



The Art and Science of

Retaining Digital Donors



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EBOOK

Why retention matters

Congratulation!

You've just generated a donation through your website or online giving platform. You worked hard to secure that gift – either through an email, social media, P2P or possibly even a direct mail campaign.

And now your work as a fundraiser is done, right?

Wrong.

The truth is that the vast majority of the nonprofit sector is caught on an acquisition treadmill. As donors lapse, fundraisers attempt to bring new donors in through the door.

The problem with this strategy is that retaining a donor is much less-costly (and more fun) than securing a new one.

According to the Fundraising Effectiveness Project, a collaborative effort between the Association of Fundraising Professionals and the Urban Institute, the median donor retention rate for the sector hovers right around 45%. This means we lose about almost 6 out of every 10 donors.

The news is even worse for first-time donors, who are typically retained only about 20% of the time.

Ouch!

Typically, these retention rates are slightly lower for online donors. That's why you need this eBook!



What drives donor loyalty?



The topic of donor loyalty has been studied by numerous academics and consultants for many years.

In 2011, DonorVoice published the results of a fascinating survey.

The most loyal donors from 250 nonprofits surveyed in order to find out why they had remained so loyal. Each donor was given a list of 32 reasons why they might keep donating to the organization, and they were asked to rank them by order of importance.

Here are the top seven:

1. Donor perceives your organization to be effective in trying to achieve its mission.
2. Donor knows what to expect from your organization with each interaction.
3. Donor receives a timely thank you.
4. Donor receives opportunities to make his or her views known.
5. Donor is given the feeling that he or she is part of an important cause.
6. Donor feels his or her involvement is appreciated.
7. Donor receives information showing who is being helped.

A study conducted in 2021 by the IU Lilly School of Philanthropy uncovered similar sentiments.

When asked what types of communication and content that subscription donors (a form of monthly recurring donors) would prefer to receive from nonprofit organizations they support, donors responded with the following:

52%

Stories and experiences shared by the people my gifts have helped

32%

Frequent updates about the organization's programs and services

32%

Emails with my donation's impact and heartfelt thank you(s)

25%

Educational and interactive webinar series related to the organization's mission and impact areas

If you were to search for a common thread amongst all of these data points, you could argue that it's donor communication. How you communicate with a donor, particularly right after the gift is made, is the basis for the relationship going forward.

Regardless of giving channel, gift size and gift frequency, all donors want to feel appreciated, know their opinion matters and know how their gift is used. They want to be active participants, not just ATMs.

Unfortunately, these issues are often exacerbated in the case of online donors.

Why focus on online gifts?

Online gifts are often generated by low cost, non-personal interactions. Unfortunately, our gift acknowledgements tend to be just as impersonal.

This means that if you get a first-time gift online, the chances of you retaining that donor may be even lower than 20%. It's unlikely that a bond has been created between your organization and the donor yet.

However, because most of the initial follow-up processes can be automated, online donors are an excellent segment of the donor database to test and optimize your gift acknowledgement and stewardship practices on.

It all starts with your donation form

Retention starts even before the online donor makes their gift. Even if your donation form converts a visitor, the information you collect from them can mean the difference between loyalty and attrition.

Donation page checklist

With retention being your end goal, there are a few critical options that should appear on the donation form:

1. Recurring Giving Option

Securing a recurring gift (either daily, weekly, monthly or quarterly) is a fast and easy way to triple your donor retention rates.

Donors who sign up for recurring gifts are typically retained in the 80th and 90th percentile (compare that to the FEP average of around 45%).

A recurring gift creates a massive amount of stickiness between you and the donor. Having the amount automatically withdrawn from a checking account or charged to a credit card is painless for the donor. Just be sure that you keep their payment information to date!

2. Contact info

Asking for contact information is a no-brainer, but how you ask for it can enable the donor to send you signals that will inform your future communication efforts.

Mailing/billing address, email address and phone number fields are common, but don't be afraid to ask for social media usernames and URLs, especially Twitter usernames. Because it's an open system (unlike Facebook or LinkedIn) you can immediately strike up a dialogue.

Try making them non-required (aside from billing address for processing reasons) and see if requiring them later cuts down on conversions.



3. Ask them why they gave today

Remember that the DonorVoice survey mentioned above stated that one of the top reasons donors stay loyal is because they know what to expect with each interaction from your organization. Communication preference or channel is a big part of this.

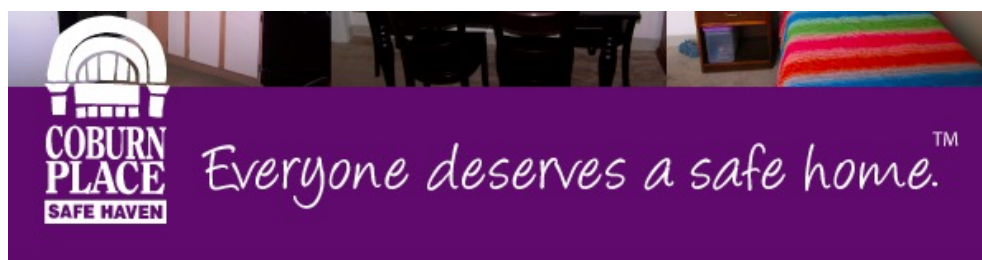
A sneaky good question to ask on the donation form (or on the post-donation confirmation page; we'll get to that in a second) is "what prompted your gift today?" Those who answer are self-selecting into a more engaged group, while giving you valuable information about their philanthropic motives.

4. Giving Ladder With Impact Statements

Sometimes called a "gift array" or "giving ladder," suggested donation amounts take the guesswork out of the donor's mind and help you dictate their giving level.

They also represent a great opportunity to communicate how the gift will make an impact. When donors know how their dollars are being used, they'll feel like more of an active participant in the organization's mission.

Here's an example of how Coburn Place, a nonprofit for survivors of domestic abuse, used this strategy.



1 in 4 women and 1 in 7 men experience domestic violence in their lifetime. Annually, 15.5 million children live in homes where domestic violence occurs. Your gift will make a difference for them today and tomorrow!

- \$15 provides one night of safe haven for an adult and two children.
- \$50 provides an Advocate to help a resident establish a personal plan for independence.
- \$60 provides an hour of therapy to help restore a survivor's self-esteem.
- \$100 provides a support group session to help adults learn the warning signs and cycle of abuse.
- \$150 provides a Housing Specialist to help a resident secure safe, permanent housing.
- \$240 provides one month of therapy to help a child heal from the effects of domestic abuse.
- \$450 provides one month of safe haven for a family.
- \$6,300 provides utilities for the apartments of 35 families for one month.
- Your gift of **ANY** amount provides **HOPE**.

Make a great first impression



Once a donor has clicked “submit” on your donation form, three things happen almost immediately. They receive three donor communications pieces from you. And if they’re a new donor, these are the very first things you ever communicate to them. Two are usually overlooked completely.

Before reading ahead, can you think of them?

Here they are:

1

Confirmation page

2

Confirmation email / receipt

3

Formal follow-up

The formal follow-up (usually a letter in the mail) is almost ubiquitous, but the confirmation page and email receipt represent sneaky-good ways to engage your donor. Depending on what technology you use, this can also be totally automated!

Each of these three communication vehicles has the opportunity to convey all seven of the drivers of donor loyalty from the DonorVoice survey.

Let’s dig into them one by one.

1

Confirmation page

After the donation form is submitted, the donation page will redirect to the confirmation page, sometimes called a “thank you” page. This is literally the first thing that a donor sees after making their donation page.

At a minimum, the confirmation page should communicate that the transaction was successfully completed. You don’t want to cast any doubt in the donor’s mind, especially if this is a first-time donor. This is why it’s so problematic when a nonprofit doesn’t have a confirmation page (instead, the donation form just disappears or redirects to the homepage, and the donor is left wondering whether the donation actually went through).

Beyond just communicating a successful transaction, the confirmation page is also a great place to say thank you, communicate gift impact, and keep the donor engaged on your website. After all, you spent all that time and energy (read: money) getting them to your website. Why not encourage them to stay even after they’ve donated?



21 IDEAS FOR YOUR DONATION CONFIRMATION PAGE

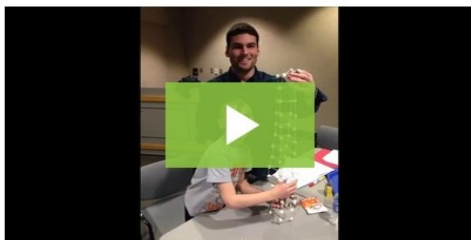
In this first grouping of ideas, you'll find ways to make the donor feel appreciated and set them up to receive future communications from your org. All seven of the ideas below can and should be featured on one page.

Make the donor feel special

1. Say "Your donation was processed successfully!" with text
2. Say "Thank you!" with text
3. Say how the donation dollars will be used with text
4. Say how the donation will impact those your organization serves (slightly different from #3) with text
5. A photo or photos that show the impact of their donation
(and/or...)
6. A video that says thanks and shows the impact of their donation

thank you, steven!

Thank you for your generous gift! See what your dollars make possible.



7. Text that explains what the donor can expect to receive from future communications

Generate a second interaction

After you make the donor feel all warm and fuzzy inside, you'll want to re-engage with the donor and generate a second interaction.

The worst thing that can happen is for them to close your website immediately after making a donation. You spent a lot of time and energy a) getting them to your website and b) getting them to donate. Since they're already on your website, give them something enticing to do next.

As opposed to items 1-7 above, you don't want to place all of the items below on one page. This would risk what Unbounce calls The Toothpaste Trance, where a website visitor is given so many options that they end up choosing something at random that will end up being meaningless to them (kind of like when you stare at all the options in the toothpaste aisle).

Choose just a few of the ideas below that make the most sense for your organization.

Whatever you choose represents excellent candidates for A/B testing.

8. Contact info ("Contact us anytime with questions or concerns!")
9. Social media buttons to share that they gave

Thank you for your donation! Your transaction is complete.

Share your generosity and spread the word about Tour de Cure!



10. "Follow Us/Like Us" on social media buttons
11. Links directly to organization social media accounts
12. Link to a donor survey
13. Link to another webpage or blog post
14. Link to upcoming events
15. Link to volunteer opportunities
16. Employee matching option (can be text that asks the donor to see if their employer matches or a search box that searches participating companies).
17. Embedded contact form for feedback ("Have a question or comment? Fill out this form to let us know!")
18. Link or form to subscribe to blog
19. Create and send tribute card



Social proof

Your donation confirmation page is also a good opportunity to reassure the donor that they are not alone and that their gift matters.

20. Donor testimonial (why I give and/or continue to give)

21. Campaign or project status

If you're a Bloomerang user, you have the ability to build a confirmation message in Bloomerang, or redirect to a dedicated URL.

If you have the ability to create and customize your own web pages, be sure to take advantage of the redirect option.

2

Confirmation email / receipt

As your donor is browsing the confirmation page, an email receipt should be hitting their inbox. This is typically auto-generated by whatever software or application you use to collect online donations.

There is a surprising amount of room to make the donor feel special and show that your cause is one worth supporting in the blank canvas of an acknowledgement email. You just need to embrace the flexibility that the format allows.

It doesn't have to look like a pharmacy receipt!

Here is a 19-point checklist for your donation email acknowledgements. Follow this formula for an effective thank you that drives additional action!

1. Subject Line

Subject lines are typically perfunctory, but they don't have to be. In fact, you can have some fun and set a donor-centric tone before the recipient even opens up your email.

- Okay: "Donation receipt"
- Better: "Thank you for your donation"
- Best: "Your gift just changed a life"

The risk with that last example is that it might not clearly signify a receipt. Subject lines are a great thing to test, measure and adjust.

2. From/reply-to address

In order to make your email look more personal, set the sender as a real email address, like `john@nonprofit.org`. This looks far more appealing than `no-reply18590101@nonprofit.org`.

3. Branding

Emails that look like they came from your org, rather than a generic payment processor, are more authoritative and trustworthy. At the bare minimum, include your logo.

4. Personalized greeting

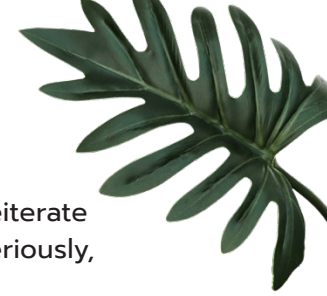
The first words of your email should be a personal greeting that includes the donor's name. No personalization is better than "Dear donor," or "Thanks %%USER NAME%%!" (when bad data causes something to break).

5. Tone

Don't be afraid to take an informal, conversational tone in your email, unless it absolutely contradicts your brand image or voice. A thank you email does not have to be as bland sounding as the note you wrote to your grandmother thanking her for that brand new pair of socks.

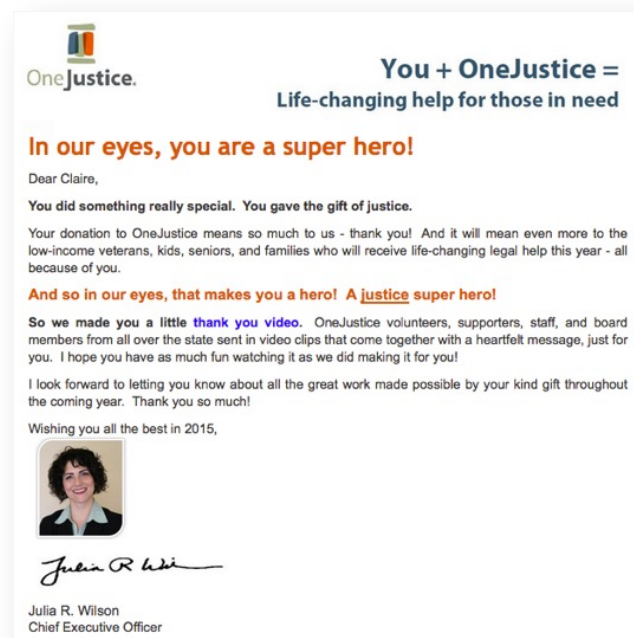
6. Short paragraphs

Short, scannable paragraphs improve readability and help move the recipient down through the email. If they open your email and see one giant wall of text, you can pretty much guarantee that it won't be read. Shoot for two sentences per paragraph break; three at the absolute most.



7. 1st thank you

The first full paragraph of your email acknowledgement should be a thank you. And not just any thank you. You need to shower them with the love and adoration they deserve.



8. Impact statement

The second full paragraph should communicate the impact that the donation made. "Because of you, a family of four will stay warm for one week" or "Your \$20 just supplied the vaccinations one dog needs to be eligible for adoption." Specifically stating how the dollars will be used is best, and you'll really score points if you can weave in the story of a specific recipient.

9. 1st action request

The third full paragraph should ask the donor to take action. This can be a new donor survey or a request for feedback on their experience as a supporter. You could even highlight volunteer opportunities or inquire about employee matching.

10. 2nd thank you

The fourth full paragraph should reiterate how much you appreciate them. Seriously, pour it on here.

11. Humanization

Look for opportunities to humanize your brand, perhaps through a photo of your team or a thank you video.

12. Next steps

In the case of a first-time donation, the fifth full paragraph should set expectations for what the donor should expect from you next. Remember: one of the top seven drivers of donor engagement was that the donor "knows what to expect from your organization with each interaction." In fact, this was the second-most important (all seven are represented in this checklist).

Set the stage here. Start by saying "Over the next few weeks, you can expect to receive..." If this is a returning donor, set the stage for the next immediate touch.

13. Close with personal authorship/signature

You don't want your thank you emails coming from your logo or brand name. Make them come from a real person, like your ED (ghost-written is okay).

14. 2nd action request

Same as above, just do something different from the 1st action request. If the body of the email is getting a little long, you could put this in the footer.

15. “Tax receipt” and org name

The term “tax receipt” and your org name should appear in plain text somewhere on your email.

The donor may have to search their email inbox around tax time, long after the actual donation, to locate this document. Make it easy for them. If it’s embedded in an image, the email client search tool may not pick up on it.

If this email is in addition to a tax receipt email sent by the payment processor, you can skip this step – just make sure that the first email is search-friendly.

16. Social sharing

Consider a “Tweet your support” link that opens a pre-written tweet for the donor to send, like “I just donated to @NonprofitName and you should too >>> (link).”

17. Subscription options

Because this email is a transaction-based email, they are exempt from CAN-SPAM regulations and you are not required to offer an unsubscribe option. However, it is a best practice to offer a “manage email preferences” option that includes an unsubscribe option.

18. Speed

If this email is the only acknowledgement and includes the tax receipt, it should come within minutes of completing the donation. If it is a follow-up to a separate tax receipt, it can come hours later (but same day is best).

19. Size

Strive to keep the file size of your email as small as possible, as this is a trigger for spam filters. Avoiding too many images is the best way to keep your file size down.

Hopefully, you’ve generated a smile and some additional engagement from your donor through the confirmation page and the email receipt.

Now, it’s time to seal the deal.

FOR YOUR TAX PURPOSES.

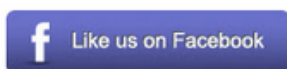
Your donation is tax deductible to the extent allowed by law. Please save this letter for your tax records as confirmation of your donation. charity: water is a 501(c)(3) nonprofit organization. If you have any questions, please email taxreceipts@charitywater.org

THANK YOU.

Thank you for your donation to charity: water. Clean water transforms communities. Every \$1 invested in improved water access and sanitation can yield an average of \$12 in economic returns. We think that’s huge.

MATCHING GIFTS.

Did you know that you may be able to double or triple your impact through your workplace? To see if your company matches donations visit charitywater.org/match/



3

Formal follow-up

Lastly, you have the formal follow-up. As opposed to the email receipt, which is likely automated, you now have the choice of how you'd like to craft your formal gift acknowledgement.

Even though we're discussing donors within one channel (online/digital) there's still room to segment your follow-up. Remember, not all donors are created equal, even if they all donated through your website. It's best to avoid sending the same acknowledgement to all of these donors, regardless of gift frequency, gift size, demographic, communication preference, etc.

First, start with communication preference. Hopefully, you've collected this through an option on your donation form.

Gift frequency should come next. Is this their first gift, or have they given before? Remember: retention rates are poorest for first-time donors, so you might consider concentrating on them. Data shows that phone calls are especially impactful for first-time donors. Not only will they appreciate the special touch, but it gives you an opportunity to learn more about them.

A thank-you call from a board member to a newly acquired donor within 24 hours of receiving the gifts will increase their next gift by 39%"

PENELOPE BURK

Gift amount is another possible way to segment donors, but don't get carried away. After all, \$25 may represent a substantial gift to one donor, in the same way \$1000 does to another.

When sending a letter through the mail, follow the same guidelines for the email receipt above – just be sure to change up some of the content. Handwritten notes and signatures add a personal touch.

For phone calls, consider getting board members and volunteers involved. Thank-a-thons can produce more return on investment than any other board activity! Voicemails are just as good.

If you choose to send another email, be sure it stands apart from the email receipt. Charity: water has mastered the one-two email punch.

Here's their automated receipt:

charity: water | RECEIPT

200 Varick St., Suite 201
New York, NY 10014
Tax ID #: 22-8936753

DONATION FROM: mycharitywater.org - Sept Camp - Sahel - donation - match

Date: 8/19/2014
Donation Number: 0623812

Item: mycharitywater.org - Sept Camp - Sahel - donation - match

Qty: 1

Description: 100% will fund water projects. We acknowledge no goods or services were provided to you in return for your contribution.

Amount: \$10.00

Total: \$10.00

FOR YOUR TAX PURPOSES.
Your donation is tax deductible to the extent allowed by law. Please save this letter for your tax records as confirmation of your donation. charity: water is a 501(c)(3) nonprofit organization. If you have any questions, please email taxreceipts@charitywater.org

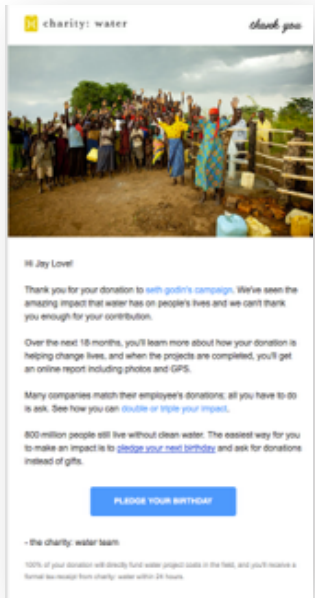
THANK YOU.
Thank you for your donation to charity: water. Clean water transforms communities. Every \$1 invested in improved water access and sanitation can yield an average of \$12 in economic returns. We think that's huge.

MATCHING GIFTS.
Did you know that you may be able to double or triple your impact through your workplace? To see if your company matches donations visit charitywater.org/match/

Follow us on Twitter | Like us on Facebook



And here's their more personal follow-up email:



Donor-centricity is key here. Less “we” words than “you” words, multiple thank you’s and multiple impact statements should permeate the acknowledgement.

Not only should the acknowledgement formats and content be unique for each segment within the digital channel, but they should also stand apart from donor communications pieces outside of that channel.

After all, you may get multiple gifts from a donor in a single year through multiple channels.

When you go beyond segmented follow-up and create a matrix based on multiple factors including channel, you create numerous opportunities to surprise and delight your donors.

For example, if I gave a \$25 gift at a live event in March, and gave \$150 online in September, those two formal acknowledgements should look radically different from one another. It isn’t so much about treating online donors one way and event donors another, but realizing that every unique interaction should be responded to in a similarly unique way.

Once you’ve mastered your confirmation page and initial follow-up, you’ll have built a foundation for retention going forward. Continue to follow best practices for donor stewardship and appeals as you do with all donors, just be sure to continue to utilize their communication preference.



Final thoughts

Digital donors want what all donors want: to feel like they are valued, to feel like their dollars are well spent, and to feel like the organization they support truly does good in the world.

The only difference is how they sent in their gift.

But if you try some of the ideas listed in this eBook for optimizing the automated and personal follow-up processes, we know you'll see results in the form of enhanced donor satisfaction and loyalty among your digital and online donors.

Click [here](#) to find out how Bloomerang can help you manage your donors.