



The Nonprofit Executive Internet Strategy Group

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■ Register for a STAR Workshop

- A free on-site **Strategy, Tactics, Analysis and Review (STAR) Workshop** (a \$1,500 value) customized for your nonprofit organization exclusively for organizations participating in The Nonprofit Executives Internet Strategy Group.
- To register, call: 800-903-4826

■ Convio Summit 2008 and Pre-Summit Executive Meeting

- November 17 – 19 - Renaissance Austin Hotel, Austin Texas
- **Special Offer for Exec Group Members:**
 - Receive a 50% discount on your Summit conference registration.
 - Register online at www.convio.com/summit-2008 and use promotional code: CNVDMG.





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The Wired Wealthy

Using the Internet to Connect with Your Middle and Major Donors

Vinay Bhagat – Founder and Chief Strategy Officer – Convio
Mark Rovner, Principal, SeaChange Strategies
Colleen McCulloch-Learch, Senior Research Analyst, Edge
Research



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



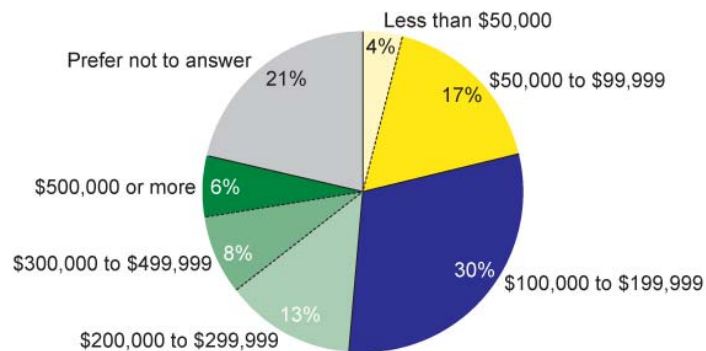
Additional data from 13 participating organizations

Demographics

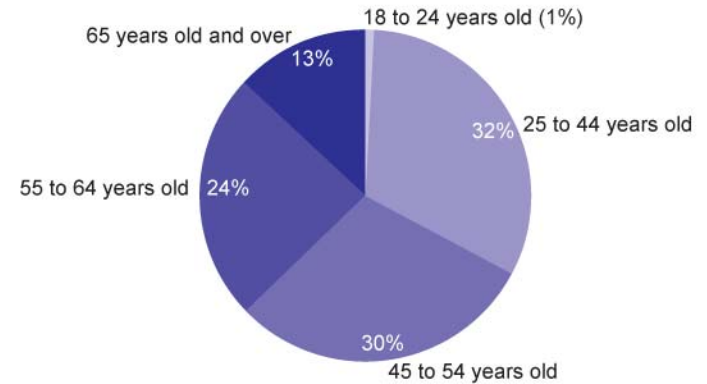


- 51% have completed 2-3 years postgraduate work or more
- 38% professionals; 15% retired
- 90% Caucasian

Total Annual Household Income (all respondents)



Age (all respondents)



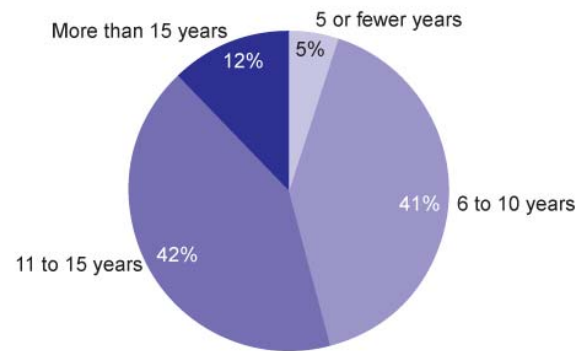
Mean = 51 years



Years & Hours a Week Online

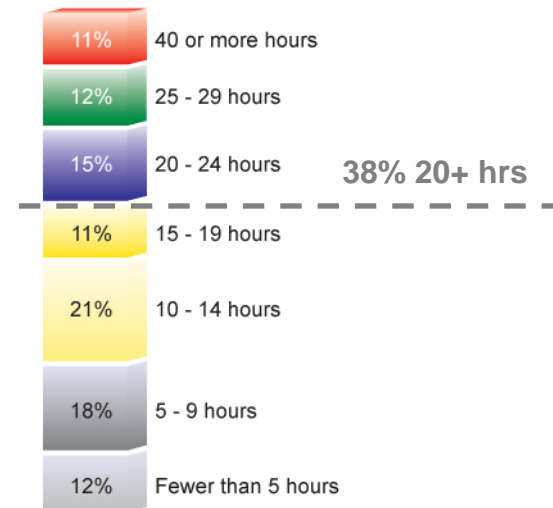


Years Using the Internet (all respondents)



Mean usage: 12 years

Weekly Internet Usage (all respondents)



Mean= 18 hours
Median= 14 hours

Demographic questions: Q27-28

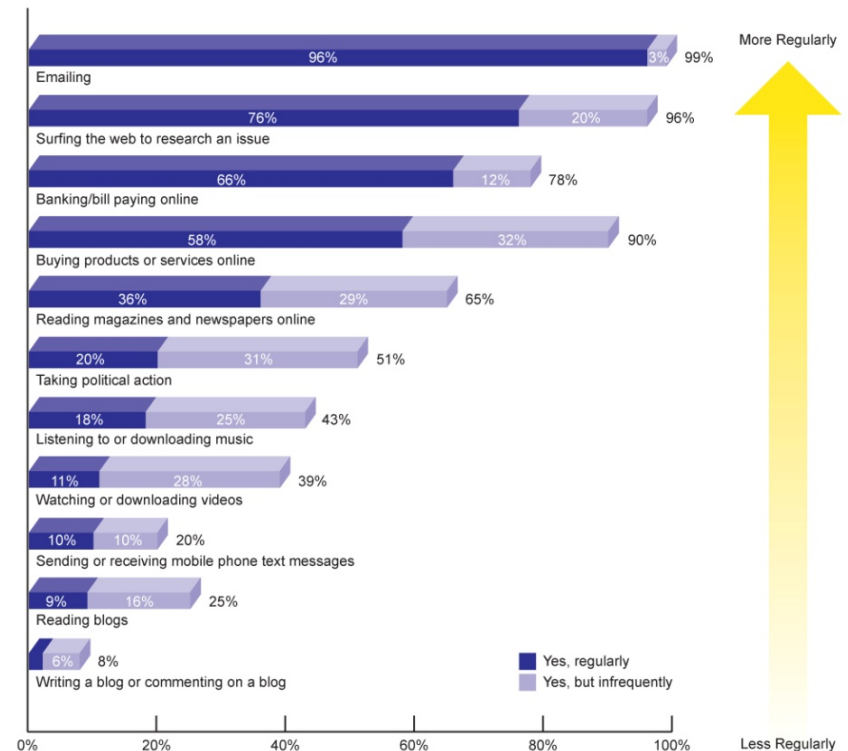


Online Interactions



- 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)



Analyzing Major Donors



- Donors are not a monolithic group.
- Cluster analysis reveals three distinct groups of wired donors.
- Understanding these three groups within your database is essential for constructing a strong donor strategy.

Basic Demographics:

- Starting point
- “Interesting”
- Not divisive
- Not actionable

Psychographics/ Cluster Analysis:

- Behavior-based
- Real differences
- Enables targeting
 - Actionable



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



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Relationship Seekers



Relationship Seekers 29% (n. 995)	
Avg. Age	48 yrs old
Avg. total gift (self-reported)	\$11,401/year
% Have given online	86%
% Prefer online	56%
% Prefer mail	23%
% Visit charity web site regularly (once a month or more)	16%
% Read most charity emails (75% or more)	42%
Activities done online regularly:	
% 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.’”

“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.”



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.”

“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.”

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



Casual Connectors



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

“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.”

[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?”



What does this mean?



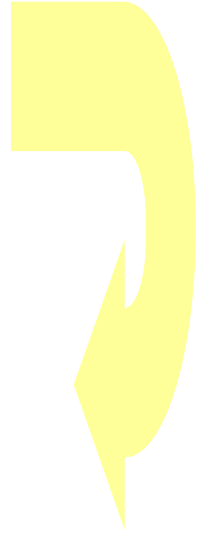
It's not demographics that define donors, it's their **behavior**.



Each requires a **customized, targeted marketing approach** to capitalize on their giving.



Understanding proclivities of donor base creates **huge opportunities to customize a fundraising strategy**.



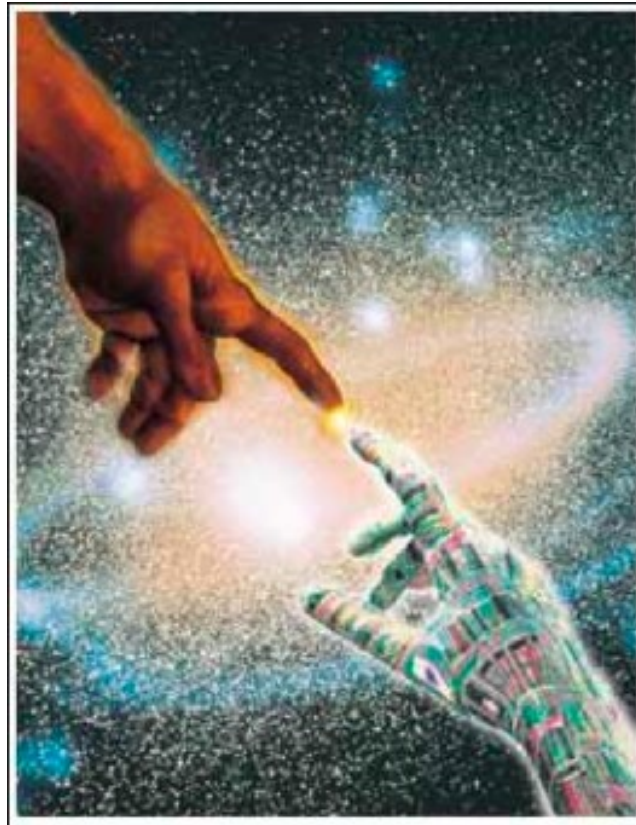
More Effective Donor Management, More Effective Fundraising



Your Website and the Wired Wealthy



Wired Wealthy are Multi-channel Donors



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“We do everything we can online.”

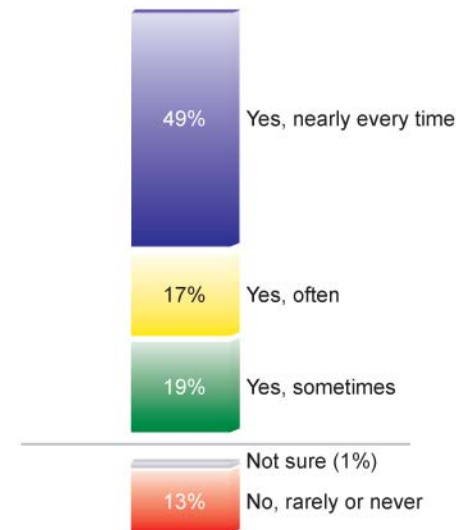


Web Sites and Giving



- Web sites are an important decision-making tool

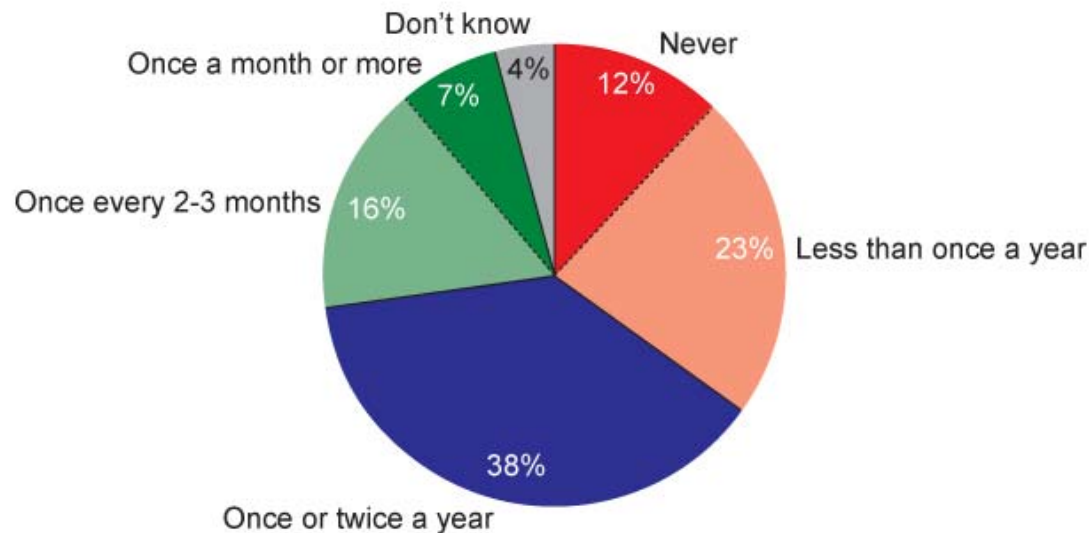
Tendency to Visit Web Site Prior to Making a First Gift *(all respondents)*



Not a lot of bites at the apple...



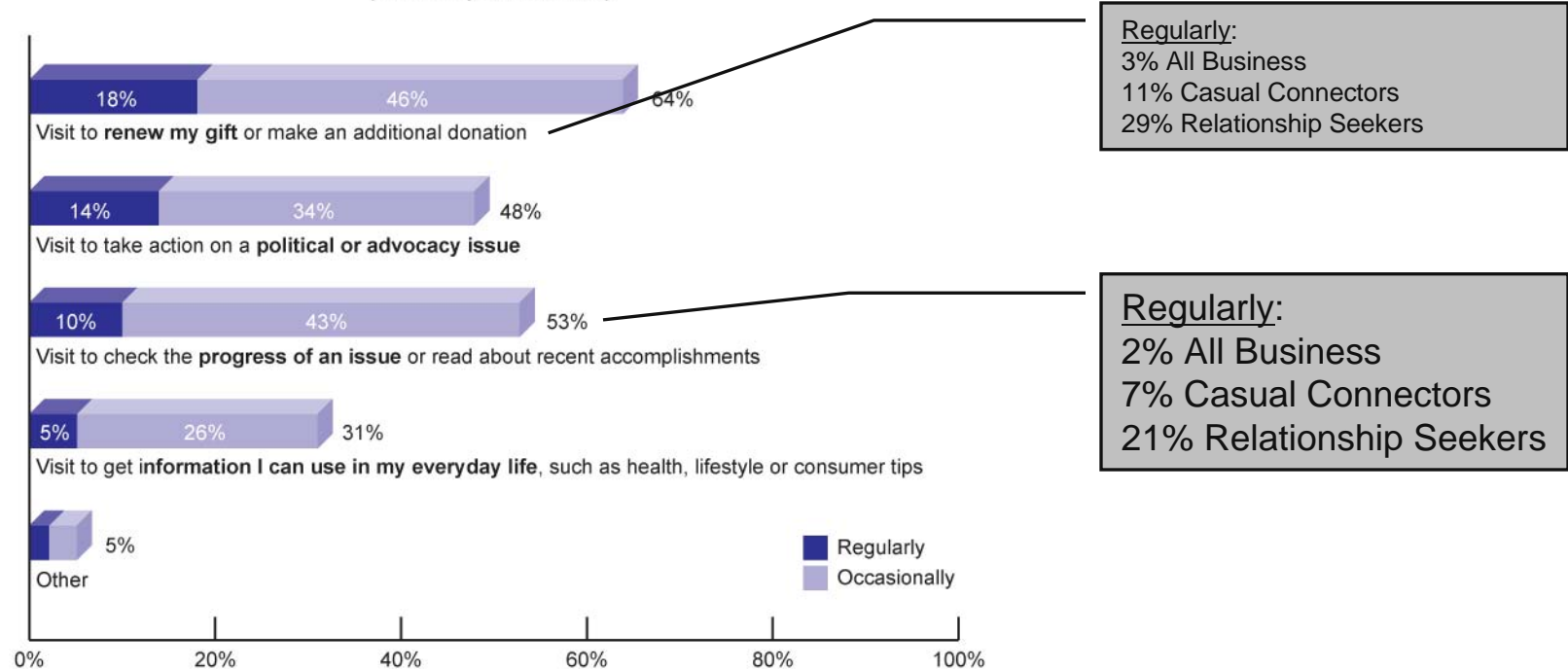
Frequency of Visiting Web Site After Making a Gift *(all respondents)*



Why donors visit



Reasons to Visit Charity Web Site (all respondents)



Inspiration Gap



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



Methods for Connection



	Total	Relationship Seekers	Casual Connectors	All Business
(% Very/somewhat interested shown)				
View a video online	34%	91%	9%	5%
Forward a message	31%	63%	25%	4%
Listen to an audio or podcast	24%	63%	7%	5%
Read a blog	20%	48%	8%	3%
Participate in a live chat with expert/charity representative	19%	40%	11%	5%
Download wallpaper or a screensaver	12%	26%	7%	2%
Post a message to a blog	11%	28%	4%	1%
Join a MySpace, Facebook or another social network for a charity	9%	21%	4%	1%
Contribute a video to a YouTube group or charity	4%	12%	1%	0%





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





National Kidney Foundation™

of OHIO

Kidney Disease

Patients

Transplantation

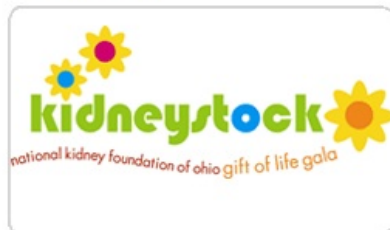
Professionals

News and Events

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 great 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 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 March 15, 2008 at Polaris Fashion Place. Course: Walk one-mile indoors or Run the course. Form a team and register for the Columbus Kidney Walk & Run. [MORE >>](#)

Kidney Disease | Patients | Transplantation | Professionals | News and Events | Can

Our Privacy Policy | © 2008 NKF of Ohio, May 15, 2008 Grandview Ave Ste 207, Columbus, OH 43215



“One of the services that I do take advantage of 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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Your Email and the Wired Wealthy





Is Your Email Inspiring Enough?

Probably Not.

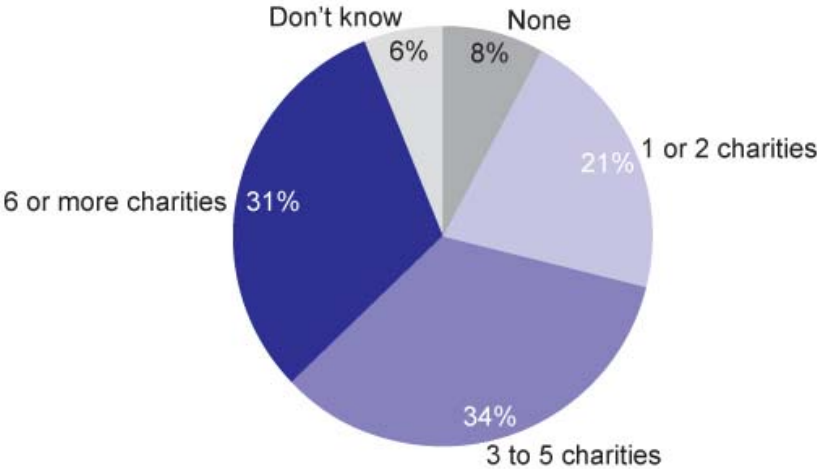




High Volume, Limited Engagement...

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	Total	Relationship Seekers	Casual Connectors	All Business
Most or all	13%	19%	14%	5%
About 75%	13%	23%	13%	4%
About half	22%	27%	26%	24%
Less than half	24%	21%	26%	24%
Hardly any	27%	10%	20%	53%

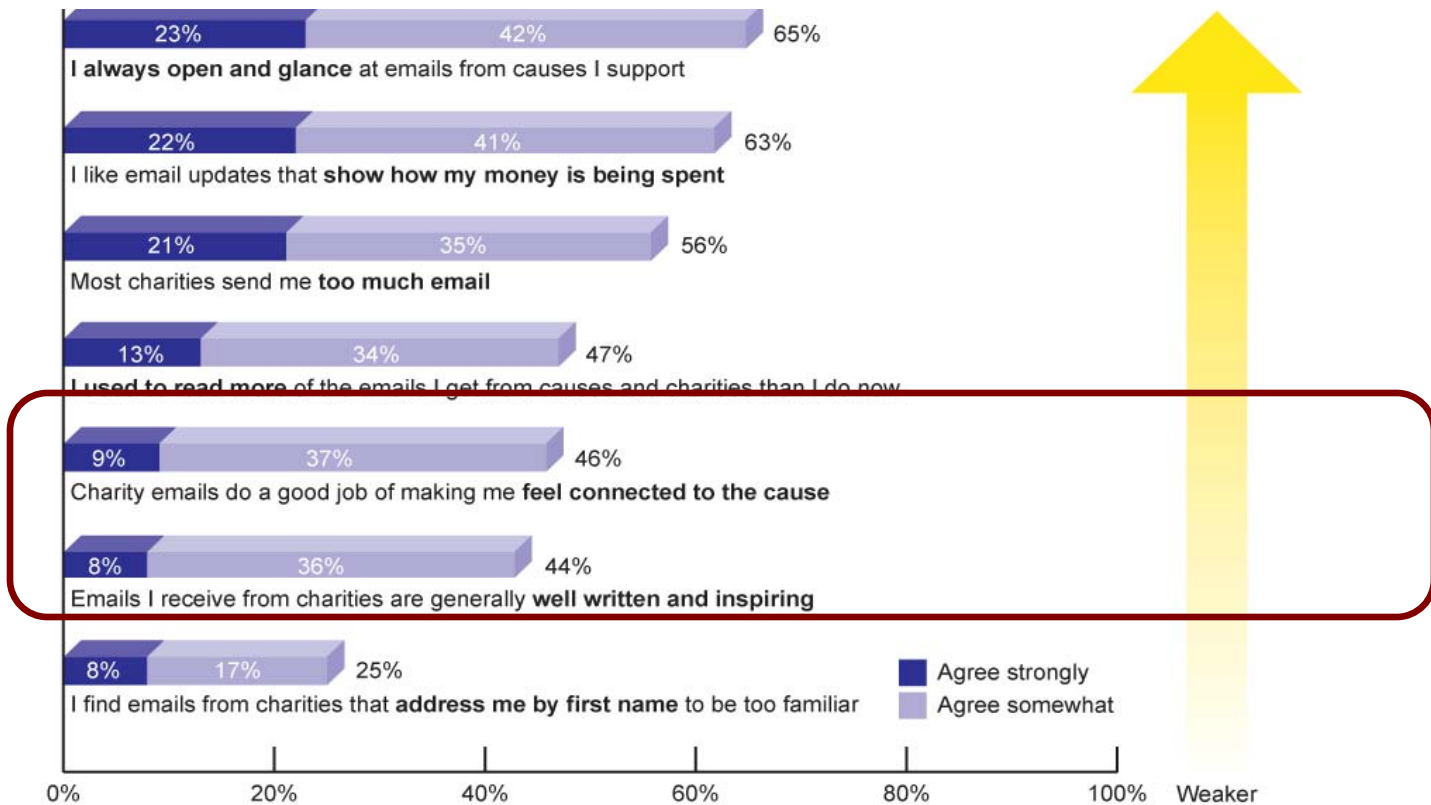


...Not Inspiring



Attitudes Toward Aspects of Email Communication

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



Email Attitudes and Behaviors



	Total	Relationship Seekers	Casual Connectors	All Business
% Agree Strongly:				
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%
Charity emails are generally well written and inspiring	8%	16%	7%	1%
Charity emails that address me by my first name are too familiar	8%	4%	6%	16%



Donors want more control

“Instead of just checking a box that 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 permits me to tell them how often to email me	73%	79%	76%	65%
The charity permits me to control the information I receive , 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.”



Think twice about these email tactics...



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



Email question: Q9



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 “how public radio made a difference.”

“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 receipt, which they don’t do.”

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



Recommendations



Make Listening an Every Day Tactic



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



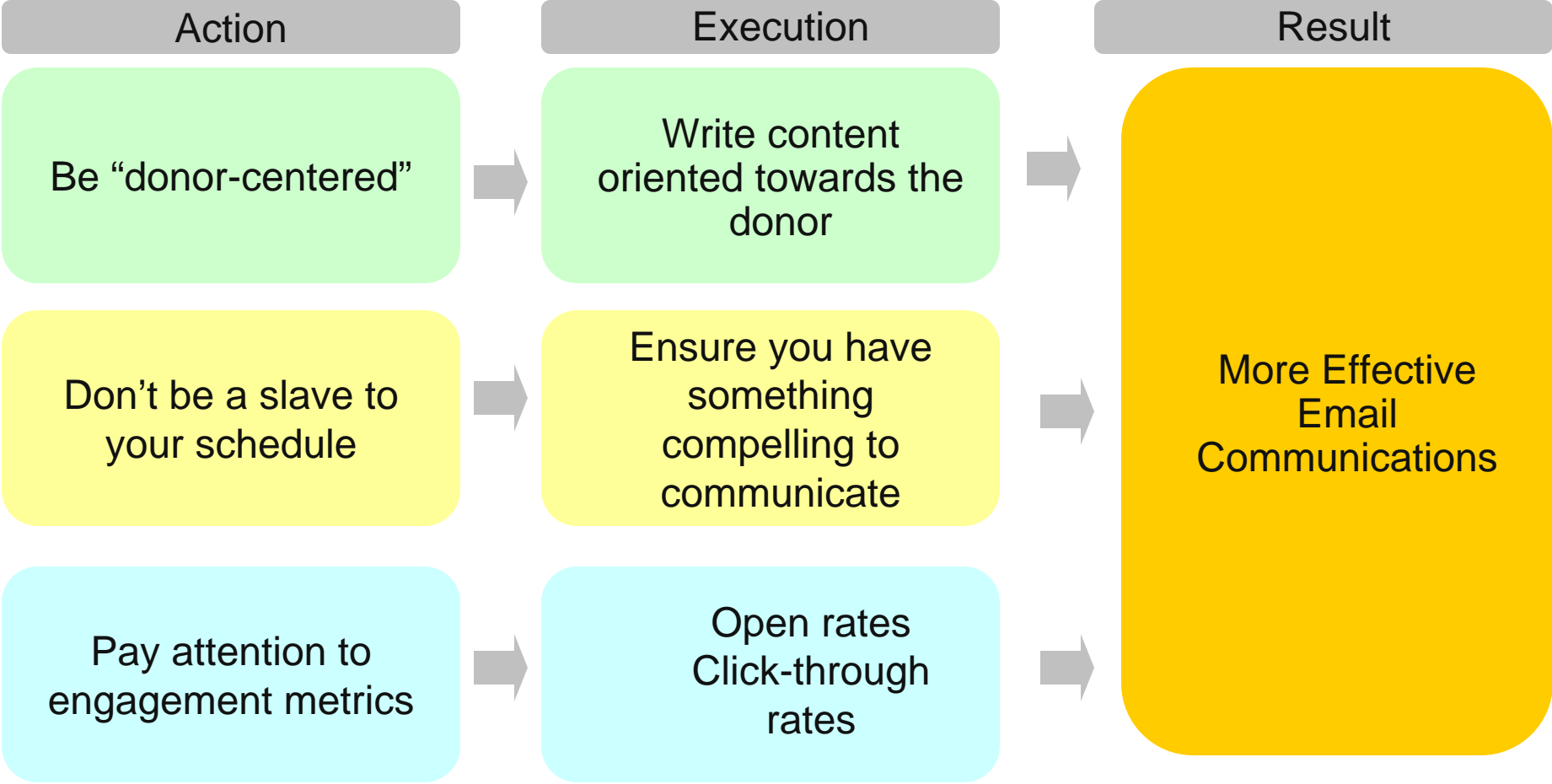
Make Donor Control Your New Mantra



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



Move toward More Effective Email Communications



Psychographically Segment your Donors



All Business

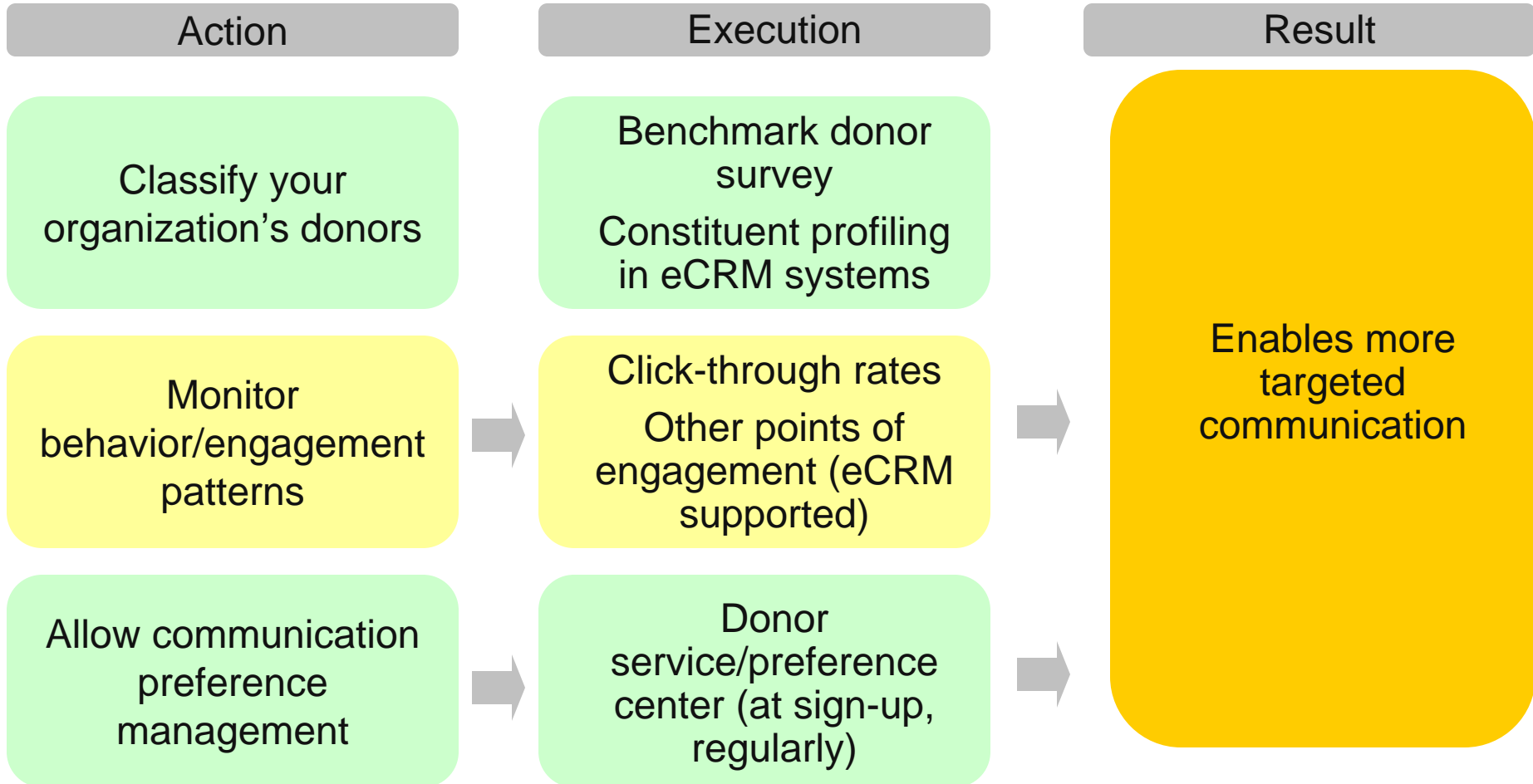
- Allow them to opt in to a lower communication stream
- Send “functional” email messages
 - Renewal reminders
 - Tax receipts

Relationship Seekers

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



Psychographically Segment your Donors



Focus on User Experience



From:

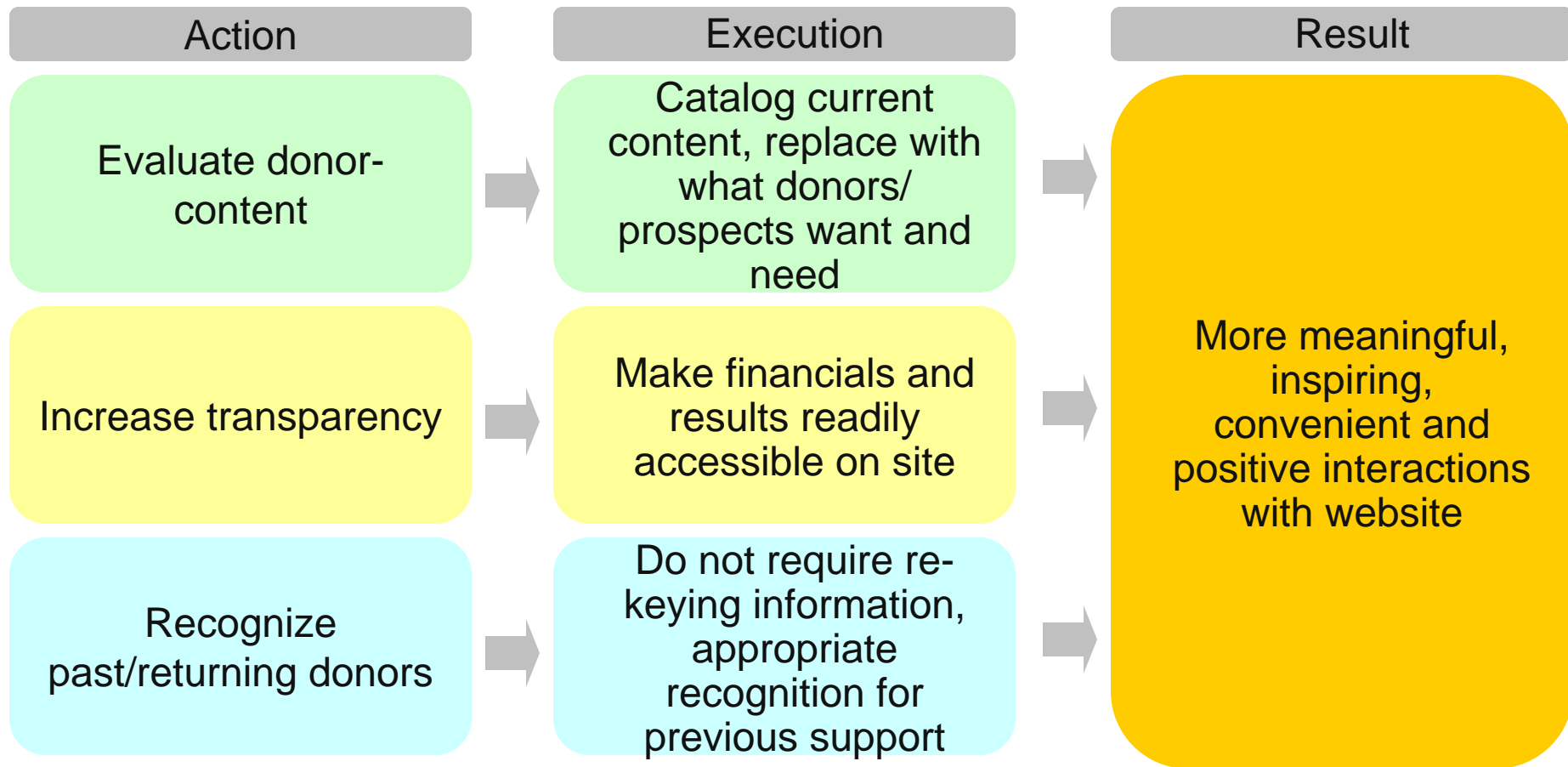
“What does the organization want to communicate to donors?”

To:

“What does a Donor want from the organization’s website?”



Focus on “User Experience”



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



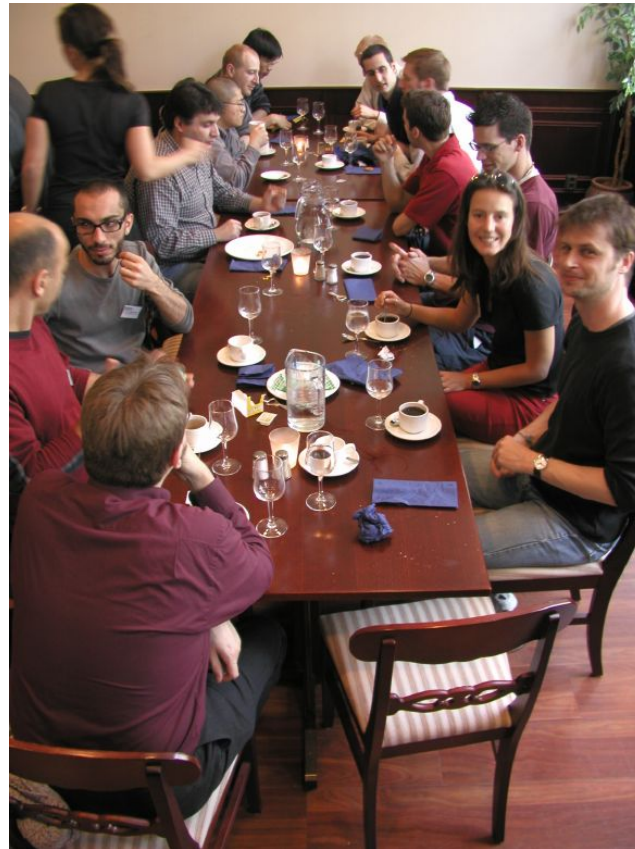
Bring the Stakeholders into the Dialog



- 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



Major Donor Fundraisers are Not at the Table



Survey of Charities and Nonprofits: Q10



Five Things to Start Doing Tomorrow



Action

Result

Assess your email calendar



Get an “all business” and “relationship seeker” perspective

Plan four pure cultivation emails in 2008



Enables potential donors to contact/reach you

Plan a survey to assess recipient interests and preferences



Identifies relevant subject matter/channels for messages

Explore creation of a tax receipt in January 2009



Communication that pleases most donors

Overhaul your newsletter; Move primary control to fundraisers



Ensure a donor-centric communication



Five Things to Plan for In 2009



Action

Result

Create preference center, tiered email options



More targeted messages to supporters, increase % read

Evaluate usability, Overhaul donor info on website



Stronger case for giving on your website

Psychographic Profile Donors



Better understand donor dynamics and needs

Expand options for relationship seekers, especially video



Increase engagement with most engaging group

Create a permanent feedback loop with donors, including advisory panel



More touchpoints = more engagement = better relationship



Q&A



- For questions about the content of today's Webinar or other questions, please send us an email to: execgroup@convio.com



Thank You



- In the follow-up email to this event, you will receive a link to download a recorded version of this Webinar for your review, or to share with others in your organization.
- We look forward to engaging with you again on August 19th at the next Webinar in the series entitled “The Critical Importance of Integrated Marketing” with David Daniels from Jupiter Research. Look for an email invitation coming soon!

