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FIA Fundraising Institute Australia

The Professional Body for Australian Fundraising

The Donor Journey.

Reach. Acquire. Retain. Engage.

Database Consultants Australia (DCA) is an established technology business that has been providing business critical data management and software solutions to corporate, government and not for profit clientele since 1993.

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Introduction

Fundraising is necessary but challenging work. Recent years have seen it grow more challenging in several ways. The percentage of Australians donating to non-profits has been in decline for a decade, and last year's combination of disasters — from a catastrophic bushfire season to COVID-19 pandemic conditions — have caused significant upheaval in Australian lives, which necessarily impacted the sector.

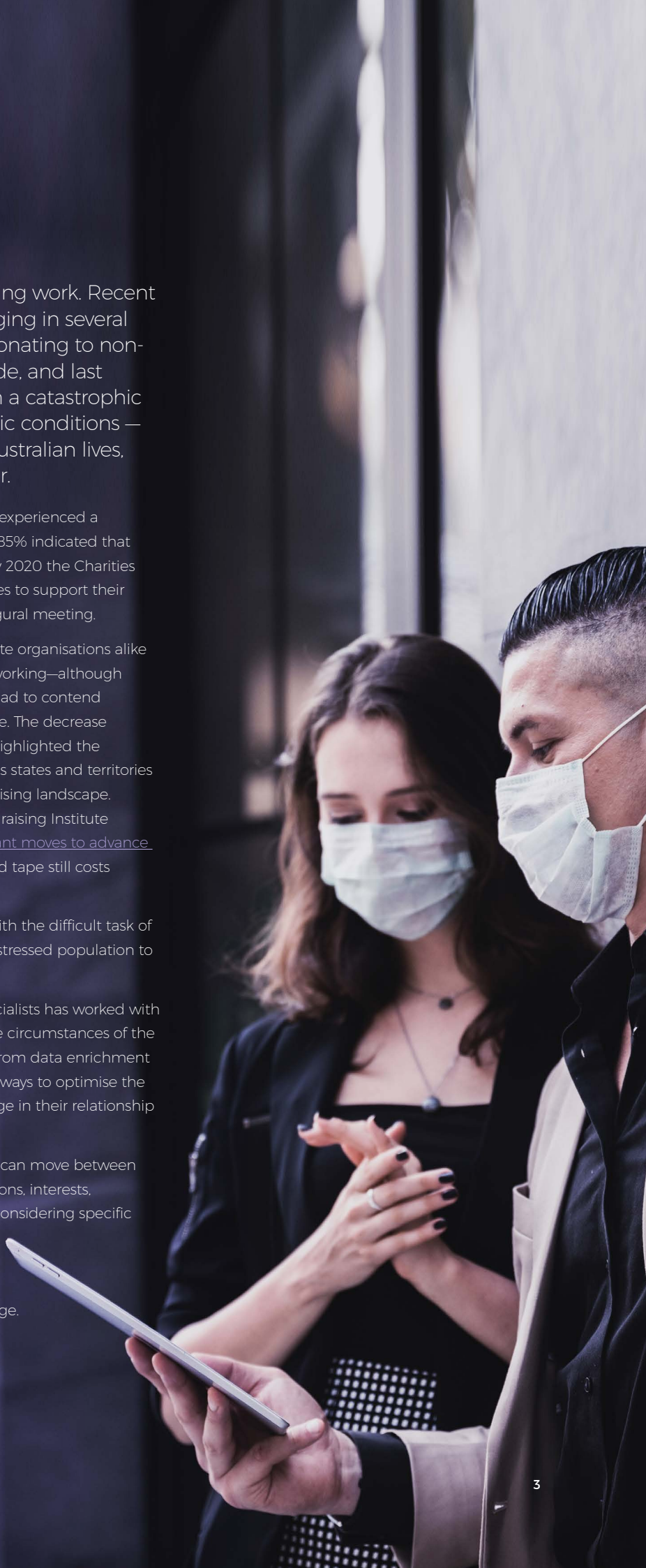
F& P Magazine reported that 67% of organisations experienced a significant decrease in March and April 2020, and 85% indicated that social distancing had impacted their work. By early 2020 the Charities Crisis Cabinet, formed specifically to enable charities to support their communities through the pandemic, had its inaugural meeting.

To complicate matters further, non-profit and private organisations alike have faced new challenges presented by remote working—although unlike private organisations, non-profits have also had to contend with a complex and changing regulatory landscape. The decrease in face-to-face fundraising practices last year only highlighted the inconsistencies in regulations applied across various states and territories which disproportionately impact the digital fundraising landscape. As an indication of the scope of this difficulty, Fundraising Institute Australia reported that although 2020 saw significant moves to advance fundraising harmonisation across Australia, such red tape still costs fundraisers nearly $16 million annually.

Fundraisers now come to this fraught landscape with the difficult task of convincing an increasingly anxious and financially stressed population to donate to support their missions.

Throughout 2020 DCA's team of not-for-profit specialists has worked with a number of non-profits to help them adjust to the circumstances of the pandemic and continue their fundraising efforts. From data enrichment to secure donation processing, this paper explores ways to optimise the value you receive from your supporters at every stage in their relationship with your organisation.

The donor journey isn't always a linear one. Donors can move between stages for different reasons — finances, living situations, interests, preferences. However, it can be a useful model in considering specific tactics for managing your supporters. This paper has divided the donor journey into four distinct phases, based on the goal of the non-profit during each one: Reach, Acquire, Retain and Engage.



1 Reach

The 'reach' phase involves the process of identifying potential supporters as distinct from the general population and finding ways to make them aware of the need your organisation fills.

Learn from your existing data

Here, it's always best (and most cost-effective) to start with what you've already got.

Many organisations have a wealth of data at their fingertips but lack the ability or the resources to put it to proper use. There are things you can learn from information you have about your existing donors that you can use to make educated guesses about your potential supporters. Digging into the information that your organisation already possesses is a great starting place for identifying commonalities that can improve your processes by making them more efficient and better targeted.

Know your donors

It is a lot easier to reach the right people if you know who they are and where to look for them.

Knowing who supports your cause and what those people have in common allows you to narrow down the pool of potential supporters. Creating personas based on the intersection of data about your donors—such as age group, location, membership to community organisations or networks, or the socio-economic bracket into which they fall—and recognising the preferences and interests typical of those personas can tell you a lot about how you should be directing your resources to achieve best effect.

If you have some information about your supporters but you aren't sure of its veracity, or you find you're missing fragments, you can also have your data enhanced to ensure you're getting the most out of it that you possibly can.

Look for likely sponsorships or partnerships

Today's consumers are savvy, and more and more of them prefer to patronise businesses that prioritise "giving back" to the community in some way. A corporate sponsorship pads out your non-profit's funds in exchange for good will and publicity for the sponsor company. You'll find that the best corporate sponsors also have values that align with your mission, and can be counted on to invest actively in your campaign too.

Your own organisation's database contacts and historical sponsors, as well as external corporate databases, and even researching other organisations' campaigns by example, can tell you a lot about the kinds of companies that might be amenable to a corporate sponsorship. Each potential sponsor will have its own objectives in mind for sponsorship—they might want to engage with a specific audience, or be focused on certain numbers of impressions.

Here, again, you can look to your data to present a business with a good argument for sponsorship: let them know how many attendees you can expect, or the demographic information of people you anticipate engaging with your campaign.

Take care with your communications

There are a multitude of communication channels available to you: telephone, direct mail marketing, email marketing, social media, SMS, television, radio, print media—the list seems endless.

Any and all of them can be effective tools for establishing reach.

However, they all have legal requirements or best practice standards — for example, the *Telecommunications (Telemarketing and Research Calls) Industry Standard 2017* requires callers to comply with rules about the time of day they're allowed to call, terminate a call under specific circumstances, or provide certain information.

The Spam Act 2003 governs the use of both email and SMS, and has strict rules about recipient consent.

You must ensure you're fully compliant with existing codes of conduct that govern communications and privacy.

2 Acquire

The 'acquire' phase follows the 'reach' phase: you've done the research, you've followed the data, and you've made the people who are best placed to donate to your organisation aware of your mission.

This is when you acquire that first donation. If the research has been done, and you're reaching the correct people, encouraging them to take the next step and actually donate is the far easier task. However, maximising engagement with supporters over the long term starts now. To ensure ongoing support, there are several things every fundraiser must consider at this crucial step.

Seamless experience

Providing a smooth and positive first experience here is absolutely vital to encourage one-off donors to become regular givers.

Optimise your point of donation. Accessibility is the most important consideration and the point of donation. Supporters must be able to donate easily, quickly and without unnecessary barriers.

Online donation is the preferred method of support for many individual givers. A prospective donor should be able to get from wherever they landed on your website or app to your secure donations portal within three clicks or less. No matter how well you've profiled and targeted your potential donors during the 'reach' phase, they will not donate if they are caught clicking around your website with credit card in hand, searching fruitlessly for your donations page.

Online donation portals must also be mobile friendly. 45% of online purchases are made using a mobile and fundraising is not exempt from this trend—online giving means mobile giving. Whether this means an app or a mobile-first designed website for your organisation, every aspect of online giving must be optimised to work smoothly on mobile.

The best supporters rarely just give online, though. "Online vs offline" is a false dichotomy. This report from Blackbaud suggests that multi-channel donors are your most loyal donors, which means that your approach needs to account for online and offline channels being equally important to your fundraising strategy.

This requires some reflection on the vagaries of offline communications: online, supporters can check your security certificates and access their receipts almost instantly, as well as engage with you as a new supporter via your website or app. Offline giving mechanisms do not have these advantages, so where these are in use instead, you must consider:

- How will you on-board a new supporter?

Very probably, you have a welcome series carefully constructed and beautifully segmented for your online

donors. However, offline donors do not always receive the same clearly defined experience. How will you send the right messages to your offline donors?

- What services will you use to ensure your donation processing is secure?

Accepting money through a purely online process can be fraught in a regulatory sense, but setting up the facility on your web page is usually straightforward. This isn't always the case for processing offline donations.

Offline donations will land you with cheques, money orders, hard copies of credit card information and stray coins, each of which pose their own problems. Some of these will also be subject to separate regulations. For example, any service that handles credit card information in Australia must be compliant with the Payment Card Industry Data Security Standards in order to safeguard cardholder information, so wherever your offline donations are received and processed needs to be carefully considered.

- What services will you use to ensure your donors receive their receipts and welcome information as swiftly as possible?

Delays in this process erode supporter confidence. If your welcome information takes months to arrive, donors rightly wonder what on earth your organisation is doing with their time and resources. You do not want to leave your supporters wondering about the inefficiencies of your organisation and if, therefore, their donations may be wasted.

Single-channel communication is now seriously outdated. Someone may donate by credit card on their computer, but receive email communications that they read on their phone, and then request a receipt for donation by post so they can have a hard copy on hand—and they absolutely expect all of these preferences to be known and accommodated. To support your processes, a 360-degree view of your donors in a good CRM is vital to keeping abreast of communications.

Cementing the relationship

Converting a supporter from a prospective donor to an actual donor should not just be a race to get them over the line.

You should be thinking about how to use that interaction to set both the donor and your organisation up for a successful, ongoing relationship, using what you know about your supporter landscape.

Forbes predicts that digital measurement and evaluation will "gain ground" as technological advances enable more effective and less expensive insights. Across the lifecycle of the donor journey, the earliest point to leverage these insights is at the

point of donation. We suggest you do it by setting up pre-determined giving tiers. Looking at your lifetime value, attrition, RFM and ROI performance will help you determine what tiers are right for your donors overall. Have a look at your data and consider:

- Based on what people have given to you before, what are the once-off giving amounts most likely to convert future high-value supporters?
- What are the donation amounts most attractive to regular givers?
- What are the donation amounts that, when selected, indicates high potential for future conversations about major gifts or gifts in wills?

By making these amounts your suggested gifts from prospective supporters at the point of donation, you are both more likely to convert and in a stronger position to develop the supporter relationship over time.

By optimising your point of donation, promising a seamless supporter experience, and providing supporters with the donation options you know they will respond to, fundraisers improve their ability to transform potential supporters into active givers.

Keep in mind: each interaction with a donor provides more data about them, and a first donation is also a data point. Take advantage of it to begin to tailor their experience to them immediately.

3 Retain

The 'retain' phase follows naturally from the 'acquire' phase. Reaching and acquiring new donors is great, but the cost of acquiring each donor can easily outstrip the amount they donate as an individual if you don't practice good donor stewardship. Building a relationship of trust with your supporters and cultivating long-term donor loyalty has been time and again proven to be more effective than constant cycles of acquisition and attrition.

According to a feature published in Fundraising & Philanthropy Magazine, increasing your donor retention by as little — relatively — as 10 per cent can increase the lifetime value of your donor database by 200 per cent.

There are a number of ways in which not-for-profits can continue to increase retention, even in these changeable and challenging times.

Back to the data

Organisations now have a wealth of data available to them. It's a huge, rich resource, but it's also one that many non-profits fail to use to its fullest potential.

Every time a donor interacts with your organisation — be it a donation, a visit to your website, the generation of a receipt, a call, opening an email, liking a social media post — a data point is created. It's a treasure trove of data, and you can use it to benefit your mission.

Take a deep dive into your supporter data, understand who your top donors are and what their specific characteristics look like. You can leverage these valuable insights into your donors, which will put you in a position to extract as much value as possible out of your existing donor-base and retain them for years.

Donor stewardship and communication: make it meaningful, make it effective

Donor stewardship is the process by which an organisation builds a strong, healthy relationship with an existing donor. Your communication strategy is critical. Get it right, and you retain a high percentage of your supporters. Get it wrong, and you lose them.

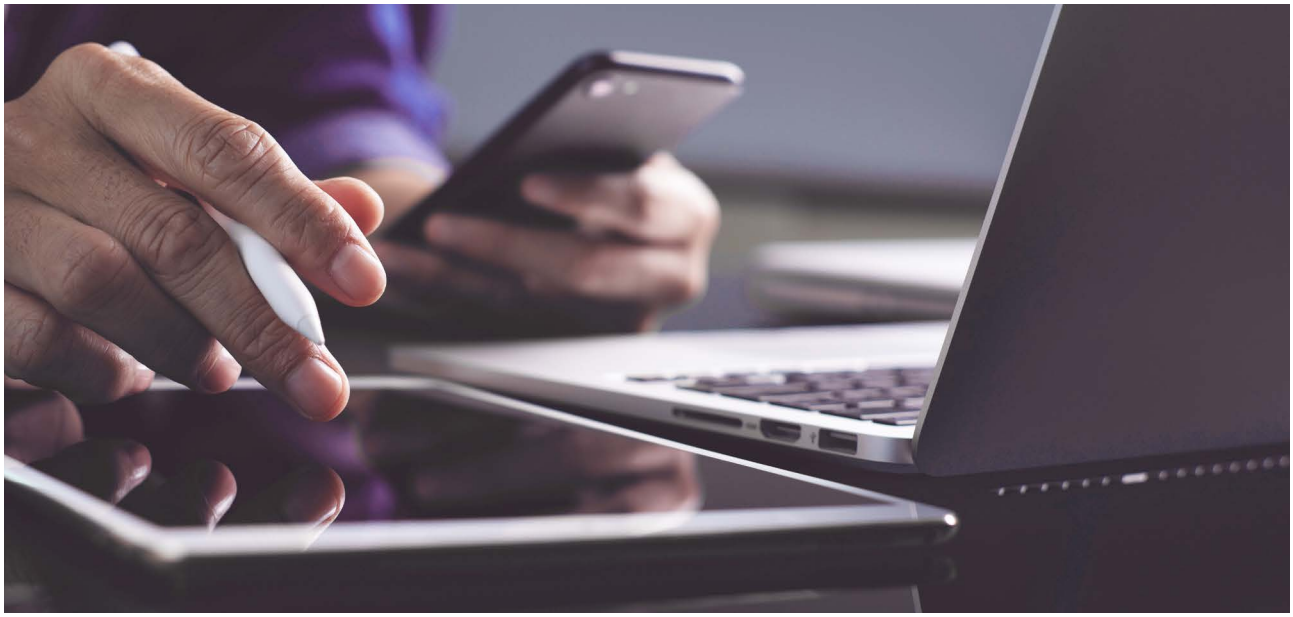
When you understand your data, you can use those data driven insights to refresh the messages you send out to your donors and shape your communications into something they'll respond to.

After the first transaction, continued communication with donors directly impacts retention rates. This is a great time to use your data to get personal. You know better than anyone that your supporters donate for a reason, so take the time to identify supporters of specific campaigns. Send them information about how their donation has directly impacted front-line services. Prove to them that there is a clear link between them contributing their hard-earned money and your organisation serving the cause to which they donated.

Try new things

Don't be afraid to try new things and enlist the experts. Many non-profits use fundraising events to raise money and promote their mission, but events have been hardest hit by the unprecedented upheaval of the COVID-19 crisis — one recent survey of 1,997 non-profit professionals reported that in 2020, 48% of respondents had to cancel an event, and 40% had to postpone one. For this reason, now more than ever it is critical to find new ways to communicate effectively and retain donors.

Children's Cancer Institute organise an annual event, the "CEO Dare to Cure" campaign, a challenge issued to CEOs and business leaders. In 2020 their fundraising goal was 1 million. To reach this goal, CCI were looking to communicate and connect with more Australian CEOs, MDs and other business leaders. They enlisted DCA to match and enrich their data, provide analysis of the total addressable market and provide telephony research and digital support. The result was CCI were able to combine high quality, targeted data to personalise communications and approach potential new supporters with a highly-relevant event and to optimise event success.



4 Engage

The 'Engage' phase is all about cultivating the relationship, refining your communications, and encouraging your existing loyal donor-base to invest in new ways of giving. At this point, you have a large, existing body of knowledge about a donor, and now you can leverage that data to create insights that will drive your approach to communicating with them.

Target the right donors for the right contributions:

- Gifts in wills: gifts in wills are a sensitive topic to approach, and often an uncomfortable one, but these are a significant source of funds. Data you have on your donors, such as if they are retirees for example, can help you decide when it might be appropriate to open the conversation around this avenue of donation.
- Major contributions: research suggests that most major contributions come in several years after a supporter begins donating. Once a supporter has been with you through a few cycles, the time might be right to consider this possibility for them, based on their demographic information and giving history.
- Monthly contributions: supporters who respond consistently to your regular campaign-based requests for donations could represent good opportunities for monthly giving programs, and the switch to a monthly program can create larger and more stable funding for your programs. For many donors, $15 each month is much easier to swallow than $180 once a year, too.
- Events and organising: knowing more about your supporters will also allow you to precisely know which of them have been amenable to advocating for your organisation previously. Advocates among church and community groups can be located in your database, and earmarked to approach for more active involvement alongside their regular giving.

Identify and reward your contributors:

There are many ways non-profit organisations can personally acknowledge and reward contributors.

- Supporter events: high-value donors might be more likely to appreciate exclusive events. With the information you have about your longer-term donors, you have the ability tightly segment your communications to them, which extends well past their donation value—for example, you can use location information to ensure that only people within a state are invited to events there, and thereby avoid sending irrelevant messages to other donors.

- Memorable experiences: tours (in person, or virtual) or other experiences related to your cause can serve both as an acknowledgement of their contribution and as an opportunity to forge a stronger connection to your work.
- Mentioning them on social media, donor anniversaries, personalised thank-yous, or even birthday acknowledgements: all of these are methods that non-profits have used to leverage the data they possess about their donors to create a more meaningful, exceptional experience.

Whatever you choose, know that making the experience both positive and as relevant as possible encourages your donors to remain with you, and also turns them into advocates for your organisation.

Use your data to assess how cost-effective your methods for interacting with your donors are:

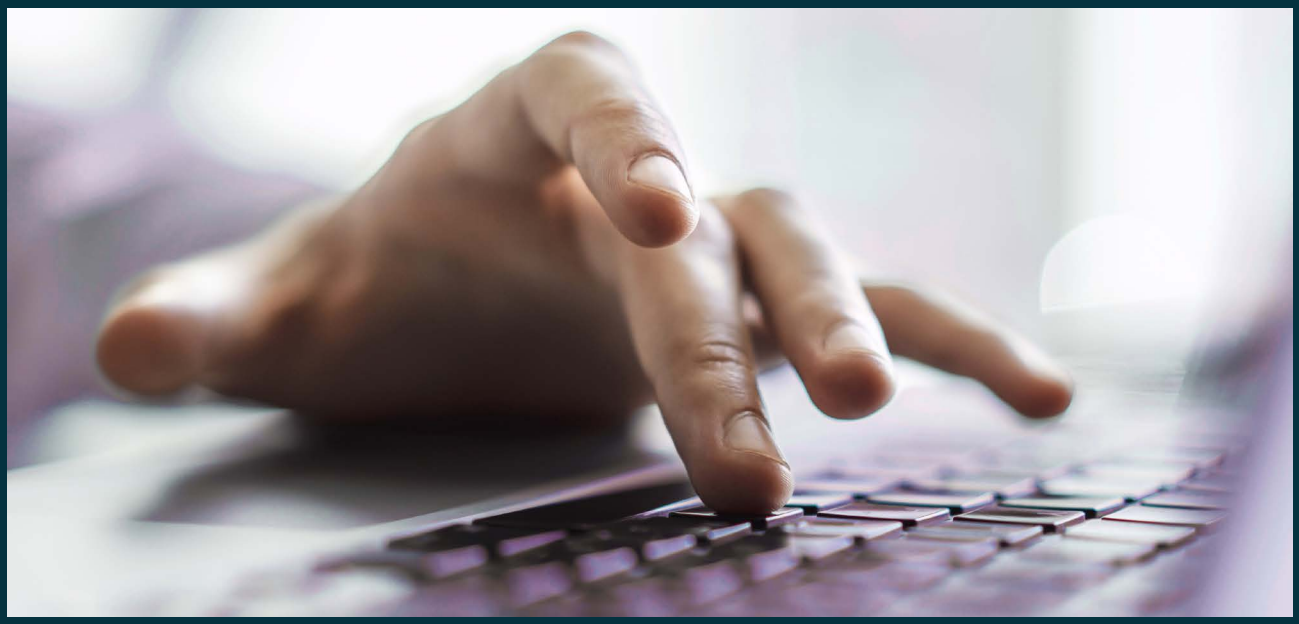
- If donors have changed or discarded phone numbers, emails or addresses, your data may no longer be accurate, so verify your contact information regularly — make sure you're not wasting valuable resources contacting people at dead ends. It may be wise to check against the National Deceased Register, too. Sending communications to incorrect or invalid contact information will cost your organisation money, and it won't bring in any value.
- Although you are required to cease contact if a donor requests that, it can also be worthwhile to also consider their preferences more generally. If a supporter only responds to digital campaigns, you can readily infer that you need not be sending them requests via post with every campaign.
- The most valuable data you can get from someone isn't what you've inferred from their behaviour — it's what they tell you directly. A preference centre can offer a lot of value to your non-profit. Giving your donors the opportunity to manage their communication preferences personally serves the twofold purpose of ensuring the accuracy of your information, and of giving donors an option other than unsubscribing from your text messages or emails entirely. It puts them in control and preserves them as contacts with whom you can still communicate.

Don't view the 'Engage' phase as an "end point" of your donor journey. The information you have about your donors will change over time.

Therefore, when we talk about the 'Engage' phase, it's important to acknowledge that this isn't a one-and-done process. Your donors don't fall out the end of the donor journey like they're dropping off the edge of a map. The process is iterative, so the data needs to be revisited and reassessed regularly. This is especially true if you have long-term loyal donors, because the longer they're with you, the more likely they are to experience changes during that time.

Perhaps someone's financial situation will change, making them a desirable prospect for a different kind of contribution. Perhaps someone will stop responding best to direct mail and start using digital communications only.

Your donors are all individuals whose circumstances and preferences will change throughout the (hopefully extensive) period in which they support your organisation.



Conclusion

The challenges of modern fundraising are unavoidable, but not insurmountable.

Data-driven decision making can help you make sure you get every drop of value out of each supporter without compromising the quality of their experience with you, starting from the very first moment they become aware of your organisation in that 'reach' phase. At every stage in the donor journey your management and use of the information you have about that person as an individual, and about your database as a whole, should be forming a core part of your fundraising strategy.

Cultivating relationships with supporters is about building trust: your donors need to know that you're paying attention to them, that you value them, and that you're taking good care of both their valuable donations and their personal information. Correctly managed, every interaction can help deepen your relationships with your donors and keep them engaged with your mission.

About DCA Data Services

With nearly three decades' experience working with fundraisers, DCA are leaders in data migration, consolidation, and quality data targeting across Australia and New Zealand. Our business is built on having the best people, systems, and solutions on hand for our clients. We are technology agnostic and offer:

- Data analysis, migration, cleansing, and validation
- Supporter acquisition and data enrichment
- Supporter Demographics, Insights, and Analytics
- Expert data services team creating single supporter views
- Market planning and assessment
- Donor data management

Our clients rely on our data, technology and expertise to drive data transformation and make business-critical decisions.

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