

# The Wired Wealthy

Using the Internet to Connect with  
Your Middle and Major Donors

Convio Client & Partner Webinar  
May 15, 2008



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# The Quest



# Methodology

- 23 major nonprofit organizations across various sectors
- Online survey completed by 3,443 “wired wealthy” donors, fall 2007
- Additional data from 13 of the 23 orgs, fall 2007
- Survey of organizations - over 200 orgs represented, winter 2007-08
- In-depth interviews, winter 2008



# Demographics

- On average,
  - 1% of organization's donors are \$1,000+ donors
  - 32% of total dollars raised is from \$1,000+ donors
- Organizations report having email addresses for only 25% of their \$1,000+ donors

Additional data from 13 participating organizations



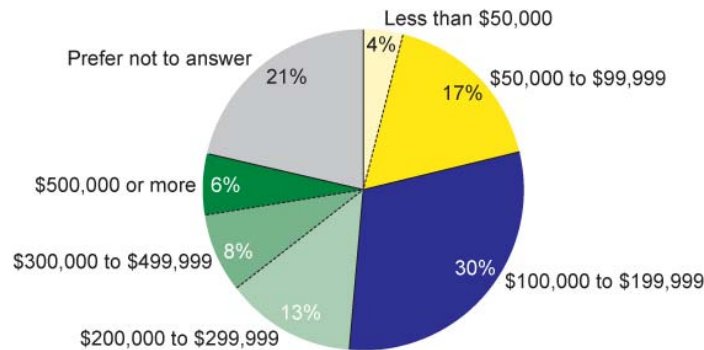
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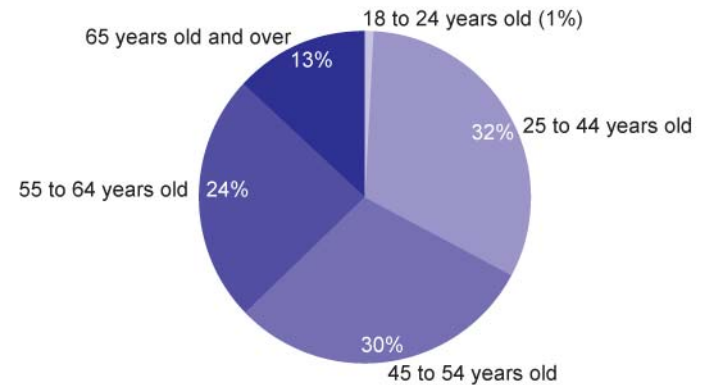
# Demographics

- 51% have completed 2-3 years postgraduate work or more
- 38% professionals; 15% retired
- 90% Caucasian

## Total Annual Household Income (all respondents)



## Age (all respondents)



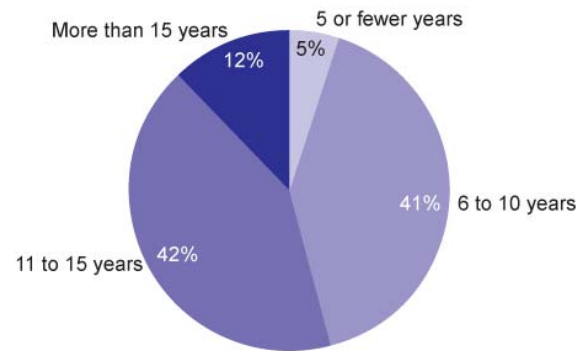
Mean = 51 years

Demographic questions: Q33-39



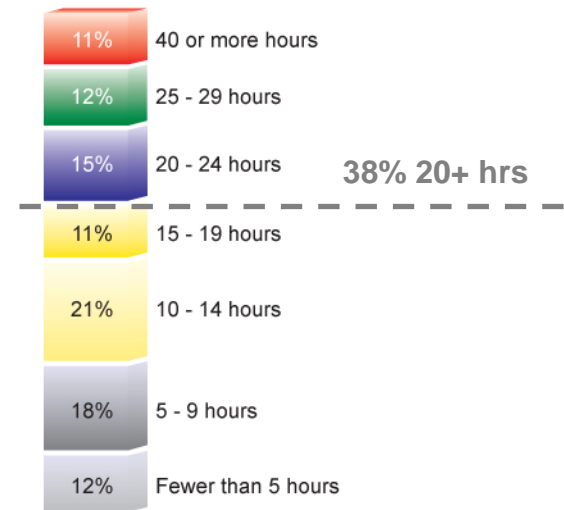
# Years online & hours a week online

Years Using the Internet  
(all respondents)



Mean usage: 12 years

Weekly Internet Usage  
(all respondents)



Mean = 18 years  
Median = 14 years

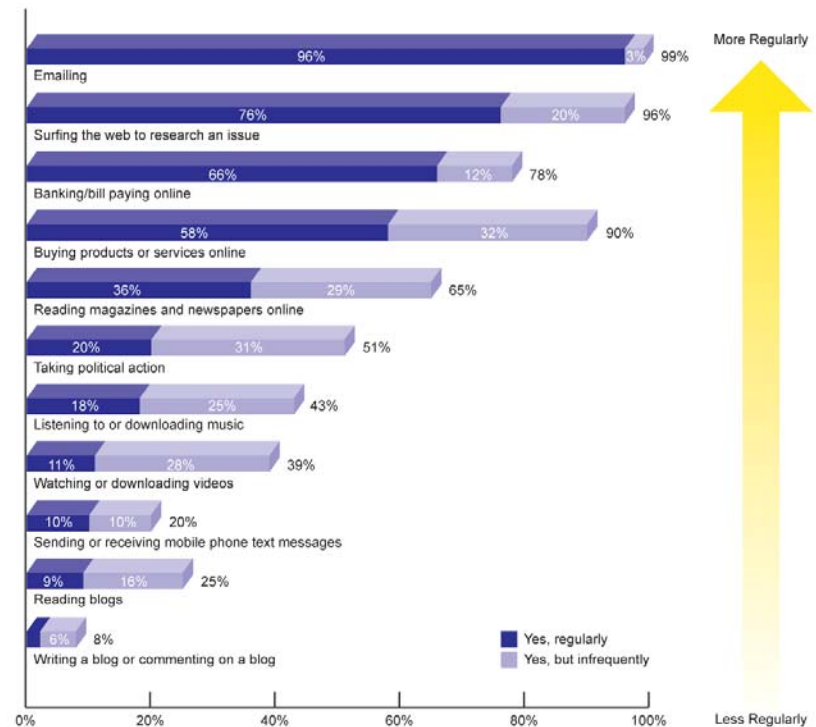
Demographic questions: Q27-28



# What are they doing online?

- 90% buy stuff online (58% regularly)
- 78% banking and bill-paying online
- 65% get news online (36% regularly)
- 51% have taken political action online
- 43% download or listen to music (18% regularly)
- 39% view videos (11% regularly)
- 25% read blogs (9% regularly)
- 20% use SMS (10% regularly)
- 8% comment on a blog (2% regularly)

Activities Respondents Engage in Online  
(all respondents)



Online habits questions: Q29-30



# Wired Wealthy Donor Clusters



## Relationship Seeker (29%)

Most likely to respond to opportunities to connect emotionally with your organization online.

## Casual Connector (41%)

The largest of the three clusters, question after question this group appears to “split the difference” in terms of attitudes and preferences.

## All Business (30%)

Does not appear to be looking for a relationship or emotional connection.

Cluster Analysis





# Relationship Seekers

*“I do get lots of emails from all these organizations and if it’s got interesting content about their work, I’m happy to get them. You pick and choose.”*

Relationship Seekers 29% (n. 995)	
<b>Avg. Age</b>	48 yrs old
<b>Avg. total gift</b> (self-reported)	\$11,401/year
<b>% Have given online</b>	86%
% Prefer online	56%
% Prefer mail	23%
<b>% Visit charity web site regularly</b> (once a month or more)	16%
<b>% Read most charity emails</b> (75% or more)	42%
<b>Activities done online regularly:</b>	
% Read blogs	13%
% Take political action	35%
% Social network (approx.)	42%
% Watch or download video	18%

*“It feels like there are so many challenges in the world... And I know we are never going to be done, but just give me something to hang my hat on, something to say, ‘yeah, this has made an impact.’”*

Cluster Analysis



# All Business

*“As soon as you find organizations that try to keep individual profiles of their donors and cater to them, send their information to me.”*

All Business 30% (n. 1022)	
<b>Avg. Age</b>	53 yrs old
<b>Avg. total gift</b> (self-reported)	\$12,698/year
<b>% Have given online</b>	75%
% Prefer online	46%
% Prefer mail	37%
<b>% Visit charity web site regularly</b> (once a month or more)	1%
<b>% Read most charity emails</b> (75% or more)	9%
<b>Activities done online regularly:</b>	
% Read blogs	6%
% Take political action	7%
% Social network (approx.)	12%
% Watch or download video	7%

*“I consider myself a very passive donor...many of the organizations it’s simply a monetary donation - don’t worry I’ll be back next year - and that’s really the extent that I want the relationship to be...so what could they send me that would turn my head? I don’t know.”*

Cluster Analysis



# Casual Connectors

*“I do like learning more about what [the charities] are doing because I feel like that keeps me connected with it and allows me to understand how my dollars are really going to be effective for them.”*

Casual Connectors 41% (n. 1426)	
<b>Avg. Age</b>	50 yrs old
<b>Avg. total gift</b> (self-reported)	\$9,212/year
<b>% Have given online</b>	80%
% Prefer online	50%
% Prefer mail	30%
<b>% Visit charity web site regularly</b> (once a month or more)	6%
<b>% Read most charity emails</b> (75% or more)	27%
<b>Activities done online regularly:</b>	
% Read blogs	8%
% Take political action	18%
% Social network (approx.)	19%
% Watch or download video	8%

*[When researching a charity] “We’ll usually go to the charity’s web site first and say, ‘ok we’ve heard this little snippet in the news about them – what are they actually doing?’ ...If the information on the web site is something we are interested in, then I’ll go and I’ll look to see, is their administrative costs appropriate?”*

Cluster Analysis

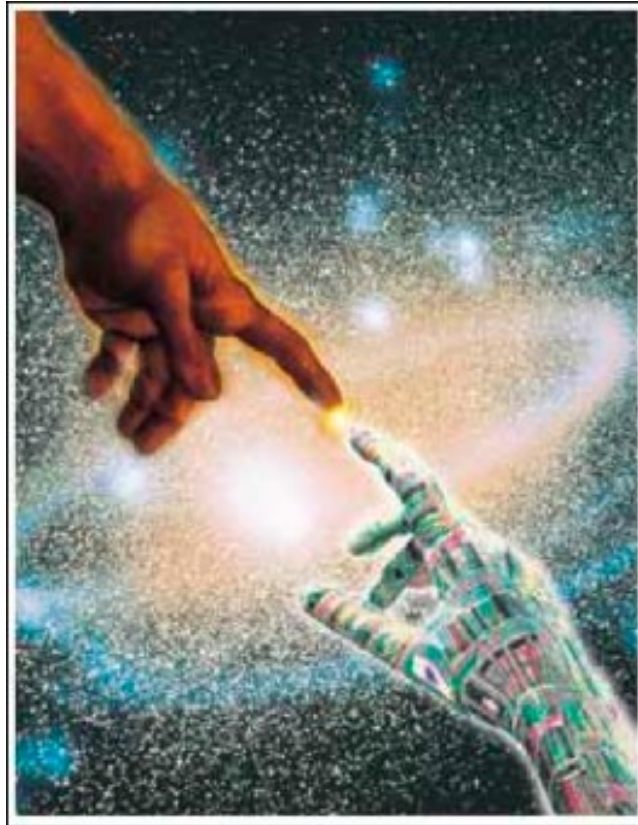


# What does this mean?

- It's not demographics that define donors, it's their behavior.
- Each requires a customized, targeted marketing approach to capitalize on their giving.
- Understanding the behaviors that make up your donor base creates huge opportunities to customize a fundraising strategy.



# Wired Wealthy are Multi-channel Donors



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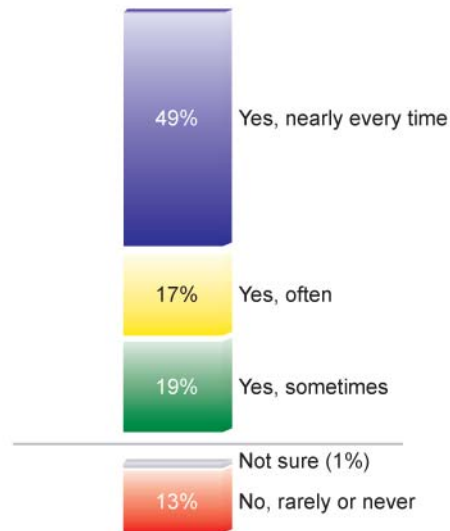
*“We do everything we can  
online.”*



# Web Sites and Giving

Web sites  
are an  
important  
decision-making  
tool

Tendency to Visit Web Site  
Prior to Making a First Gift  
*(all respondents)*

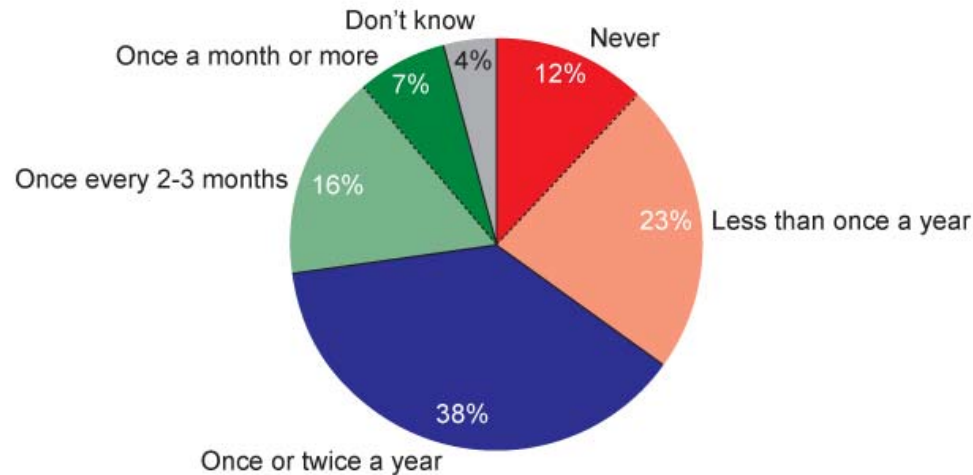


Web site question: Q20



# Post Gift: Not a lot of bites at the apple...

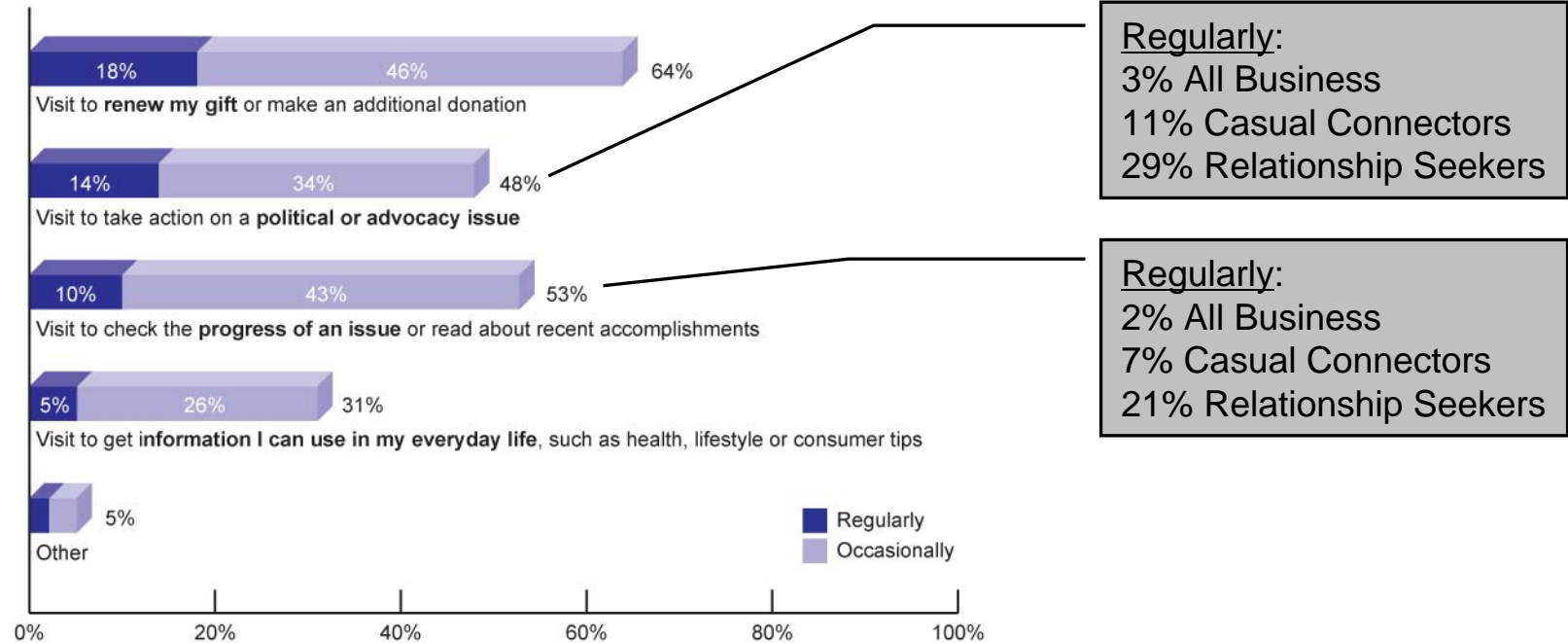
Frequency of Visiting Web Site  
After Making a Gift  
*(all respondents)*





# Why donors visit

## Reasons to Visit Charity Web Site (all respondents)



Web site question: Q24



Following are some other ways that charities and causes are using to connect online with their supporters. In which, if any, of the following things **would you personally be interested in taking part?** (Q19Bsum2)

<b>Very interested/somewhat interested (combined):</b>	<b>Total</b>	<b>Relationship Seekers</b>	<b>Casual Connectors</b>	<b>All Business</b>
<b>View a video online</b> posted or sent by a charity or cause or its supporters	34%	91%	9%	5%
<b>Forward a message</b> from a charity to a friend or colleague	31%	63%	25%	4%
<b>Listen to an audio or podcast</b> offered by a charity	24%	63%	7%	5%
<b>Read a blog</b> hosted by a charity or cause group	20%	48%	8%	3%
<b>Participate in a live chat</b> with an expert or representative of the charity	19%	40%	11%	5%
<b>Download wallpaper</b> or a screensaver offered by a charity	12%	26%	7%	2%
<b>Post a message to a blog</b> hosted by a charity or cause group	11%	28%	4%	1%
<b>Join a MySpace, Facebook or another social network</b> that is dedicated to a particular cause or charity	9%	21%	4%	1%
<b>Contribute a video</b> to a YouTube group or directly to a charity	4%	12%	1%	0%





National Kidney Foundation<sup>™</sup>

of OHIO

Kidney Disease

Patients

Transplantation

Professionals

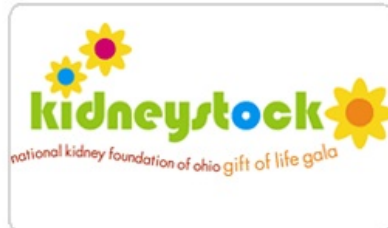
News and Events

You Can

Welcome to the NKF of Ohio

19,540,871

Number of Americans at risk for Chronic Kidney Disease.



### Gift of Life Gala KidneyStock 2008

Join the NKF of Ohio on April 26, 2008 for a groovy evening as we celebrate organ donation and transplantation at the 36th Annual Gift of Life Gala. Join NBC 4's weekend anchor Mindy Drayer and B-107.9 Morning Show's Jim Hunter as the evening's co-hosts! The evening is black tie preferred or your hippest 60's outfit. [MORE >>](#) [REGISTER ONLINE>>](#)



### Ready...Set...Go!!

Casual walkers, family fitness fans and serious runners: Grab your shoes and join us at the **Columbus Kidney Walk & Run 2008** on Saturday, March 15, 2008 at Polaris Fashion Place. Choose your course: Walk one-mile indoors or Run the 5K course. Form a team and register for the Columbus Kidney Walk & Run. [MORE >>](#)

Kidney Disease | Patients | Transplantation | Professionals | News and Events | You Can Help | WH

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are various not for profit organizations that actually rate charities in terms of their financial worthiness and their stability of management and their percentage of fundraising expenses versus administrative expenses. I do pay attention to that.

And sometimes charities that I have supported for whatever reason have dropped in those ratings and so I have said, well you know if you can't run your business maybe you don't need my money..."

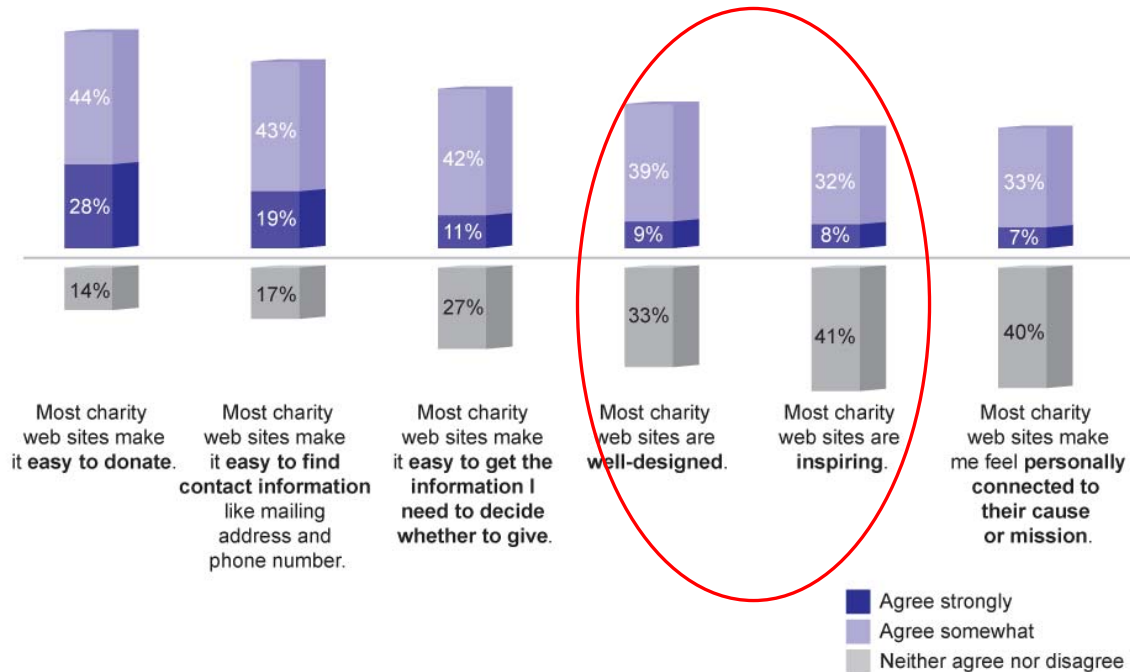


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# Inspiration Gap

## Attitudes Towards Charity Web Sites *(all respondents; top two "agree strongly/somewhat" shown)*



Web site question: Q25



*“The web site has the ability to miss the opportunity to capture [what makes an organization inspiring], and often does.””*



# Email



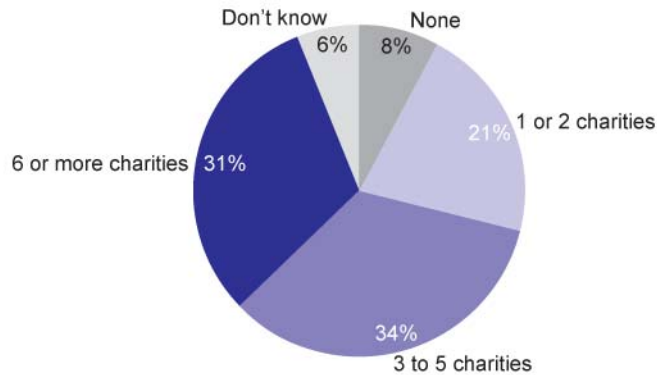
# Is Your Email Inspiring Enough? Probably Not.





# Number of Charities From Which A Donor Receives Non-Solicitation Email

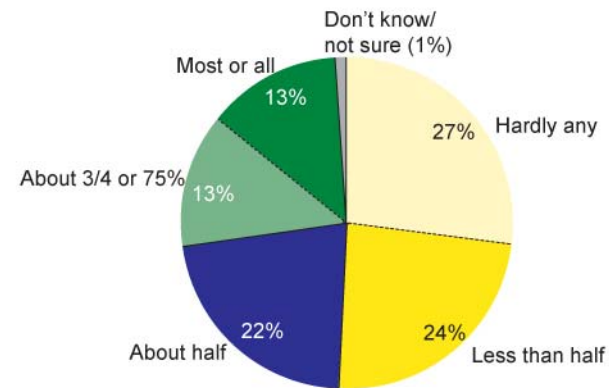
(all respondents)



# Percentage Of Email From Charities That Is Read By Donors

(respondents who read non-solicitation emails from charities)

% Email read	Relationship Seekers	Casual Connectors	All Business
Most or all	19%	14%	5%
About 75%	23%	13%	4%
About half	27%	26%	24%
Less than half	21%	26%	24%
Hardly any	10%	20%	53%



Email questions: Q15-16



# Attitudes Toward Aspects of Email Communication

(all respondents; top two "agree strongly/somewhat" shown)



# Clusters tell different stories

Please indicate if you agree or disagree with the following statements about emails. (Q17sum1)

Agree strongly	Total	Relationship Seekers	Casual Connectors	All Business
I always open and glance at emails from causes I support	23%	40%	24%	5%
I like email updates that show how my money is being spent	22%	39%	23%	3%
Most charities send me too much email	21%	13%	16%	36%
I used to read more of the emails I get from causes and charities than I do now	13%	13%	11%	14%
Charity emails do a good job of making me feel connected to the cause	9%	19%	8%	0%
Emails I receive from charities are generally well written and inspiring	8%	16%	7%	1%
I find emails from charities that address me by my first name to be too familiar	8%	4%	6%	16%



# Key Finding: Donors want more control

says 'Never' [referring to email opt-out box], they could actually grade it and say 'only contact me once or twice a year, exceptional events.' At the moment it's either email me or don't email me."

What effect, if any do the following have on your inclination to make an additional donation in the future? (Q11sum2)

A lot/somewhat more:	Total	Relationship Seekers	Casual Connectors	All Business
The charity <b>permits me to tell them how to email me</b>	73%	79%	76%	65%
The charity <b>permits me to control the information I receive</b> , so I only hear about the subjects I care about	71%	77%	73%	62%

"Upon becoming a new donor, I wouldn't mind filling out a brief survey that sort of assesses my interest in the organization, like why I'm interested in them. So that they can do targeted emails, and so they know more about who their donor base is so they can create web information that addresses those interests."



## Key Finding:

# Some email tactics are bad

	Very inappropriate	Somewhat inappropriate	Neither appropriate nor inappropriate	Somewhat appropriate	Very appropriate
You have mailed in a donation, and the charity <b>looks up your email</b> using a commercial service in order to communicate with you	45%	29%	12%	9%	3%
The charity <b>sends you a message on behalf of another cause or charity</b> that might interest you	52%	30%	10%	6%	1%



# Emails Most Likely to Make Donors Happy

- Tax receipt
- Annual renewal notice
- Financial update/progress report
- And for some of your donors:
  - Action alerts
  - Success stories

*"What I would like which they don't all do and I find it very irritating - they don't send an end of year statement for tax purposes...I just have to keep all these bits of paper.*

*It would just be so much better if at the end of the year...they would send me one*

"Very Valuable"	Relationship Seekers	Casual Connectors	All Business
Action alerts	53%	33%	7%
Success stories	43%	27%	1%

Email questions: Q18sum1, Q9sum2

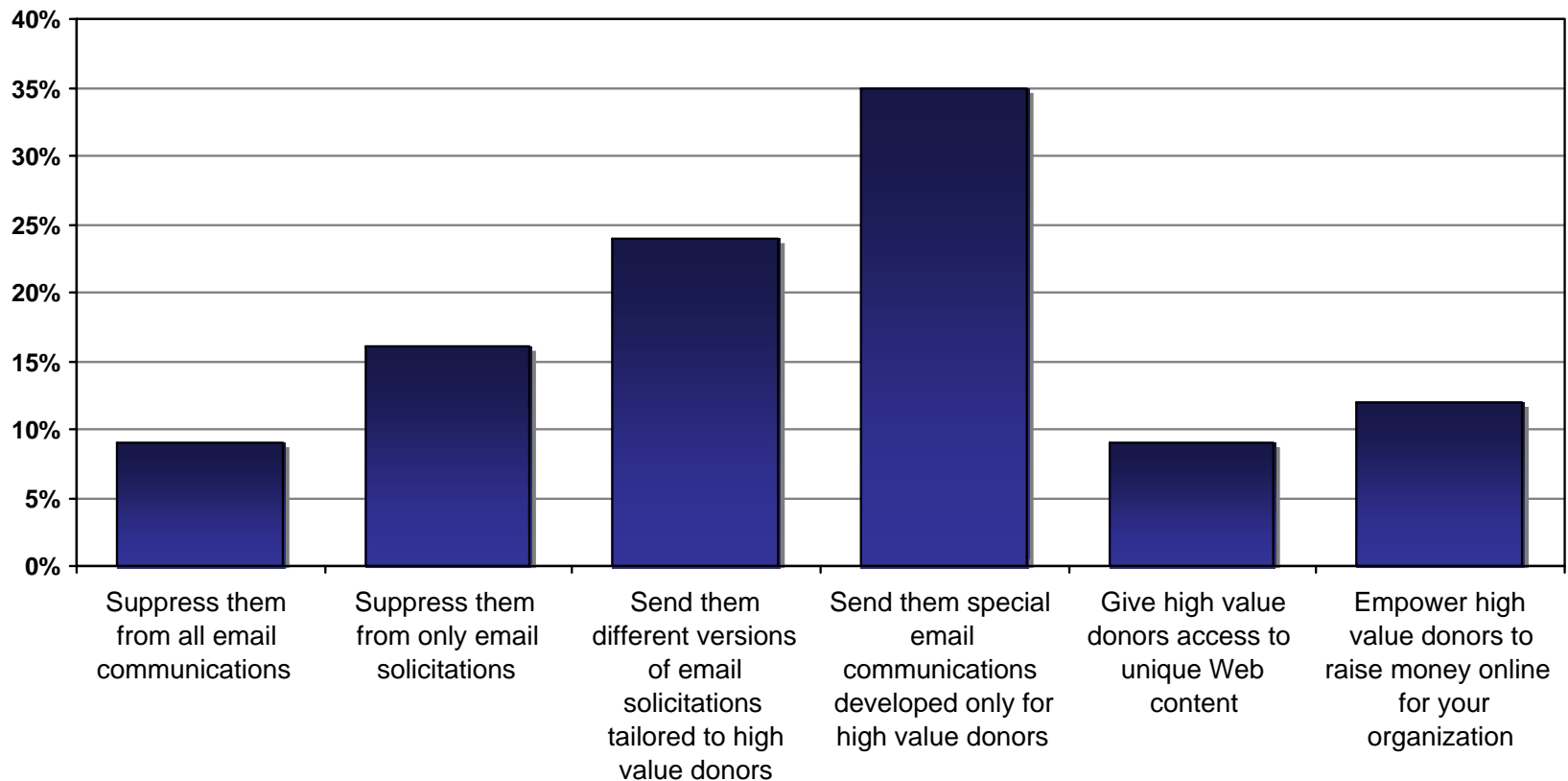


# Major Donor Fundraisers are Not at the Table



Survey of Charities and Nonprofits: Q10





- 40% produce videos and post online; 33% plan on doing this in the next 12 months.



Survey of Charities and Nonprofits: Q8, Q11



# Recommendations





# Bring the Stakeholders into the Dialog

- Mid-level donor/ major donor fundraisers need to be participants in strategy development and communications
- Don't measure online influence by whether you are receiving large gifts online
  - Defenders of Wildlife reports that 1/3 of all major donor prospects are sourced through the Internet
  - In this study, donors were clearly influenced by online engagement

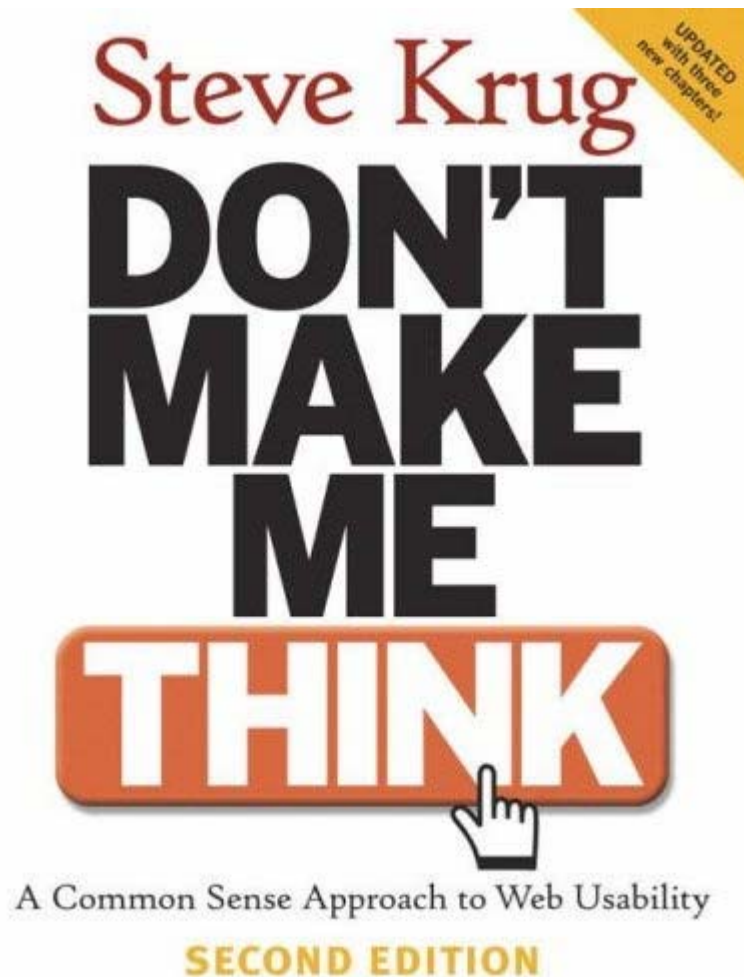


# Focus on “User Experience”

- Prospects are more often than not going to visit your Web site before donating on or offline
- Streamline your online donation process
- Remember returning donors
  - Don't have to re-key information
  - Appropriate recognition for previous support
- Be transparent about financials and results



# User Experience Mantra



# Make Donor Control Your New Mantra

- Present directed giving options
- Offer control over email communications
  - Frequency/ type
  - Content interests
- Provide self-service capabilities
  - Tax receipts
  - Update contact information etc.



# Email Communications

- Be “donor-centered”
  - Write content oriented towards the donor
- Don’t be a slave to your schedule
  - Ensure you have something compelling to communicate
- Pay attention to engagement metrics
  - Open rates
  - Click-through rates



# Psychographic Segmentation: Who & What



## All Business

- Allow them to opt in to a lower communication stream
- Send “functional” email messages
  - Renewal reminders
  - Tax receipts

## Relationship Seekers

- Inspirational stories, updates
- Engagement opportunities (advocacy)
- Video
- Engage through social networks



# Psychographic Segmentation: How

- Allow communication preference management through donor service center (and at sign-up)
- Monitor behavior/ engagement patterns
  - Do they click through? How do they engage?
  - eCRM systems allow you to segment based upon such data
- Ask leading questions that can help infer segment
  - eCRM systems allow you to push survey responses to constituent profiles → can use for segmentation
- Hire an audience research firm



# Pay Special Attention to Video

- Relationship Seekers are heavy users of online video and express significant interest in seeing more
- Hire a professional producer, and ask a test group of donors what they think before launching to a wider audience
- A series of modestly produced short videos will get more mileage than a single blockbuster
- The measure of success is whether the right people – your wired wealthy Relationship Seekers – have seen it, and whether it has inspired them





# Make Listening an Every Day Tactic



- Track “over the transom” comments
- Establish a donor advisory panel
- Ask for feedback in your newsletter



# Q&A

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