

Donor Stewardship: Making Virtual Friends for Life

A White Paper
by Amergent



As fundraisers, we have historically spent time, attention and testing to ensure that direct mail packages produce gifts. We focus on every detail of the reply device and we're conscientious to thank donors well.

But there's a lot of talk about multi-channel donors. We've read the reports that say multi-channel donors are valuable, but wanted to better understand the issue.

Amergent analyzed millions of gifts to dozens of nonprofit organizations and has discovered consistently improved results from effective multi-channel stewardship. Some of these findings include:

- Donors who make a second gift in their first year are twice as likely to make a gift in their second year.
- Direct mail donors who have trusted you with an email address have an average donor value that can be 150% higher than similar donors who have not.
- Online donors deserve your time and attention.

The secret to gaining and keeping multi-channel donors → Good Donor Stewardship in every channel.

Amergent's Donor Acquisition and Stewardship Project

Beginning in June of 2009, Amergent began making "secret" gifts, online and through the mail, to national and regional nonprofit organizations. We recorded every web page, every email message and collected every piece of postal mail addressed to our "secret donors."

Our study has grown to over 80 nonprofit organizations to which we have made over 200 gifts. We have collected over 2,000 pieces of direct mail and hundreds of email messages. Some nonprofits send us an email weekly and something in the mail almost monthly.

Others have NEVER responded to our gift.

We gave online gifts via credit card, and we mailed checks to the organizational address displayed on their website.

Enclosed is my gift of \$25. Wish it could be more. I will give again whenever I can.

Chris Doyle
Suite 20
9 Centennial Drive
Peabody, MA 01960

chris_01960@yahoo.com

Postal mail check enclosure

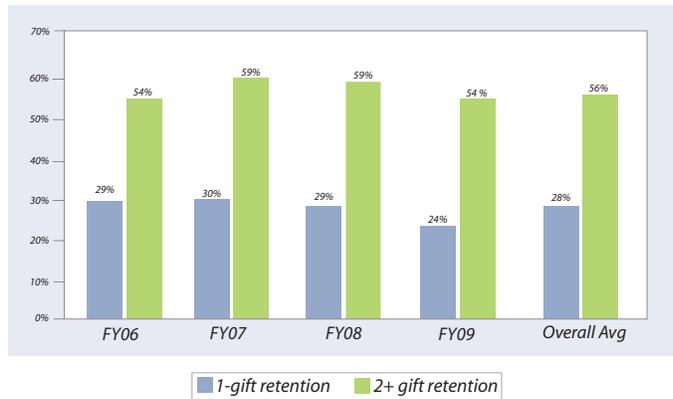


Year 1, Gift 2 is pivotal

Donors who make a second gift in the first year of their relationship with you are much more likely to make a gift in their second year. On average, they are twice as likely to make a gift in the following year.

Amergent conducts in-depth analyses on our clients' data, and one of them compares new donors in their second year of giving and shows their retention. As this chart indicates, new donors in year 1 who make a second gift in year 1 renew in year 2 at 56%, which is double the rate of new donors who did not make a second gift in year 1. This example is typical of our clients' results.

Value of a 2nd Gift in Year 1



Therefore, efforts spent in the thank-you process, new donor welcome series and soliciting new donors to give again to the programs you already know they support is time and money well spent. Further, we recommend that you do everything in your power to shorten the time between when a donor makes their first gift and when they hear from you again.

Time Until Second Gift



Increase retention rates for newly acquired donors by getting additional gifts within their first 100 days on the file



Donors with Email Outperform

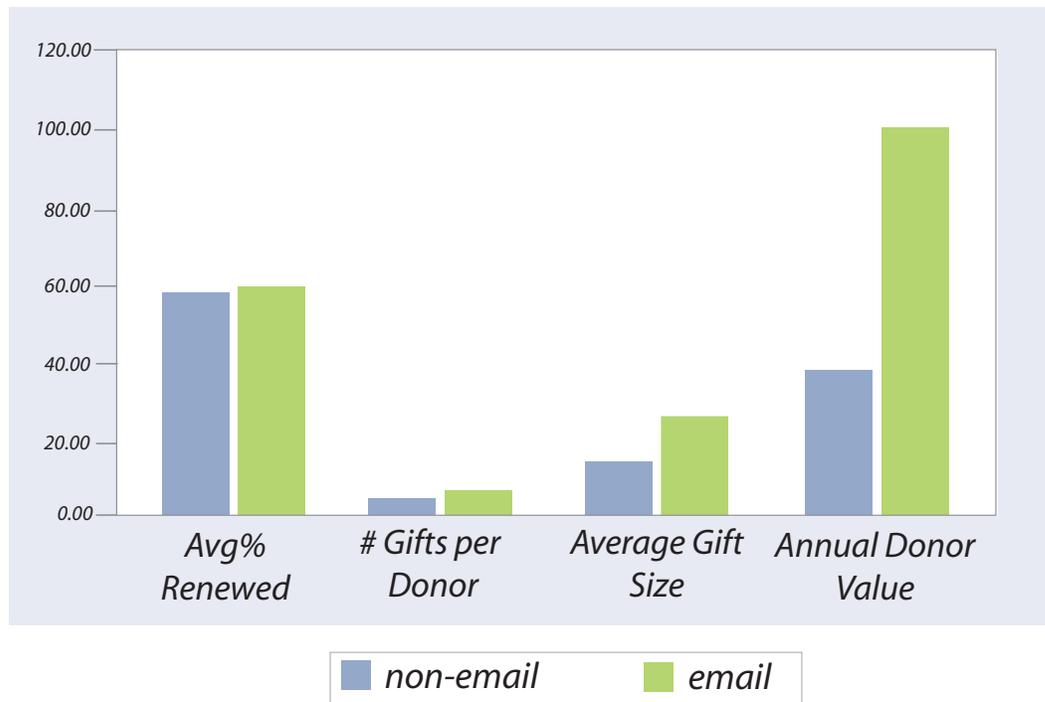
Donors who are willing to give you an email address are valuable to your organization. In fact, having that email address on file not only enables you to message the donor through multiple channels, but it could indicate a stronger level of relationship.

Donors with email outperform in every significant metric! Looking at comparative data from 2010, email donors have

- a slightly higher retention rate,
- a rate of gifts per donor that is 50% better,
- and an average gift that is 67% higher.

The sum of all of this is an annual donor value that is 2.5 times as high. This 5:2 ratio of annual donor value holds true across all donor segments.

Key metrics for 2010 donors



Online Giving: Audit your own Website

As fundraisers, you have tested and perfected your control package. You have segmented and personalized your acknowledgment program. You send mailings with a carefully planned and reviewed reply device.

But online, you may not be attending to the details quite as carefully and it's impacting results.

1. Your email messages should be sent to the right audience with the right ask at the right time – not “blasted” to everyone on the second Tuesday of every month.
2. Your donation forms should be accessible, tested to increase conversion and secure (not buried 3 clicks deep and difficult to navigate).
3. Your online thank you's should be heartfelt and personalized, but often they are two sentences on a very white screen.

You can improve the online giving experience for your donors, allowing them to use whatever channel suits them that day – enabling multi-channel relationship and giving.

Reviewing your online donation process is the first step in improving your results.

1. Can web visitors find the donation page?

- You need an obvious, easy-to-find link on every page. “Obvious” means it has to be where people look when they scan a web page: across the top navigation or down the left hand side. Anywhere else on the page is not as good.
- “Easy to find” means it stands out from all of the other navigation links. If you only have five navigation choices on your menu, then people can find it. If you have more than five, make the “donate now” link stand out in a different color or size.
- The link should say “Donate Now,” not something vague like “ways to help” or “support us.” Having a text link in the top navigation and a bold graphic button elsewhere on the page is even better.
- Less than 25% of the websites we studied had an obvious and easy-to-find link to the donation form even on their home page.

On this site, the “donate now” button is highlighted in orange in both the top and left navigation, which stands out from the blue background of the rest of the page.



AMERGENT
Working Together to Create Friends for Life

Online Giving: Audit your own Website (continued)

2. Does the link lead straight to the donation page?

Far too many organizations take someone who's ready to give on a detour, displaying page after page of opportunities to give appreciated assets, to make planned gifts, etc.

Finding the "donate online" link on these pages often isn't easy.

The ideal "donate now" link on the home page takes a potential donor directly to the online credit card donation form.

Yet less than one-third of all sites we studied brought us directly to that form. The rest had an intermediate page; some had two or even three intermediate pages! Put links to "other ways to give" on the donation form for those who seek to give that way.

3. How complicated is your form to complete?

Once people get to your form, it should be easy to fill out. The best format, according to testing we've done, is to first invite the donor to specify a gift amount, and if you have options for different funds, determine how the gift is to be applied right away.

- If you allow gifts to be directed to different funds, always have a prominent "Where the need is greatest" choice – many people will trust you to allocate their gift as you need to, and unrestricted gifts are the primary goal of every client we've ever had.
- Offer the option to make this a recurring gift. Some nonprofits generate a surprising number of new monthly donors from their website each month.
- The way you arrange the gift options on your page matters. Test a horizontal gift array (\$25, \$50, \$100, or "other") against a vertical array. Test an ascending array against a descending array. Test different amounts in the array. Each test will yield a different rate of completed donation forms and average gift amounts.
- Online gifts by credit card are NOT the only way people like to give online. Give them choices including PayPal, a printable form and e-check (see "Other Ways to Give Online" on page 8).



Online Giving: Audit your own Website (continued)

- Don't ask questions that are not necessary for completing the gift. Phone numbers, "how did you hear about us" and other pieces of useful information tend to get in the way of people completing a gift.
- The donation form is no place for links to other pages on your site with more information. You don't want to give them chances to leave the donation page except by clicking the "submit" button at the bottom of the page.
- There will always be errors made by donors in the donation process. They'll enter their credit card number incorrectly, for example. Make sure that your error messages are clear and forgiving.

Transaction Failure!

General Error. Please **check** your credit card information

- You can measure the success rate of your donation page, even if you don't have fancy tracking. Look at your web site analytics reports (Google Analytics, Webtrends, etc.) and look at the total "page views" of your donation form each month.

If you make it easier to find the donation page and easier to complete the gift, you will start to see real increases in your online donation results.

Increase your site conversion **before** you invest a dime in acquisition of traffic or donors.



Other Ways to Give Online

If you think that people online give to your organization only through your web donation form, you're missing significant slices of the online giving pie.

In our review of the "online" gifts given to a particular charity in 2010, all were made by people who visited their web site. However, **only 64% of those gifts were made via the web form.**

24% of the gifts came in via PayPal. There are 85 million PayPal accounts in the US and they exist for only one reason – so people can spend money, online. Don't you want to make it convenient for those active web users? They're comfortable with PayPal, and they can make a gift to you easily and quickly, without having to enter a credit card number online.

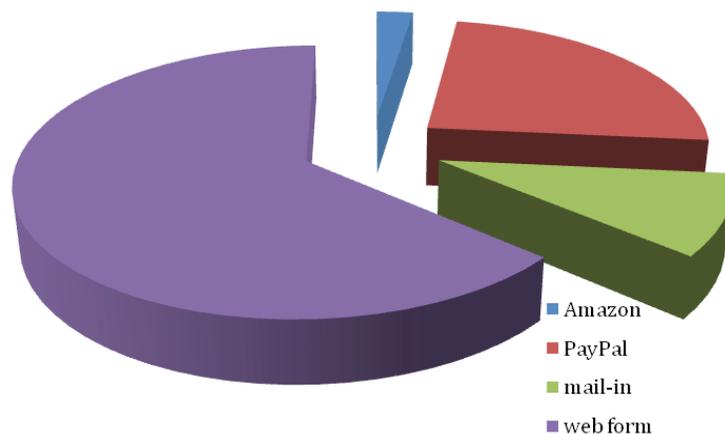
10% came in via the mail, on forms printed from the web site. These are people who don't trust the web at all, or who had trouble using your web form (no web donation process works 100% of the time).

The smallest slice (two percent) came in via Amazon's payment system. Amazon lets nonprofits establish a vendor account, and donors can use their Amazon one-click process to make a gift to the nonprofit. Again, it's convenient for the donor.

We have found that Amazon and PayPal take a cut of the donation that is similar to the online credit card merchant, so the net giving isn't affected. However, we would recommend that you negotiate rates based on your volume, average gift amount and security measures.

Online check payments – those made online directly from the donor's checking account – will increase in popularity, particularly as people seek to avoid credit card interest rates, and as such payments are more often used for online bill paying in general.

So, if you only have a web form, **you might be missing more than one third of the gifts people are willing to give you.**



AMERGENT
Working Together to Create Friends for Life

Thanking Online Donors

Online donors give higher average gifts, yet the online thank you messages could make them feel like second-class citizens. All too often, a donor will hunt for a charity site (because it's not search engine optimized), scour the site for the donation form, enter a significant amount of personal data into a form that is hard to understand and THEN receive a thank you message that looks like this:

Donation Receipt

Tue, December 28, 2010 12:20:51 PM

From: [REDACTED] [Add to Contacts](#)
To: chrisd01960@yahoo.com

Thank you for your donation of \$25.00 to [REDACTED]

The way you communicate with an online donor sets the stage for whether you will broaden and deepen the relationship, or whether it will be a "drive-by" donation.

Thank-you page: Immediately after the gift is processed, the donor should see a page that promptly proclaims "Thank you for your gift!" If you are able to access the information on the gift when you display this page, thank them by name, e.g. "Hank Lewis, Thank you for your gift!"

You have their undivided attention. Take advantage of the opportunity to immediately invite them to take more action.

- Invite them to watch a video showing how their gift is being put to good use.
- Give them a button they can click to proclaim to their FaceBook friends that "I support [Your Organization here]."
- Invite them to complete a short survey, so they can express their interest in your mission.

Thank-you email: Most donation processing systems send an email immediately after the gift is completed (though one out of six organizations to whom we gave sent us nothing). Make sure this is a welcoming email.

As my colleague Heather Fignar puts it: "This should not be a receipt, but a receptionist."

inner-city
Inner-City Scholarship Fund

inner-city scholarship fund
A Child. A Chance. A Future.
www.icsf-nyo.org

Dear Chris Doyle:

Thank you for your recent donation to [Inner-City Scholarship Fund \(ICSF\)](#). Your contribution will allow us to provide students the education and resources they need to succeed now and well into a bright future.

The children you are helping with this gift would love to meet you. To schedule a school visit, please contact [Karina Strobl](#).

I truly believe we can continue to make anything possible for these tremendous boys and girls — as long as we can count on your support.

Thank you.

Sincerely,
Susan Gray

[ICSF HOME](#)

[ICSF VIDEOS](#)

[READ A STUDENT'S STORY](#)

[POST A MESSAGE TO A STUDENT](#)

AMERGENT
Working Together to Create Friends for Life

Thanking Online Donors (continued)

She means that the email should be welcoming and gracious, not merely a recitation of the details of the gift. Again, offer them options for learning more about your organization and options for proclaiming their shared passion for your cause.

If your donation process merely spits out a receipt and you can't change it, then you need to quickly import your new donors into your email system and send them the right kind of email message. Two email messages are better than one.

Thank-you letter: It is common, but not required, to send online donors a printed thank-you letter in the mail. This is a great way to introduce them to the direct mail appeal cycle. Here are some important things to consider:

- This does not replace the need for an immediate online thank-you page and email.
- Get them into your direct mail system quickly – within four weeks – or you will lose the connection you established with the gift.
- Some people will not want a mail relationship with you. Honor that. Make it easy for them to opt out. It will help maintain the relationship with the new donor.
- Many online donors will become direct mail donors after receipt of follow-up appeals. This is common, and these multi-channel donors will become great donors for you. It may be that most nonprofits do a better job at their direct mail appeals than they do with email.

Invite your donors to engage with you on your online social networks. While the funds raised through these networks has been small so far, the stewardship opportunities within social networks are enormous and growing. As one nonprofit Executive Director said, "Our website is static and, frankly, boring; our FaceBook page is constantly updated and exciting."



Next Steps

You can make quick and high-impact improvements to your donor stewardship process:

- Contact us if you would like to have a Online Fundraising Audit for your website. We'll test your processes and deliver to you a report that contains clear, actionable items to improve conversion.
- Review our free article "[Using Analytics to Grow Your Fundraising Program](#)" for more information.
- [Sign up for Amergent's free email newsletter, "i-fund News"](#)

Webinars:

Visit the On-Demand Webinars section of our website. While the niches we reviewed may not be the same as your mission, the take-aways and observations can be applied across the entire nonprofit sector.

- [The Catholic Donor Experience: New ideas from our continuing study of multi-channel giving among 40 Catholic organizations](#) (August 2010)
- [The Donor Experience: An updated and expanded study of multi-channel giving among 32 NACCDO organizations](#) (April 2011)
- [A Great December Online? Or Just Average? Amergent explores Good v. Great online year-end fundraising](#) (February 2011)

More Information:

Multi-channel fundraising: <http://www.amergent.com/search/node/multi-channel>

Thanking donors online: http://www.amergent.com/ifund/welcome_mat

Getting the second gift:

http://www.amergent.com/ifund/renew_more_donors_in_the_first_100_days

<http://www.amergent.com/ifund/resolutions2011>

Email addresses for donors: <http://www.amergent.com/eappend>

