

9 reasons
**your organisation
should go digital.**



Parachute Digital

Guiding you through the digital landscape

Living in 2013, you've been blessed by technology. I imagine that you're attached to your electricity, and therefore your heating, cooling, television, radio, computer and mobile phone. I'm sure that you feel the internet has enriched your life, making it easier for you to manage your daily household actions.

Do you remember how unfair it seemed to have to spend your lunch break standing in line at the bank? Or how long it took a postcard or letter to arrive at its intended destination? Do you remember how much more effort it took to find out session times for movies at different cinemas, or the bus timetable or price of entry to a music or theatre venue?

All too often, I hear fundraisers and business people alike saying, "I'm a digital numpty," or, "I have no idea about this internet thing," or, "I'm hopeless with technology." When people give these reasons for not investing in digital fundraising, I start by asking them a series of questions.

I ask them if they use internet banking. They say yes. I ask them if they make donations online. They say yes. I ask them if they use apps on their smartphones. They usually say yes. I ask them if they use Google to find information. They always say yes. I ask them if they have an email address. They usually have several. I ask them if they think their donors or customers use the internet in these same ways. They say yes.

There is no excuse to claim you don't understand the digital space, because each and every one of us uses it on a daily basis. Even older generations, the heartland of many charity supporter bases, who supposedly are not comfortable in this space, visit it every day.

There are also no longer any viable excuses for being slow to invest in digital fundraising channels. I understand you might not know how to execute your appeal online, that's why people like me are here to help you. I know nothing about architecture, so if I want to build a new house, I hire an expert. If your organisation knows it's time to get serious about digital fundraising, then hire an expert to assist you with the process.

Grab this chance to look at digital fundraising with fresh eyes and think about which strategies you could start testing, to see if they work for your donor base. At the end of this book I'll give you the practical tools to get you on your way.

1. Do what you do, but do it online too

Digital fundraising can offer your organisation a big, bright future. By integrating digital with your tried-and-true traditional fundraising channel mix, you will enhance your already effective channels and gain additional revenue opportunities that you're probably missing out on right now.

There are so many similarities between the traditional and digital fundraising worlds. And there are differences, which I will get to below. But the basic principles of fundraising apply to all channels, interactive or not.

Both traditional and digital fundraising is database driven. Your organisation's success can be absolutely determined by the size and quality of your supporter base. Most fundraising directors will split their efforts into two parts: acquisition of new donors and retention of existing donors. This is the same online as it is offline. You aim to grow your database with new prospects and supporters, convert them to donors, then retain them as donors, hopefully regular monthly donors, for as long as possible.

The fundraising tactics employed to acquire prospects through online and offline channels will differ, but the strategy of growing the database with a specific type of audience is the same.

Obviously, how you execute your messages online is unique. The use of an html website is different to a physical piece of paper. Emails include links that the user can click to find more information, and they can do it in real time. The banner ads you create to run on affiliated websites and the search engine keywords you use to target donors are both different from your offline methods. But they're still based on reaching a certain demographic, to make an 'ask' or a request for action, and to build your organisation's database.

2. Make it easier for donors to give

Fundraising strategies for new donors are similar for offline and online. The primary difference is the speed in which digital can facilitate the process. This often results in higher online gifts and a greater donor lifetime value.

You know that a person is most engaged at the point of their first gift, so it's important to ask them for a second gift in short succession. People who donate online don't have a different way of thinking or feeling than people who donate at events, retail centres, face-to-face, on the phone or through other offline channels. The traditional way you interact with prospects and supporters and the fundraising strategies you already have in place will still work in the digital environment. The difference is in how the 'ask' is executed.

Real-time communications give donors the convenience of acting when the inspiration strikes. The result is higher donations and higher value gifts. Digital communications also allow supporters to find the information they're looking for, in their own time. Real-time communication channels give organisations the chance to extend the moment of inspiration for longer. After a supporter has seen a story that motivates them to act, you can follow up that action with an immediate thank you, and further information to prolong that feel-good feeling. You can then ask supporters to take a second, non-financial action and share the story with their friends and family or sign a petition to support the cause. The dynamic and live digital environment allows you to spread your message faster and reach larger groups of people than ever before.

3. Make it personal

Both online and offline fundraising require a level of emotional connection between the supporter and the cause. As fundraisers, we must tell a compelling and urgent story. Of the 16,000 not-for-profit organisations on YouTube, only 271 have received over 1 million views¹. That means 16,000 charities are trying to tell a compelling story, but only 1.7% of them are doing a good job. There are around 600,000 charities registered in Australia², which means there is a lot of competition for your donor's consideration and loyalty. It's essential that your organisation get into the game.

1 Maverick Digital presentation 11 July, 2012 (slide 12), accessed 23 May 2013 <http://www.slideshare.net/sevilozercrespo/social-good-how-to-create-an-efficient-digital-presence-for-nonprofits>

2 Institute of Chartered Accountants, Australia, 5 July, 2013, accessed 4 August 2013: www.charteredaccountants.com.au/Industry-Topics/Reporting/Current-issues/Not-for-profit/New-and-updates/ACNC-implementation-date-delayed.aspx, 5 July 2013

Your fundraising must focus on your donor's needs, interests and emotions. As we looked at in the fundamentals, each donor has the same six basic human needs: love; safety; contribution; growth; significance; variety and adventure. And each of your donors has their own unique hierarchy, or set of values, within those six needs. This is where behavioural and data analysis comes into play. Your organisation may have five key areas where you focus your resources, but your data, or fundraising results, show that donors only resonate with three of them. That doesn't mean your charity should abandon its charter, it just means that perhaps you don't need to talk to your donors so much about the two areas that they don't connect with emotionally.

4. Connect in new and dynamic ways

Some decisions are made rationally, but most of our purchase decisions are made on emotion. And for the donor, giving money to charity, whether you like to think of it this way or not, is about 'spending' money and so involves a purchase decision. What non-profits have over other businesses and brands rivalling for your donor's share of wallet, is the ability to make a deeper emotional connection because of what you are 'selling': a better world for everyone.

To make this deep emotional connection, you need to create fundraising content that tells a story that is emotional, compelling and urgent. The urgency does not necessarily mean that your supporters will donate immediately at the first point of contact. However, when they have been exposed to several messages about the same subject, across different mediums and perhaps from different organisations, they are now more educated about your cause, it has stuck in their minds, and they care about this issue. This is the power of the multi-channel, multi-layered story. It keeps on building. Prospects feel like they are seeing your message everywhere and they need to get involved.

5. Create advocates that can evolve into donors

Digital also gives you the chance to use advocacy as part of your fundraising channel. Petitions are easy and require little involvement. Some donors don't want to write letters but are happy to add their name to a petition they believe in, which someone else has written for them. This is a very easy way to start a conversation and a relationship with your prospective donors and find out what they care about. And, your organisation is able to achieve multiple objectives while you're nurturing the next generation of donors.

6. Reach out to the social world

Can you reach a new and younger audience online? Yes, the evidence suggests this, but beware, it's not conclusive. We know a lot about our online social media community and their interests, but because you don't get access to the email addresses of people who like you on Facebook or follow you on Twitter, it's difficult to know if this group are existing supporters.

There is a lot of research in this space, the most recent from the UK shows that a charity's social media audience makes up 35 per cent of its total audience³. But that still doesn't tell you if this is a new audience for your organisation. You can access top-line demographic information about your Facebook audience, and there is an indication to a slightly younger skew than you may see in the average direct mail database, but we don't know for sure if these supporters already exist in your email database.

³ Jenna Pudelek, 2012, Digital giving lags behind traditional methods, Third Sector Online, accessed 4 August 2012: www.thirdsector.co.uk/news/1138983/Digital-giving-lags-behind-traditional-methods/

Some research suggests that more young people prefer to donate by SMS or text message⁴. But similar research shows that 51 per cent of donors aged 60 and over have donated online⁵. It is clear that digital channels are not only for young people, despite fundraisers' perceptions. Yes, you may need to reconsider some of your fundraising strategies (such as your content) to appeal to a younger, more digitally connected audience, but make sure you don't alienate other segments in the process.

7. Test, measure, learn, improve in devastating detail

One of the most marked differences between online and offline fundraising is the ability to track and measure every individual response to every digital communication. Online reporting can go a long way to attributing its conversions to an offline communication, but it's not as exact as it is with messages that originated online.

If you send an email, you can measure who received it and who didn't, in exact terms. You can tell who opened it and who didn't. Of those who opened the email, you can tell who clicked on the links and specifically which link they clicked on. You can then tell if the supporters who came through to find out more about your appeal took an action, made a donation or shared information with their friends.

This ability to track and measure digital fundraising efforts in exact terms extends to all digital channels. If a supporter finds your organisation through a Google search, you can see which search term brought them to your website. When analysing all the search terms that drove people to your website, you can tell which ones converted into actions or donations and which ones didn't.

It's the same for tracking display banner advertising (the little flashing ads you see on many websites), for mobile search and mobile apps. It's the same for social media marketing (except that we don't know exactly which individual social media donors were already donors) and it's the same for existing supporters who visit your website on a regular basis.

There is no guesswork in measuring digital fundraising. The numbers don't lie. Either the appeal worked, or it didn't. What the metrics can't always tell you is why it didn't work. The data should indicate where donors were dropping out of the process or at what point of the journey they lost interest. But it still requires qualitative feedback from supporters as to why this campaign or appeal didn't resonate with them.

And this is how you learn. You use the data to tell you what works and what doesn't and then you go out and ask the donors why, so you can do it better next time.

There is evidence to show that online donors tend to give higher amounts, more often, but that they prefer to make one-off cash donations rather than sign up to regular giving. Your organisation needs to do further analysis to establish whether pushing an online supporter into a standard, regular giving program at a lower monthly rate will deliver the best long-term results. This may challenge your thinking and internal processes, but online has its own rules. Follow the money, not your traditional processes or strategies.

4 Andrew K Mackay, 2012, Six online donor profiles and action points, accessed 4 August 2013: andrewkmackay.wordpress.com/2012/12/11/six-online-donor-profiles-and-action-points/

5 Association of Fundraising Professionals, 2011, Study shows online giving has become popular among donors 60 or older, accessed 4 August 2013: www.afpnet.org/Audiences/ReportsResearchDetail.cfm?itemnumber=7881

8. Harness ‘now’

Digital fundraising channels help you maximise topical issues when they arise.

Of course it depends on your organisation’s mission, but if an event, natural disaster, or situation has just captured the attention of the world, digital communication channels allow you to immediately get involved in the conversation and the recovery effort. The internet is the preferred donation channel for disaster relief appeals⁶.

A direct mail appeal can take months to reach donors, whereas an email appeal can be out the door in a matter of days. Is your organisation missing out on opportunities to raise funds for your cause because you can’t get the materials distributed fast enough?

People like that digital channels are convenient for them, that they’re part of ‘my world’ where they can respond in the moment.

I have also had people comment to me that they “love that digital channels allow me to do it right now. A direct mail letter might come in, I read it and either make my donation online straight away, or if I need more in-depth information, I find it online in a few clicks. The letter doesn’t then sit in the ‘To Do’ pile on my desk for weeks.” Digital makes it easy for prospects to respond in the moment in easy, convenient ways.

9. Save time and money

I mentioned already that digital allows you to move supporters through the first donation and second ‘ask’ process faster, which can give you stronger acquisition and retention results. Part of this is down to automation. Because you can automate the digital donor journey, the process is based on a set of triggers being activated by the donor. The benefit of this is faster turn-around times, less manual, repetitive work for staff and more revenue coming in the door. These same programs exist in direct mail and telefundraising strategies, but they take longer to reach the donor and require more manual, human intervention in the process.

Receiving your tax receipt immediately after making a donation can be a great convenience to your donors and requires little effort on your behalf if the process is automated. Similarly, receiving payment immediately and directly into your account, and automating the thank you process are both great digital channel benefits to not-for-profit organisations.

What are you waiting for?

There are many similarities between traditional and digital fundraising strategies. And while the differences might be significant in some cases, they’re not all that foreign in their design and concept. If you are a successful fundraiser offline, there is no reason why you can’t be a magnificent digital fundraiser as well. Why digital? Why not!

⁶ <https://www.blackbaud.com/files/resources/downloads/2012.CharitableGivingReport.pdf> accessed 17 September, 2013

What are you waiting for? It's time to 'go digital'.

In this white paper we give you nine compelling reasons why your organisation should take positive steps to invest in digital strategies for supporter engagement and fundraising.

Let Shanelle Newton Clapham from Parachute Digital show you how to implement digital strategies that work. By that we mean, bring more people and more money, more often.

Learn to put your supporters needs first online and how to integrate digital into your overall business strategy. If you do, you'll be rewarded with better quality and a greater number of prospects. Shanelle has the evidence and experience to help you give your supporters a better online experience, increase your donor acquisitions, gain a higher average gift and see the possibility of a 5:1 return on your digital investment.

- Let these 9 reasons convince you that its time to invest in digital
- Determine how online really fits into your business model
- Take advantage of "now" and leverage digital channels to make it easier for your supporters to support you when and how they choose
- Understand the real benefits of digital (automation, friends of friends and in-depth tracking)
- And save time and money.



"I'm so excited that other organisations can harness Shanelle's knowledge of the online space to leverage digital channels to engage and transact more effectively with their donors. We have committed to going digital in our organisation and are already seeing positive results."

**Alcuin Hacker,
The Wilderness Society**



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