

THE CARE AND FEEDING OF DONORS - *HOW TO KEEP THEM BEGGING FOR MORE*

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Why are you here?



- Are your donors well fed today? (how loyal do you think your donors are to your organization?)
- Do your donors beg for more? (how engaged are your donors?)
- What's the difference between ***retention*** and ***loyalty***?

Today's agenda



- Why are you here?
- What makes your organization great?
- Do you know your donor retention rate?
- Retention vs. Loyalty
- Retention and loyalty programs
- Retention planning
- A few small things to make a difference

What makes your organization great?



- Please use **ORANGE** paper for this exercise

What's your donor retention rate?

- You have to know where you're going or you might end up someplace else...
- AFP Fundraising Effectiveness Project (FEP) - http://www.afpnet.org/research_and_statistics/fep
- To learn more about the FEP project, contact Bill Levis, FEP Project Manager, by email at fep@afpnet.org.

Who are we loyal to?



- Alma maters
- Our faith
- Friends and family
- College sports teams
- Movie and television stars

Retention vs. Loyalty

- Constituents have multi-faceted relationships with your organization
- Though key, donating is only one way a constituent can interact
- Look for missionaries not just transactional behaviors
- Life-time value is not calculated year over year

 **Donor retention is only one measure of loyalty**

Loyalty: questions to consider

- How does your institution promote loyalty
 - Is there a grace period for “missing” a year
 - Do constituents “age out” at your institution
 - Can loyalty be shared or transferred
- ➔ Are you as loyal to your constituents as you ask them to be to you?

Retention and Loyalty programs

- Recognizing constituent needs and wants, think about the value of benefits and recognition programs
- Are there non-tangible benefits offered
- Do you reward investment in your mission with tangible benefits
- Does this value the investment
- Do you reward volunteer involvement
- Think of loyalty programs as a way to draw your constituents closer to the organization.

 **It's about access and influence**

Small group discussion questions



- What is a loyal constituent?
- What metrics does your organization use to measure retention?
- Do you offer benefits and/or recognition for loyalty? If yes, at what level?
- How do you or could you demonstrate your loyalty to your donors?

Retention planning



- Analysis
 - ▣ Missions and objectives
 - ▣ Environment / competition
 - ▣ Donors / members

- Defining
 - ▣ Retention goals
 - ▣ Metrics for success
 - ▣ Segmentation

- Execution
 - ▣ Positioning
 - ▣ Refining and enhancing

Evaluating Retention



- Institutional mission and objectives
 - what is your institution's mission
 - What are your long-term objectives
 - What are your short-term objectives
 - How do you measure success
 - Why should donors support you

Evaluating Retention

□ Environmental / Competition

- Name charities that actually have a comparable or competing mission
 - Define their strengths
 - Define their weaknesses

- Name charities that the public perceives as competition
 - How do their missions differ
 - How are their missions the same
 - Define their strengths and weaknesses

Evaluating Retention

- Who is raising money from your donors?
 - what are their activities
 - How are they doing
 - What are their strategies
 - What are their strengths
 - What are their weaknesses
 - Is there anything you can learn from them
 - Do they attract all of your donors or just particular segments
 - If yes, which segment(s)

Donor analysis

- Who are your donors?
 - Age range
 - Gender
 - Socio/economic factors
 - Education
 - Interests/Activities
- Why do your donors support you?
- Do your mid to high range donors differ from broad-based donors?
- What characteristics do they share?
- Why do these donors support you?
- Of the two groups, who has a higher retention rate?
- What do donors like about your organization?
- What aspects of your mission create the most interest?

Donor analysis

- What kinds of communication do your donors want?
- Are there gaps?
- Are you overwhelming your donors with communications?
- What is the ratio of pure information to asks (both soft and direct)?
- What other nonprofits do your donors support?
- Why do they support them?
- How do they decide “what portion of the pie” they give to you?
- What prompts your donors to start giving?
- Why do they stop?

Evaluating retention



- ❑ What retention methods are successful for your organization?
- ❑ Do you have a strategy to grow each segment of donors in terms of dollars and connection with your organization?
- ❑ How does your organization measure its level of donor servicing?
- ❑ Have you noticed any trends in donor satisfaction?
- ❑ What is the return on investment for donor stewardship?
- ❑ How do you measure this?

Further refinement



Based on the evaluation of your retention activities

- What are your strengths?
 - How would rank them?

- What are your weaknesses?
 - How do they fit into the following buckets?
 - Fully solvable in 0-6 months
 - Significant action taken within a year
 - Long-term planning required

Further refinement

- What are your goals for donor retention?
 - Percentage retained year over year
 - Dollars raised from retention activities

- Which segments will produce these results?

- Costs for retentions activities

 **How will you define success?**

Further refinement - positioning



- What do you offer “charity shoppers”
- What unique opportunity do you provide to your donors
- How can you make your needs immediate, urgent, and relevant without creating a crisis or emergency?
- How do you “reward” loyalty
- Do you speak to your various segments in the manner in which they want you to communicate with them
- Are you tracking your messages vis-à-vis results

A few small things to make a difference



- Know your constituents
- The holistic approach
- How do your constituents want to relate to the organization?
- Research – Why do constituents behave in certain ways
 - Surveys are valuable
 - Test the results
 - Determine if words and actions match
- Role of Technology
 - Better data capture
 - Analytical tools

A few small things to make a difference



- Look at communications calendar
- Avoid sending too much
- Aim for meaningful contact
- Evaluate frequency of all touches (mail, phone, in-person)
- Speak to different motivations and life stages
- Based on motivations, evaluate benefits
- Track responses and use to tailor messages

A few small things to make a difference

- Say thank you often and sincerely
- Seek balance between asking and providing information
- Be as transparent as possible about challenges and opportunities
- Avoid crisis fundraising
- Recognize that not all donors will stay with you a lifetime
 - Value all donors
 - Celebrate and promote loyalty
- Ask your donors how they would like to interact, and **RESPECT THEIR WISHES!**

If I can help



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Questions?