



## STARTING FROM THE BOTTOM:

# Rethinking the Giving Pyramid for a New Age of Philanthropy

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## The philanthropic landscape in the US is on the cusp of a major transformation.

By 2028, Millennials are poised to account for as much as 60% of philanthropic giving, challenging non-profits to devise innovative strategies to engage this burgeoning donor demographic.

Individuals continue to be the backbone of charitable contributions, according to a report from CCS Fundraising, but the philanthropic behavior of younger generations is shifting. While their wealth and capacity to give are escalating, their allegiance to specific organizations is more fluid.

### What does this mean for non-profits?

They need to employ nuanced, multi-channel communications, establish robust monthly giving programs, and craft personalized retention tactics for newly acquired donors, all underpinned by predictive modeling and analytics.

The non-profits that will win will create tailored content for the masses of small-giving donors and, over time, migrate them to larger gifts. This will only happen with intense customization.

Research by McKinsey, corroborated by DELVE's own for-profit client experiences, indicates that a staggering 72% of consumers expect businesses to perceive them as individuals, with knowledge of their interests. Personalization, as defined by consumers, equates to exclusive experiences where brands convey a commitment to the customer relationship rather than the mere transaction.

It'd be tempting to view this landscape with wariness or even fear, but the constant changes to the tech-data-media landscape means that the non-profits can rise to meet the changing nature of the donor and find opportunity in flux.

To navigate this complicated environment, non-profits must focus on bridging Donor Data Gaps, integrating their AdTech and MarTech stacks seamlessly, and persistently refining the Donor Journey across media and web platforms.

Consider the journey of a Millennial who initiates their giving at \$10 per month. As they progress over 15 years to a substantial \$10,000 yearly donation, it's imperative that the content they encounter is not only consistent but deeply resonant with the mission they hold dear. This alignment is crucial for ascending the Giving Pyramid and securing donor loyalty.

How we do that requires rethinking the Giving Pyramid, closing donor Data gaps and crafting a unified, omnichannel experience. This white paper examines another approach to doing this.

## There are cracks in the Giving Pyramid.

The Giving Pyramid, a mainstay in the fundraising world, has a broad base of small-money donors and a narrow peak of major benefactors. At the bottom, we find one-off and casual givers, who constitute the largest number in the donor community. The middle tier consists of steady, yet modest contributors, while the apex is reserved for the most significant donors, both in terms of their financial input and their engagement with the organization.

However, this structure is at risk of morphing into something resembling the Eiffel Tower, with a shrinking base and a lengthening peak. Why? The failure to cultivate early-stage relationships with donors, particularly millennials who seek early recognition in their giving journey. **By failing to engage this segment until they reach mid-level status, and as older donors gradually recede, the base erodes.** This oversight in the early stages means nonprofits miss the chance to forge a crucial, personalized connection with new donors.

The conventional application of the Giving Pyramid too often neglects those at its foundation. While top-tier donors enjoy high-touch, tailored engagement from development teams, the lower levels, targeted by broad-stroke marketing efforts, miss out on this personal touch. This one-size-fits-all communication falls short in nurturing fledgling donor relationships. Furthermore, organizations frequently lose sight of where a donor is on their journey, misdirecting outreach efforts and failing to convey the donors' value at every level of giving. This disconnect not only hampers donor retention but also overlooks the opportunity to highlight the impact of donors' contributions, which is essential for fostering satisfaction and encouraging future giving.

For organizations with diverse missions and programs, this challenge intensifies. A one-dimensional messaging approach fails to resonate with the varied demographic profiles attracted to different facets of the organization's work. As a result, the potential for engagement and donation from these different segments is not fully realized.

The crux of the issue is that traditional marketing strategies, which are meant to support the Giving Pyramid, fail on two fronts: they neither expand the base with new, individual donors nor enhance the lifetime value (LTV) of existing donors.

## Introducing the Audience-First Giving Pyramid

The Audience-First Giving Pyramid changes all that. It is the result of our years of dedication to optimizing media, integrating data, and refining technology stacks, always with the vision of advancing the missions of non-profit partners.

It turns the traditional approach on its head by initiating personalized outreach at the pyramid's base, setting the stage for exponential growth. This progressive strategy, designed for globally-engaged, multifaceted organizations, leverages brand identity, penetrates new donor segments, and crafts donor experiences that are both impactful and profitable. It achieves this by filling in the gaps in donor data and accurately identifying each donor's intent.

At the heart of this strategy is a commitment to the mass donor base. Every donor interaction, whether through an ad, a search, or an email, is tailored to offer a unique, personalized experience. This inclusivity allows donors of all giving capacities to feel like integral parts of the mission, encouraging them to increase their contributions over time. From a modest monthly gift to substantial yearly donations, the content and outreach should evolve with the donor, maintaining a strong connection as they progress up the pyramid.

This approach requires setting precise goals for each audience segment and donation stage, allowing for scalable and targeted media outreach. By understanding donors' emotional drives, nonprofits can enhance message relevance, extending their reach and achieving better engagement outcomes. Rigorous, even relentless testing and audience selection ensure sustained excellence in performance.

The digital era necessitates—and facilitates—a paradigm shift from broad, impersonal marketing campaigns to personalized mass engagement strategies. These strategies, enabled by comprehensive, omnichannel experiences, are vital for nurturing donor relationships from the outset, propelling them towards becoming major contributors and thus increasing LTV.

The lifeblood of fundraising lies in engaging the bottom of the pyramid — the mass audience. But a mass audience can't be treated with mass tactics. Every donor, from the base of the pyramid to the major donors at the top, should receive a personalized experience, whatever type of communication they are receiving.

At DELVE, we have found that an Audience-First Giving Pyramid fundraising strategy that engages mass donors at the bottom of the pyramid **drives 10x growth** over traditional approaches that start personalizing toward the top

## Ready for today's challenges—and opportunities.

In a sector where donor landscapes are rapidly changing, the Audience-First Giving Pyramid represents a strategic evolution designed to address today's challenges while seizing new opportunities for non-profits.

### **Challenge: Depreciation of Third-Party Cookies**

The imminent obsolescence of third-party cookies is disrupting established digital marketing strategies.

### **Solution: Durable Data and AI-Enhanced Creativity**

The Pyramid leans on resilient data sources and leverages AI to craft compelling creative narratives, compensating for the loss of look-alike targeting capabilities. By shifting the focus to audience-level revenue measurement, non-profits can transcend the challenges posed by the inability to track specific touchpoints.

### **Challenge: Escalating Media Costs**

As media expenses rise, so does the pressure to maximize the impact of every campaign.

### **Solution: Enhanced Creative Effectiveness**

The Pyramid model addresses this by zeroing in on the most impactful audiences and crafting personalized content that strikes a chord. Coupled with rigorous testing, this ensures that the increased cost of media does not dilute campaign effectiveness but instead bolsters the non-profit's message.

### **Challenge: A Crowded Brand Landscape**

Today's non-profits operate in an increasingly competitive space, where donor attention is hard-won. The traditional scattershot approach to marketing is no longer effective.

### **Solution: Precision-Targeted Brand Media**

The Audience-First Giving Pyramid's approach is surgical. By homing in on a select group of well-defined audiences, it tailors media to resonate on a deeply personal level with donors. This enhances brand recall, equity, and familiarity, allowing a non-profit to establish dominance within specific audience segments, outpacing competitors in the hearts and minds of potential donors.

### **Challenge: Budget Constraints**

Financial limitations demand that non-profits allocate funds with utmost efficacy.

### **Solution: Optimized Performance Media**

The Giving Pyramid redefines performance media strategy by setting clear objectives at the audience level. It prioritizes segments with the highest donation potential or projected lifetime value (LTV) while scaling back on those with lower LTV projections. This judicious use of funds ensures that each dollar spent is an investment toward a more substantial return.

### **Challenge: Donor Base Attrition**

The diminution of a loyal donor base is a threat to the longevity and sustainability of non-profits.

### **Solution: Proactive Donor Identification**

By recognizing donors on the cusp of disengagement, performance media can be recalibrated to rekindle their commitment, while brand media can reinforce the emotional connection, thus securing their continued involvement and support.

### **Challenge: Necessity for Brand Audience Growth**

Expanding the reach of a non-profit's message is essential, yet it must be done cost-effectively to maintain financial health.

### **Solution: Strategic Audience Expansion**

The strategy delineates untapped audience segments, enabling non-profits to extend their influence judiciously, and ensuring that the cost of expansion does not compromise profitability.

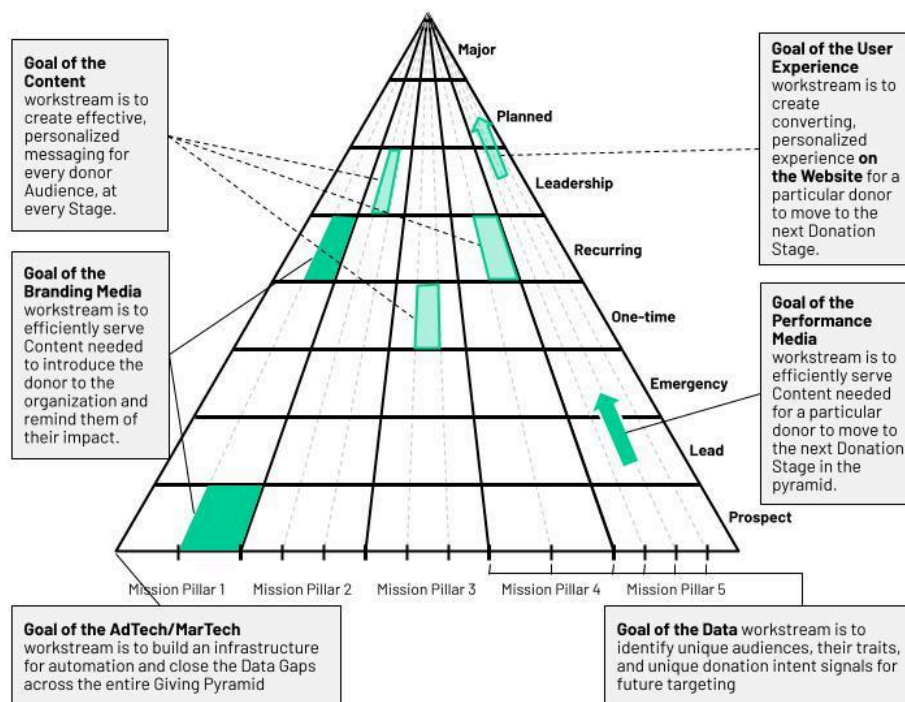
The Audience-First Giving Pyramid is more than a strategy; it's a way to innovate and turn adversity into opportunity. It empowers non-profits to navigate a thicket of challenges with agility and foresight, ensuring that every step taken is measured, meaningful, and magnifies their mission's reach.

Successful execution depends on careful attention to a process that ensures the organization can continue to reach short-term objectives even as it sets up for the future.

## The workstreams that make it work.

Imagine a donor whose passion lies in promoting mental health awareness and support systems for underserved communities. This individual might first engage with a non-profit by visiting its website, evolving from a lead to an occasional donor, and, as their understanding of the impact grows, become a recurring contributor. Over time, with an increase in giving capacity, this donor could ascend to mid-level and potentially even to major donor status, all the while being nurtured by consistent, impactful communication that aligns with both their values and the mission of the organization.

To make this hypothetical example a reality, it is crucial for non-profit organizations to cultivate tailored, one-on-one experiences for every donor. At DELVE, we empower organizations to drive profitable revenue growth in their fundraising programs, expand their brand's reach, increase operational efficiency, and most importantly, create personalized donor experiences. Our approach is context-centric, rooted in the emotional connections that potential donors have with the causes they care about deeply.



Our strategy modernizes the classic giving pyramid, aiming to both broaden the base by acquiring a greater number of individual donors and enhance the lifetime value of each one.

DELVE's methodology divides into six key workstreams to facilitate this engagement:

- 1. AdTech/MarTech:** Seamlessly integrate technology tools to bridge data gaps across the donor pyramid both horizontally and vertically.
- 2. Data:** Identify unique donor segments by behavior, intent signals and demographics for each mission pillar to drive a media strategy aligned with business objectives.
- 3. Content:** Craft personalized content—ads, videos, blog posts, social media, webinars, and newsletters—to each donor segment and their stage in the giving journey.
- 4. Branding Media:** Reach both prospective and current donors with brand communications that introduces the organization or reminds them of its impact.
- 5. Performance Media:** Use keyword topics, sentiments and intent signals to determine donor interest, programmatic display ads drive measurable actions. With geographic and demographic overlays, this improves likelihood of engagement.
- 6. User Experience:** Create a personalized data journey, from targeting advertising to website content, using data and user behavior. This continuous cycle, informed by data, nudges them steadily up the Giving Pyramid.

These workstreams collectively form the Audience-First Giving Pyramid'. How they play out with each depends on the organization's specific challenge.

## Case Study

To see these workstreams at work, let's look at a direct-to-consumer insurance company serving middle and lower-income families. Instead of evolving donor types, they have to move consumers through a product sequence—something we work on with for-profit clients.

In this case, the company faced challenges that will be familiar to some non-profits, especially demographic shifts that are resulting in smaller family sizes. (The Audience-First Pyramid model can be applied to for-profit businesses, using Products instead of Mission Pillars.)

### Adtech/Martech Workstream

**GOAL:** to build an infrastructure for automation and close the data gaps across the entire Giving Pyramid.

The architecture DELVE created is platform-agnostic to ensure ongoing durability. We worked with our client's technology stack to enable the flow of data across platforms allowing for targeting and personalization at scale.

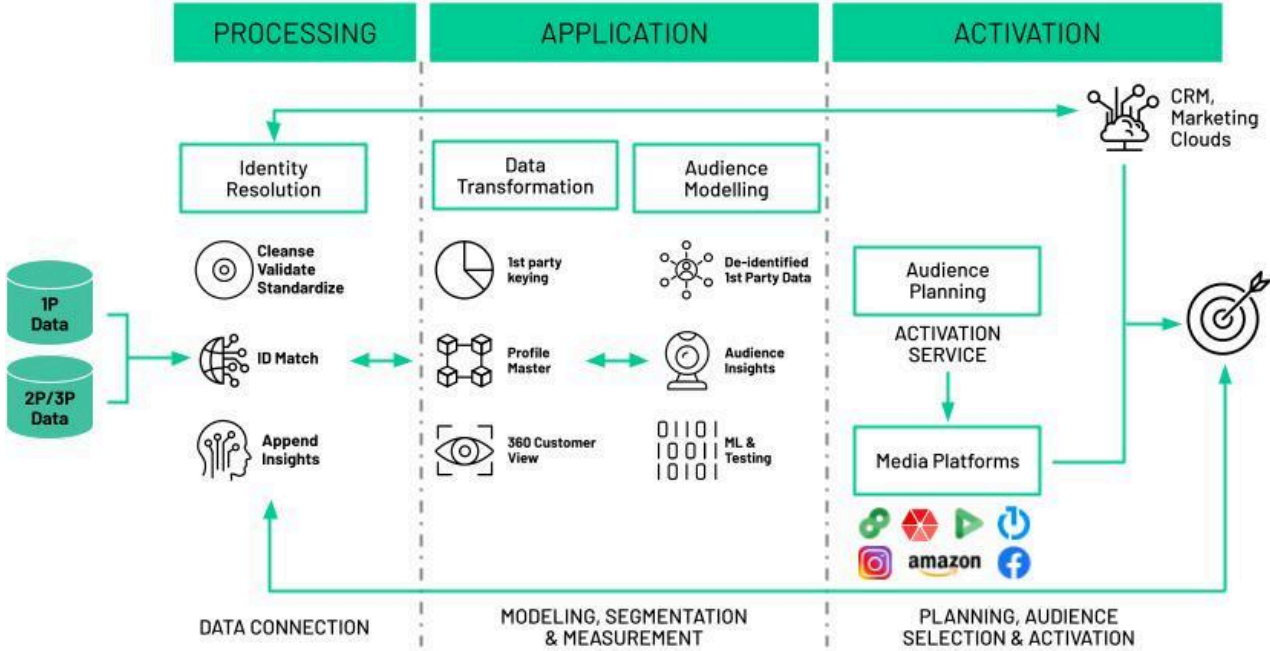
The technical architecture was built to integrate data between the client’s instances of SFMC and CRM in the Google Cloud Platform. Audiences were created in Big Query. At this stage, DELVE also built the audience-based measurement framework, utilizing the same platforms.

### Data Workstream

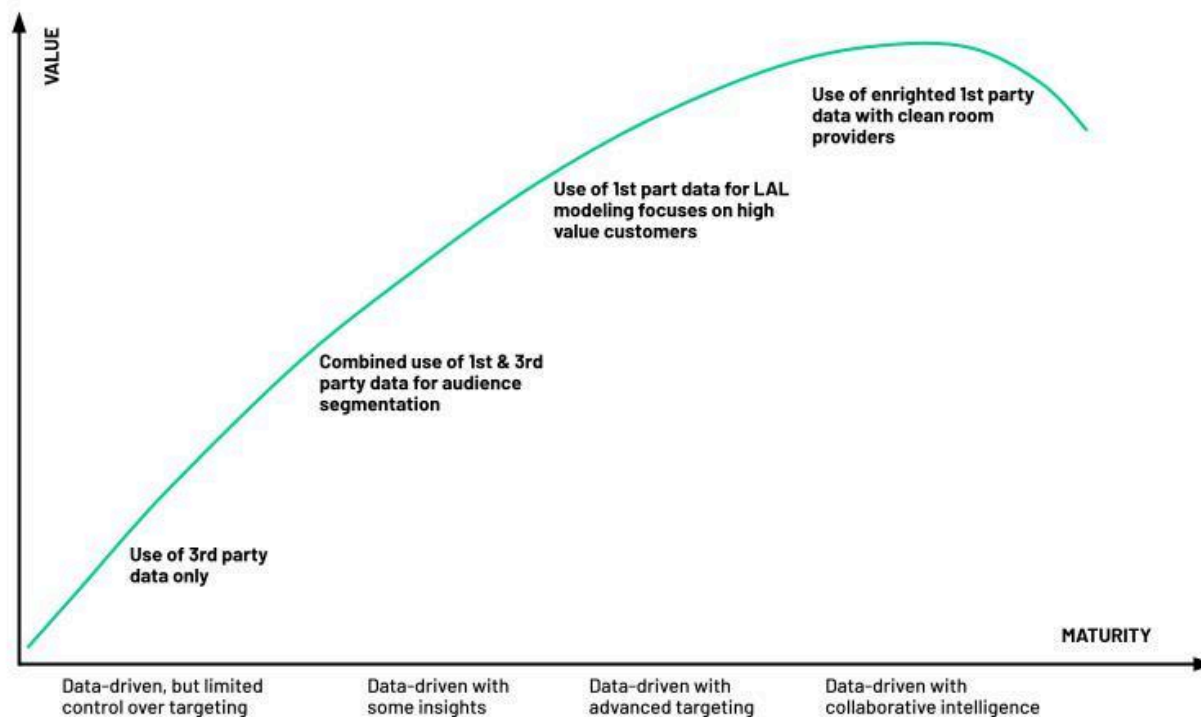
**GOAL:** identify unique audiences and their traits and unique donation intent signals for future targeting.

The Data ecosystem is constantly evolving. Regulations are getting tighter and standbys like third-party cookies are crumbling, shattering the ecosystem built on widespread data accessibility. Relying solely on readily available 3rd-party data is not wise. At DELVE, we believe the key lies in harnessing the immense potential of first-party data along with intelligent processing, data application and activation for superior marketing performance.

Third-party can be useful, but it is becoming less reliable and effective. This is both because of privacy concerns and market issues, like data quality. The data may be inaccurate, outdated, fragmented or incomplete, leading to unreliable insights. Third-party data, in contrast to first-party data, often focuses on broader demographics and may not translate to specific intent or purchase stages. There are also questions about the uniqueness of data that’s available to most third-party data provider







With all of these factors in mind, DELVE first built an audience architecture - both a technology stack and a process framework.

### The Audience Architecture involved 4 steps:

1. **Data Audit:** We assessed 1st, 2nd, and 3rd party data sources for future enrichment. As 3rd party cookie tracking is deprecated, we are relying increasingly on the so-called "durable" data assets that will not be affected by the changes in browsers.
2. **Data Aggregation and Enrichment:** We built existing customers' audience composition. We combined data from various sources and enriched 1st-party data. Specifically, we used Data Axle and USA.Gov as data sources for enrichment.
3. **Audience Segmentation:** We identified distinct audiences: including existing segments that can be further deepened, segments that should be avoided, and new segments with a high propensity to become customers.

Dimensions were insurance-focused and included:

- Health & risk profiling - in the insurance sector, segmenting customers based on available health indicators, lifestyle choices, and risk factors proves to be the main predictor of Affinity.
- Life stage targeting - for future tailoring of product offerings to specific life stages (young families, approaching retirement, etc.) to drive relevancy with audiences.

- Intent-based targeting - identifying consumers already actively researching insurance solutions or exhibiting purchase intent to include them as top priority helped ensure profitability and efficiency.
4. Brand mapping to analyze specific content affinity and tailor positioning for each audience.

## User Experience and Content Workstreams

**GOAL:** Create a converting, personalized experience on the website for a particular donor to move to the next donation stage

**GOAL:** Create effective, personalized messaging for every donor audience at every stage.

In order to understand how to shape user experience and content types, we commissioned creative focus group research to understand how different consumers responded to different stimuli. People fitting one of six audience descriptions were shown mock creative options and asked to fill out a comprehensive questionnaire to study their insurance plan purchasing process.

Feedback was closely documented and put into a framework.

By doing the creative study, we were sure that every asset we designed and produced served a specific purpose for one of the audiences identified. This is at the heart of the personalized experience so integral to the Audience-First Giving Pyramid.

## Performance Media Workstream

**GOAL:** To efficiently serve content needed for a particular donor to move to the next donation stage in the pyramid.

The second-to-last step was to produce Media Research and identify the right channels to use.

We broke down the budget by awareness, consideration and conversion and then assessed different audiences, by income and education, homeowner status, children and more.

The final step was our relentless Start/Stop/Continue optimization process. DELVE believes that most media plans fail because media buyers fail to optimize and continuously A/B test media campaigns post-launch. DELVE has a process to ensure this never happens for our clients.

Performance media is the most important short-term workstream as it allows you to hit your immediate goals, while the other workstreams are establishing a sturdy future. Think of it as daytrading vs building a 401k. Immediate performance requires daily rigor and attention, while achieving longer-term goals is about vision, patience and strategy.

Achieving your immediate goals requires a relentless focus on media efficiency. A recent study from ANA found that a staggering 64% of every dollar spent on digital marketing is lost before an impression is bought that an actual person sees. DELVE focuses on relentless testing and optimization to minimize those losses. Every media buyer on our team uses a start/stop/continue cycle to make sure our clients are outperforming daily.

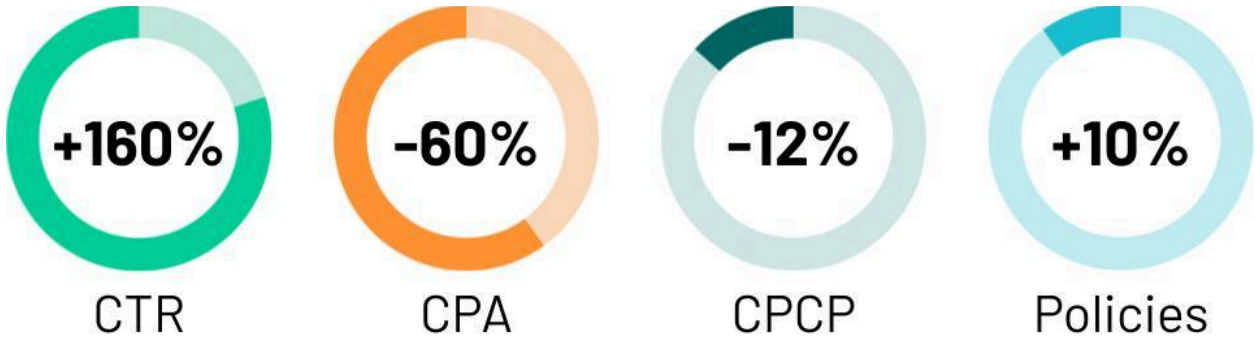
## Results

The Audience-First program takes time. First came a period of relentless media testing and optimizations with no initial visible performance improvement. But the next nine months of media testing showed excellent performance improvement, leading to the scaling of the budget by 2x in early 2024 while maintaining performance gains.

The Media Plan is only about 20% of campaign success - ongoing testing, going deep into the technical dimensions of every platform and channel selected, ensures 100% success is reached.

Our most notable wins over the years are:

- CPA Reduction - Consistently beating CPA goals. Within the last year, DELVE effectively decreased CPA by 52% across all core products.
- Increase in Policy Volume - for Core Products, exceeding operating plans YoY '23 by up to 128%. In 2023, DELVE drove 9% more policies within SEM while spending 2% less YoY.
- Besides direct revenue metrics (CPA, Cost per Application, and CPCP, Cost per Converted Policy), our approach allowed the client to increase CTR (Click Through Rate) by 160%, directly reflecting the increased relevancy of content served uniquely to each distinct audience.



## Organizing for success.

No matter how you plan and buy digital media—whether in-house, with an agency partner, or a hybrid approach—you need technology, media, and data working together.

DELVE's integrated model is at the heart of its distinctive approach, harmonizing the capabilities of technology, media, and data into a singular, potent force. In the digital era where silos can stifle innovation and responsiveness, DELVE shatters the barriers, ensuring seamless collaboration among departments. This synergy is key to navigating the complexities of today's digital landscape, where real-time analytics, predictive modeling, and audience segmentation demand a cohesive strategy.

Our commitment to a dual-client base—split between non-profit and commercial sectors—nurtures a rich environment of shared knowledge and mutually beneficial practices. For non-profits, this translates to adopting efficiency-driven strategies from the commercial realm while infusing purpose and mission into every campaign.

For non-profit organizations, DELVE's approach amplifies their message and mission through tailored, impactful campaigns that resonate with their audience. In essence, DELVE offers a digital ecosystem where technology empowers creative messaging, and data informs strategic media placement, culminating in a comprehensive and dynamic digital presence that drives both engagement and results.

A cohesive team of 140 dedicated professionals expertly manages a \$250 million budget to deliver not just satisfactory, but exceptional results for clients. This is particularly critical in the fast-paced, ever-evolving digital landscape where real-time data, audience targeting, and creative messaging are tightly interwoven.

At its essence, DELVE is a catalyst for change. For non-profits looking to transcend the traditional boundaries of digital marketing and make a genuine difference, we are not merely a service provider, but a partner in purpose.



## Self-assessment

Understanding where your organization stands in relation to creating personalized content that moves donors up through the pyramid isn't easy. We've prepared a few questions to help you understand where you need the most focus and attention. Answer these yes or no questions by workstream, and don't hesitate to reach out if we can be of help.

### 1. AdTech/MarTech:

- a. Does your Revenue data match across CRM, Media Buying platforms, and Web Analytics platforms?
- b. Does your technology stack enable you to see the donor value across all their interactions and multiple donations?

### 2. Data:

- a. Do you currently enrich the Donor Data with external sources for further segmentation?
- b. Do you currently segment donors not only by donation stages but by their Affinity and Capacity to donate?
- c. Do you automatically pass behavioral signals about donors into media buying tools?

### 3. Content:

- a. Do you have Content and Creative assets segmented by the stage in the giving pyramid and donor audience?
- b. Do you regularly experiment with new content assets and types? (*video, imagery, long-form, short-form*)

### 4. Branding Media:

- a. Do you currently measure the impact of branding media on performance media?
- b. Do you currently run branding media to keep current donors engaged?
- c. Is your branding media structured to constantly test new audience segments?

### 5. Performance Media:

- a. Do you perform at least 10 tests per month, going deep into the technical dimensions of media buying?
- b. Do you have an ongoing start/stop/continue process to innovate in media?
- c. Do you measure performance media based on how it moves donors up the pyramid?

### 6. User Experience:

- a. Do you currently have individual website journeys by audience, mapped to the creative that donors see off the website?
- b. Do you optimize the website based on the content performance insights obtained in media campaigns?