
INTEGRATED FUNDRAISING:

THE GOOD, THE BAD & THE UGLY

What we learned about integrated fundraising by donating to sixteen major U.S. nonprofit organizations

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MARCH 2014



INTRODUCTION:

At Mal Warwick | Donordigital, we implement direct response programs that focus on integrated donor solicitation, cultivation and stewardship across multiple channels.

But we know that's easier said than done.

In an effort to learn more about what others are doing, we studied sixteen major nonprofit organizations to give us a snapshot of some of today's leading integration efforts.

For six months in 2013, after making an online contribution, we tracked all interactions with these organizations through direct mail, online and telephone. Our goal was to observe how some of America's most notable charities are integrating their donor communications across multiple channels.

STUDY HIGHLIGHTS: THE GOOD, THE BAD & THE UGLY

CHANNEL INTEGRATION	
GOOD	Most organizations did integrate new online donors into other channels—most notably direct mail.
BAD	Although we received contacts through multiple channels, the communications rarely appeared to be integrated.
UGLY	One organization sent just one direct mail communication in the 6 months following our initial online gift.

SECOND GIFT CONVERSION THROUGH THE MAIL	
GOOD	We almost always received an ask to make a second gift through the mail.
BAD	We were asked for an additional gift through the mail often months after our initial online gift.
UGLY	3 of the organizations did not ask for a second gift in the mail in the 6 months following our initial gift.

SUSTAINER RECRUITMENT THROUGH ANY CHANNEL	
GOOD	75% of the organizations asked us for a monthly gift.
BAD	25% did not ask us for a monthly gift.
UGLY	44% of the organizations never asked us to become a monthly donor via an email appeal—even though we made our first gift online!

WHY WE BELIEVE IN INTEGRATION

We approached this study armed with the knowledge that integrated communications are necessary for an optimized fundraising program.

We know multichannel donors—donors who make gifts through more than one channel—are very valuable. We have seen consistently that multichannel donors are more loyal than single-channel donors. We also know they are more likely to make larger gifts or become monthly donors, even when controlling for the frequency of giving of the single-channel donors.

From a cultivation and donor retention perspective, multichannel integration is key to achieving greater fundraising success.

But the reality of today's donor experience at several of the organizations we studied surprised even our most experienced team members. We found a wide variety in the practices for multichannel donor engagement among the organizations we studied. Some organizations are doing a great job. But for others, even the most basic principles of integrated fundraising were neglected.

Below, we share what we learned—the good, the bad and the ugly—in hopes that it gives you more information to improve your integrated fundraising efforts.

A few disclaimers:

- *Our focus was on the donor experience, and we were not privy to the fundraising results of any of these efforts.*
- *We kicked out any glaring anomalies. For instance, from one organization we did not receive any additional email messages after the initial thank you—even though the original gift was made online—and we assume that was most certainly due to some type of data glitch or email subscription issue.*
- *Telemarketing was a hard channel to track. We only received three telephone calls prompted by our gift, but fully recognize telemarketing efforts could have been a part of an organization's strategy. Issues with looking up the phone number, after-hours phone calls and our own internal switchboard may have thwarted those efforts. But we applaud the one organization who looked up our phone number and successfully made calls seeking a monthly sustainer gift. Unfortunately, the telephone channel has quickly become a forgotten and underused form of communication.*

WHAT WE LEARNED ABOUT THE CURRENT STATE OF INTEGRATED FUNDRAISING

Our research team selected sixteen U.S.-based nonprofit organizations, whose work we admire and who we feel are leaders in their field.

For each organization, we contributed the first suggested dollar amount listed on their online donation form—assuming this would result in our receiving their standard new donor conversion efforts without any special or exceptional treatment.

We tracked the following:

- How long did it take for us to receive a direct mail acknowledgement or a welcome package for our online gift?
- How quickly and how frequently did we receive subsequent direct mail appeals?
- How many email communications did we receive from the organization, and how many were appeals for financial support?
- How many communications did we receive that were purely cultivation or informational messages?
- Which organizations asked us to join their monthly giving program? If they did, which channels did they use to reach out to us?
- Did we receive appeals or campaigns that were integrated across multiple channels?

Overall, we included:

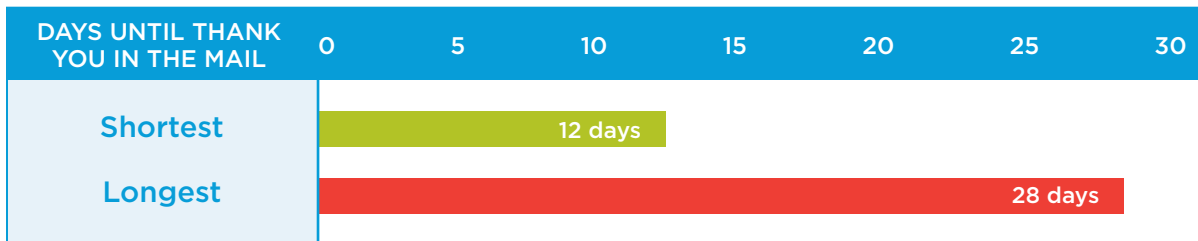
ORGANIZATIONS BY SECTOR	
Animal welfare	3
Environmental	3
Social justice	4
Health and human services	3
International relief	3

DID THE ORGANIZATION THANK US FOR OUR ONLINE DONATION THROUGH BOTH EMAIL AND POSTAL MAIL?

DATA:

- All 16 of the organizations sent an email thank you within one day of the online donation. We expected this, because the email acknowledgement is usually automated after an online donation is processed.
- 8 of the organizations sent direct mail acknowledgements and 8 did not. The quickest direct mail acknowledgement arrived in 12 days, and the longest took 28 days.

With the industry-wide focus on retention, we were surprised half of the organizations did not send an acknowledgment through the mail for our gift. Of course, every organization sent an email acknowledgment, but mailed gift receipts often serve as a cultivation vehicle and, for many organizations, a source for additional contributions.



DID THE ORGANIZATION INVITE US TO GIVE MONTHLY?

DATA:

- 8 of the organizations promoted their monthly giving program in a direct mail piece, and 8 did not.
- 9 of the organizations sent a monthly giving invitation via email, and 7 did not.
- 3 of the organizations made monthly giving asks via email ONLY.

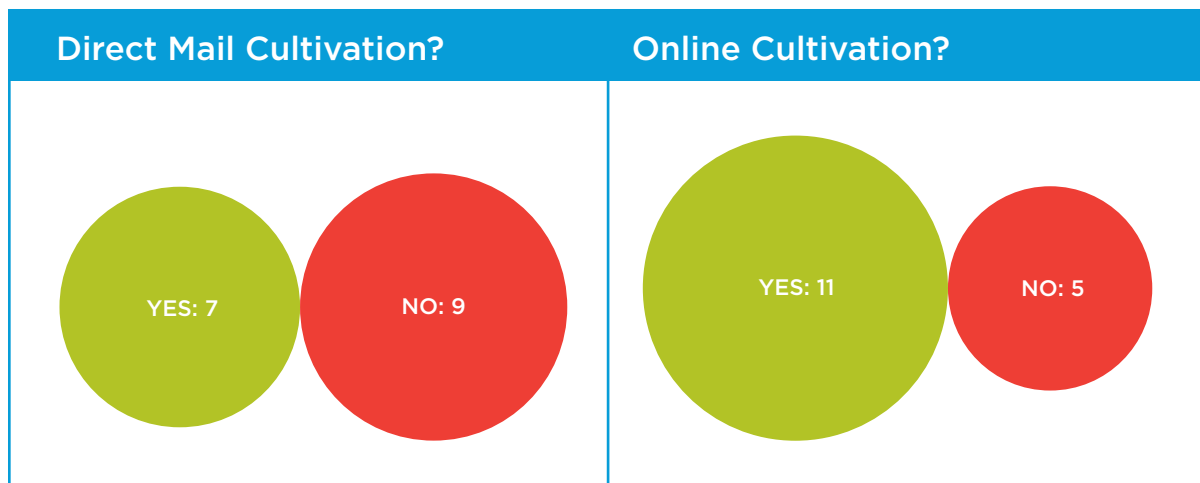
- 4 of the organizations made no monthly giving asks in any channel.
- Only 1 organization integrated their monthly giving invitation through mail and email.

For many organizations, sustainer programs provided a reliable base of revenue during the recession. And new donors—especially new online donors—continue to be a highly responsive audience for monthly giving recruitment. We believe a sustainer ask should be a part of the overall new donor experience—an effort that includes direct mail, online and telemarketing.

DID THE ORGANIZATION DELIVER ONGOING COMMUNICATIONS TO KEEP US ENGAGED IN THEIR WORK, INCLUDING OPPORTUNITIES FOR VOLUNTEERING OR ADVOCACY?

DATA:

- 7 of the organizations sent cultivation materials through the mail (such as a magazine or a postcard) that were not fundraising related; 9 did not.
- 11 of the organizations sent cultivation materials through email, including advocacy petitions, volunteer opportunities or general email updates; 5 did not.



We believe a critical element of stewardship, cultivation and retention is to engage donors in your work at a level deeper than simply asking for additional contributions. While many of the organizations did make great efforts to provide a deeper understanding of their work and their mission, we were surprised that over half of the organizations did not send a subsequent piece of mail that was not fundraising focused—and fully one-third did not send any cultivation or advocacy emails.

HOW MANY ORGANIZATIONS ASKED US TO MAKE A SECOND GIFT?

DATA:

- As expected, all 16 of the organizations asked for an additional gift via email; 5 asked in their second email communication.
- 13 of the organizations asked for a second gift in the mail within the next 6 months. We were surprised by the 3 that did not.
- The organization that had the longest time from initial gift to the second gift ask in the mail took 162 days—more than 5 months!

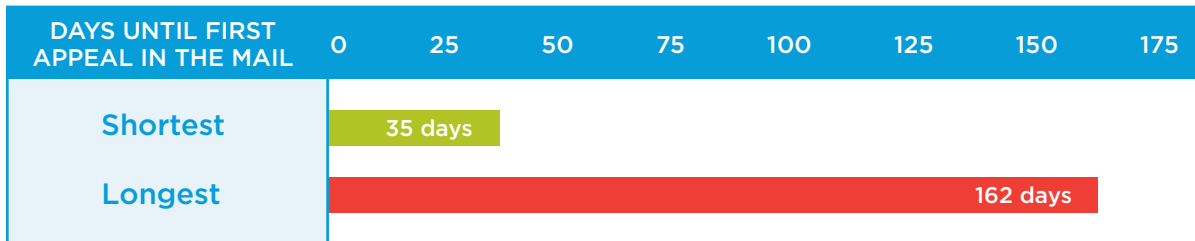
New donor retention continues to be a challenge for many direct response programs. Although the need for appropriate donor stewardship efforts is always important, waiting too long to ask for the second gift can be detrimental to retention. As direct response practitioners, we understand the challenges of data preparation and coordination, but this should be an area of focus for everyone.

AFTER INITIAL THANK YOU, HOW MANY ORGANIZATIONS MOVED US FROM ONLINE INTO THEIR DIRECT MAIL FUNDRAISING PROGRAM?

DATA:

- We received some type of direct mail communication from all of the organizations.
- The speed at which we received our first direct mail fundraising appeal varied from 35 days to 162 days.

- The average number of direct mail communications we received from any one organization was 4, with a high of 9 and a low of 1.



In our repeated analyses of the giving trends of online donors, we typically see anywhere from a 4 to 10 percentage point increase in retention for those donors who convert to multichannel giving, looking at both single and multi-gift donors. By giving donors an opportunity to support your organization through different channels, you can improve your overall retention rates. We were pleased that all of the organizations we studied made this effort to encourage multichannel conversion—although we felt some took far too long to send the first direct mail effort.

HOW MANY ORGANIZATIONS CREATED INTEGRATED CROSS-CHANNEL FUNDRAISING CAMPAIGNS WITH COORDINATED TIMING, COPY AND CREATIVE?

DATA:

- Only 6 organizations had discernible campaigns that integrated messaging, deadlines or financial goals across email and direct mail; 10 did not.
- 3 organizations had campaigns that seemed to coordinate across channels but failed to integrate effectively. They had similar messaging and timing but differing deadlines, goals and/or creative.
- 3 organizations had very active email and direct mail appeal schedules but they did not appear to be coordinated at all.
- Although all of the organizations we tracked did send us some type of direct mail, 4 organizations did not send any direct mail fundraising appeals.

Obviously, this was one of our key metrics for this study. However, we want to be clear—integrated efforts are not always possible or appropriate. Although, we believe, in 6 months, there should be at least one opportunity for an integrated campaign.



In some cases, we found the direct mail and online communications looked like they were coming from different organizations—not the best strategy for building loyalty and long-term value in your multichannel donor base. In our view, a great direct response program includes integration that supports donor stewardship and effective fundraising.

CONCLUSION:

As an industry, we’ve come a long way from the days of limited (and not very creative) personalization and mass marketing practices of old school direct mail. But this study shows there is still much room for improvement—even in some of the largest and most sophisticated direct response programs.

We are firm believers in building a multichannel conversation with donors that thanks them, inspires them—and creates friends you can count on for a lifetime of support. The truth is this, if you are facing declining retention and lower revenue from your donors, you can no longer afford to operate in a single channel world. New donors are precious to every organization. By making multichannel integration a priority for your new constituents, you will increase their loyalty and value. You’ll also treat them better, offering a cohesive interaction with your organization and multiple ways to stay engaged.

In partnership with our nonprofit clients, we base our work around a few core principles:

1. Tear down the database (and any other) walls that are inhibiting you from quickly and effectively thanking new donors and integrating them into additional channels of communication.
2. Respect the interest and excitement of new donors and quickly offer them ways to more deeply engage with you—specifically monthly giving. Our experience has shown that the probability of getting a second gift drops by half for each month you delay asking for that critical second gift. And we know new donors are most receptive to monthly giving asks.
3. Everything cannot and should not be integrated. But coordinated campaigns that allow donors to hear one voice from the organization across multiple channels are not only effective but allow donors to change their method of giving, which increases their overall value. Your communications should reinforce each other—not fight against each other.

We hope the findings in this paper will help you focus on the good—and eliminate the bad and the ugly—in your multichannel fundraising program, as you strive to improve your integrated donor solicitation, cultivation and stewardship across all channels.

ABOUT THE AUTHORS:

Peter Schoewe, Vice President | Director of Analytics, brings to Mal Warwick | Donordigital over 15 years of experience in direct response fundraising, with a focus on creating strategy built upon a foundation of strong analysis. He has led our development of an integrated reporting and analytics suite—including overall program trends, lifetime value, scenario building and segmentation analysis tools—focused on providing a wide variety of users with the information they need at the level of detail that is most meaningful to them. Prior to his work here, Peter was the Director of Direct Marketing at Mercy Home for Boys and Girls. He is a graduate of the University of Chicago and has completed graduate level coursework in statistics and modeling techniques.

Michael Stein, Senior Account Executive, is a veteran nonprofit technology strategist and writer who has worked for the past 20 years at the intersection of marketing and fundraising. At Mal Warwick | Donordigital, his key areas of expertise include online fundraising, email messaging, email list growth, blogging, online content curation and multichannel messaging. He has provided strategic consulting to numerous organizations during his professional career including The William J. Clinton Foundation, Planned Parenthood Federation of America, United Nations Food Program, The James Irvine Foundation, Animal Legal Defense Fund, American Lung Association of California, and the ACLU of Northern California. With Nick Allen and Mal Warwick, Michael wrote the groundbreaking 1997 book “Fundraising on the Internet: Recruiting and Renewing Donors Online.”

Mwosi Swenson, Vice President, has worked in direct response fundraising for the past 20 years. She began her career in direct mail and telemarketing and now leads the digital division of the agency. Mwosi has worked with some of the nation’s most respected environmental, advocacy and political organizations. She provides strategic guidance on integrating fundraising efforts across direct mail, online, and telemarketing channels. She holds a Bachelor of Arts in Economics from the University of California, Berkeley.

ABOUT MAL WARWICK | DONORDIGITAL

Mal Warwick | Donordigital is a full-service, integrated fundraising consulting agency that has worked with exceptional nonprofit organizations and progressive political candidates and causes since 1979. Our senior-level professionals provide strategic insight, in-depth analysis, award-winning creative, and comprehensive production and management services. Our focus is integrated fundraising, advocacy and marketing. We bring a passion for fundraising to the exceptional causes our clients serve. That passion enables us to help our clients build outstanding fundraising programs and enduring long-term relationships with their donors.

We are proud to work with outstanding clients that are making a real difference in the world. Clients like AmeriCares, Be The Match®, Earthjustice, Share Our Strength, National Organization for Women, Ocean Conservancy, Women for Women International and many others.

You can learn more about us by visiting malwarwick.com or donordigital.com.

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