THE ART AND SCIENCE OF RETAINING DIGITAL DONORS

bloomerang

Congratulations!

You've just generated a donation through your website or online giving platform. You worked hard to secure that gift — either through an email, social media, P2P or, possibly, through a direct mail campaign.

And now your work as a fundraiser is done, right? **Wrong**.

Why retention matters

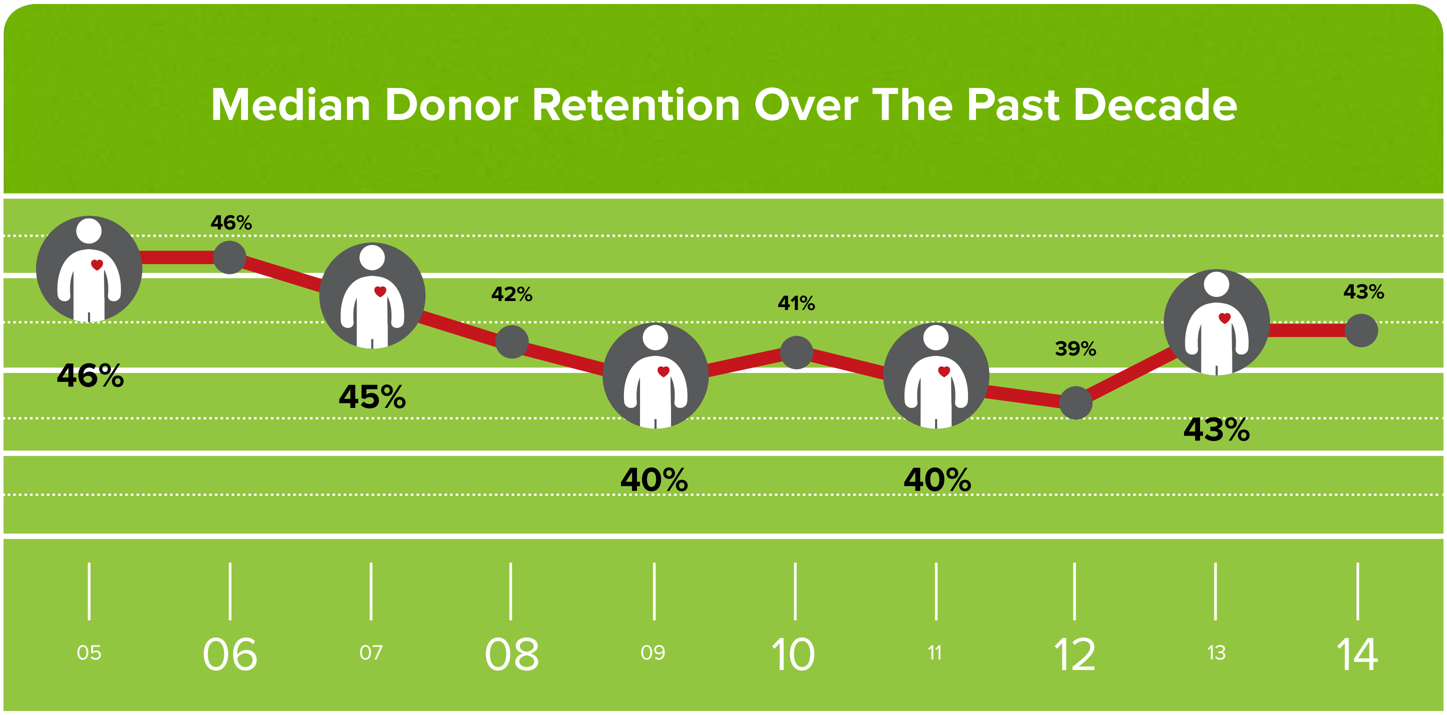
The truth is that the vast majority of the nonprofit sector is caught on an acquisition treadmill. As donors lapse, fundraisers attempt to bring new donors in through the door.

The problem with this strategy is that retaining a donor is much less costly (and more fun) than securing a new one.

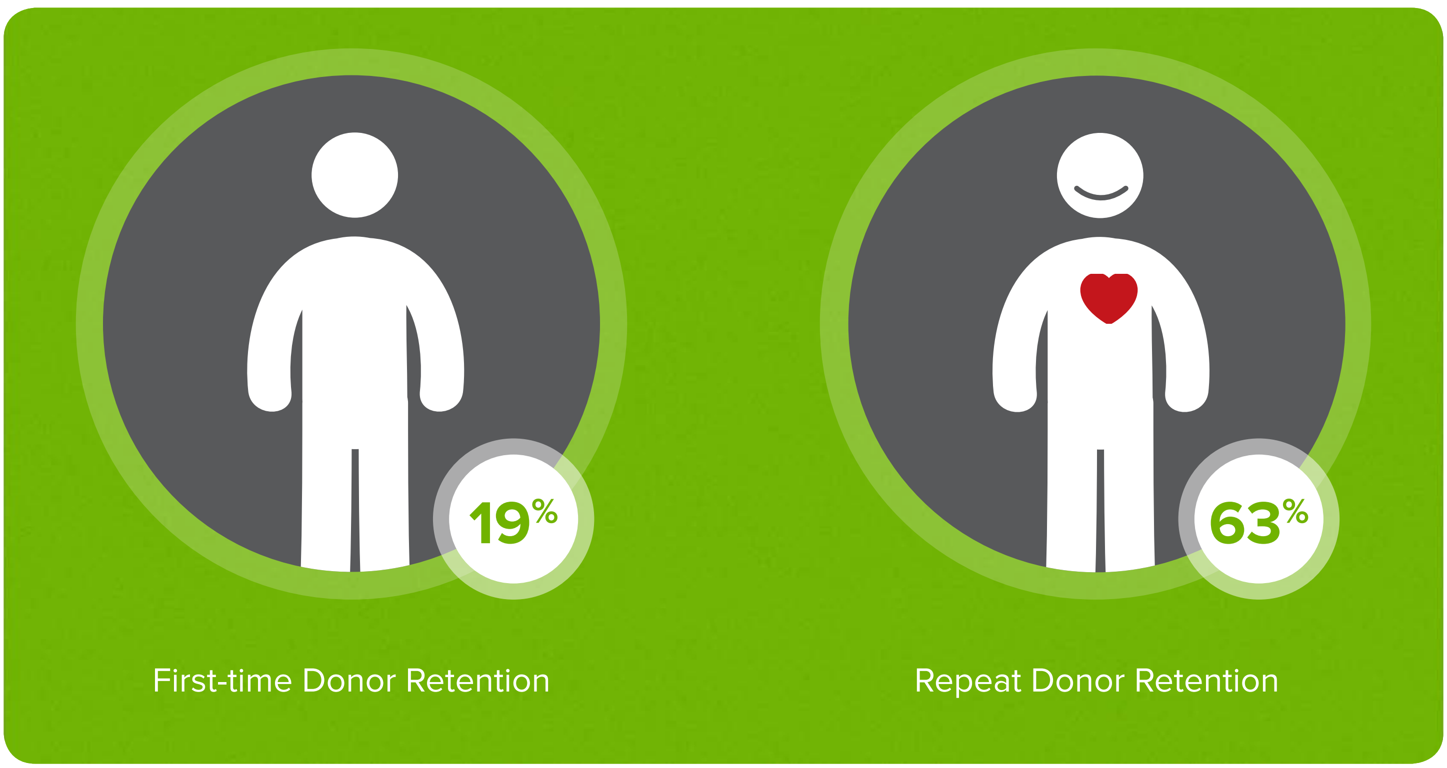
According to the Fundraising Effectiveness Project, a collaborative effort between the Association of Fundraising Professionals and the Urban Institute, the median donor retention rate for the sector hovers right around 40%. This means we lose about 6 out of every 10 donors.

The news is even worse for first-time donors, who are typically retained only about 20% of the time.

> **"Typically a 10% improvement in the level of loyalty now increases the lifetime value of the fundraising database by around 50%."**
>
> **— Adrian Sargeant,** *Bloomerang Chief Scientist*



Source: **2015 FEP Study**



Source: **2015 FEP Study**

What drives donor loyalty?

The topic of donor loyalty has been studied by numerous academics and consultants for many years.

In his book **Retention Fundraising: The New Art and Science of Keeping Your Donors for Life**, Roger Craver published the results of a fascinating survey.

Craver had 250 nonprofits poll their current donors with the hopes of finding out why they had remained so loyal. Each donor was given a list of 32 reasons why they might keep donating to the organization, and they were asked to rank them by order of importance.

Here are the top seven:

1. Donor perceives your organization to be effective in trying to achieve its mission.
2. Donor knows what to expect from your organization with each interaction.
3. Donor receives a timely thank you.
4. Donor receives opportunities to make his or her views known.
5. Donor is given the feeling that he or she is part of an important cause.
6. Donor feels his or her involvement is appreciated.
7. Donor receives information showing who is being helped.

If you were to search for a common thread among all of these data points, you could argue that it's *donor communication*. How you communicate with a donor, particularly right after the gift is made, is the basis for the relationship going forward.

Regardless of giving channel, gift size, and gift frequency, all donors want to feel appreciated, know their opinion matters, and know how their gift is used. They want to be active participants, not just ATMs.

Luckily, your online donors may be the easiest to communicate to.

Online gifts are often generated by low cost, non-personal interactions. Unfortunately, our gift acknowledgements tend to be just as impersonal.

This means that if you get a first-time gift online, the chances of you retaining that donor may be even lower than 20%. It's unlikely that a bond has been created between your organization and the donor yet.

Online gifts also tend to be a smaller revenue source. According to Network for Good, online giving represents less than 10% of total giving sector-wide.

When you combine those reasons with the fact that most of the initial follow-up processes can be automated, online donors are an excellent segment of the donor database to test and optimize your gift acknowledgement and stewardship practices.

It all starts with your donation page

Retention starts even before online donors make their gift. Even if your donation form converts a visitor, the information you collect from them can mean the difference between loyalty and attrition.

Donation page checklist

With retention being your end goal, there are a few critical options that should appear on the donation form:

1. Recurring giving option.
Securing a recurring gift (either daily, weekly, monthly or quarterly) is a fast and easy way to triple your donor retention rates.

According to Target Analytics' DonorCentrics US Recurring Giving Benchmarking Analysis, donors who sign up for recurring gifts are typically retained in the 80th and 90th percentile. Compare that to the FEP average of around 40%.

A recurring gift creates a massive amount of stickiness between you and the donor. Having the amount automatically withdrawn from a checking account or charged to a credit card is painless for the donor. Just be sure that you keep their payment information up to date!

2. Contact info.
Asking for contact information is a no-brainer, but how you ask for it can enable the donors to send you signals that will inform your future communication efforts.

Mailing/billing address, email address, and phone number fields are common, but don't be afraid to ask for social media usernames and URLs, especially Twitter usernames. Because it's an open system (unlike Facebook or LinkedIn) you can immediately strike up a dialogue.

Try making them non-required (aside from billing address for processing reasons) and see if requiring them later on cuts down on conversions.

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3. Communication preference.

As you may recall from Roger Craver's survey, one of the top reasons donors stay loyal is because they know what to expect with each interaction from your organization. Communication preference or channel is a big part of this.

Adding a dropdown option labeled "communication preference" pairs nicely with asking for contact info because you can sync the two options.

For example, if you get all of the requested contact info from a donor who indicates their preference is social media, you'll know they're a good candidate to reach out to on Twitter. If you don't get a phone number (because it was not required) or they don't list phone as their communication preference, you know not to call those people!

Knowing a donor's communication preference can allow you to segment your future communications more effectively, which also can cut down on direct mail costs in particular.

4. Giving ladder with impact statements.

Sometimes called a "gift array" or "giving ladder," suggested donation amounts take the guesswork out of the donors' minds and help you dictate their giving levels.

They also represent a great opportunity to communicate how the gift will make an impact. When donors know how their dollars are being used, they're more likely to feel like active participants in the organization's mission.

Coburn Place, a nonprofit organization that serves victims of domestic abuse, explains how it uses donations of varying amounts in a message to donors. Here is an excerpt:

$15 provides one night of safe haven for an adult and two children.

$60 provides an hour of therapy to help restore a survivor's self-esteem.

$100 provides a support group session to help adults learn the warning signs and cycle of abuse.

$450 provides one month of safe haven for a family.

$6,300 provides utilities for the apartments of 35 families for one month.

Your gift of ANY amount provides HOPE.

Make a great first impression

Once a donor has clicked “submit” on your donation form, three things should happen almost immediately. If the person is a new donor, they should receive three communications from you. However, two are usually completely overlooked.

Before reading ahead, can you think of them?

They are:

1. Confirmation page
2. Confirmation email / receipt
3. Formal follow-up

The formal follow-up (usually a letter in the mail) is almost ubiquitous, but the confirmation page and email receipt represent sneaky-good ways to engage your donor. Depending on what technology you use, this also can be totally automated!

Each of these three communication vehicles has the opportunity to convey all top seven drives of donor loyalty listed in Roger Craver’s survey.

Let’s dig into them one by one.

Confirmation page

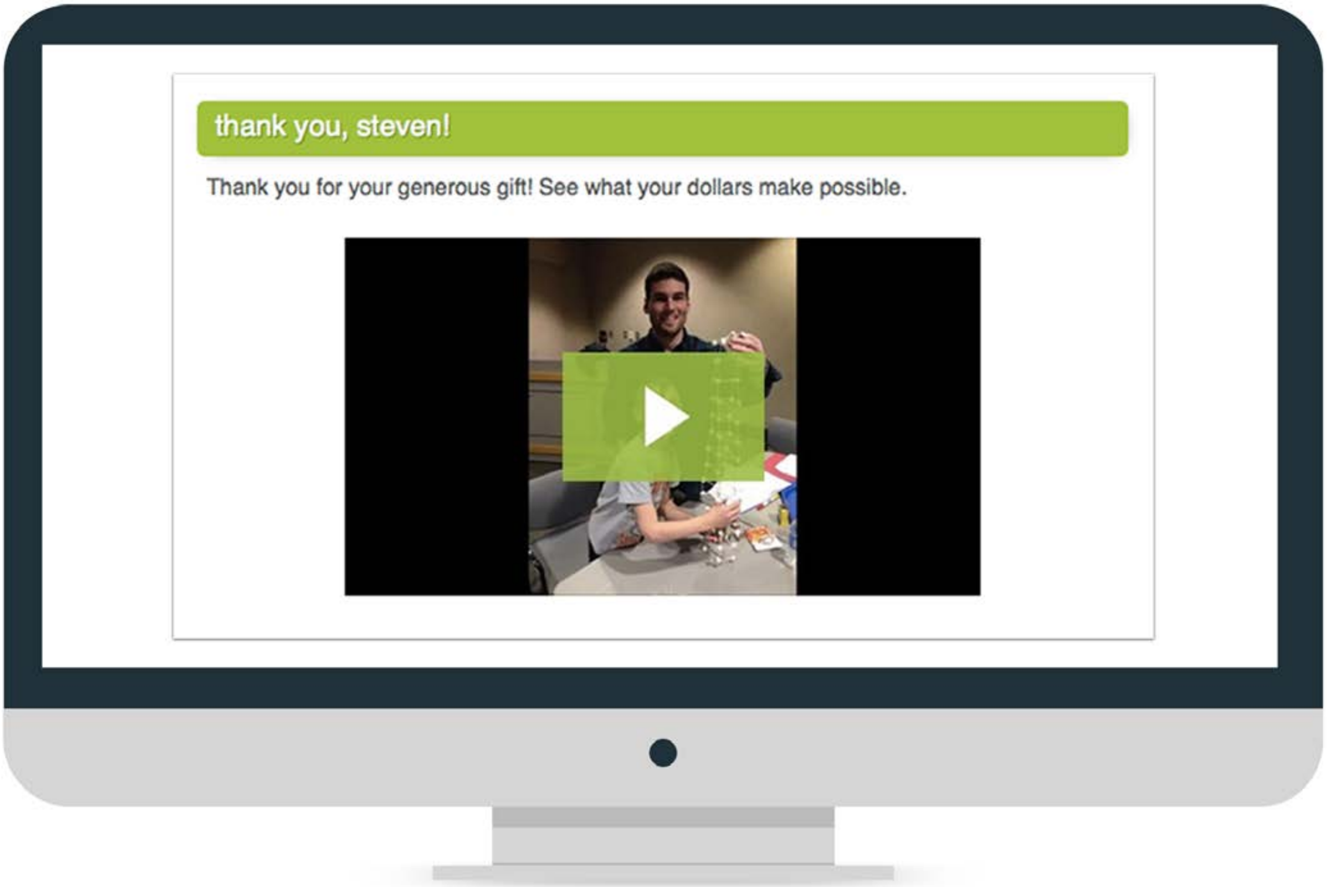
After the donation form is submitted, the donation page will redirect to the confirmation page, sometimes called a “thank you” page. This is literally the first thing that donors see after making their contributions.

At a minimum, the confirmation page should communicate that the transaction was successfully completed. You don’t want to cast any doubt in the donor’s mind, especially if this is a first-time donor. This is why it’s so problematic when a nonprofit doesn’t have a confirmation page. If the donation form just disappears or redirects to the homepage, the donor is left wondering whether the donation actually went through.

Beyond just communicating a successful transaction, the confirmation page also is a great place to say thank you, communicate gift impact, and keep the donor engaged on your website. After all, you spent all that time and energy (in other words, money) getting them to your website. Why not encourage them to stay even after they’ve donated?

21 ideas for your donation confirmation page

Creating a donation confirmation page can take on various forms. The following are some ideas to consider.



Make the donor feel special

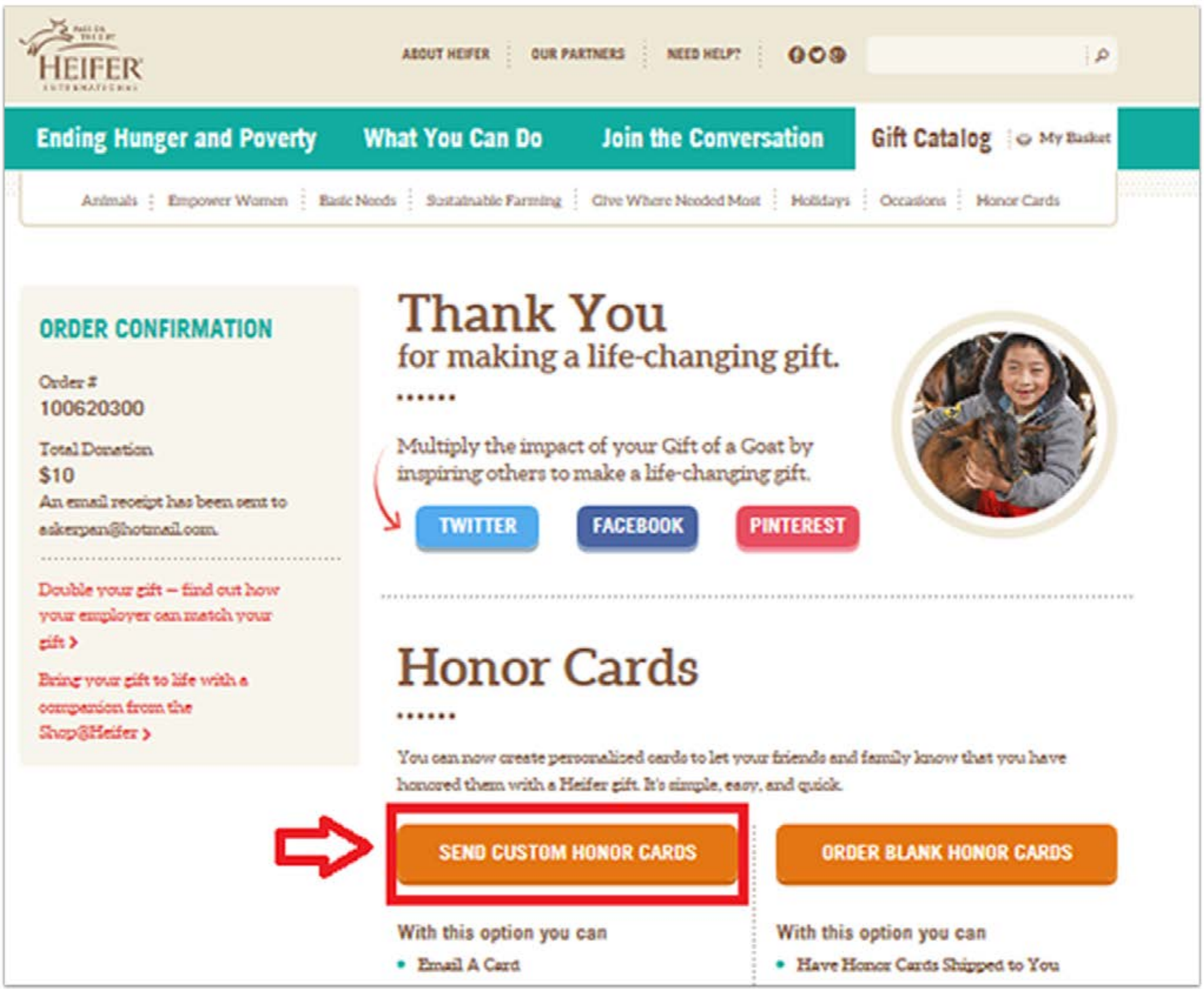
In this first grouping of ideas, you'll find ways to make the donor feel appreciated and set them up to receive future communications from your organization. All seven of the following ideas can and should be featured on one page.

1. Say "Your donation was processed successfully!"
2. Say "Thank you!"
3. Explain how the donation will be used.
4. Explain in detail how the donation will impact those your organization serves (slightly different from #3).
5. Show a photo or photos that depict the impact of the donation.
6. Post a video that says thanks and shows the impact of the donation.
7. Explain what the donor can expect to receive from future communications.

Generate a second interaction

The worst thing that can happen is for a person to leave your website immediately after making a donation. You spent a lot of time and energy a) getting them to your website and b) getting them to donate. Since they're already on your website, give them something enticing to do next.

As opposed to items 1-7 above, *don't place all of the items below on one page*. This could lead to what [Unbounce] calls The Toothpaste Trance; website visitors are given so many options that they end up choosing something at random that may be meaningless to them (kind of like when you stare at all the options in the toothpaste aisle).



Choose just a few of the ideas below that make the most sense for your organization. Whatever you choose represents excellent candidates for A/B testing.

8. Contact info ("Contact us anytime with questions or concerns!").
9. Social media buttons to share that they gave.
10. "Follow Us/Like Us" social media buttons.
11. Links that directly lead to organization social media accounts.
12. Link to a donor survey.
13. Link to another webpage or blog post.
14. Link to upcoming events.
15. Link to volunteer opportunities.
16. Employee matching option (can be text that asks donor to see if their employer matches donations or a search box that lists participating companies).
17. Embedded contact form for feedback ("Have a question or comment? Fill out this form to let us know!")
18. Link or form to subscribe to blog.
19. A function that allows them to create and send tribute cards..

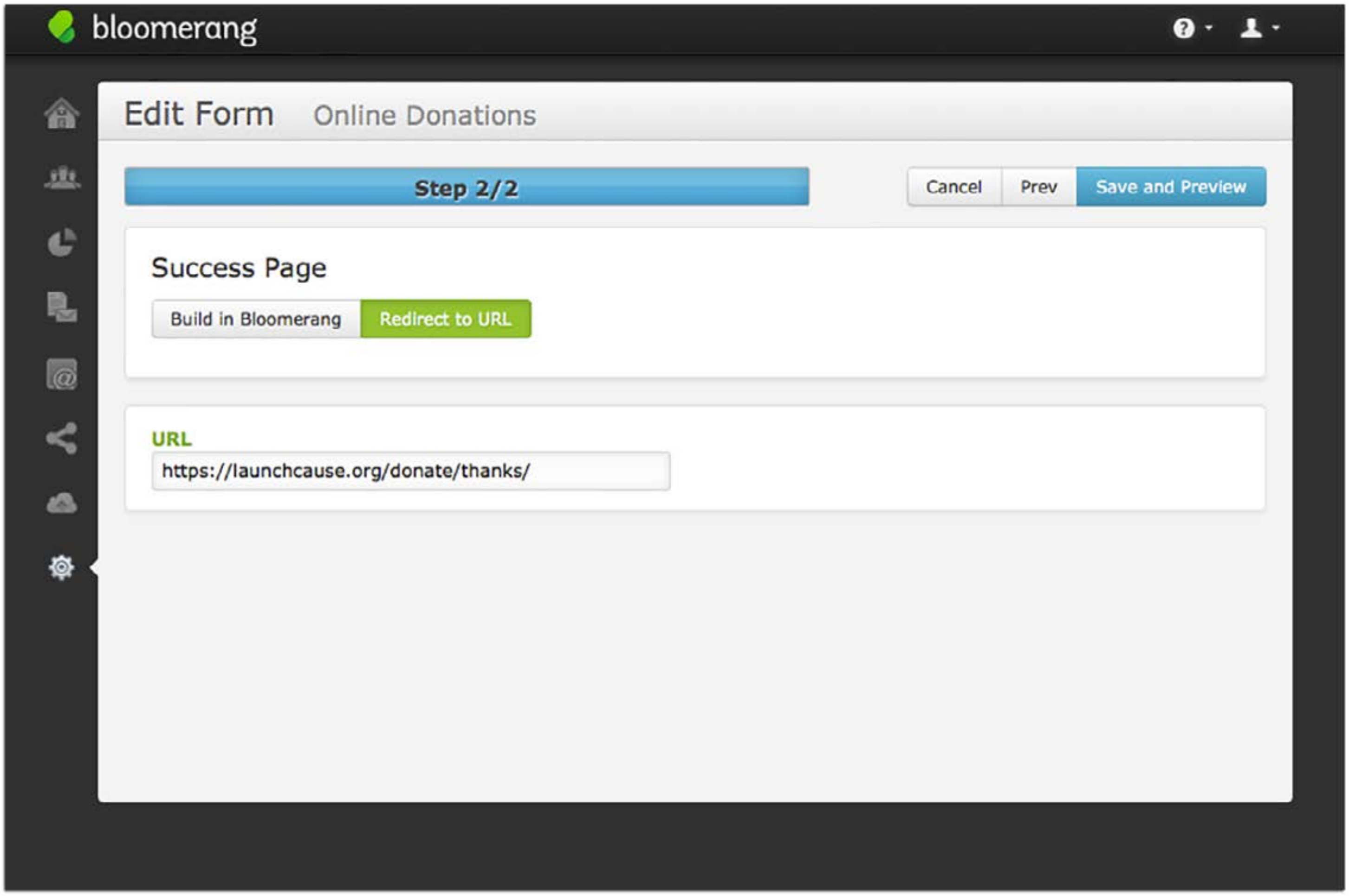
Social proof

Your donation confirmation page is also a good opportunity to reassure the donor that they are not alone and that their gift matters.

20. Donor testimonial (Why I give and/or continue to give).
21. Campaign or project status.

If you're a Bloomerang user, you have the ability to build a confirmation message in Bloomerang, or redirect to a dedicated URL.

If you have the ability to create and customize your own web pages, be sure to take advantage of the redirect option.



The Confirmation email/receipt

As your donor is browsing the confirmation page, an email receipt should be hitting their inbox. This is typically auto-generated by the software or application you use to collect online donations.

There is a surprising amount of room to make the donor feel special and show that your cause is one worth supporting in the blank canvas of an acknowledgement email. You just need to embrace the flexibility that the format allows.

It doesn't have to look like a pharmacy receipt!

Here is a 19-point checklist for your donation email acknowledgements. Follow this formula for an effective thank you that drives additional action!

1. Subject line. Subject lines are typically perfunctory, but they don't have to be. In fact, you can have some fun and set a donor-centric tone before the recipient even opens up your email.

Okay: "Donation receipt"
Better: "Thank you for your donation"
Best: "Your gift just changed a life"

The risk with that last example is that it might not clearly signify a receipt. Subject lines are a great thing to test, measure and adjust.

2. From/reply-to address. To make your email look more personal, set the sender as a real email address, like john@nonprofit.org. This looks far more appealing than no-reply18590101@nonprofit.org.

3. Branding. Emails that look like they came from your organization, rather than a generic payment processor, are more authoritative and trustworthy. At the bare minimum, include your logo.

4. Personalized greeting.
The first words of your email should be a personal greeting that includes the donor's name. No personalization is better than "Dear donor," or "Thanks %%USER NAME%%!" (when bad data causes something to break).

5. Tone. Don't be afraid to take an informal, conversational tone in your email, unless it absolutely contradicts your brand image or voice. A thank you email does not have to be as bland sounding as the note you wrote to your grandmother thanking her for that brand new pair of socks.

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6. Short paragraphs. Short scannable paragraphs improve readability and help move the recipient down through the email. If a person opens your email and sees one giant wall of text, you can pretty much guarantee that it won't be read. Shoot for two sentences per paragraph break; three at the absolute most.

7. 1st thank you. The first full paragraph of your email acknowledgement should be a thank you. And not just any thank you. You need to shower them with the love and adoration they deserve.

Here's an excerpt from a thank you acknowledgement sent by OneJustice:

> **"In our eyes, you're a superhero! Dear Claire, you did something really special. You gave the gift of justice. Your donation to OneJustice means so much to us. Thank you! And it will mean even more to the low-income veterans, kids, seniors, and families who will receive life-changing legal help this year — all because of you."**

8. Impact statement. The second full paragraph should communicate the impact that the donation made. "Because of you, a family of four will stay warm for one week" or "Your $20 gift just supplied the vaccinations one dog needs to be eligible for adoption." Specifically stating how the dollars will be used is best, and you'll really score points if you can weave in the story of a specific recipient.

9. 1st action request. The third full paragraph should ask the donor to take action. This can be a new donor survey or a request for feedback on their experience as a supporter. You could even highlight volunteer opportunities or inquire about employee matching.

10. 2nd thank you. The fourth full paragraph should reiterate how much you appreciate them. Seriously, pour it on here.

11. Humanization. Look for opportunities to humanize your brand, perhaps through a photo of your team or a thank you video.

12. Next steps. In the case of a first-time donation, the fifth full paragraph should set expectations for what the donor should expect from you next. In the survey conducted by Roger Craver, one of the top seven drivers of donor engagement was that the donor "knows what to expect from your organization with each interaction." In fact, this was the second-most important expectation out of all top seven in the checklist.

Set the stage here. Start by saying "Over the next few weeks, you can expect to receive..." If this is a returning donor, set the stage for the next immediate touch.

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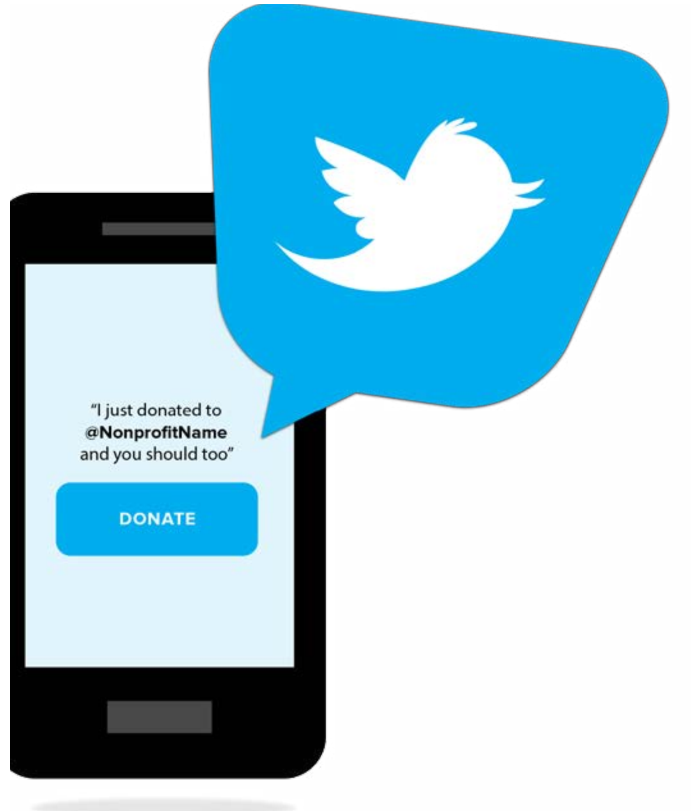
13. Close with personal authorship/signature.
You don't want your thank you emails coming from your logo or brand name. Make them come from a real person, like your ED (ghost-written is okay).

14. 2nd action request. Same as above, just do something different from the 1st action request. If the body of the email is getting a little long, you could put this in the footer.

15. "Tax receipt" and organization's name.
The term "tax receipt" and your organization's name should appear in plain text somewhere on your email.

The donor may have to search their email inbox around tax time, long after the actual donation, to locate this document. Make it easy for them. If it's embedded in an image, the email client search tool may not pick up on it.

If this email is in addition to a tax receipt email sent by the payment processor, you can skip this step – just make sure that first email is search-friendly.



16. Social sharing. Consider a "Tweet your support" link that opens a pre-written tweet for the donor to send, like "I just donated to @ NonprofitName and you should too >>> (link)."

Click To Tweet is a simple and free tool for creating pre-written tweet links. Recommending that the donor follow you on social media is also a prudent ask.

17. Subscription options. Because this email is a transaction-based email, donors are exempt from CAN-SPAM regulations and you are not required to offer an unsubscribe option. However, it is a best practice to offer a "manage email preferences" option that includes unsubscribe.

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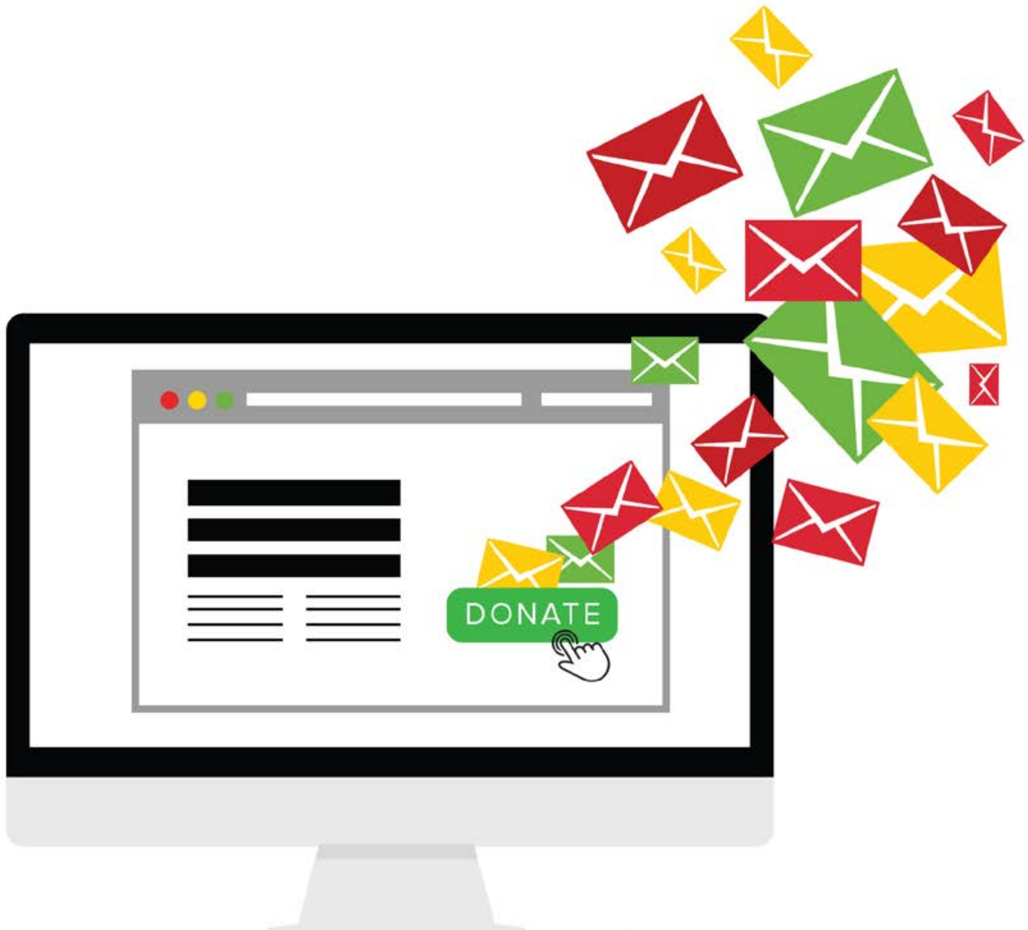


18. Speed. If this email is the only acknowledgement and includes the tax receipt, it should come within minutes of completing the donation. If it is a follow-up to a separate tax receipt, it can come hours later (but same day is best).

19. Size. Strive to keep the file size of your email as small as possible, as this is a trigger for spam filters. Email On Acid recently found that the **optimum size** is somewhere between 15kbs and 100kbs. Avoiding too many images is the best way to keep your file size down.

Hopefully, you've generated a smile and some additional engagement from your donor through the confirmation page and the email receipt.

Now, it's time to seal the deal.

Formal follow-up

Lastly, you have the formal follow-up. As opposed to the email receipt, which is likely automated, you now have the choice of how you'd like to craft your formal gift acknowledgement.

Even though we're discussing donors within one channel (online/digital) there's still room to segment your follow-up. Remember, not all donors are created equal, even if they all donated through your website. It's best to avoid sending the same acknowledgement to all of these donors, regardless of gift frequency, gift size, demographic, communication preference, etc.

First, start with communication preference. Hopefully, you've collected this through an option on your donation form.

Gift frequency should come next. Is this their first gift, or have they given before? Remember: Retention rates are poorest for first-time donors, so you might consider concentrating on them. Data shows that phone calls are especially impactful for first-time donors. Not only will they appreciate the special touch, but it gives you an opportunity to learn more about them.

> **"A thank-you call from a board member to a newly acquired donor within 24 hours of receiving the gifts will increase their next gift by 39%."**
> **— Penelope Burk, President,** *Cygnus Applied Research*

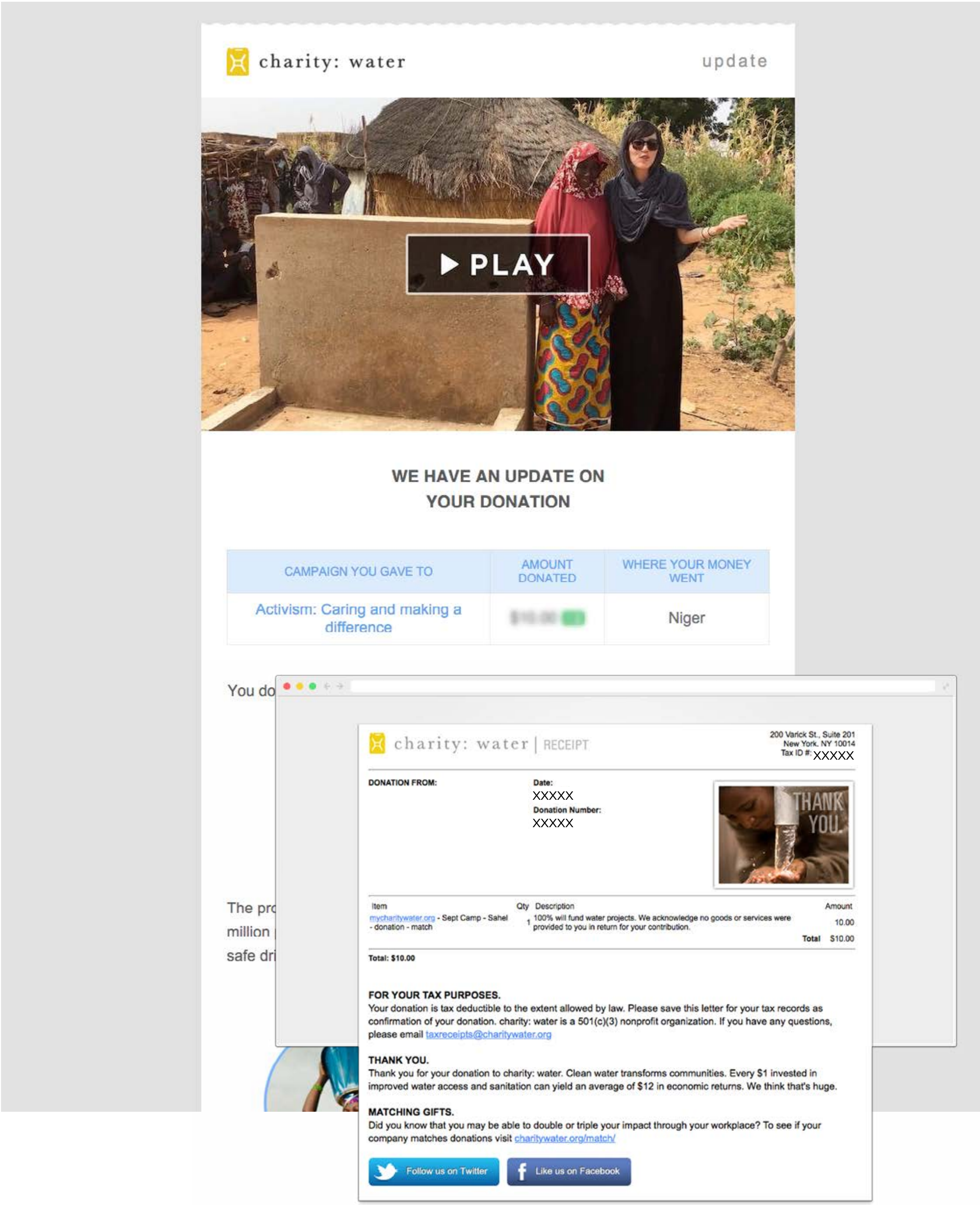
Gift amount is another possible way to segment donors, but don't get carried away. After all, $25 may represent a substantial gift to one donor, in the same way $1,000 does to another.

When sending a letter through the mail, follow the same guidelines for the email receipt above — just be sure to change up some of the content. Handwritten notes and signatures add a personal touch.

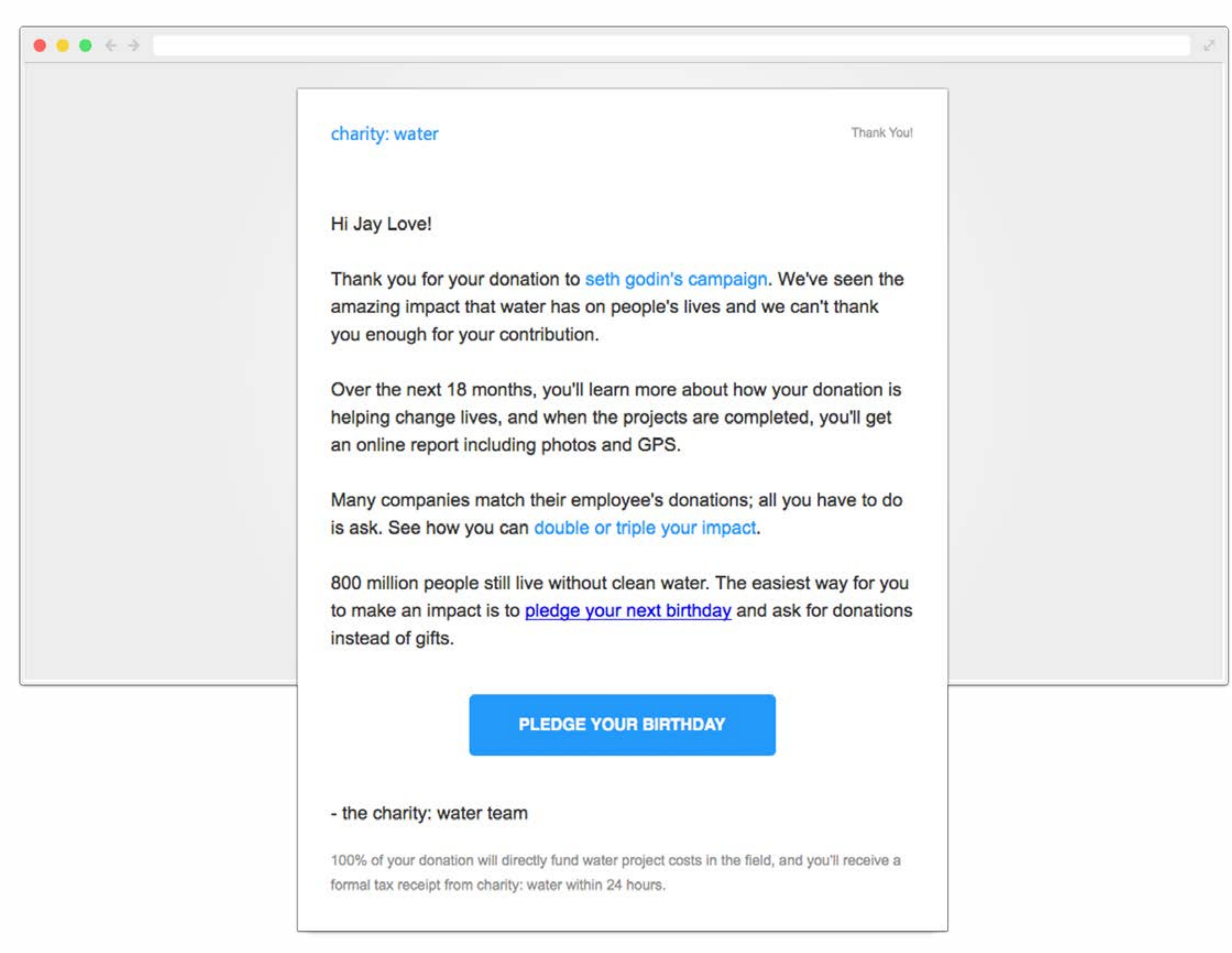
For phone calls, consider getting board members and volunteers involved. Thank-a-thons can produce more return on investment than any other board activity! Voicemails are just as good.

If you choose to send another email, be sure it stands apart from the email receipt. charity: water has mastered the one-two email punch.

Here’s one of charity: water’s automated receipts:



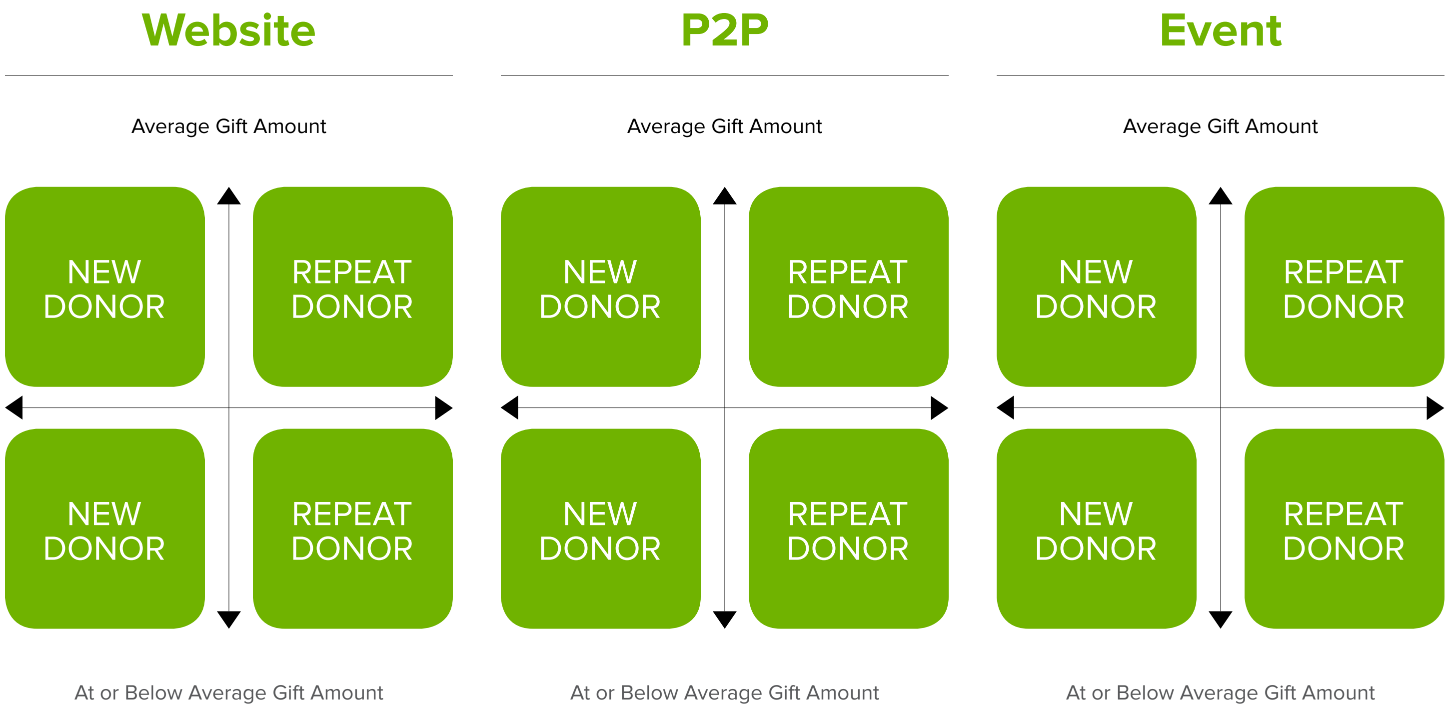
And here's its more personal follow-up email:



Donor-centricity is key here. Less "we" words than "you" words, multiple thank-you messages, and multiple impact statements should permeate the acknowledgement.

Not only should the acknowledgement formats and content be unique for each segment within the digital channel, they also should also stand apart from donor communications pieces outside of that channel.

After all, you may get multiple gifts from a donor in a single year through multiple channels.



When you go beyond segmented follow-up and create a matrix based on multiple factors including channel, you create numerous opportunities to surprise and delight your donors.

For example, if I gave a $25 gift at a live event in March, and gave $150 online in September, those two formal acknowledgements should look radically different from one another. It isn't so much about treating online donors one way and event donors another, but realizing that every unique interaction should be responded to in a similarly unique way.

An online gift just gives you different — and perhaps the most fun — opportunities to do so.

Once you've mastered your confirmation page and initial follow-up, you'll have built a foundation for retention going forward. Continue to follow best practices for donor stewardship and appeals as you do with all donors. Just be sure to continue to utilize their communication preference.

Final thoughts

Digital donors want what all donors want. They want to feel valued, assurance their dollars are well spent, and that the organization they support truly does good in the world.

The only difference is how they sent their gift.

But if you try some of the ideas listed in this eBook for optimizing the automated and personal follow-up processes, I know you'll see results in the form of enhanced donor satisfaction and loyalty among your digital and online donors.

Ready to learn more? Click here to find out how Bloomerang can help you manage your donors.

About the author:

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Steven is VP of Marketing at **Bloomerang**. As a HubSpot Certified inbound marketer, Steven is a contributor to NTEN, Nonprofit Hub, the Association of Fundraising Professionals and the National Council of Nonprofits. He frequently speaks at nonprofit conferences and leads a weekly educational webinar series for Bloomerang.

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