

iDonate®

It's not about getting them to give. **It's about getting them to stay.**

Donor Retention & the Connected Giving Org

Introduction

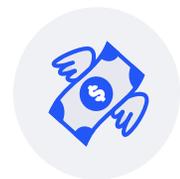
The most successful nonprofits view their donors as long-term collaborators, and invest a significant amount of time and energy into **cultivating genuine and authentic relationships with those donors over time**, resulting in higher yearly giving, higher retention rates, and low donor churn (sound nice? Keep reading.)

Background

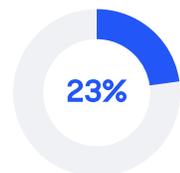
A retention issue is a relationship issue. One-time gifts could be costing you. Big time.

The success of every company in the world hinges upon its ability to leverage modern technology in order to capture consumer attention, retain it long enough to connect with them on a deeper-level, and then motivate them to purchase again and again. That's a tall order for any organization, and an especially steep learning curve for nonprofits that are disconnected from modern tech and have limited access to marketing dollars.

And even if nonprofits are able to attract new donors, the cost of doing so is expensive. And comes with no guarantees.

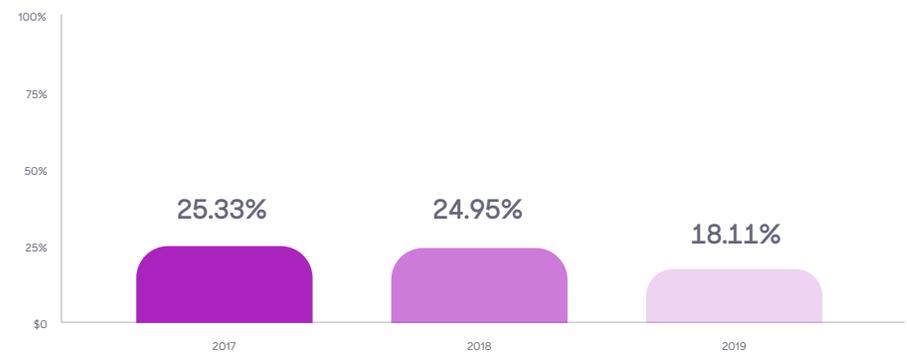


For **every \$1 donated**, it will likely cost you anywhere from **\$0.50 to \$1.50 to attract**.

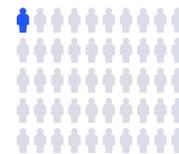


And there's **ZERO** guarantee that **\$1** will be repeated in the form of a second gift. In fact, **only 18% of first-time donors ever give a second time.**

It's becoming increasingly difficult to maintain revenue, and first time donor retention is at its lowest point in 3 years.



Low retention rates are a symptom of a much deeper, more pervasive issue— and illustrate a nonprofit's inability to form meaningful and authentic relationships with their donors over the long-term.



For **every 100 new donors**, orgs are **losing 98 donors.**



On average, since 2005 nonprofits have **lost \$96 in lapsed revenue for every \$100 gain in new revenue**

The current hyper-connected landscape has nonprofits feeling more disconnected than ever before.

The vast majority of people on your email list never, ever donate. This means, either you have the wrong people or you aren't communicating effectively.

According to Mailchimp's email marketing benchmarks, the average open rate across the nonprofit sector is just 25.17%, and only 2.79% of donors who open those emails even click through them. Not to mention the number of emails that never make it to a subscribers inbox. In a recent study found that "spam filters alone could be costing the average nonprofit almost \$21,000 in revenue each year, or more than \$1,000 for every percentage point of email that went to spam." (source: The EveryAction 2019 Email Deliverability Benchmarks Study)

In order to survive and thrive, nonprofits must invest in building systems that improve new and existing donor relationships and foster more meaningful connections with their donors.

What if we stopped chasing transactions and started building lifetime relationships with donors?

Oftentimes the issue of decreasing donations is actually an issue of devalued donor relationships.

The Golden Donation

From replacing to retaining. A new perspective on donor engagement.

The second gift, often referred to as the golden donation, occurs when a one-time donor gives for a second time. In fact "The donors who give within the first three months – the 'golden period' – are by far the most valuable over the five-year period."



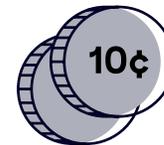
This specific occurrence has been statistically shown to predict future donor engagement, retention and lifetime value. Research explains that "if a new donor gives only once – as nearly 70% do – then you're often left with a loss on your initial investment to gain that new donor."

<https://bloomerang.co/retention>

The cost to continually **acquire new donors** can easily run **50% to 100% more** than the dollars collected from them.



The cost to acquire a new \$1.00 donor, on average, is about \$1.25.



The cost to renew an existing donor, on average, is about \$0.20.

Getting the second gift means: increased donor retention, increased lifetime value, reduced donor acquisition costs, higher overall ROI per donor. Not to mention organizational buy-in, greater missional impact, and increased exposure from a legacy of positive donor experiences.

What if you could jump off the perpetual treadmill of donor acquisition? What would be possible if your annual revenue was supported with recurring donors, year over year? What if you didn't need to pour hundreds of thousands of marketing dollars into new donor social media campaigns that may or may not be effective?

Securing the second gift is a priority. But how do we do this?

The Connected Giving Org.

A retention strategy for sustainable growth

What do wildly successful and perpetually failing nonprofits have in common? They both rely heavily on donors and donations in order to survive. For both, the amount of donor gifts received has a direct and lasting impact on business operations, missional effectiveness, team morale and organizational longevity. And both successful and failing nonprofits understand that in order to raise more money, you must market to more donors. No surprise there. However, the most successful nonprofits refuse to see the donation as a one-time transaction or chase the one-time large gift year over year.

The most successful nonprofits see the world changing, **refuse to stay stagnant**, and quickly align their marketing strategy to **fit seamlessly** into their donors' active lifestyle.

The organization's mission does not change, but how they connect with and retain their donors does—and **so should yours**.

Our donor strategy must change because the world is changing.

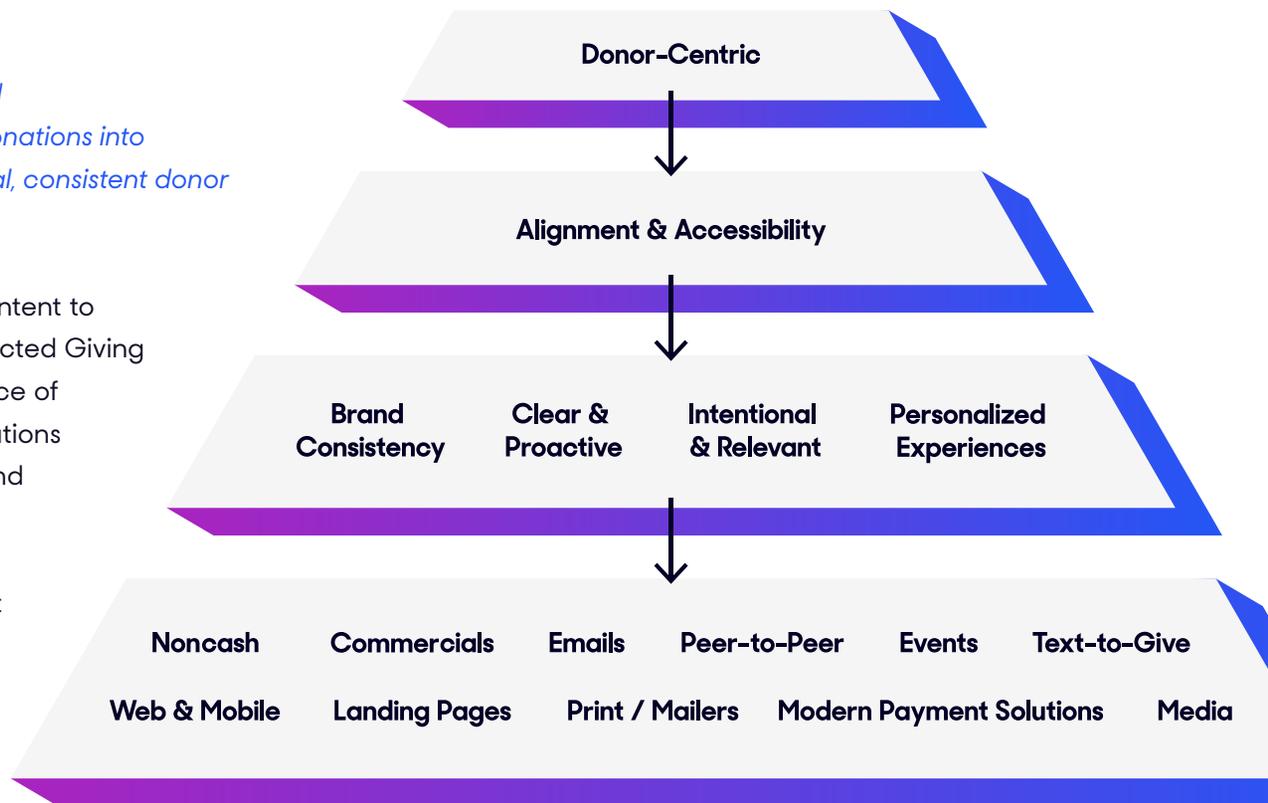
We begin with establishing genuine, authentic relationships with our donors. We move from transactional exchanges to transformational encounters. We learn to leverage modern technology in order to create meaningful connections with every donor that gives, and integrates this donor-centered approach into all facets of the organization.

The Connected Giving Organization

CONNECTED GIVING (VERB): *A donor retention and engagement strategy that transforms one-time donations into sustainable and recurring giving through intentional, consistent donor experiences.*

Unlike direct response that is designed to push content to donors when convenient for the nonprofit, Connected Giving puts the donor first and emphasizes the experience of giving across each channel, both inside the operations of the nonprofit and through external channels and touchpoints.

The Connected Giving nonprofit takes a different strategy, focused on building long-term relationships with today’s donor and emphasizing decisions that drive sustainable, repeat giving.



The 6 guiding principles of a Connected Giving Org.

Creating a more connected giving experience is the goal, and these 6 Connected Giving Principles will help you achieve it.

1

Donor Centric

Beginning with the vision of the nonprofit to the execution of operations, every decision inside the org is made with the donor benefit in mind. When nonprofits start with a donor-centric position, subsequent decisions—from the platforms and tools used to how donors are engaged—are made with the mindset that the objective is to delight, inform, attract, and retain the donor. The goal never begins with chasing the largest one time gift.

2

Alignment & Accessibility

When a nonprofit org starts with the donor-centric mindset it influences the alignment of the operational teams and the tools donors use to engage and transact. For successful connected giving organizations, Internal operations are connected and external solutions are accessible and modern. In action, this may look like connecting donor data or employing modern payment solutions, like Apple Pay®, Paypal®, or Venmo.

3

Brand Consistency

For the organization that starts with a donor-centric position and is cued in to culture alignment and creating accessibility in all interactions, brand consistency becomes a much easier standard to achieve. When a brand is consistent across all interactions, it includes the website, the digital payment solutions, the social media brand, and the in-person interactions—including events and operations.

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4

Clear & Proactive

A nonprofit that has a donor-centric vision, emphasizes an aligned culture and accessible interactions across all consistent brand interactions, is able to proactively offer a level of clarity and transparency about the good being accomplished and proactively answer questions, before they are asked, engendering donor trust.

5

Intentional & Relevant

When a nonprofit emphasizes vision, culture alignment, and accessible touch-points, then creating a clear, proactive, consistent brand with intentional and relevant content is more easily in clear view. Being able to connect with the donor through relevant content delivered in a timely and accessible place and time is a foundational step in donor acquisition and retention.

6

Personalized Experiences

Beginning from a donor-centric vision and executing donor-centric giving solutions, creating personalized interactions doesn't necessarily mean Netflix-like algorithms, although there is some value in that concept. For most nonprofits, creating memorable touches such as a form fields that store donor data, sending quarterly or yearly personal giving summaries or even creating a donor profile to save a giving record can go a long way in creating interactions that notices, and remembers the donor.

Conclusion

From donor to long-term advocate.

Connected Giving organizations are successful because they place donors at the center of their strategy. In order to sustainably increase donations and decrease donor churn, nonprofits must focus on establishing systems and processes that cultivate stronger, more meaningful connections with existing donors. It isn't about persuading a donor to give one time, it's about getting the donor to stay, and give again and again over time.

It's time to stop chasing transactions and start building lifetime relationships with donors. Focus less on getting donors to give more in a single transaction and focus more on getting them to join the cause long-term.