

# Grow donations or perish.

## *An integrated approach to increasing donations.*

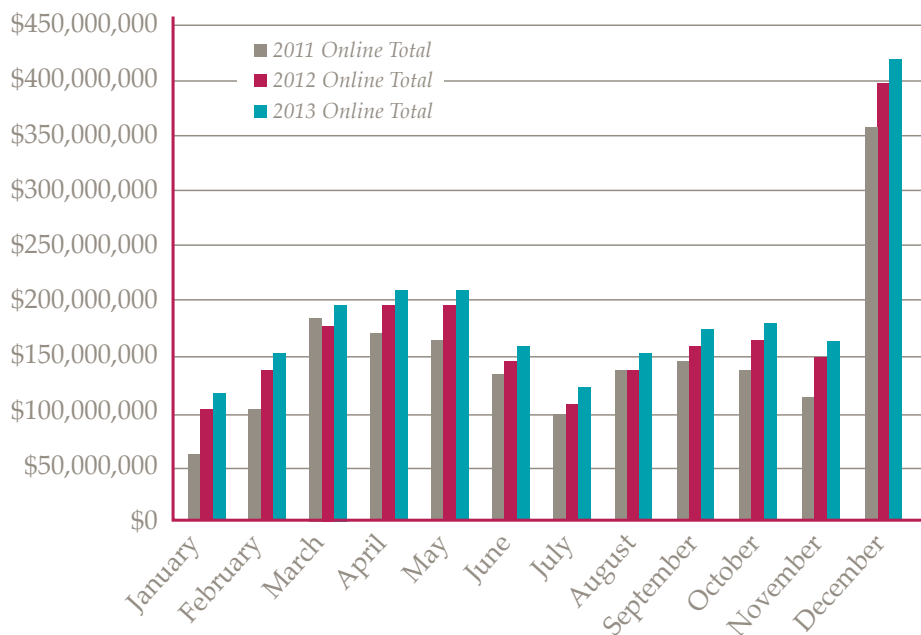
Between funding cuts and reduced grants, foundations are being spread thin. More and more organizations are vying for donor dollars. How can you compete? How can you maximize the effectiveness of your website donations, your mailings, your social media and all your other marketing activities?

This whitepaper discusses many of the misconceptions about how and why people donate, what factors discourage donations and how to motivate people to give.

### The situation

With so many non-profits and worthy causes out there, it can be difficult to draw attention to your cause through digital or direct mail interactions alone. However, it is possible to be effective at maximizing your effectiveness using a strategic blend of marketing channels to augment your presence. This sort of synergistic marketing approach is what makes organizations successful. Each piece is built to maximize the rest. There are numerous open-source or low-cost tools to help achieve this; however, an integrated strategy is vital to making the tools work effectively together. Let's explore the barriers, explain the preferences of various demographic groups and demonstrate the best way to maximize donations.

### Monthly online charitable giving has increased in recent years



### Why people do not give

- **Security**—Unfortunately, about 25% of the population doesn't trust PayPal branded payments. A way to avoid this is to customize payment pages so they look like your own.
- **Fear**—When the economy is in flux, people they fear they may need what they would be giving.
- **Misdirection**—Concern that a donation will not be used as it was intended.
- **Usability**—Your site and your forms are challenging to find or use (read our white paper on accessibility).
- **Untargeted audience**—You are asking the wrong people, or you are asking the right people in the wrong way (direct mail vs. email, flexibility of giving options, etc.).
- **No knowledge of need**—People do not know you need something because you have not asked them through the medium to which they pay attention.
- **Identity issues**—You are not communicating your value proposition clearly enough.
- **Lack of attention**—Donors leave when they feel ignored or underappreciated.

Even though these barriers slow donors down, charities are receiving more and more money overall from donors. Giving was up 8.4% in 2012 over the prior year and was estimated to be up 7.2% in 2013. It is clear that there is money out there, but the challenge is determining the best way to get the highest share of donors' contributions.<sup>1</sup>

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### How to motivate people to give

In general, the primary reason people donate is simply because someone asks them to. The old saying, “Those who ask shall receive” remains true today. The organizations that are the most successful in encouraging online donations have a clear “donate” or “give now” button on their websites. Be careful to assume not everyone will click and donate as there is also a marked difference in behavior from group to group. Ask more mature audiences to give at events and through direct mail and calls. Ask the younger generation through specific campaigns via e-mail or through local celebrities.

When people know they will be recognized and that their donation will be well-received, it will motivate them to give as people like to be perceived as generous and as advocates for philanthropy. “Social duty” is another key lever in motivating people to give. People in the United States are more concerned now than ever about social duty.

Transparency, or letting donors know where their money is going, is also powerful tool to encourage giving. Jakob Nielsen, an authority on donations and philanthropy, is clear that non-profits would collect more on their websites if they clearly stated how donations will be used. It is helpful to be upfront about how much of the donation goes directly to the intended cause and how much goes to overhead, such as administration. With it coming to light that some organizations use as much as 90% of their funding for marketing and administration, you can reassure your donors by stating how much of their donation actually goes to the cause. Organizations have also found that a real-time donation meter that shows how a contribution will impact the overall fundraising goal for a specific program or service can be effective.

Providing the donor with opportunities to customize their donations and decide specifically how their money will be spent gives the donor a sense of control and can subsequently increase buy-in. The best models are those that allow giving to specific causes or funds the donor requests. In order to reflect a donor’s value such as children’s programs, you should let them choose what programs or services they support. Some organizations even go as far as offering gifts “in memory of” someone’s legacy, or donations of a vehicle or stocks. Online forms need to be accessible and have flexible giving options regarding timing, amount and source of funds, etc., to match the donor preferences.

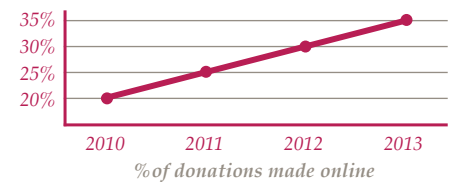
These ideas not only make it easier for donors to make decisions to give, they also provide the organization powerful tools for reaching out to ask for additional donations in the future.

A great resource for more information is the “*Acevo Principles of Good Impact Reporting.*” It suggests **6 general principles** that define how charities should communicate their impact:

1. Clarity
2. Accessibility
3. Transparency
4. Accountability
5. Proportionality
6. Verifiability

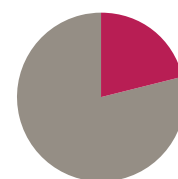
### How 2 charities increased online donations

#### *American Lung Association*



Donations grew fast after the charity altered its website to display pages well on mobile devices, paying special attention to the section on making a gift. The group also made sure its e-mail appeals were easy to read on tablets and smartphones.

#### *Direct Relief International*



**21.3%** of donations are from new, online donors.

Donors who gave for the first time after catastrophes in Haiti and Japan continue to give to the organization, mostly online.

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## Targeted, integrated campaigns

What does it mean to have a targeted, truly integrated campaign? An integrated campaign is one in which a specific audience is targeted, their preferences are taken into account and multiple appropriate media are selected for message deliveries. For example, if you are targeting high-level professionals who work in a high-tech industry and tend to be younger, an appropriate campaign might integrate e-mail, social media and video into a sophisticated package. If you are targeting a more senior audience that tends to be social, an effective campaign might use direct mail, personal calls and messaging such as posters and table tents in restaurants or theatres. When seeking donors, create an integrated campaign so nobody is left out. Implementing these ideas correctly takes a good list, proper segmentation, solid print and digital collateral and robust systems.

One important step in a successful integrated campaign is to ensure you have a strong value proposition. This is different from your internally focused mission statement. Your value proposition should state how your organization is unique as well as reasons to choose you over others. Also, donors are more likely to respond to a request to attend an event or donate to a specific project with

a clear beginning and end. Donations to a general operating fund are much more difficult to secure. If you are seeking general operating funds, break them down, give people the ability to donate in-kind or give to general operating funds with some sort of a match program. A match program is when an “angel” donor, foundation, or other entity provides dollars to the giving levels of individual donors up to a certain amount. If you give donors an incentive, they are more likely to give in larger amounts.

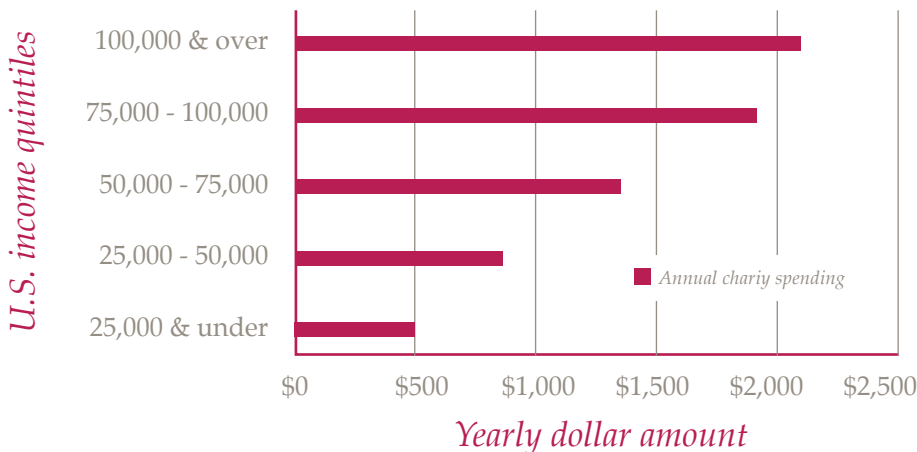
## Media & celebrities

News coverage gets your message to more people, lends credibility to your cause and helps your donors feel confident. Celebrity endorsement or presence can raise five to ten times more money. So how can you do this in new ways?

- Do smaller mini-campaigns with your celebrity before the event
- Host online pre-event auctions or bid requests on personal items ahead of the event to create buzz
- Create video blogs, voting and other outlets to engage your audience as putting a known personality behind the cause can make it two to three times more effective
- Leverage celebrity sightings or interviews before events

<i>Matures</i>	39.0M	79%	30.81M	\$1066	\$32.7B
<i>Boomers</i>	78.0M	67%	52.26M	\$901	\$47.1B
<i>Gen X</i>	62.0M	58%	35.96M	\$796	\$28.6B
<i>Gen Y</i> <small>(ages 18-29)</small>	51.0M	56%	28.56M	\$341	\$9.7B
<b>Totals</b>	<b>230.0M</b>	<b>64%</b>	<b>147.59M</b>		<b>\$118.2B</b>

*Estimated donors & contributions by age segment*



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## Online tools & systems



### Website

Most of the systems necessary to execute integrated campaigns are available to non-profits at no or low ongoing cost. You will need to choose if you want to use proprietary or open-source tools and software. Oftentimes, open-source tools and software are easier to use and give you more independence and flexibility than proprietary solutions. Read our whitepaper on Open-Source vs. Proprietary for more information.

### Online payment

Deliberate carefully between out of the box solutions, such as PayPal's branded option and open-source software. Open-source tools and PayPal's custom product can be more personal. Things to consider when choosing an online payment option:

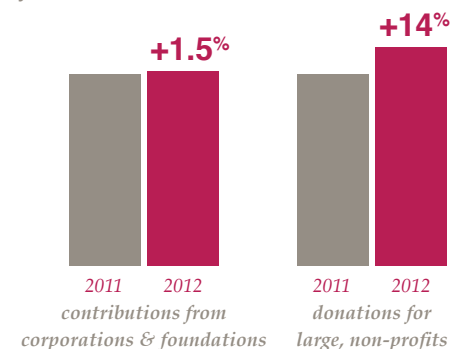
- Transaction charges for donations
- Limitations on types of donations
- Integration with your bank account
- Form and field customization options
- Branding customization options
- Reputation of and perceived security of the payment processing tool
- Necessary ongoing reliance on a technical resource

### Social media

Leveraging social media works, particularly for reaching younger generations, because people like causes that are close to home—either because they personally know the person raising money or because the issue directly affects their family or community members. Along with this, leveraging local celebrities, even social media celebrities, can make or break a campaign.

## What people give

Large donors can make or break an organization, but understanding donors' attitudes and motivations at all levels of giving creates a more stable base. In general, the number of people who are giving is increasing, but the nature of those donations may be changing. People are more inclined to start by giving gifts of around \$50 as a way to start engaging with your organization. Fostering relationships at that level becomes vital to securing future, potentially larger donations. Of course, those wishing to donate larger sums should also be given every opportunity to make those donations. It is surprising how many online donation forms do not allow donors to write in a custom gift amount, thereby limiting the size of potential donations. Giving behaviors also appear to trend differently based on demographics, as you will read later.

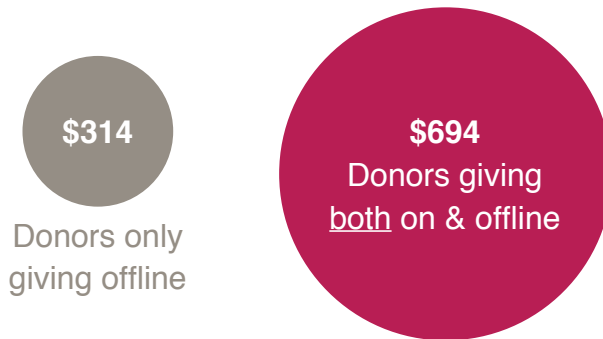


In 2012, donations rose 14% for large, non-profits and contributions from corporations and foundations rose 1.5%.

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## Quick stats



A typical donor will donate about twice as much when given multiple channels to do so. **Approximate donor values:** <sup>2</sup>

- **\$314**—Donors who give offline only
- **\$694**—Donors who give both online and offline

“Donors who give through more than one channel... are invariably more valuable and display a greater degree of loyalty and staying power than donors who give through only one channel,” Warwick says. <sup>3</sup>

## Conclusions

The best donor acquisition plans and donation campaigns emerge from a unified strategy, clear direction and tightly integrated campaigns. They minimize the amount of wasted effort and maximize your impact. With government funding diminishing, competition for grants increasing and foundations being spread thin; it is important to increase the effectiveness of your donation requests to help propel your organization to growth and success.

To gather additional information about how to get even more from your donor base, call us today at **414-475-2730**. Also, look for upcoming white papers on grants, sponsorship, social media and how to leverage all these activities to get the most from your organization’s efforts.

## References

- <sup>1</sup> [www.nngroup.com/articles/non-profit-websites-donations/](http://www.nngroup.com/articles/non-profit-websites-donations/)
- “The Big Boom in Online Giving,” [The Chronicle of Philanthropy](#)
- “The Principles of Good Impact Reporting,” a publication of NPC (New Philanthropy Capital)
- <sup>2</sup> [www.strategic-one.com/Integrated\\_Marketing\\_White\\_Paper.pdf](http://www.strategic-one.com/Integrated_Marketing_White_Paper.pdf)
- <sup>3</sup> [www.afpnet.org/ResourceCenter/ArticleDetail.cfm?ItemNumber=13363](http://www.afpnet.org/ResourceCenter/ArticleDetail.cfm?ItemNumber=13363)

## Key take-aways

1. Integrated donation campaigns have superior performance
2. Saying “Thank You” is key to repeated success
3. Be certain to allow donors to give any way they want
4. Pay attention to the age/generational preferences of your donors
5. Tie efforts to specific goals and show progress

*Apexx Group LLC* has a history of strategic planning, working to build websites, increase donations, develop programs and create marketing materials that meet or exceed ADA and W3C compliance standards. Clients include: Vision Forward, ABLE, Casa Romero, Independence First, Connections In Sight, Professional Connections, Kathy’s House, IPW and a long list of for-profit and non-profit organizations.

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