philanthropic goals. They like to see the big picture and want their gifts to fit with the other financial and social goals in their lives. They believe in taking reasonable risks, and they value a charity's believing in their ability to turn risk into reward before it happens.

One of the most successful approaches to entrepreneurs I have encountered focused on a charity's commitment with the potential donor at the beginning of a new start-up venture. The charity, in effect, said to the donor: "We believe in you. We would like to participate with you in your new venture. Would you consider giving us a percentage of the shares in your new company? That way, if it succeeds, as we fully expect it to do, we will both win together." The entrepreneurs with whom these conversations took place liked this approach, and the charities involved were way ahead of the game when the venture did indeed succeed.

A second and very different market segment are widows. Although sometimes widows discover an entrepreneurial spirit they never knew they had, usually that is not the case. More frequently and quite the opposite from entrepreneurs, widows are focused primarily on security. They want to make sure their assets are safe and that they have sufficient resources to carry them through the remainder of their lives. Widows tend to respond at a higher rate than the norm, therefore, to appeals that stress lifetime income. Charitable Gift Annuities are particularly popular because of their relative simplicity and their emphasis on income stability.

Widows also are more likely than other segments of the population to want to make their “big gift” through their estates. As the two NCPG national marketing surveys in 1992 and 2000 indicated, women in general focus on bequests at a higher rate than men. When the surveys probed the reasons, the most prominent stemmed from the security concern. Women, whether widowed or not, are not less philanthropic than men, but they tend to express their philanthropy in different ways.

Market segmentation can take many other forms. Charities that have the ability to cut their prospect pool in a variety of ways have a greater chance of producing a response, have a higher chance of turning regular small donors into major gift prospects, and have a greater ability to attract people who might fit the “profile” of their most responsive market segments into the pool. Successful marketing—and successful growth in your prospect database stems in large part from getting to know your donors in multi-dimensional ways. The more you understand why they give, why they give to your organization, and what other concerns occupy their attention, the more you will attract new gifts, both from those already in your pool and from those whom you would like to draw into your donor circle.