Never to be parted

When it comes to getting donors to commit, not everything you do matters - and the things that do matter do not matter equally, as **Kevin Schulman** explains

Relationship is a word much used by consultants and often heard at non-profit conferences. Far from being a fluffy concept, there is a science behind the relationship between charities and their donors – and it's the key to retention and sustainable growth. The maths is clear: it can cost up to ten times as much to bring in a new donor as to keep an existing one. Furthermore, studies have shown that increasing the strength of your donors' relationship with your organisation leads to a substantial increase in average three-year giving levels.

To get to the first gift, your organisation has, in all likelihood, succeeded in establishing some trust since the donor, in most cases, will never know if the money was well used. They must trust in your brand, your message and your (often implicit) promise.

However, in most cases - as the retention data supports - this is it. The nascent relationship is over.

Make the connection

The journey to strong donor relationships starts with the need to establish a 'functional' connection to the brand. This is often expressed as the brand being reliable: the donor knows what to expect from your organisation, and the experience is consistent. Fail to do this and you fail, full stop.

Achieve this functional connection, and you then have the opportunity to build the 'personal' connection. This type of connection is more emotional; in relationship vernacular it is fidelity, reciprocity and mutual respect, with the donor believing the organisation knows him or her - and cares. Simply speaking, it's about trust. Trust is the linchpin to true loyalty; it moves the donor to overlook shortcomings, give more generously, promote the organisation and go out of his or her way to engage with it.

Where, then, does the first gift that never materialises into a second, fall short? How about the often cited, almost trite, 'thank you'? If there was ever a specific, concrete action to build the bridge from functional to personal, this would be it.

And what about establishing a firmer functional foundation? If the donor's second contact with the organisation is a largely or entirely unrelated solicitation, how likely is that the donor will form a reliable sense of what to expect when interacting with you? Moreover, if the organisation does not acknowledge the first gift when asking for the second, that very loose relationship knot that was formed with the first gift will quickly come undone. To grow the seed of trust that was planted with the first gift, you have to make reference to how it was used to help the cause.

All this is in the microcosm of the first to second gift scenario. But when you extend this thinking to all the other touches your organisation has with the donor (e.g. call centre, email marketing, website, social media, direct mail), it is almost impossible to imagine a relationship being established unless the organisation is actively, consistently, strategically and tactically pursuing one.

Measuring loyalty

Studies have shown that the committed UK donor has a 105 per cent greater three-year giving average than the low-commitment donor. The committed UK donor is also the best target for upsell and cross-sell, comprising roughly 70 per cent of donors who sign up for more than two monthly giving products from the same charity.

Once you start measuring your donor commitment levels, you can start managing them, and put appropriate processes in place to help improve them. At the most basic level, charities can carry out a simple commitment

MAKE A LASTING CONNECTION WITH DONORS

It costs less to keep existing donors than to recruit new ones, and the return is far greater. Here are some tips on how to build strong relationships with donors:

- Create trust by ensuring your brand is reliable and giving donors a consistent experience.
- Always acknowledge the first gift when asking for the second, and make reference to how the first gift was used to help the cause.
- Use surveys to determine donor commitment levels and identify which particular experiences impact on these.
- Shift resources away from the more trivial experiences and towards the truly important ones.
- Collect and act on donor feedback at every touch point.

survey. Ask your supporters to respond to the following statements with a score on a 0-10 scale, with 0 being 'strongly disagree' and 10 being 'strongly agree':

- I am a committed [CHARITY] donor
- I feel a sense of loyalty to [CHARITY]
- [CHARITY] is my favorite charitable organisation

Add the scores together and divide by three to get the average score. For example, if the survey respondent gave 6, 7, and 10 as their scores, the average is 7.7. This is the 'donor commitment score', and it indicates the donor's level of intent or motivation to maintain the relationship with your organisation.

Impacting commitment

The next question to ask yourself is: what are we doing that impacts on our donors' sense of commitment? Not everything you do matters, and the things that do matter do not matter equally. People cannot process a million things in order to form an opinion or make a choice – they use filters and mental short cuts to deal with the world, and this includes how they interact with your organisation. This means the list of experiences you serve up that really matter is finite, not infinite.

You need to determine the marketing, operational and communications activities and messages that matter, and use these to build your organisation's strategic roadmap. And so your donor survey, once the three commitment questions have been asked, should then move on to ask a set of 'experience-specific' questions. Here, you ask your survey respondents to rate your organisation, on a 0-10 scale, on how well it does at delivering particular experiences for the donor. For example:

- mission – delivering [insert benefit you provide here];
- donor service (e.g. address needs on first call, helpfulness of agents);
- communications (e.g. providing useful publications, newsletters, annual reports);
- fundraising (e.g. frequency of donation requests, providing compelling reason to give on monthly basis);
- advocacy (if germane – e.g. signing online petitions, attending rallies);
- engagement (e.g. volunteering, providing feedback, social media interaction).

Once you've collected your scores, you can work out which of the experiences your organisation delivers have the biggest impact on your donors' levels of commitment. This requires careful analysis, but DonorVoice has created a template to guide you through it, step by step - see donorvoice.wix.com/commitment-in-a-box.

By determining which experiences really count, you then have the opportunity to shift resources away from the more trivial experiences and towards the ones that really matter.

Figure 1: Turning feedback into follow-up

	High Commitment	Low Commitment
High Satisfaction	Follow up with a loyalty call - show how much you value their support, ask them to refer a friend, inquire about their specific interests and if they want to get more involved	Auto generated emails - one for low satisfaction, one for high
Low Satisfaction	Create an escalation file. Contact these donors immediately, apologize for the service breakdown and get their immediate needs met.	Auto generated emails - one for low satisfaction, one for high

Next steps

The process outlined above is useful, but true relationship building occurs during those times a donor experiences your touch points (e.g. receiving a communication, surfing your website, talking to a staff member on the phone, attending an event, emailing). Even the smallest of charities can set up simple processes to collect and act on donor feedback at every touch point, to either remediate unsatisfactory experiences, or show appreciation.

This is commonplace in the commercial sector: think of your personal experience on websites, with hotels or airlines, car dealers, restaurants, etc. All of these sectors routinely solicit feedback after each interaction. Why doesn't the non-profit sector do this? No perceived need? No perceived upside? There is evidence that the mere act of asking for feedback provides lift in financial performance. Imagine the lift you could achieve if your organisation is actually responsive to the feedback!

It doesn't require a lot of time or money. The overall idea is simple: at every touch point, ask the three commitment questions and your set of 'experience-specific' questions. The former classifies donors as high or low commitment to your organisation, and the latter determine whether you delivered a satisfactory experience.

Here are a couple of specific examples:

Customer service channel: For donors who contact you by phone/email about a customer service issue, ask them, as a follow-up, the three commitment questions and whether their immediate needs were met (this is called 'first call resolution' in the commercial sector and is a key indicator of satisfaction). Place each person into a simple 2x2 matrix that dictates the type of follow-up (see figure 1).

Website: Put a feedback widget on your website. This can be set up as a closed-loop process of obtaining feedback and acting on it. It only requires cutting and pasting a snippet of code into the backend of your website; simple enough even for a novice, and certainly any webmaster. You can sign up for a feedback widget here: donorvoice.wix.com/feedbackwidget.

You won't be able to follow up with everybody, and some donors will remain anonymous, but the process can be done efficiently and cheaply. And with a little bit of work it can be largely automated, with the first follow-up being email based.

Greater donor value

The relationship is what stands between sustainable growth and decline. And so we in the non-profit sector should be interested in our donors' experiences. Fortunately, these can be measured and managed to deliver and derive greater donor value. The most powerful – yet elusive – reality to relationship building is that greater retention (and the massive financial upside that comes with it) does not cost more money; in most cases it costs less.

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