Building Relationships with Your Donors by
Creating Extraordinary Experiences
Simone P. Joyaux ACFRE | Friday 20 Feb 2015

Research shows that donor retention worldwide is scandalously low. But it doesn’t have to be this way. You can fix this in your organization.

You can nurture outstanding donor loyalty if you put in place a good relationship-building program. One secret: extraordinary experiences.

But what makes an experience extraordinary? What can you offer your donors? How do you balance extraordinary with cost-effective and manageable? How do you get all this work done?

Learn now. Ignore at your peril. By the time you leave, you’ll be a master of extraordinary experiences. And you’ll have a handout you can use back home to convince your colleagues, both board and staff.

1. Visit www.sofii.org (the Showcase of Fundraising Innovation and Inspiration) for good ideas. SOFII is the brainchild of Ken Burnett, first user of the term “relationship fundraising.” Also read Ken’s books: Relationship Fundraising and The Zen of Fundraising…and his new great book, Storytelling Can Change the World.


6. Read research from Adrian Sargeant and Jen Shang.

7. Visit the new Centre for Sustainable Philanthropy at Plymouth University, U.K.
Starting at the beginning
Loyalty (and its partner lifetime value) is the holy grail\(^1\) of fundraising.

1. Simone’s two equations for the journey
   a. Loyalty = Comprehensive relationship building program + donor-centered organization
   b. Comprehensive relationship building program = donor-centered communications + extraordinary experiences

2. Often fundraisers (and their organizations) don’t focus enough on donor loyalty (retention).
   a. It costs 10 times more money to acquire a donor than to retain one.
   b. 8 out of 10 first-time donors don’t give a second gift.
   c. Excessive focus on acquisition distracts from the holy grail.

3. A long time ago, Ken Burnett (U.K.) helped us focus.
   • “Relationship fundraising is an approach to the marketing of a cause which centres not around raising money but on developing to its full potential the unique and special relationship that exists between a charity and its supporter. Whatever strategies and techniques are employed to boost funds, the overriding consideration in relationship fundraising is to care for and develop that special bond…” [Relationship Fundraising: A Donor-Based Approach to the Business of Raising Money, 1992]

4. Not all donors want a “relationship” with your organization.
   a. But more do than we engage with. And more do than know they do.
   b. So organizations must offer enough extraordinary experiences providing the opportunity for donors — should they so choose — to engage more with our organizations/cause.
   c. Sir Denys Lasdun, English architect said, “The architect’s job is to give a client not what he wants but what he never dreamed that he wanted; and when he gets it, he recognizes it as something he wanted all the time.” Just substitute “fundraising” for “architect.”

5. Adrian Sargeant’s research tells us that the key drivers of donor loyalty (and lifetime value) are satisfaction, trust, commitment, and engagement. These drivers can be reinforced through extraordinary experiences. See the 7 loyalty factors on page 8.

6. Operating as a donor-centered organization is central to effective fund development and organizational success. Corporate culture and the right attitude do make a difference.
   • “You’ll have more fun and success when you stop trying to get what you want and start helping other people get what they want.” [Dale Carnegie, 1930s American self-help guru, How to Win Friends and Influence People]

7. People pay attention to what interests them.
   a. Fundraisers cannot “educate” or “convince” people to be interested in a particular cause or organization. Instead, identify those who might be predisposed and qualify them as prospects (or else leave them alone!)
   b. Just ask me about the 2004 World Cup or the US NCAA Basketball Championship.

---

\(^1\) Coined by the agitators, Roger Craver and Tom Belford, www.theagitator.net.
### Topic and key points

**A central fact: emotions are the decision makers**  
Neuroscience and psychological research prove it.

“The essential difference between emotion and reason is that emotion leads to action, while reason leads to conclusions.” [Neurologist and author Donald B. Calne]

<table>
<thead>
<tr>
<th>Resources and…</th>
</tr>
</thead>
</table>
| Neuroscience research for fundraisers – the tip of the iceberg:  
  • Dr. Antoine Bechara, leading authority on the mental processes behind decision making, and  
  • Dr. Antonio Damasio, author of influential books on brain science.  
  • [www.neurosciencemarketing.com](http://www.neurosciencemarketing.com)  
  Apply consumer research to fundraising. |

### 1. Effective fundraising uses emotions.
   a. “There can be no transforming…of apathy into movement without emotion.” [Carl Gustav Jung]
   b. Psychologist W. Gerrod Parrott has identified 135 emotional states. Over generations of testing, the direct marketing industry has identified 7 emotional triggers that are particularly good at generating response: anger, fear, greed, guilt, flattery, exclusivity, and salvation.

### 2. Emotional messaging works; rational messaging hurts.
   • Ad effectiveness: Rational content, 16%. Mixed content, 26%. Emotional content, 31%. “The study attributes this split to our brain’s ability to process emotional input without cognitive processing…as well as our brain’s more powerful recording of emotional stimuli.”

### 3. Flattery works really well.
   a. Research shows that “even when people perceive that flattery is insincere, that flattery can still leave a lasting and positive impression of the flatterer.”
   b. Of course, ethical marketers – and that means fundraisers, too – use flattery honestly.

### 4. Negative information is better received than positive
   • We process negative emotions more easily than positive ones – and negative info is better received than positive info. “People can perceive the emotional value of subliminal messages…and [people] are much more attuned to negative words…. there are evolutionary advantages to responding rapidly to emotional information.”

### 5. Threat of loss is more motivating than the promise of gain.

See research about the science of influence by social psychologist Robert Cialdini.
Delivering extraordinary experiences to donors
Defining, doing, and having fun, too

Sir Denys Lasdun, English architect, said that the architect’s job is to give a client: “Not what he wants but what he never dreamed that he wanted; and when he gets it, he recognizes it as something he wanted all the time.” I think this is a great definition of an extraordinary experience.

1. How do you define “extraordinary” and “exceptional?”
   1. Your organization is the conduit to achieve the donor’s desires. Help your donors dream. Engage those who wish to be engaged, creating a tribe.

2. Some challenges
   a. Resources (e.g., people and money)
   b. Working across geographic distances
   c. Level of donor centrism in your organization

3. Some things for everyone but not everything for everyone.
   a. Who are your priority donors and why?
   b. What criteria will you use to select donors for deeper relationship building?

4. Your comprehensive relationship-building program is just as important as your solicitation program.
   a. What will you measure? And money is not the only answer!
   b. What would a loyalty program look like for your organization?

5. Fundraisers collect and tell stories.
   • “Everything is a tale. What we believe, what we know. What we remember, even what we dream. Everything is a story, a narrative, a sequence of events with characters communicating emotional content. We only accept as true what can be narrated.” [Carlos Ruiz Zafón, The Angel’s Game]

6. Tactics: Great donor-centered communications, e.g., newsletters, annual reports, website
   • The first (and often only – because the donor so chooses) extraordinary donor experience must be your donor-centered communications. And the best donor newsletters can produce more gifts than a direct mail solicitation.

How do your donors define “extraordinary?”
Engage staff, board members, and other volunteers in this work.
See the Donor Centric Pledge on page 11 of this handout. What’s your organization’s donor-centric quotient?
See my website’s Free Download Library for measures.
By the way, neuroscience tells us a story about one person is more persuasive than a story about multiple people.
See Burnett’s new book, Storytelling Can Change the World.
See Tom Ahern’s books, workshops, and free e-news.
7. Tactics: Social media  
   b. “Which mailbox delivers emotion?” Consumer Channel Preference Study  
      i. 50% of U.S. (48% of Canadians) say they pay more attention to postal mail than email.  
      ii. 60% U.S. (64% Canadians) enjoy checking mailbox for postal mail. Reasons for preferring direct mail: More private. Already get too much email. Would prefer not to have to print the info. A lot of online info can’t be trusted.  
      iii. Least trustworthy channels: social media and blogs. (6% trust with U.S. consumers; 5% with Canadians)  

8. Tactics: More than communications  
   a. Make donors feel special. Tell donors that they’re essential to your organization’s impact.  
      i. Tell stories about their own impact.  
      ii. Share special information with donors.  
   b. Offer choices – like what?  
   c. Give donors access...Program tours. Spend time with the most interesting people. Observe/experience programs.  
   d. Mingle and schmooze at events and programs.  
   e. Host informal insider updates to tell donors how you spend their money and do Q&A.  
   f. Invite donors to tell their stories.  
   g. Thank-you calls from board members. And the thank-you might evolve into a deeper conversation.  
   h. Handwritten thank-you notes from board members. There are so few handwritten notes these days!  
   i. Measure donor satisfaction (focus groups, key informant interviews, surveys)  
   j. Engage donors in activist work, e.g., signing petitions, writing letters to elected officials, attending a rally, testifying, etc.

Resources and...  
Delivering extraordinary experiences to donors, continued:  


Important stuff for you to read:  
- Jaron Lanier, You Are Not A Gadget  
- The Face-to-Face Book: Why Real Relationships Rule in a Digital Marketplace, Keller and Fay  
- See more resources in my May 2012 newsletter posted at www.simonejoyaux.com.

By the way, neuroscience reports that the physical act of touching paper engages a different, deeper part of the brain.

See Ken Burnett’s 89 ideas in The Zen of Fundraising.  
See Joyaux ideas in Keep Your Donors.

Ask me about Rhode Island’s International Institute, zoos, and my experience with a major community foundation.

Remember: The brain responds very positively (and happily) to “new,” (new stuff and even just the word “new”) – and words like “secret” and “insider” because they all suggest “new.”
Delivering extraordinary experiences to donors, continued:

9. A really important tactic: Conversation
   a. Use conversation – especially face-to-face – more. Consider this a top relationship-building activity.
      • “For enthusiasts conversation is an art, one of the great pleasures of life, even the basis of civilized society.” [*“Chattering Classes,” The Economist*]
   b. Think about how Theodore Zeldin describes conversation:
      i. “Two individuals, conversing honestly, can be inspired by the feeling that they are engaged in a joint enterprise, aiming at inventing an art of living together which has not been tried before.”
      ii. “Conversation is a meeting of minds with different memories and habits. When minds meet, they don’t just exchange facts: they transform them, reshape them, draw different implications from them, engage in new trains of thought. Conversation doesn’t just reshuffle the cards; it creates new cards.”
   c. Engage donors in conversation, face-to-face:
      i. Ask donors their opinions and insights
      ii. Interview donors for their philanthropic stories. Then tell those stories in your donor-centered communications.
      iii. Invite your donors to tell their stories at events, in videos on your website, etc.
      iv. Invite your donors and your beneficiaries to talk with each other.
      v. Invite your donors to talk with each other.


Can the solicitation of a donor be an extraordinary experience?
For that donor? And for the solicitor?
Just ask me about our RIF bequest – and the Equity Action gift.
All staff and board members need to understand and embrace these principles

**Basic Principles of Fund Development**

Build understanding and ownership of these principles

Philanthropy means voluntary action for the common good. Fund development is the essential partner of philanthropy. Fund development makes philanthropy possible by bringing together a particular cause and the prospects and donors who are willing to invest in the cause. The goal is to acquire donors of time and money who stay with the charity. This is done through the process of relationship building. With the donor at the center, fund development nurtures loyalty and lifetime value, thus facilitating philanthropy. You know if your relationship building works because your retention rates rise and the lifetime value of your donors and volunteers increases.

(From *Keep Your Donors: The Guide to Better Communications and Stronger Relationships.*)

So what does this mean in practical terms? Here are some basics:

1. First, understand some **basic distinctions:**
   a. **Predisposed:** An individual, business, or some other entity whose interests and actions suggest a possible inclination or susceptibility towards your organization’s cause / mission. (“Suspect” is more common terminology. But who wants to hear anyone referred to in such a pejorative manner?)
   b. **Prospect:** An individual, business, or some other entity that has demonstrated an interest in your cause / organization. The individual has raised his / her hand by buying your services or asking to join the mailing list or... In some manner, in some way, the individual, business or entity has raised its hand signaling interest in your cause and your organization.
   c. **Donor:** An individual, business, or some other entity that has given a gift of time or money or service to your organization.

2. Nurture a **culture of philanthropy** in your organization. It’s the right attitude that matters as much as anything. Culture refers to the personality / attitude of your organization. A culture of philanthropy means that everyone accepts and celebrates the beauty of philanthropy and donors, no matter the type or size of gift.

3. Build a **donor-centered** organization. Focus on the donor or prospective donor. “It’s not what your organization is selling, it’s what I’m buying that counts. I’m interested in

---

2 Robert L. Payton. Payton was the first professor of philanthropics in the U.S. and former head of the Center on Philanthropy at Indiana University / Purdue University in Indianapolis.

3 See the Donor Centric Pledge in *Keep Your Donors* and in the Free Download Library at [www.simonejoyaux.com](http://www.simonejoyaux.com). Donor-centered is like customer-centered.
my interests, my motivations and my aspirations. Match those and then I’ll give to you. Otherwise, leave me alone!”

- Don’t universalize your own passion. Not everyone is interested in your cause, no matter how convincing you are. Do not try to convince them! That’s offensive. Instead, find those who share your passion.

4. **Loyalty** is the holy grail of fundraising – just like loyalty is the holy grail of any business. Here’s my equation: Loyalty = Donor-centered organization + Relationship-Building Program (donor-centered communications + extraordinary experiences.)

   **And what are the key drivers of loyalty lifetime value (LTV)?** Trust, commitment, engagement, and satisfaction. [From Adrian Sargeant’s research. Adrian is the world’s leading academic fundraising researcher.]

   a. Donors are aware of consequences: Believing that “someone might be hurt if I don’t give.”
   b. Your organization’s service quality is good. “Do you anticipate questions, promptly thank donors? Are you easy to work with? Do you value your customers?”
   c. They trust you.
   d. They share your beliefs.
   e. You’ve established a personal link: You give the donor credit.
   f. They’re learning: Are you taking them on a journey?
   g. Multiple engagements: Every two-way interaction significantly improves donor retention.

5. Giving is an **emotional act**, not a financial transaction. Your organization is the means by which donors live out their own interests and aspirations.

   a. Neuroscience⁴ and psychological research document that all human decisions are triggered emotions⁵. Then rationale steps in. “Emotion is multi-dimensional: it focuses on a person’s core goals, directs attention and interest, arouses the body for action, and integrates social group and cultural factors. It is thus a central component of meaning making.” [Carol Saunders, PhD, Brookfield Zoo]

   b. Research from the direct mail industry says that people give in response to one or more of 7 emotions: greed, guilt, anger, fear, flattery, exclusivity, and salvation. People move from one emotion – e.g., anger – to hope, by using your agency as the means to make change. Tom Ahern refers to this partnering of emotions as “twin sets.”

   c. Threat of loss is more motivating than the promise of gain. [Robert Cialdini, PhD]

6. Engage **volunteers**, including board members and others. Make sure your staff effectively enables volunteers to participate in this meaningful work of identifying, cultivating, and soliciting.

---

¹ Thanks, in part, to MRIs, we now have the field of neuroscience. We can see how the brain works.

⁵ See research by Drs. Bechara and Damasio, described in Tom Ahern’s books on donor communications. [www.aherncomm.com](http://www.aherncomm.com). By the way, psychologist W. Gerrod Parrott identifies many more than 7 emotions. Read all about emotions in *Keep Your Donors: The Guide to Better Communications and Stronger Relationships*, by Joyaux and Ahern.
7. **Don't trespass** on personal and professional relationships. Instead, use connections to identify those who might be predisposed to your cause. If you cannot qualify them as prospects (and it’s their choice!), leave them alone.

8. Effective fund development is like permission marketing; people opt in or opt out. “Permission marketing is the privilege (not the right) of delivering anticipated, personal and relevant messages to people who actually want to get them…treating people with respect is the best way to earn their attention. Permission doesn’t have to be formal but it has to be obvious.” (From Seth Godin’s book and blog)

9. More **visibility** does not produce more contributions. Everyone focuses on his / her own interests. Your agency can be more and more visible – but if I’m not interested, I’m not paying attention. And I sure won’t send money. Just ask Simone about the NCAA basketball championship and the World Cup! (Or read about these experiences in Keep Your Donors.)
   a. It’s okay if someone doesn’t know who your agency is or what it does. Tell them, if they’re interested. That’s identifying the predisposed.
   b. Do **not** solicit someone unless you know for sure that the person knows about your agency.
   c. Where do you need to be visible? Among your current donors, because you want to build their loyalty. Absence does not make the heart grow fonder – it’s out of sight and out of mind!

10. **You** have to **give first**. (You means each board member, the CEO and development officers, and fundraising volunteers.) Why? Because you cannot represent an agency or cause without demonstrating your own financial and volunteer investment.

11. **Why do most people give?** Because they’re asked. It’s that simple. But only ask those who are interested. Ask the right prospect for the right amount at the right time for the right project in the right way with the right solicitor.

12. Build an **individual giving program**. Each year, individuals give the largest portion of philanthropic gifts in North America. What about elsewhere? And individuals are more loyal donors than foundations or corporations.

13. Fund development is a **process and a profession**. The profession is founded on ethical principles and standards, based on a well-researched body of knowledge, and protects

---

6 Term introduced by Seth Godin in his 1999 book *Permission Marketing*. Godin contrasts permission marketing to interruption marketing, the traditional advertising / marketing approach. You know, the billboards and glitzy ads - and sending me a newsletter that I didn’t ask for.

Identify the predisposed – those you suspect might have interests similar to your cause / organization – and introduce yourself (personally is usually best, e.g., through a cultivation gathering or one-on-one). Then, if the person (or corporation or foundation) expresses interest, that gives you permission.

Godin observes: “Rather than simply interrupting a television show with a commercial or barging into the consumer’s life with an unaccounted phone call or letter [or in fundraising, the newsletter or a solicitation], tomorrow’s marketer [and top notch fundraiser] will first try to gain the consumer’s consent to participate in the selling process.” [Bracketed comments are mine, not implied by Godin.]

7 See the **Donor Bill of Rights** and the **AFP Code of Ethical Principles and Standards of Professional Practice** at [www.afpnet.org](http://www.afpnet.org).
the public through voluntary certification of professionals. Personal opinion – without the body of knowledge – doesn’t and shouldn’t count for much.

14. Most **fund development problems** are actually **not** fund development problems. Most problems relate to other areas of operation. Fix the real problem. (Read *Choosing your road* in the Free Download Library on my website.)

15. A **balanced funding mix** of solicitation strategies and donor sources ensures stability and credibility. Whenever possible, the best way to solicit a gift is through face-to-face solicitation.


---

8 See the Test Content Outline at CFRE International ([www.cfre.org](http://www.cfre.org)), the baseline certification for fundraisers worldwide.
The Donor-Centric Pledge

We, [fill in the name of your nonprofit organization here], believe that...

1. Donors are essential to the success of our mission.
2. Gifts are not "cash transactions." Donors are not merely a bunch of interchangeable, easily replaceable credit cards, checkbooks and wallets.
3. No one "owes" us a gift just because our mission is worthy.
4. Any person who chooses to become our donor has enormous potential to assist the mission.
5. Having a program for developing a relationship with that donor is how organizations tap that enormous potential.
6. We waste that potential when donors are not promptly thanked.
7. “Lifetime value of a donor” is the best (though often overlooked) way to evaluate "return on investment" in fundraising.
8. Donors are more important than donations. Those who currently make small gifts are just as interesting to us as those who currently make large gifts.
9. Acquiring first-time donors is easy but keeping those donors is hard.
10. Many first-time gifts are no more than "impulse purchases" or "first dates."
11. We’ll have to work harder for the second gift than we did for the first.
12. A prerequisite for above-average donor retention is a well-planned donor-centric communications program that begins with a welcome.
13. Donors want to have faith in us, and it’s our fault if they don't.
14. Donors want to make a difference in the world – and our mission is one of many means to that end.
15. Donors are investors. They invest in doing good. They expect their investment to prosper, or they'll invest somewhere else.
16. We earn the donor's trust by reporting on our accomplishments and efficiency.
17. Individual donors respond to our appeals for personal reasons we can only guess at.
18. Asking a donor why she or he gave a first gift to us will likely lead to an amazingly revealing conversation.
19. Fundraising serves the donors' emotional needs as much as it serves the organization's financial needs.
20. We are in the "feel good" business. Donors feel good when they help make the world a better place.
21. A prime goal of fundraising communications is to satisfy basic human needs such as the donor's need to feel important and worthwhile.
22. The donor's perspective defines what is a "major" gift.9
23. Every first gift can open a door to an entirely new world for the donor, through participation in our cause.


9 A repeat donor of $25 annual gifts who suddenly increases her gift ten-fold to $250, for instance, is making a major commitment that deserves special acknowledgement.
Conversation nurtures relationships

And conversation can be an extraordinary experience for donors

“For enthusiasts conversation is an art, one of the great pleasures of life, even the basis of civilized society.” [“Chattering Classes,” The Economist]

Questions to ask donors – and prospects

1. Why did you first give to our organization? (Richard Radcliffe, U.K. legacy consultant says this is the most important question to ask.)
2. What interests you most about this organization? Why? What is less interesting to you?
3. Why do you give to our organization? What does our mission mean to you? How would you describe our mission?
4. What are the most critical results you expect our organization to produce?
5. What do you tell others about us? How do you describe this organization to others?
6. Why does this cause matter to you? Why now in particular?
7. What do you believe would most transform [this particular situation]?
8. Which other organizations effectively address this cause?
9. How does our organization compare to other organizations working in this cause?

Find out their values and beliefs. Get in touch with their feelings.

10. If you could change the world, what would you do?
11. What actions do you think would best cause the change you envision?
12. What changes do you believe would make the world a better place?
13. What would you like to pass on to future generations?
14. How do you feel when you make a gift?
15. What makes you angry and sad?
16. What makes you hopeful and happy?

P.S. Of course, you have to determine which questions are appropriate to whom. You must be sensitive to their boundaries as well as your own.

For more questions, see www.simonejoyaux.com. Click on Resources. Visit the Fund Development section of the Free Download Library.

For even more questions, see Keep Your Donors: The Guide to Better Communications and Stronger Relationships by Joyaux and Tom Ahern. This book includes an entire chapter on conversation and questions – and a chapter on ho