



Converting Almost-Givers

Part Two of the Winning Donor Mindshare Webconference Series

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Advancement Forum



Welcome to the Attention Economy

Fleeting Mindshare Makes It Harder to Win Alumni Donors

WIRED Attention Shoppers!

FORTUNE The Attention Economy
and the Implosion of
Traditional Media

THE
WALL STREET
JOURNAL

Attention Pays

“It's beginning to dawn on people who ponder these kinds of things that it's attention, not information, that lies at the heart of the new online world. In a world full of information, the **scarcest commodities are your eyeballs and ears.**”

Key Features of the Attention Economy



Information Overload

Individuals must sort through more information than every before



Split-Second Decisions

Appeals for money or attention elicit gut-check responses from busy consumers



Top of the Inbox Wins

Endless influx of communications means consumers focus on the last organization to reach out



Relevance Is Paramount

Consumers stay tuned in and primed to buy as long as the organization is engaging them with content that is relevant to their lives

The Rise of Impulse Giving

Donor Loyalty Declines as Giving Options Grow

A Shift in Behaviors

“The next generation of donors have different philanthropic behaviors. **They do more one-off giving** than their predecessors. They come, they go. There’s been a shift away from doing checkbook philanthropy at the end of the year where you look up what causes you gave to last year and make those same gifts again.”

*Barbara Turman
AVP Annual Giving
Rutgers University*

Unpredictable

42%

Impulse Givers

Support a constantly shifting roster of nonprofits whenever the mood strikes

6%

Habitual Supporters

Make regular donations, but to somewhat random causes

17%

Selective Givers

Give spontaneously, but do so to a fixed set of causes

16%

Philanthropic Planners

Routinely give and deliberately select nonprofits to support¹

Predictable

1) Remaining 20% of respondents' survey answers did not place them into any one of the four categories.



Winning Donor Mindshare in the Attention Economy

Maximizing ROI Through Multichannel Annual Giving

Beginning at the End of the Annual Giving Pipeline



Make It Easy to Give



Goal: Plug Leaky Renewal and Acquisition Pipeline

Today's Focus

Cut Through the Noise



Goal: Expand Pipeline to Include Interested Lapsed and Non-Donors

Webinar Date: July 12

Connect Alumni to a Cause



Goal: Augment Traditional Donor Constituencies with New Donors

Webinar Date: July 19

The Growing Ranks of Almost-Givers

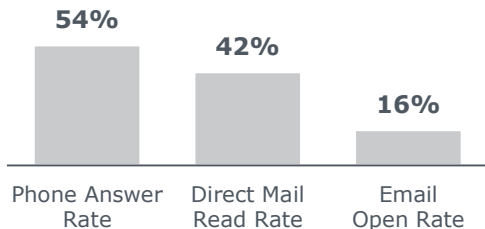
Sitting on the Cusp of Giving but Not Opening their Wallets

Alumni Think About Giving...

Millennial Giving Trends

- 45%** Have made a gift to their alma mater
- 73%** Intend to give to their alma mater in the future
- 84%** Give money to at least one nonprofit organization in 2014

...And Engage with Fundraising Appeals



Giving Remains Inconsistent

The Accidental Sybunt

"We discovered that, over the prior 20 years, the average time between gifts had consistently increased. Many donors who had previously given annually, or even more often, were now giving every 13 to 24 months. Our anecdotal understanding is that **many of them plan to make a gift every year but just forget.**"

*Andy Shaindlin, Vice President
Grenzbach Glier and Associates*

39% Of donors drop off every year in higher ed fundraising

Source: Achieve and The Chronicle of Philanthropy, "Millennial Alumni Study," September 2014; EveryAction, "2016 Nonprofit Email Deliverability Study," <https://act.everyaction.com/email-deliverability-study-2016>; Ruffalo Noel Levitz, "The Value of Robust Phonathons"; Keister S, "The Current Environment for Annual Giving," CASE presentation, April 13, 2016; Advancement Forum interviews and analysis.

Convert Them at the Finish Line

Three Strategies for Boosting Almost-Giver Donations



Minimize the "Melt Window"

Speed donors through checkout to guard against distractions



Quick-Complete Giving Form



Hardwire Follow-Up Triggers

Remind donors who abandon the giving page of their initial intention to give



Abandon Gift Reminder Appeal



Funnel Donors Toward Automatic Renewals

Pre-empt conversion problems by increasing recurring gifts



Young Alumni Monthly Giving Campaign



Senior Donor Recurring Gift Pledge

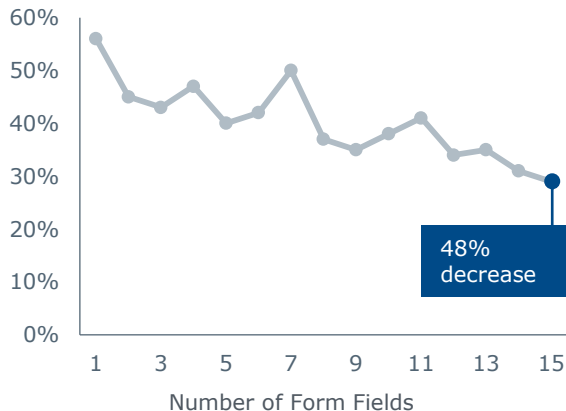


The Perils of Bad Web Design

Costing You Dollars and Donors

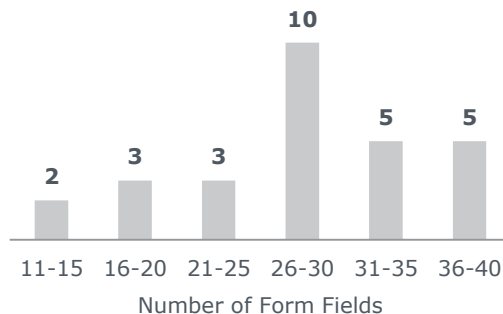
The More Fields, The Fewer Gifts

Conversion Rate by Number of Form Fields



University Giving Forms Too Lengthy

EAB Audit of 28 Member Institutions



Losing Donors at the Finish Line

50%+

Of prospective donors who visit giving pages do not convert

Source: Eloqua, "Dare to Compare – Are You Keeping Up? Marketing Automation, Trends, Benchmarks and Best Practices," 2011, http://www.eloqua.com/content/dam/eloqua/images/Resources/marketing-insights/OracleEloqua_40charts.pdf; Ruehl A, "You Have Been Abandoned," npENGAGE, February 6, 2013, <http://npengage.com/nonprofit-fundraising/you-have-been-abandoned/>.

An A-B Test for the Ages

Old Giving Form Goes Head to Head Against Streamlined Checkout

Williams College Randomly Places Alumni into Test Groups



Alumni click on giving link

Solicitations circulated as part of young alumni challenge



50% Get Standard Giving Form

Long checkout form gives the donor maximum control



50% Get Experimental Giving Form

Short checkout form offers few options but quick finish

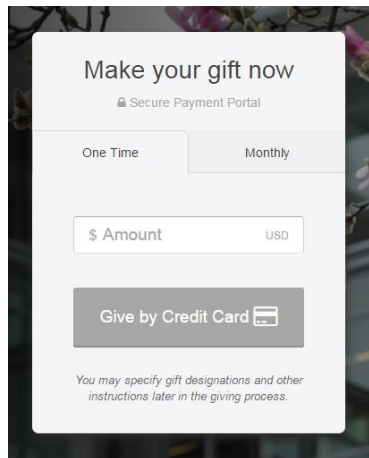
Product Specs for the Two Pages

	Standard Giving Form	Experimental Giving Form
Number of Fields	25	11
Gift Amount Location	Toward the end	Beginning of first page
Supplemental Info	Class year, business address, etc.	None
Number of Pages	One	Three
Mobile Friendly?	No	Yes

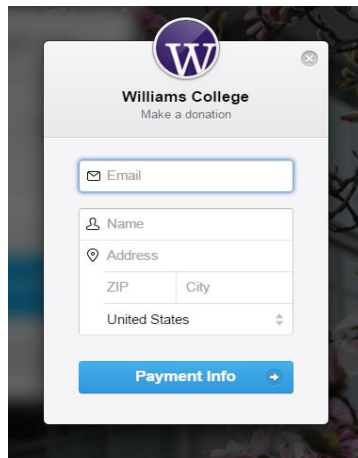
Faster Than You Can Say “Go Ephs!”

Simple, Elegant Design Expedites Giving

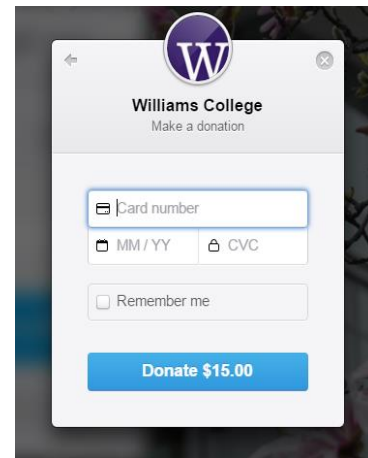
1 Amount




2 Contact Information




3 Payment Information




Alumni can speed up checkout with **cookie-enabled autofill** option

A Clear Winner Emerges

Quick Complete Giving Form Outperforms Old Page by a Wide Margin

Standard Giving Page

55.7% Completion rate

Experimental Giving Page

75.0% Completion rate

Impact by the Numbers

19.3% Completion rate improvement

”

The Business Case for Change

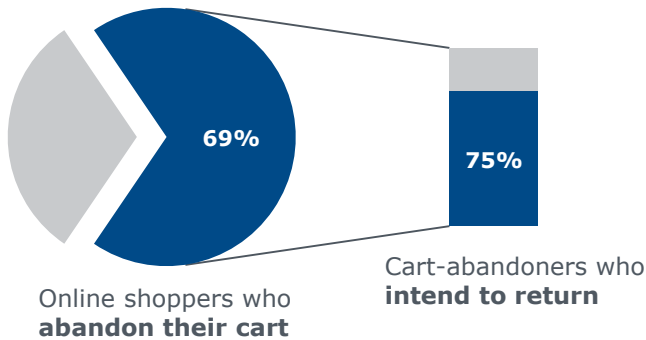
“When we started the three-week challenge, there was a lot of hesitation in our office. People were saying skeptically, ‘We’ll see what comes out of this challenge, we’ll see then if we’re still talking about making a change in our vendor.’ But by the end, there was no question. I presented the final numbers, and **our VP said, ‘OK, what do we need to do to switch?’**”

Laura Day, Director of Annual Giving – Williams College

Drop-Off Doesn't Have to Be Fatal

Commercial Recapture Strategies Hold Lessons for Higher Ed

Cart Abandoners Don't Mean to Say Goodbye



"Just a Helpful Reminder"



Abandon purchase follow-up emails have a **5.2% response rate** vs. **1.9% industry average**



Missed Opportunity

"We're losing people we could get. I just know it. People come and look at the giving form. They decide it's too long, they'll get back to it. They never do. **And we're not doing anything to recapture them.**"

*Annual Giving Director
Public Master's University*

Identify Lost Donors and Reach Out

Abandonment List Export Allows for Email Follow-Up

Recapturing Almost-Givers at Dickinson College



Abandonment

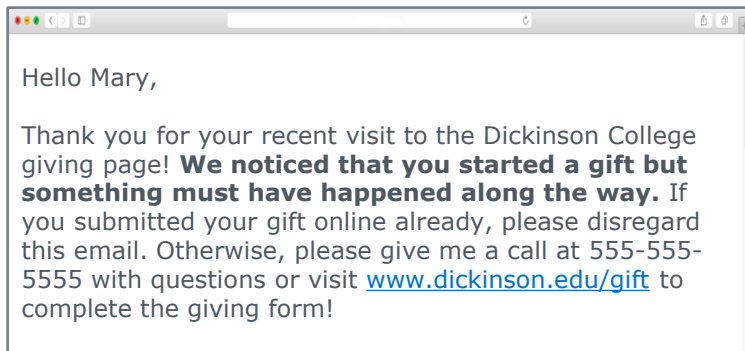
Alumnus/a begins gift form but does not finish checkout

Tracking

Alumnus/a's name added to daily drop-off list compiled by vendor

Follow-Up

Administrative assistant sends email reminder to alumnus/a 24-48 hours later



Helping Alumni Fulfill Their Intentions

30%

Approximate response rate to follow up emails during 2016 giving day

5%-10%

Approximate response rate to follow up emails year-round (v. **1.5% response rate** for 2016 FYE email campaign)

8.3%

Overall alumni donor growth, 2013-2015¹

1) Alumni donor growth attributable to peer fundraising strategy as well as follow-up emails and other tactics.

A Higher-Touch Reminder to Give

Phonathon Targets Giving Page Drop-Off to Capture Almost-Givers

Benefits of Phone Follow-Up at the University of Memphis

Ubiquity



Deploys **multichannel strategy** to effectively reinforce the ask

Urgency



Inspires **immediate action**, addressing main impediment to giving

ROI



Uses valuable student caller time on **high-propensity** prospect pool

Closing the Giving Gap

	Attempts	Pledges	Pledged Dollars	Average Pledge
General Phonathon (Spring 2015)	112,627	214	\$8,935	\$41.75
With Drop-Off Targeting (Spring 2016)	63,778	237	\$12,536	\$52.89
Year-Over-Year Change	-43.4%	+10.7%	+40.3%	+26.7%

Less effort...

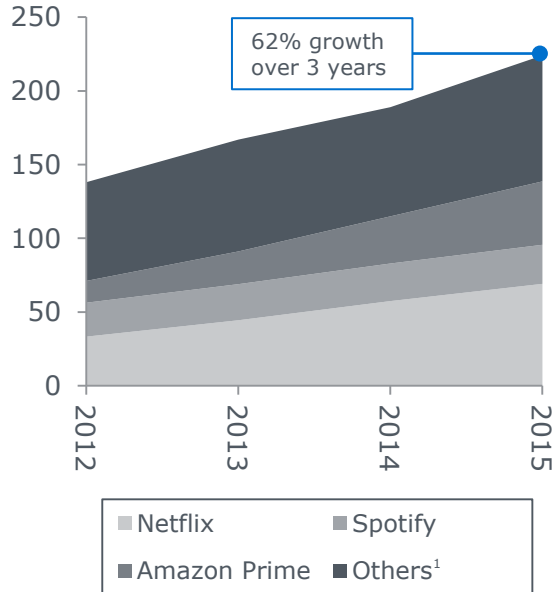
...and more revenue

The Rise of the Subscription Economy

Individuals Flock to Automatic Payments and Seamless Transactions

A Rapidly Growing Sector

Subscribers Counts at Ten Companies (Millions)



The Media Begins to Take Notice

FORTUNE It's a Subscription Economy and You're Just Living In It

WSJ Zuora Raises \$115 Million to Fuel Subscription Economy

Business Leaders Scramble to Avoid "Disruption"

40% Of companies are moving to develop subscription-based business models

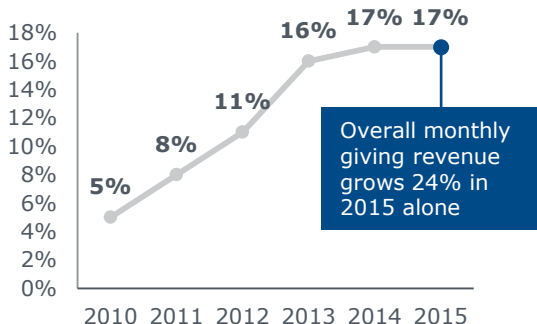
1) Others include Sirius XM, Xbox Live, Match.com, New York Times Digital, Adobe Creative Cloud, Dollar Shave Club, and Birchbox

The Path of Least Resistance

More Nonprofits Opt for Automatic Renewals

The Monthly Giving Wave Rises

Monthly Giving as a Share of All Online Giving



Good for Donors...

52% Of Millennial alumni express interest in monthly giving

...And Good for Nonprofits

2.9x Greater annual revenue from the average monthly donor

80% New monthly renewal rate

Higher Ed Lagging Behind

"Higher ed is far behind the nonprofit sector when it comes to monthly giving. Nonprofits realized years ago that this was the way to boost retention and get more annual revenue from donors. **We're only just now catching up.**"

*Chief Advancement Officer
Private Master's University*

Tapping Into Millennial Preferences

Develop a Monthly Giving Program Aimed at Young Alumni

Aligning the Message with the Audience

1 Convenience is King

Young alumni often choose the path of least resistance; monthly giving allows for “fix it and forget it.”

2 It's Good for the Environment

Paperless nature of recurring giving syncs with eco-friendliness of young alumni

3 Strength in Numbers

Monthly giving allows for the community to come together and support their alma mater

4 Small Gifts Add Up to Big Impact

Appeals address young alumni concern, “What can my small gifts really do?”

William & Mary's Young Alumni Monthly Giving Campaign



THE MATH IS SIMPLE

If every undergraduate alum contributes as little as **\$5 PER MONTH** this year, it will add up to over

\$4,070,000!

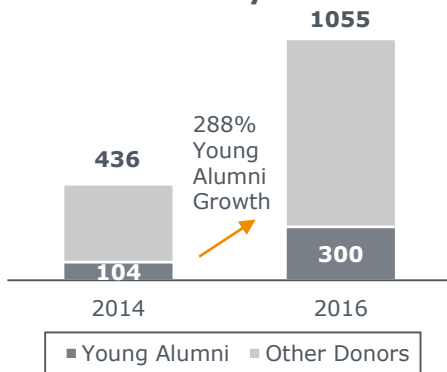
As W&M alumni, our strength is in our numbers.

Make your gift today: impact.wm.edu/recurring

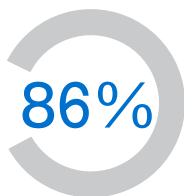
Boosting Donor Counts and Dollars

Young Alumni Embrace Recurring Gift Option

Impressive Monthly Donor Growth at William & Mary



Predictably Strong Retention



Monthly donor renewal rate

Maximizing Potential Revenue

\$90

Average annual gift from young alumni donor

\$203

Potential revenue from monthly young alumni donor

\$468K

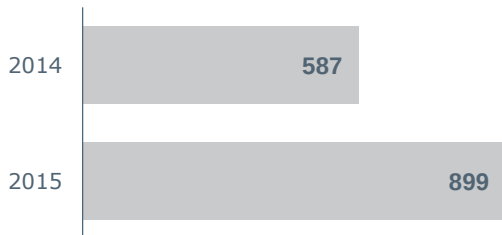
Total annual recurring donor revenue

They Leave Right as They Arrive

Seeking to Plug a Leaky Senior Donor Pipeline

Senior Gift Program Grows...

*University of Tennessee Senior Donors,
FY2014-FY2015*



...But Suffers from Few Renewals

First-Year-Out Retention Rates

Year	Renewal Rate	Number of Donors
2014	14%	82
2015	14%	125

An Imperative for Change

“We looked at our data, and we saw a missed opportunity. Senior giving brought in a lot of new donors. The problem was the retention rate for that group was really low. We knew that we had to do something to shore up retention for post-grad seniors.”

*Lance Taylor, Associate Campaign Director
University of Tennessee*



Two Years of Guaranteed Renewals

Seniors Sign Up for Automatic Annual Pledge

Annual Recurring Donation Process at the University of Tennessee

- 1 Graduating senior decides to give a gift
- 2 Selects annual recurring option on giving form
- 3 Credit card is charged on the **same date for the next two years**

Two Strategies for Soliciting Seniors



Event-Based Asks

Fundraisers at senior events trained to solicit recurring gifts



Opt-In Default Online

Email donors must de-select recurring giving to opt out

Building a Base of Long-Term Support

10%

Of senior donors signed up for the recurring gift

108

Recurring donors will give for at least two years

21%

Projected senior-donor retention, FY2017¹

1) Estimating an 85% retention rate for recurring gift donors and a 14% retention rate for other senior donors.

Avoiding Potential Pitfalls in Recurring Giving

Four Recommendations for Side-Stepping Common Obstacles

Four Frequent Challenges to Recurring Giving



Expirations

Credit cards hit expiration date and donors do not renew



1 Proactive Outreach

Segment upcoming expirations for high touch pre-renewal cultivation.



Fraud

Unexpected cancellations lead to lost gifts



2 Multichannel Reminders

Formalize plans for multiple renewal touches through diverse channels



Donor Inertia

Monthly donors forget about their gift and do not upgrade



3 Annual Upgrades

Solicit for larger monthly gifts on donation anniversaries



Infrastructure

System is unable to process open-ended recurring gifts



4 Technical Workarounds

Set the default pledge length to exceed the credit card expiration date

Convert Almost-Givers

Next Steps for Advancement Leaders

Nine Questions to Make It Easy to Give



Minimize the "Melt Window"



Hardwire Follow-Up Triggers



Funnel Donors Toward Automatic Renewals

- 1 What is the drop-off rate for alumni who click through to the giving form?
- 2 How many fields do alumni have to fill out before they complete their gift?
- 3 Which giving page fields ask for "nice to have" information?
- 4 Is our giving platform vendor able to provide us a list of drop-off donors?
- 5 How often can we send email follow-ups without impeding staff workloads?
- 6 Is our phone contact rate high enough to entrust follow-ups to callers?
- 7 Can our online giving platform default to recurring gifts for appeals?
- 8 Are we able to log indefinite payments instead of timebound pledges?
- 9 What stewardship offerings do we provide monthly donors, and how do we upgrade them?

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