

The Donor Journey



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It seems ridiculous for any charity to have large investments in property or stocks and shares if it hasn't invested in the development of its donors according to Ken Burnett, author of Relationship Fundraising.

Looking after your donors

Firstly, the big question – WHY?

Many points answer this question:

1. It's polite
2. They are your friends
3. It's a two-way process
4. It gives the donor reassurance
5. It will help with repeat donations
6. It helps build the donor relationship and through them you can learn many things which can help with better targeting in the future
7. It enables you to keep up with developments

To expand on the above points:

1. When you give someone something you expect to hear from the afterwards! The same is true for your donors – they can reasonably expect you to keep in touch with them. Whilst the 'thank you' is very important it's also about demonstrating your gratitude.
2. Your donors are your organisation's friends. With friends you share good news and bad, keep in touch and develop long-term relationships. Your donors benefit from the work you do, from sharing in your successes and achievements and from the satisfaction of knowing their contribution has been effective. Once a friend they will continue to support you.

3. It give you a chance to demonstrate that giving is a two-way process and threat you got something they should get something back in return.
4. It's reassurance that their gift has arrived and it's about the process of building trust. They trust you to use the money in the way you said your world (either specific purposes or generally for the good of the organisation and the beneficiaries you are working to support). Even though charities have a legal responsibility to spend money in the way they said they would when they asked for it it's good practise to reassure your donor. If you then stay in touch with them and let them know how your work is progressing they will be reassured.
5. If you have a satisfied donor they will support you again (and often at a higher level) and they will also encourage others to give. It's the difference between the cost effectiveness of communicating with 'cold' donors vs 'warm supporters'.

There are various stages you need to move people though if you want a response to your request for money. In simplified marketing terms they move through four stages which can be remembered by AIDA:

- a) Attention
 - b) Interest
 - c) Desire
 - d) Action
6. As you look after your donors you will get to know them better – the sort of people/organisations they are, what really makes them tick, how they like to be involved and at what level, etc. All of these are things that help build your donor profile so becomes helpful information when targeting new supporters. By getting to know them it also ensures you do not target them with inappropriate requests and makes the whole relationship much more personal and they are less likely to feel just like a number to be 'processed.'
 7. Your donors will probably include organisations' such as trusts, corporate and public bodies. Developing your relationship with these supporters will enable you to know when and how circumstances change. You will get to hear about organisations' changing priorities or funding policies and you may hear about new opportunities they are interested in supporting. It's one way of keeping abreast of the current 'flavour/s of the month'.



Me? I got nabbed for
"Failure To Send A Thank You Note".

101 ways to say thank you

There are many ways to say 'thank you' yet some organisations forget, only say thank you if the donation is over a certain amount or do it late! If they do thank then often it is a formal and rather stiff letter which is the same as the one sent the previous year.

Think about how you thank and how you could improve on this; for example:

- Change the method – for example, a phone call the instant you receive the cheque in the post
- A post card which has a photograph of something linked to your work
- A thank you from the beneficiaries
- Personal handwritten notes (written by a volunteer)
- Who signs the letter is important
- Do you make reference to anything the donor has mentioned in their communication when they agreed/offered to support you?
- A condolence card when the gift is 'in memory'.
- Would a certificate be a better way of thanking?
- An invitation to a thank you event.

"On Facebook, 273 people know I'm a dog.
The rest can only see my limited profile."



Who are your donors?

Analysing existing donors will help you give the right message to the right person at the right time – all key ingredients for a satisfied donor.

You need to:

Identify who your donors are

If you are going to look after donors effectively, develop your relationship and build up their support, you need to understand them! Gathering all the information you can about them allows you to create a donor profile i.e. map out the different sorts of donors you have. Once you have mapped them out you will be able to develop communications and other support activities that are appropriate and targeted. You will also be able to approach your existing funders with relevant requests for further support.

Organisations or individuals?

Are you donors individuals or organisations and if the latter these can then be sub-categorised. Ultimately it's individuals within organisations who make decisions on whether to support you or not but they then tend to be working within rules or a prescribed framework. Individuals can vary a great deal with their motivations, patterns of giving and expectations – see *later section*.

Mapping

You need to categorise and then sub-divide, for example

You may list your organisational donors into:

Trusts

Companies

Public bodies

Other and then allocate the percentage of your total income to each. Each category can be further sub-divided too if this is helpful.

Individuals you may break down into the recruitment method or the way in which they last supported you e.g.

Mailing response

Collections

Public appeals

Events

Membership

Legacies

Purchasers

Who is in touch?

It can be rather startling when you do this exercise to realise who from your organisation is actually in touch with your donors and how many times someone is contacted! In touch doesn't necessarily mean contact them for funds but can also include things such as who is answering their phone calls, sending them newsletters, accounting for their money, in contact via meetings etc.

It can be a useful exercise to work your way round the groups thinking about who they are contacted by, when and for what.

Identifying patterns and gaps

Once you have built up an overall picture about who, how and when people and organisations are supporting your charity then you can stand back and look at the overall patterns and ask, 'are there any patterns or obvious gaps?'



"To err is human. To really mess up,
we've got to do some planning."

Have a plan

As with anything you need a plan to ensure you are effective in the task you are doing – this is vital when working out how to maintain and build donor relationships so that you have systems and process that people within the organisation are aware of and will implement and follow.

If you don't know where you are going you are almost certain to end up somewhere else (Mark Twain)

A dream is just a dream. A goal is a dream with a plan and a deadline (Harvey Mackay)

A plan for donor development or maintaining donor relationships will enable you to:

- Identify the time involved
- Decide who is responsible for carrying out various tasks
- Set a general budget for this activity
- Work out if you have sufficient human and technological resources to do this
- Use people's contacts effectively
- Ensure your materials give clear and consistent messages
- Keep your communications regular, appropriate and well spaced out
- Ensure you are clear about everyone's roles and responsibilities

As with all planning it's a process of understanding

- What you want to achieve
- Where you are now
- How you will get where you want to be

Specific aims and objectives from an essential part of the plan.

First sum up why you are looking after your donors – this is your overall aim which may be to increase loyalty and commitment.

Then you need to get much more specific when developing your objectives as these outline actual steps to help you meet the overall aim. You may wish to:

- Increase the number of repeat donations
- The size of repeat donations
- Increase the number of donors vying through committed giving methods
- Involve donors more in activities and other fundraising
- Understand the profile of donors more
- Find new donors using data on existing ones as a guide



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 "I know nothing about the subject, but I'm happy to give you my expert opinion."

Keeping donors informed

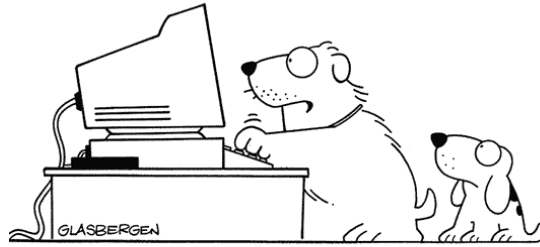
People have short memories and they won't necessarily think about your charity even if they have supported you unless you remind them about your charity and its work. It's important to keep people informed so that you can remind them you exist and that they should feel good about having helped you... and how they can continue to help!

Regular contact

Keep in people's minds by regular contact – but remember that regular doesn't always mean often! You may only contact them once or twice a year but if this is planned (and part of your overall plan) then this is regular.

Think of the ways in which you can be in touch with them – a simple phone call, a letter, a project report, an invitation to an event or meeting, etc. Different methods suit different sorts of donors but sometimes a mixture of methods can be helpful.

Match what you tell them with what they want to know and remember they may have already told you this – an individual may have been specific in that they didn't want to go on your mailing list whilst a trust may have said they need six-monthly reports on the project they are funding.



**"I'm advertising my new business on the Web.
For \$25 an hour, I'll come to your house,
lick your face, listen intently, wag my tail
and be your best friend."**

Managing information

"In careless hands there are few more certain deadly foes than technology" Ken Burnett (author of Relationship Fundraising)

....And let this be a warning to you! It is essential that you log all details of contact with/from any actual or potential donor so that you can acknowledge this communication when in contact with them where appropriate. It's also important to see who and when people are getting in touch with supporters (see earlier section) but in these days of technology keeping records helps make contact with people and organisations as personal as possible.

I was in receipt of a direct mail letter which above my name (at least they had made it personal and wrote to me by name) but above this was a number and then below the signature (computer generated of course) was another string of number – presume that person's boss/subordinate had a different code. How impersonal is this?

There's a saying in IT circles that I can't give you in full but the polite version is 'rubbish in rubbish out' so do make sure people who are inputting data are trained. Nothing irritates a donor who get's three different letters form you one addressed to Mr Bloggs, one to Mr Joe Bloggs and the final one to Joe Bloggs!

Be mindful of the difference between a database and a donor base. Many organisations think they are ether the same or confuse them.



The psychology of giving

The relationship with the donor

- ♣ Fundraising is building relationships and sharing ideals.

- ♣ The fundraiser makes it possible for donors to express many emotions through a gift.
- ♣ A donor who has given generously should get a feeling of satisfaction and that should be the beginning of a continuing relationship.
- ♣ A satisfied donor will give again, persuade others to give, and become committed to the cause.

Why do people give?

There are lots of different motivations for giving – we need to tap into as many as we can and understand what is motivating our donors...

Individual donor motivation

There are a number of frameworks for examining donor motivation. They are useful for fundraisers in that they act as a check to ensure that all the motives that might be relevant are considered in the course of developing a campaign. Charities will typically want to conduct research to confirm what these motives actually are, but these frameworks can be a useful starting point.

Prince and File were primarily concerned with the motives of major donors in the USA, but their work still has resonance for lower value giving and is equally relevant to the U.K. Their work on the 'seven faces framework' categorizes and segments donors into seven motivational philanthropic types:

The figures in brackets are the authors' estimates of the percentage of the population likely to fall within each category.

The Communitarians – This is the largest segment (26%). Communitarians give because it makes sense to do so...they believe in active philanthropy as they help their own communities prosper by supporting local charities.

The Devout – (21%) This group is motivated to give for religious reasons, and channel almost all of their giving to religious organisations.

The Investor – (15%) Investors organize their giving to take advantage of tax benefits. They are most likely to support a wide range of causes.

The Socialite – (11%) Members of local social networks who 'find social functions benefiting nonprofits an especially appealing way to help make a better world and have a good time doing it.' They tend to support the arts, education and religious groups.

The Altruist – (9%) 'Altruists embody the perception of the selfless donor – the donor who gives out of generosity and empathy to urgent causes and often modestly wishes to remain anonymous'. Altruists tend to give to social causes and tend not to want active roles in the groups they support.

The Repayer - (10.2%) 'A typical Repayer has personally benefited from some institution... and now supports that institution from a feeling of loyalty or obligation'

The Dynasty – (8%) Some individuals will give because there is a powerful tradition of giving in their family. They give because they feel they should continue that tradition.

Sargeant provides a much simpler perspective on giving. He argues that donors are concerned with two key categories of benefit that accrue because of their giving. Rather than use the word benefit he prefers to use the language of the economist and labels the two categories 'personal' and 'delivered' *utility*.

This is just another way of looking at the altruism versus self interest debate.

Personal utility

This can be further sub-divided into tangible and emotional. Both are benefits that accrue to the donor personally and are therefore self-interested motives.

a) Tangible utility

Donors can give because they receive, or believe they will receive in the future, tangible benefits back in return for their support. Many membership organisations, for example, provide a valuable package of benefits to members. Others may give because they believe their giving will do them political good, offer them networking opportunities and/or serve to enhance their career. The key thinking in this category is that the donor will give because there is something tangible in it for them.

b) Emotional utility

This may either take the form of a 'feel-good' factor or 'warm glow' from a feeling they have 'done the right thing.' Such feelings can be particularly strong where giving is prompted by events such as the loss of a loved one, or a donor being related to, or a close friend of, an individual with a particular condition or need. Sargeant and Woodliffe (2006) demonstrate that donors in this latter category exhibit very high degrees of loyalty.

Delivered utility

Research also tells us that donors derive utility from the impact their gift will achieve with the beneficiary group. In other words, they give because they want to make a genuine difference to the cause. It is this need that has driven the current fascination with fundraising and administration costs, because many donors want to have the maximum possible impact on the cause and not have their monies 'wasted' on expenses. Typically donors believe that only about 50% of their money will be expended on charitable programmes. Work by Harvey and McCrohan (1988) found that charities perceived to be spending at least 60% of their donations on charitable programmes achieve significantly higher levels of donation. The irony here is that the majority of our U.K. nonprofits already perform much better than this.

A concern with the impact on the cause closely parallels the altruistic motive for giving. In this scenario the donor isn't concerned with any benefit accruing to them, they are primarily concerned with the impact on the beneficiary.

In practice, however, donor motivation can be complex and an amalgam of all of the categories we discuss above.

Fundraising is POWERFUL as it:

- Provides money to run our services
- Builds commitment to the cause
- Raises profile of our cause and of issues and can place it on political (and other) agendas
- Helps build communities – locally, nationally and even internationally

We need to think about how we ask – each method of giving is a different way of asking

Self fulfilling prophecy

Smile/Body language

Be positive – give them the message they want to hear but be truthful

The Communication Process

♠ Successful communication depends on delivering the right message to the right person at the right time – the 3 Rs principle.

♠ Getting the message right means starting inside the heads of your potential donors:

- what do they know and understand about the cause?
- what do they want to know?
- what motivates them?
- what attitudes and/or prejudices do they have?
-

♠ Find out through research – quantitative or qualitative.

♠ To succeed:

- identify your target group
- choose the right message for the target
- avoid conflicting, confusing messages
- deliver message at the right time

What happens in a recipients head?

FIRST LEVEL RESPONSE

The senses responding to the medium

How does it look, feel, etc.?

∨

SECOND LEVEL RESPONSE

How does the message appeal to the emotions, the heart, etc?

Awareness of the need

∨

THIRD LEVEL RESPONSE

How does the message appeal to reason, logic, etc?

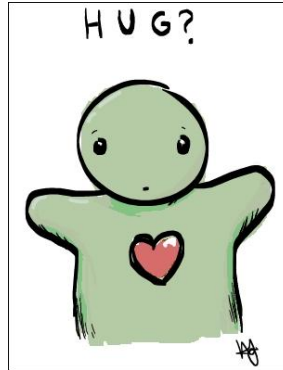
What is clear factual argument for supporting the cause?

Helping to meet the need?

What is the response mechanism?

In conclusion

- Fundraising is about persuasive communication of the cause and the request.
- To do this you must understand the donor.
- To communicate honestly you must be convinced that the cause is important.
- Fundraisers need to be enthusiastic and passionate
- Fundraisers must be interested not just in the money, but in the donor and their response
- Fundraisers must ensure that the donor is thanked appropriately and then they can start the process of asking again



Final tips for building and maintaining relationships with individual donors

Let's go back to basics. Here are a number of practical and easily implemented steps that your organisation can take to improve your donor care levels, today.

- 1 Agree how you are going to handle responses and set targets so that you can measure your efficiency. Set measures for things such as turnaround times, levels and types of data capture. Do promote these to everyone involved and reward achievements.
- 2 Ensure all frontline staff understand the importance of different types of giving, particularly the impact monthly giving (as opposed to one-off gifts) and residuary bequests (as opposed to pecuniary bequests) will have on your work. Remember, great fundraising is actually great donor care, donors don't know what they don't know. Tell them the most effective way to support, and why.
- 3 Don't confuse donors with mixed messages in your communications. Actively promote one method of support and ensure absolute clarity in what you are asking people to do.

- 4 Thank, thank and thank again. Appropriate and genuine thanking is at the core of brilliant donor care.
- 5 Respond to donors in the same way they contacted you. If donors pick up the phone, they want to be spoken to, not directed to your website.
- 6 Keep promises. If you promise to send a monthly giving form, make sure you send it. If you promise to set up a monthly gift, ensure it is set up. And so on.
- 7 Make donors and your beneficiaries the focus of communications, not your organisation. Donors aren't motivated by the history and status of your charity, they want to feel important and know their support will have a direct impact on your beneficiaries.
- 8 Personalise communications wherever possible. Even handwritten sticky notes and compliment slips show you have taken the time to make that person feel like the individual they are.
- 9 Focus on value and not cost – see your supporter services or donor care function as a value centre, not a cost centre.
- 10 Invest in the people at the frontline: in adequate training, in adequate resources and in ensuring they are up to date at all times (with relevant case studies to share, up-to-date information about current appeals, etc). They are the donor's 'first impressions' of your organisation so make sure they are given the tools to deliver.
- 11 Produce and deliver inspiring, not functional, communications. Endeavour to make sure each individual feels even more empowered at the end of that conversation than he/she did beforehand, regardless of the nature of the contact and the outcome. Critique all of your written materials and ask yourself, am I driven to support this cause?
- 12 Listen to what donors are saying and confirm their personal details at every opportunity – it ensures mistakes are minimised and ultimately more gifts are received. It also demonstrates you care enough to get the fundamentals right.
- 13 Make it as easy as possible for donors to respond to any communication. Remove any barriers. Such barriers include response forms in a small font, no reply paid envelope included, incorrect donor details on the response form. They are a turn off and ultimately suppress response.

14 Honesty truly is the best policy. If you are having significant delays in processing and turning around thank you letters, tell donors. Under promising and over delivering really is better than the alternative.

15 From time to time, mystery shop yourselves and other organisations. You'll be amazed at what you find and learn. Whether you set up a systematic programme or do it on an ad hoc basis, just do it. Learn from the best whilst ensuring that everyone within your organisation accepts that mystery shopping is part and parcel of everyday life.

Most charities don't need to make radical changes and if you work through the 15-point checklist above then I believe you'll be well on your way to providing an empowering and positive experience for your donors.

...and two final thoughts...

Make sure you look after your existing donors and supporters before you go looking for new ones.

Think from the donors' point of view,