# Previously, we discussed how people give differently by level

| Transaction type | Product Examples | Interaction method | Consumer need | Gift Equivalent |
|---|---|---|---|---|
| Small Dollar. Low Risk. | Books. Shoes. Consumables. | One-to-many. Online shopping. | Consistency. Predictability. Value. Satisfaction | Annual giving. Direct response. |
| 4- and 5- figure purchase. Medium risk. Need for validation. | Mobile phones. Cars. Insurance. | One-to-one at point of transaction, one-to-many support. | Talk to a person to part with that much money. But, not looking for deep relationship yet. | Mid-level or Leadership Annual Giving |
| 6-figure to low 7-figure.  Only a few times per lifetime | Real Estate | One-to-one to learn customer interests. Align. Show examples. Help with transaction. | To be heard. To find a solution that meets their interests. | Major gifts |
| High 7-figure and above. Transformation motivated | Companies - mergers and Acquisitions. New ventures | Very deep access into company.  Making a case for investment. | To determine if the investment will produce the desired effect and return. | Principal gifts |

# Regardless of level, all donors respond to

### Loyalty

Develops when needs are met consistently.  Will resist "shopping around." Example: Amazon Prime

### Satisfaction

How did I feel when I made my last gift?

### Engagement

Consistently delivered satisfaction.  How does my affiliation make me feel?

### Confidence

I know my money will be used for the right purposes.

# Why Do Donors Stay?

Donor perceives your organization to be effective in trying to achieve its mission.

Donor knows what to expect from organization with each interaction.

Donor receives timely "thank-you"s.

Donor receives opportunities to make his or her views known.

Donor is given the feeling that he or she is part of an important cause.

Donor feels his or her involvement is appreciated.

Donor receives information showing who is being helped.

Source: DonorVoice

# Why Do Donors Leave?

| Reason (source Adrian Sargeant) | United States | Summary Reason (BWF) |
|---|---|---|
| I can no longer afford to offer my support | 54.0% | External to charity. |
| I feel that other causes are more deserving | 36.2% | Ineffective stewardship |
| Death/relocation | 16.0% | External to charity |
| X did not acknowledge my support | 13.2% | Ineffective stewardship |
| No memory of having supported | 11.1% | Ineffective stewardship |
| X did not inform me how my money had been used | 8.1% | Ineffective stewardship |
| X no longer needs my support | 5.6% | Ineffective stewardship |
| The quality of support provided by X was poor | 5.1% | Ineffective stewardship |
| X asked for inappropriate sums | 4.3% | Misaligned fundraising |
| I found X's communications inappropriate | 3.8% | Ineffective stewardship |
| Am still supporting by other means | 3.4% | Misaligned fundraising |
| X did not take account of my wishes | 2.6% | Ineffective stewardship |
| Staff at X were unhelpful | 2.1% | Ineffective stewardship or Misaligned fundraising |
| Not reminded to give again | 0.0% | Ineffective stewardship |

# Donor Preferences

**Donors Want**
1. Prompt, personalized acknowledgment of their gifts.
2. Confirmation that their gifts have been set to work as intended.
3. Measurable results on their gifts at work prior to being asked for another contribution.

**46%**
- Stopped giving for reasons tied to a lack of meaningful information or a feeling of not being appreciated,

**93%**
- Said they would give again if the charity provided information on their gifts at work;

**64%**
- Would give more; and 74% would continue giving if they received meaningful information.

Source: Penelope Burk

# Donors place a higher value on stewardship than development programs do.

| Rank the following by importance | Donor Ranking | Development Team Ranking |
|---|---|---|
| Ensuring gifts are disbursed to the school as donors have directed | **1** | 3 |
| Managing and investing donations to the school | 2 | 4 |
| Assisting donors in making gifts | 3 | 2 |
| Raising private support for the school | 4 | **1** |

Source: BWF

# How can we improve our stewardship?
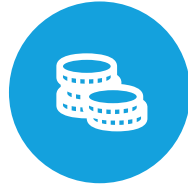
Program Management

Experience mapping

Lifetime value

Donor Engagement

Authenticity in high-touch engagement

Messaging and content strategy

# Donor Experience Program Management

National fundraising organizations have a 6:1 ratio of fundraisers to stewardship

But in smaller organizations, many stewardship tasks fall to others.

**Prospective Donors**

Identify → Qualify → Cultivate → Solicit

"No"

"Yes"

Stewardship

Reporting on gift impact—
Reporting on handling of gift, investment—
Direct involvement—
Events—
Publications—

—Acknowledgement
—Recognition
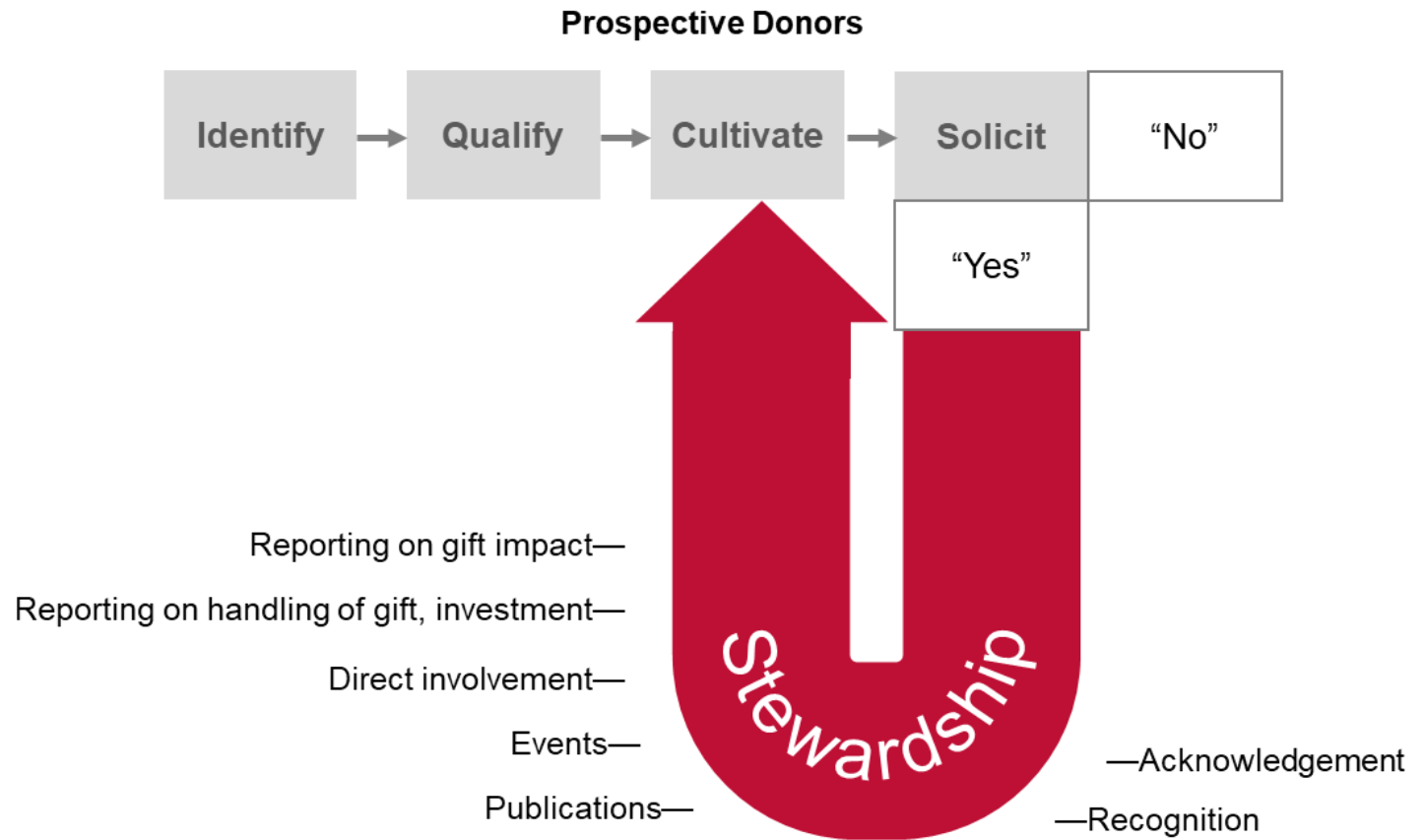
## Who does which of these tasks?

# Map the Donor Experience

## Total life cycle
- From prospective student to ultimate gift

## Where are the change points?
- First time donor.  First time recurring gift donor? First major gift? First visit?

## Which of these changes were in your control?
- Self-governing journeys vs. guided journeys

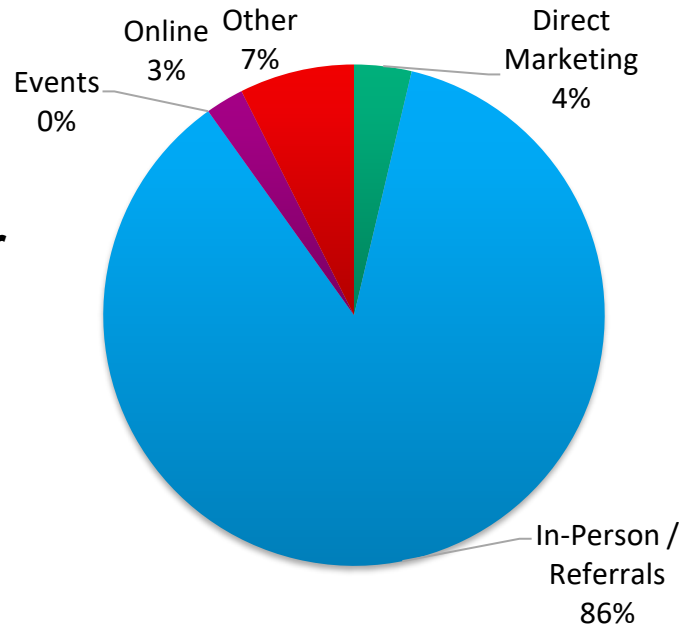## How might we improve donor experience leading to each step?
- High touch interaction at events? "Customer delight" inspired welcome experience? Etc.
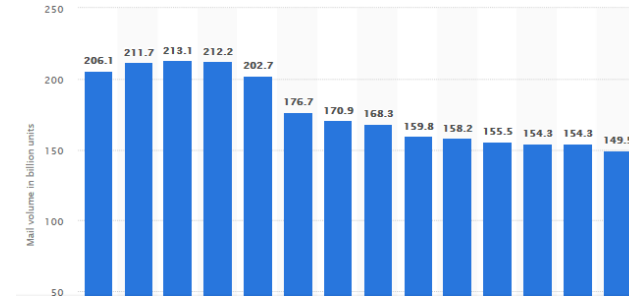
# How do donors begin their journey?

**Repeat Major Donors**



- Online 5%
- Other 3%
- Events 15%
- Direct Marketing 48%
- In-Person / Referrals 29%

**1st Time Major Donors**



- Events 0%
- Online 3%
- Other 7%
- Direct Marketing 4%
- In-Person / Referrals 86%
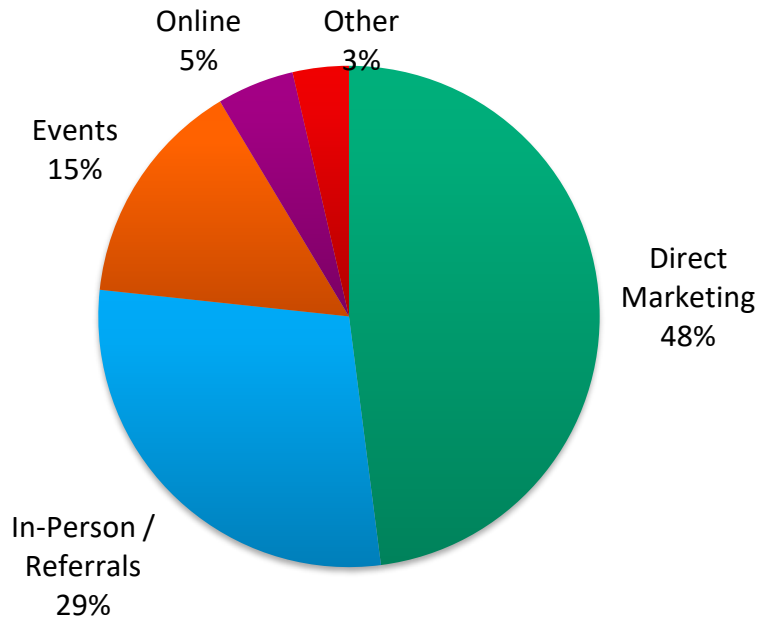
**Direct Mail Declining Nationally**



206.1  211.7  213.1  212.2  202.7  176.7  170.9  168.3  159.8  158.2  155.5  154.3  154.3  149.5

Mail volume in billion units

**Phone Declining Nationally**

We hear you. Stanford is ending fundraising calls.

**Digital / Social Growing Nationally**

**Giving Tuesday Smashes Records, Spurs 90% Donation Spike**

Saved from HuffPost

bwf
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# Along the Journey

## Using influencers and multi-channel communication for:

- Philanthropic Brand

- Compelling Priorities

- Personal Connection

- Donor Community

- Exposure to Mission

# Lifetime Value

*A common expression in donor relations is:*
**Steward the gift you want, not the one you got.**

*An even better perspective is to*
**Steward a lifetime of giving not just the gift.**

## Analysis points for lifetime giving

- Age when making the first gift
- Multi-interest exposure
- Receiving a specific vs boilerplate stewardship treatment
- Visiting the school after graduation
- Meeting with one contact vs multiple
- Engaging with social content
- Friends with other donors

# Measure Donor Engagement through analysis and survey



High

High

Perceived
Engagement

Observed
Engagement

Low

Low
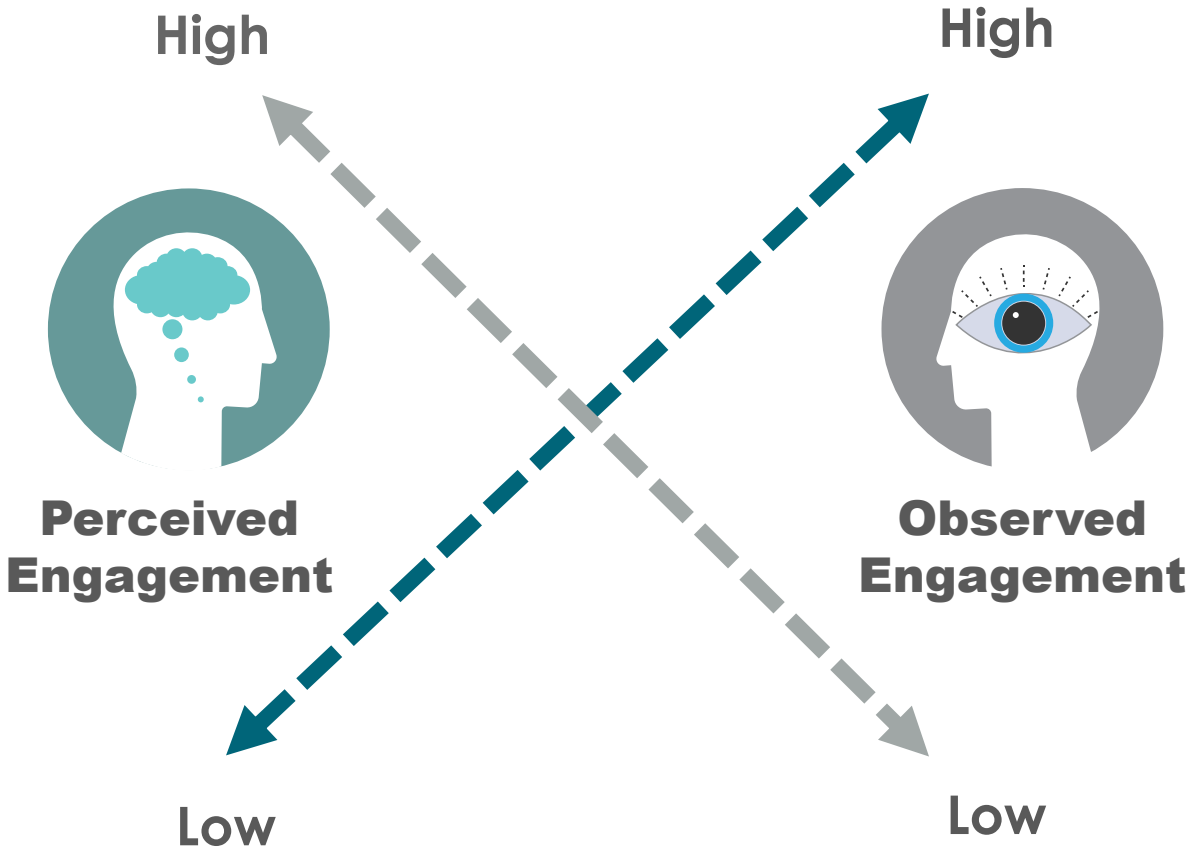
# Impact of those expressing high engagement

**9x** More likely to be mid-level donors

**14x** More likely to be major donors

All Respondents    Loyal Donors

20%

Source: BWF Engage DX

15

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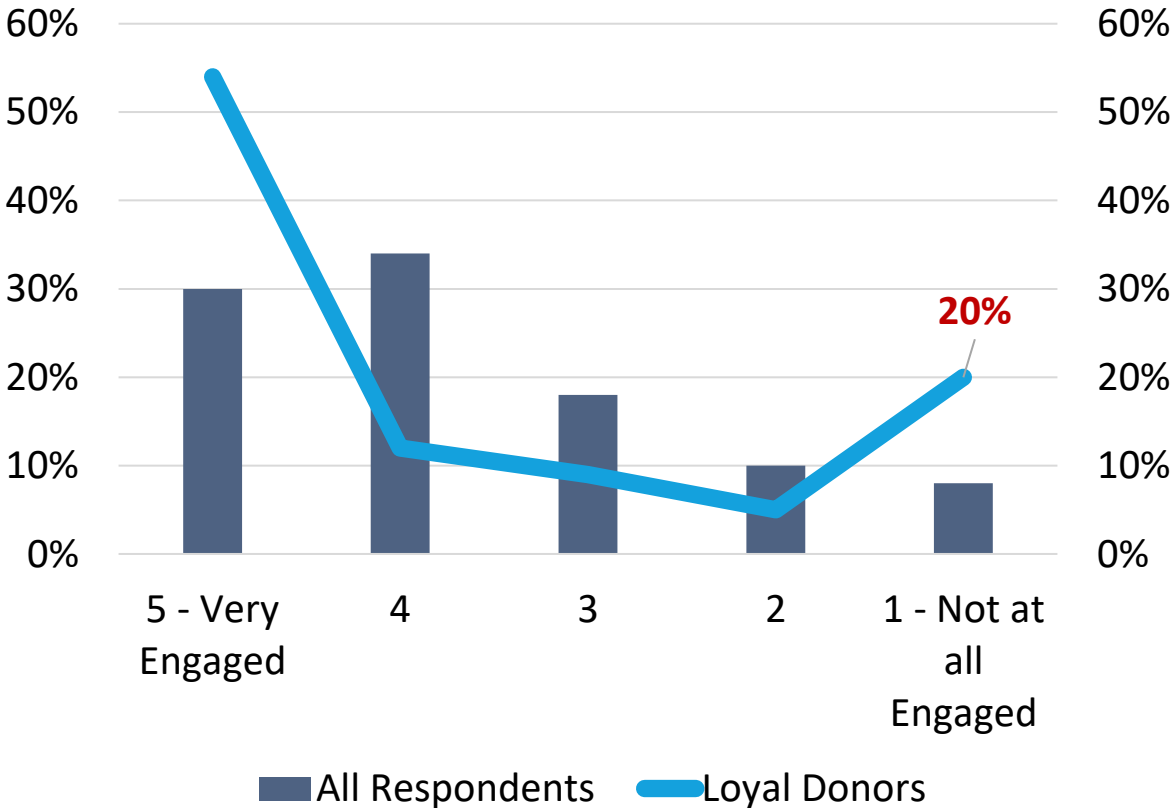
# Authenticity in High-Touch Engagement

| | |
|---|---|
| **Authenticity is valued by donors** | I believe that fundraiser would make the same gift if they had my money |
| **Honesty fuels authenticity** | You will mess up.  Your program will mess up.  Your donors give to you because they want the same things.  Let them in. |
| **Avoid overly sanitized communications** | People are more culturally aware of sanitized corporate-speak<br><br>The "good" is "really good" when they know you are telling the truth |

# Messaging and Content Strategy

## Impact Maturity Model:

- A system of evaluating messaging for top fundraising programs
- Godin *Smallest viable audience*

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# Regular and Dependable Reporting

| | |
|---|---|
| **Uses** | Keep donors informed about use of their gift |
| **Impact** | What impact are their gifts having? |
| **Alignment** | How do these gifts connect to your mission, vision, and strategic initiatives? |
| **Accountability** | Demonstrate you are accountable to them. |
| **Ownership** | If they are giving to their own thing, self-interest and organizational interest will align. |
| **Worth** | Show your worthiness.  We offer the best return for this type of philanthropic investment. |

# Fewer than ¼ of organizations give impact reports to all their donors



**23.5%** 100%

**41%** < 25%

**8.5%** 75-99%

What percentage of your donors receive an **annual impact report?** 2017 only

**13%** 50-75%

**14%** 25-50%
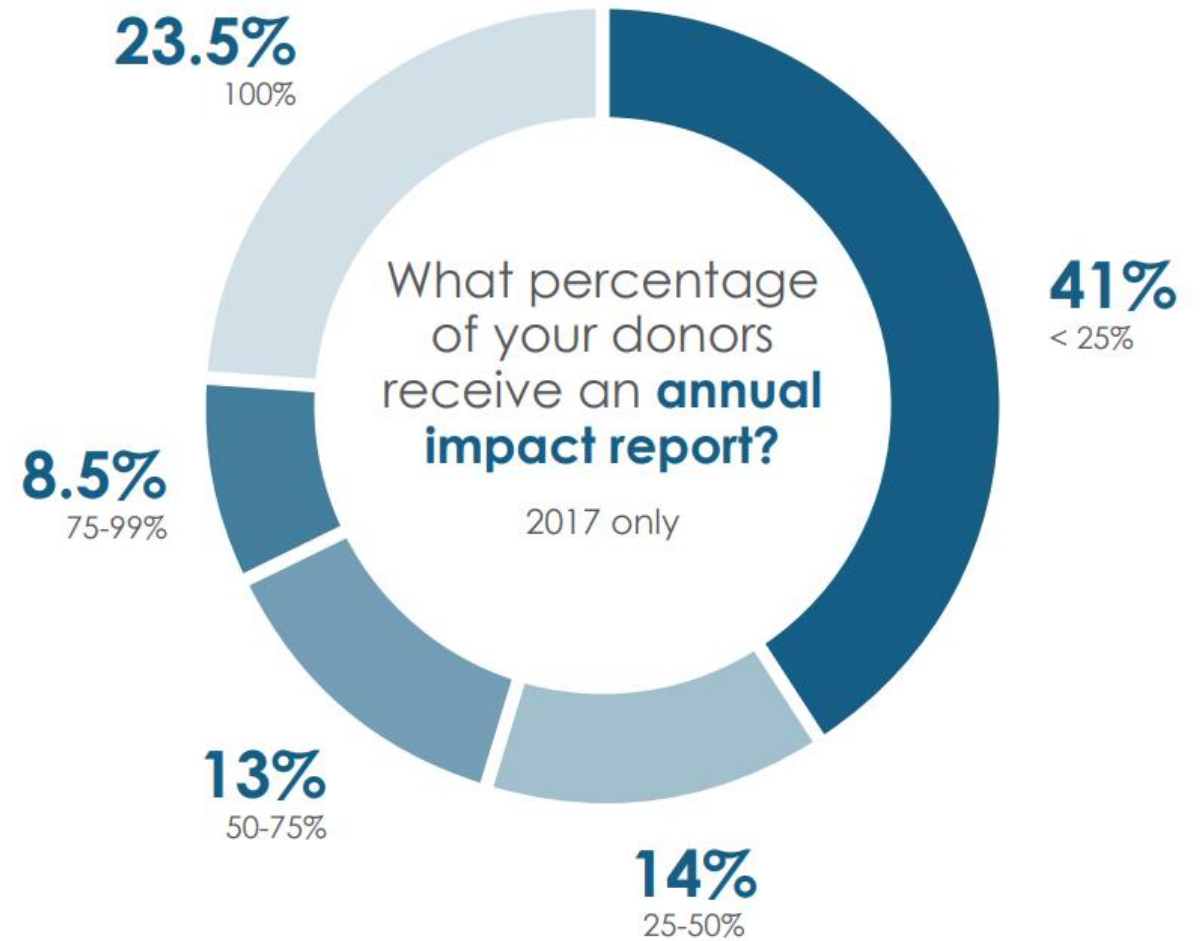
Source: Donor relations guru

# Events: Focus on Purpose and Measurement

Events are an expensive way to raise funds. They are, however, common entry points for future major donors (P2P spheres of influence circles).

Mixed purpose events are confusing for donors

Every event should have specific, measurable outcomes

Validating philanthropic investment, building loyalty, broadening donor interests

Net Promoter Score (NPS), engagement analysis, and satisfaction surveys are common methods of measurement.

# Digital Content: Donor Motivations Study

**It's all about "me."** The three main reasons people donate to nonprofit organizations are very personal in nature – they have a deep passion for the cause, they believe the organization depends on their donation, or they know someone affected by the nonprofit's mission.

**Donors spread the wealth.** Nearly 80 percent of all survey respondents report donating to multiple organizations per year. More than 60 percent of high-wealth donors support at least four organizations.

**Volunteering and events are "gateway drugs."** Nearly 75 percent of those who volunteered say they are more likely to donate. This is especially true for Millennials (52 percent), who are most likely to donate after volunteering.

**Content is NOT just king … it's money.** Nearly 75 percent of respondents say they might stop donating to an organization based on poor content, including vague content, dull content, irrelevant content, and inconvenient formatting.

**Quality, length, and frequency matter.** Most donors prefer short, self-contained content. More than half of all donors want at least monthly communication (except Millennials, who want to receive content at least twice monthly).

**Personalization matters.** Approximately 71 percent of donors feel more engaged with a nonprofit when they receive content that's personalized. Personalization done wrong – with misspelled names, irrelevant information, or age inappropriate material, for example – rubs donors the wrong way.

**Donors trust nonprofits to spend money wisely.** By and large, donors trust the nonprofits they support to spend their money wisely (93 percent),,and are pretty evenly divided in giving to both restricted and unrestricted funds.

Source: Abila 2016

# Let's look closer at that one...
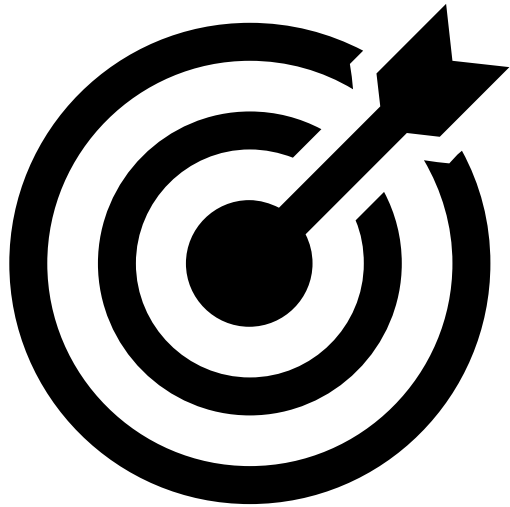
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# Discussion

**Josh Birkholz**