

# Capturing Big Opportunities Online

## The Wired Wealthy: Using the Internet to Connect with Your Middle and Major Donors

This national research study shows the Internet is a favored way for middle and major donors to engage with nonprofits.

The study – conducted by Convio, Sea Change Strategies and Edge Research in Fall 2007/Winter 2008 – surveyed more than 3,000 donors from 23 major nonprofit organizations to determine the online behaviors and preferences of these important constituents.

The “wired wealthy” are identified as individuals who donate a minimum of \$1,000 dollars annually to a single cause and give an average of \$10,896 to various charities each year, with a median gift of \$4,500.

These constituents have high expectations for their online engagement. The results of the research provide a variety of different nonprofit organizations – both large and small – the tools to assess their online strategy and make adjustments where necessary to better capture big opportunities.

### Major findings include:

#### Major and mid-level donors are generous and online

- 80 percent of those surveyed made donations both online and offline
- 72 percent of those surveyed said donating online is more efficient and helps charities reduce administrative costs
- 51 percent of those surveyed said they prefer giving online and 46 percent said that five years from now they will be making a greater portion of their charitable gifts online

#### Most charity Web sites are missing opportunities to fully engage wired wealthy with their organization

- Only 40 percent of those surveyed said that most charity Web sites made them feel personally connected to their cause or mission
- Only 40 percent of those surveyed said that most charity Web sites are inspiring
- 48 percent of those surveyed felt most charity Web sites are well-designed

#### Email shows signs of lost opportunities to connect with various donors

- 74 percent of those surveyed said it was appropriate for the charity to send an email reminding them to renew an annual gift

- 74 percent of those surveyed said that an email from the charity about how their donation was spent and what happened as a result would make them more likely to give again
- 65 percent of those surveyed said they always open and glance at emails from causes they support

Three distinct groups of donors emerged based on the extent to which the donor sees the Internet as a source of connection between themselves and the causes

- Relationship seekers (29 percent), which are those donors most likely to connect emotionally with organizations online
- All business (30 percent), which are those donors not looking for a relationship or emotional connection, but a smooth and simple donation process
- Casual connectors (41 percent), which are those donors that occupy the middle ground, showing some interest in sustaining an online relationship, but also wanting a smooth and simple process

Until this time, there has been little research done on the online behaviors, experiences and expectations of major donors and the role the Internet and electronic communication plays in their giving process.

How does your organization approach its relationship with middle and major donors online?

To download the full report visit: <http://seachangestrategies.com/blog/resources/>

## 7 Wired Wealthy Tactic Take-Aways

### 1. Segment.

1. Segment your file by donor level with targeted content (prospects, low dollar, middle and major).
2. Treat low dollar donors as wired wealthy in waiting.
3. Segment your middle and major donor groups based on cohort (e.g. all business vs. relationship seekers/casual connectors).

### 2. Make your website engaging, inspiring and easy to use.

1. Tell more stories.
2. Avoid jargon and insider language.
3. Use vivid imagery.
4. Include “sticky” content (videos, quizzes, photo essays, actions).
5. Don’t use “creative” but mysterious website navigation. Make your navigation clear, easy to understand and intuitive.
6. Make your donation process simple (streamline those landing pages).

According to the Foresee study *Trends in Constituent Satisfaction with Nonprofit Web Sites: Building Membership, Donations and Loyalty through the Web Channel* nonprofits scored a 73 on a 100-point scale used by the University of Michigan’s American Customer Satisfaction Index (ACSI).

A satisfied visitor to a nonprofit Web site is:

- 65 percent more likely to recommend the site to others;
- 57 percent more likely to have a favorable overall impression of the organization;
- 55 percent more likely to return to the site;
- 49 percent more likely to donate; and,
- 38 percent more likely to volunteer.

### 3. Make sure your email content is good – strike that – inspiring!

1. Include lots of cultivation – update your donors on your progress. Tell them how their support is making a difference.
2. Tell more stories.
3. But don't try to tell too many stories in one email.
4. Don't be afraid of emotion. Use it to influence your donors decisions.
5. Two statistics in an email is one too many. Tell the story instead.

#### **4. Give your donors what they are already adopting online.**

1. Video
2. Blog content (but avoid the word blog)
3. Podcasts
4. Online donation processing
5. Online tax receipts

#### **5. Integrate your marketing efforts.**

1. Break through the departmental divide – work with your PR, Communications, Fundraising, and Programs teams to create integrated campaigns with cohesive messages and multiple engagements.
2. Integrate your email marketing with your direct mail efforts. Your donors are multi channel donors.
  - Mirror offline efforts in the mail (e.g. Renewal series).
  - Include a donation pathway on your website homepage for mail packages.
  - Invite offline donors online (live webcasts, podcast series, video thank you's for offline folks who made a gift to a particular campaign).

#### **6. Experiment with alternative online fundraising channels (10% risk capital).**

1. Ask your donors/subscribers where they are (Facebook, Twitter, Gather, Digg, etc...)
2. Create a strategic presence where the majority of your audience already is.
3. Integrate your email communications with these social media channels. Repurpose your content for each communications vehicle.

## **7. Measure. Measure. Measure.**

1. See attached metrics.

## Executive Metrics Dashboard

### High-level Snapshot of Performance in the Online Space

<b># of people joining online community</b>	% monthly change	% annual change	
<b># of gifts/donors</b>	% monthly change	% annual change	
<b>Monthly total - \$ raised online</b>	% monthly change	% annual change	
<b>Average gift by donor category</b>	% monthly change	% annual change	
<b>% source of \$ raised</b>	Email marketing, over the transom website, online advertising, social networking, peer to peer etc...		
<b>Online acquisition ROI by campaign</b>	Cost per new sign up (over time)	Cost per new donor (over time)	Retention Rate (over time)

## Detailed Metrics Dashboard

### Detailed Email Metrics Per Campaign By Segment

- Segment (prospects, low dollar, high dollar, major)
- Dollars raised
- # of gifts
- Average gift
- Response rate (Calculated as the number of people who took the main action requested from an e-mail message divided by the number of people who received the e-mail message)
- Open rate (Calculated as the number of HTML-version of an e-mail message opened divided by the number of people who received the HTML-version of the e-mail)

- Click through rate (Calculated as the number of people who clicked on any trackable link in an e-mail message divided by the number of people who received the e-mail message)
- Unsubscribe rate (Calculated as the number of people who unsubscribe from the list divided by the number of people who received the e-mail message)
- Completion rate (Calculated as the number people who completed a form divided by the number of people who clicked on the link to get to that form)

### **Web Metrics**

- Web traffic - # of visitors
- Source of web traffic – Search, Email Marketing, Online Advertising, Social Networks
- Most popular pages visited

### **Online PR Metrics**

- Blog mentions and topics of those mentions
- Online news media mentions

### **Social Networking**

- # of friends (monthly percentage change)
- # of followers (monthly percentage change)