



# THE ART & SCIENCE OF Multichannel **FUNDRAISING**

The ultimate guide to multichannel fundraising, including: **Best Practices** for channel selection, creative, direct mail, email, mobile, social media, renewals, testing, and **8 Case Studies**

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## CHAPTER 1

# What Channels to Use? Depends on the Nonprofit, Its Campaign and Its List

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**T**he core philosophy of integrated marketing is hardly new — that by communicating a consistently targeted message to constituents across multiple channels we increase overall effectiveness beyond the potential of any one channel alone.

But in recent years, the number and nature of channels have increased exponentially. Once a mix of PR, advertising, direct mail and telemarketing, integrated marketing has rapidly evolved to include websites, email, social media, SMS and smartphone applications. The boundaries between these digital channels are fluid, providing constituents with more choices than ever before in how they interact with the causes they support.

Direct mail is still the workhorse of individual giving, yet even this offline channel is deeply influenced by the digital communications revolution. Traditional direct mail practices are evolving as we confront the treasure trove of new data available through digital channels.



Donors are changing too. Digital technologies have splintered and fragmented audiences — particularly along generational lines — and the audiences themselves are growing more sophisticated and demanding in their expectations of nonprofits. We are transitioning from a world of constituent relationship management to one of constituent managed relationships, where the constituent has more influence and control over when, how and where to engage.

The organizations that successfully transition to the new world of integrated direct response marketing will have a unique advantage in their ability to serve donors. By listening closely to donors and striving to interact one to one across the array of new channels, nonprofits can provide donors with the value they seek while maximizing the value of each relationship. In doing so, the organizations themselves will reap the greatest benefit.

Research continually reinforces the axiom that constituents with online and offline relationships are simply more valuable. More channels typically result in more touches and more solicitations; these constituents respond in their channels of choice with more frequency than any others.

That said, this chapter explores the possibilities of five different channels — direct mail, telemarketing, online, peer-to-peer and social media — and the related best practices for each channel that are helping nonprofits of all shapes and sizes reach their goals.

### **Direct Mail/Telemarketing**

Direct mail and telemarketing are alive and well and have an important fundraising future. Looking ahead, what is different is the centrality of these traditional channels to the marketing mix.

Traditionally, direct mail has been the sun around which all other direct response tactics revolved. In the future, there is unlikely to be any single channel that plays such a dominant role. With rapid technology advancements and changing donor preferences, we know the art and science of fundraising have changed — permanently. Who should organizations target with direct mail and telemarketing? Convio research, detailed in a whitepaper titled “The Next Generation of American Giving,” yields clues.

Key findings show that for mature donors, born 1945 or earlier, direct mail dominates over any other giving method. Conversely, no giv-

We have entered an era where a heavy bias toward direct mail as the only donor acquisition channel no longer makes sense.

ing method dominates for Gen Y — Gen Yers are just as likely to give through direct mail as they are on a website, at an event, or in honor or memorial of someone. Gen X and baby boomers register higher direct mail responses but are similarly multichannel-responsive.

There are many reasons that direct mail has remained in the spotlight. It's proven — for every 100 pieces of mail sent yields one gift and the process eventually pays for itself. Direct mail also plays a key role in upgrading and renewing midlevel (typically \$100-\$999) and major donors (typically \$1,000-\$9,000+). And, new donors come from lists of names that can be exchanged or rented for a mailing along with very sophisticated analytics to identify audience.

Postal package formats and the ability to finely segment allow a great deal of personalization. Postcards can be very effective in driving traffic to your website for event registration, membership renewal and advocacy. Postcards need to be large, colorful and impactful.

There's no doubt that direct mail works, but we have entered an era where a heavy bias toward direct mail as the only donor acquisition channel no longer makes sense. For example, direct mail is less effective for responding to disasters; the Haitian earthquake was far better served through email, social and mobile than by direct mail. Couple that with rising postage costs and new donor behavior, and it's increasingly important that nonprofits adapt and use direct mail in a larger multichannel strategy.

Another offline technique to explore is telemarketing, which has seen a resurgence. Why, you wonder, as you cringe at getting called at dinner or during the Super Bowl. Simple: It's immediate, it can pull in online interest codes (dogs, cats, classical music, hiking, right to bear arms, etc.), and then it can both segment and message around those interests. It's also the most effective tactic to convert online donors, activists and other supporters to become loyal donors.

Let's take a closer look at monthly donors. They are best recruited, upgraded and retained tactically using "the phone," as it drives both higher response rates and higher average contribution per month. According to testing scenarios where online activists who were split cell tested through email vs. telemarketing for recurring donor acquisition, telemarketing has a higher response rate by a factor of five times or better.

Additional telemarketing scenarios include membership reinstatement of midlevel and above major supporters and converting DRTV one-time donors to recurring gifts. Again you can measure and test message demographics and offer to convert a higher percentage by phone than by either mail or email.

Telemarketing also supports an urgent need. For example, disasters like the Haiti earthquake or Hurricane Katrina and many legislative matters require fast reactions that only online and telephone fundraising offer.

Today, most direct response revenue comes from direct mail and, to a far lesser extent, telephone fundraising. This is rapidly changing as supporters have moved much of their interactions and lives online. With all of your fundraising efforts, give donors the experience they want, and then test and test again around channel preference, message preference and offer/ask preference, moving your organization closer to your supporters, allowing them to engage in your mission.

### **Online: Web and Email**

The trends simply cannot be ignored: Online fundraising continues to generate positive year-over-year growth. Most nonprofit organizations understand the importance of the Internet for increasing fundraising dollars and improving donor loyalty. The Internet is an efficient channel for nonprofits to reach more people and increase support. By ramping up your online fundraising efforts, you can make the following strides:

- Give your supporters more control
- Maximize your Web presence
- Become more strategic with your email communications

Here are some best practices for using online fundraising tools.

The first step in executing any effective online program is to build a list of constituent email addresses. Adding new donors, volunteers, advocates and supporters to your list is important for growing your donor base because email can and should play a key role in stewardship and donor renewal.

Consider this: By gathering constituents' email addresses, you can send email newsletters and other online communications to constituents to develop an online relationship with them, and also use online

Your website is the best source for reaching new prospects and existing constituents and collecting their email addresses.

behavior to learn more about their interests and opinions so you can make an educated first appeal.

You can build a database of email addresses through many channels. Events, renewal appeals and membership drives provide perfect scenarios for you to approach your current and future members to provide email addresses. Be sure to always inform your constituents on how their email addresses will be used and the benefits they will receive from providing them. By providing constituents with real value in online communications, your organization can save money and time, allowing you to more effectively serve your mission.

Another method is through online gathering. Your website is the best source for reaching new prospects and existing constituents and collecting their email addresses. Visitors to your website have sought you out because they are interested in your organization. This existing affinity is a powerful incentive for online visitors to provide you with the information you need to build long-lasting relationships with them online.

One tip to help utilize your current site is providing a quick online registration mechanism. This should be a clear and prominent feature on the site. Place it in an eye-catching spot above the fold to reflect its importance. You might also use an image or graphic to draw attention to this message. Don't forget to promote registration throughout the rest of your website — consider including a registration link in your page wrapper so the message is included on every page of your site.

One of the most important methods to online marketing is developing online relationships with your supporters. Sending email newsletters, notifications of upcoming events and updates on your organization's progress, as well as creating an online community, all help to keep your cause "top-of-mind" and make supporters feel more connected to your organization. This, in turn, makes them more likely to donate when you send an appeal.

Some steps to help develop these relationships include creating a shared sense of identity with your supporters and giving them a voice. Keep an ongoing conversation with constituents through online surveys, polls and petitions. In addition, you can create a constant narrative by regularly updating website content. Examples include user-contributed content such as telling their stories, commenting on blogs, etc. This

encourages supporters to stay engaged online in order to see how the organization is progressing.

Most development professionals understand the value of strong constituent relationships for driving donations. The Internet is a fast, cost-effective channel for constituent communications, enabling you to build online relationships quickly and easily.

### **Peer to Peer**

The idea behind peer-to-peer fundraising goes beyond just an organization raising money; it includes involving volunteer fundraisers who can raise money on the organization's behalf. Peer-to-peer fundraising solely relies on supporters who are willing to reach out to their own networks of acquaintances to recruit donations in support of a given cause.

Originally, peer-to-peer fundraising took the form of friends and family making “pledges” to support a person’s participation in a charitable campaign or event. The fundraiser would go door to door, send out fundraising letters, or call friends and family to ask them to pledge a donation in support of her participation. The pledged amount was collected later (in the form of cash or check) by the fundraiser and mailed to the organization. With the increasing popularity of credit card payments and the rise of new technology, however, more and more organizations are growing to encompass new forms and channels of fundraising in peer-to-peer campaigns.

As donors continue to adopt the practice of making online gifts with credit cards, peer-to-peer fundraising is largely shifting into the online arena. Rather than go door to door, fundraisers can set up “personal fundraising pages” on the organization’s website (or a third-party fundraising website), where they can tell their stories and explain why they are fundraising on behalf of the organization. The fundraiser can share the URL of her personal fundraising page with friends and family, who then visit the page and make donations in just a few clicks. The integration of email and social media to online fundraising makes peer-to-peer outreach infinitely more scalable for volunteer fundraisers; they can reach hundreds or even thousands of potential donors quickly and easily.

As peer-to-peer fundraising becomes easier to adopt, the methodology has been adapted for many different types of campaigns. Depending on your goals, you might consider one of the following types of peer-to-peer campaign strategies.

Fundraising events have become very popular in recent years, and with good reason ... they often bring in more money than any other fundraising campaign throughout the year.

**Goal: Engage the grassroots**  
**Campaign Strategy: Grassroots Fundraising**

Do you often have supporters tell you that they want to host a fundraiser or raise money on your behalf, but on their own terms? A grassroots fundraising campaign can empower your supporters to host their own events, set up their own fundraising pages and direct all funds to your organization. These campaigns are evergreen and are more about providing the right tools and kits to your supporters than creating or managing a fundraising campaign.

**Goal: Get everyone together and make a statement**  
**Campaign Strategy: Fundraising Events**

Fundraising events have become very popular in recent years, and with good reason — they attract new supporters, provide a great public relations opportunity and often bring in more money than any other fundraising campaign throughout the year. If you have the staff to manage a large event, the money to produce it and a unique idea to promote it, you should consider a signature fundraising event for your organization. Fundraising events are truly multichannel, with elements of direct mail, commercial advertisement, web content, email, social media and even mobile technology making an appearance in the most successful fundraising events.

**Goal: Honor those affected by your mission**  
**Campaign Strategy: Honorary and Memorial Campaigns**

Supporters often wish to honor or remember loved ones by making donations to their favorite charitable organizations. If your organization supports a population that is personally affected or extremely passionate about your cause, you should have a way for supporters to honor those affected by your mission or who champion your mission. Honorary and memorial campaigns allow supporters to set up fundraising pages in honor or memory of loved ones, and ask other friends and family members to show their support by making gifts as well.

**Goal: Engage a population in a specific issue**  
**Campaign Strategy: Virtual Campaigns**

As with every good fundraising campaign, a virtual peer-to-peer campaign should have a specific purpose and a specific ask. Virtual

campaigns are a great way to engage supporters who can't otherwise attend events or donate personally, and are often popular among younger audiences. If you're looking to raise awareness around a certain cause and among a particular audience, a virtual campaign may work for you. In addition to online fundraising pages and email, social media can be a useful tool for providing updates and new content to those participating in a virtual campaign.

In all, peer-to-peer practices are a great way to reach your constituents and make them feel more a part of the cause than other ways. Constituents want to be more than just a signature on a check — they want to be involved. So it's your job as the nonprofit to help them find the best channel. Peer-to-peer strategies help solidify potential donors and encourage current constituents to continue their support.

### **Social Media**

Social media continues to hold the spotlight as the new, exciting channel to watch. And why shouldn't it? The reach is huge, with more than 500 million Facebook users and 95 million tweets per day, and the personalization effect it has on supporters is beyond measure. And it's evolving.

Despite its wide-spread adoption, many organizations still have questions about how to use social media and what exactly it can help accomplish. Common obstacles nonprofits face when adding social elements to their communications and marketing efforts include: resourcing, understanding best practices, learning the nuances of specific tools and measuring ROI.

It's important to recognize that social media isn't a silver bullet that can instantly make your nonprofit's communications more effective. Your organization's social media presence takes continual care and feeding, and fits into your overall communication strategy. Facebook, Twitter and YouTube will not take the place of your email or direct mail program, but they do provide the ability to extend the reach of those communications.

Who is using social media? All generations are adopting new social behaviors, taking advantage of social technologies online to interact in unprecedented ways. Debunking the myth that social media is used exclusively by younger generations, The Next Generation of American Giving study highlighted that not only is there a true cross section of age groups regularly using social tools, but also that these

Listen to what your constituents are talking about, sign up for alerts of your brand and follow thought leaders.

tools are seen as an appropriate channel for solicitation. That means each generation of your supporters is active in social spaces, and considers social media on par with email when it comes to engaging with it and soliciting its help.

If you haven't already entered the social media universe, begin using the tools yourself, and then move to teaching your stakeholders how to use them. Listen to what your constituents are talking about, sign up for alerts of your brand and follow thought leaders.

Social networking can be a learn-as-you-go process, but be sure you're familiar with the basics — and have someone on board within your team who can manage it.

Once you've decided on the social platforms that make the most sense for your organization, use the following categories as your "tactical to-do list" to choose the right tasks to execute based on your personalized strategy.

**1. Listening:** Set up listening tools, such as Google Alerts or social media monitoring tools, for terms or keywords you associate with your mission and organization, URLs, and public figures. Sign up for the major social networks, such as Facebook, and join all of the discussions or fan groups associated with your cause and organization.

**2. Sharing Valuable Content:** As a nonprofit, to be successful in your efforts, never forget that value has to be at the root of the content you share. Create a branded Twitter account, and start sharing updates about your organization or cause through at least two tweets a day. Begin a branded blog, and create at least two relevant posts a month with links back to your website and action pages, such as online petitions or donations.

**3. Engaging With Supporters:** Respond to and retweet Twitter updates that support your mission or communication objectives. Post photos from past years' events on Facebook to better market the event and share experiences with users. Interact with event and conference attendees in person at events, and encourage them to spread news about your activities within their networks. Tap in to influencers — who talks about your issue? Engage with them in their most active mediums. Social media provides hundreds of ways for you to engage with your supporters.

**4. Driving Action & Building Your Email List:** One of the most important things nonprofits can do to drive success is build a file of supporter information — namely email addresses for online communication — to then use in stewardship efforts. For example, add your organization's events and campaigns to your Facebook page to drive registration and encourage involvement. You can promote offline events with blog posts that contain event information and incorporate multimedia from past years' events.

As with any new technology, familiarity builds confidence. Additionally, having clear objectives simplifies planning and execution. Social media shouldn't be overwhelming or difficult. It is a supplemental communication channel that can add tremendous value to your supporters and organization.

### **Conclusion**

Navigating the unknown of a rapidly evolving multichannel world can be overwhelming. The reality is that research and testing no longer keep pace with technological innovation. It's critical that organizations continue to act and adapt.

Getting bogged down in constructing the perfect solution is not an option. The availability of information, the profusion of media sources, the boom in the number of nonprofits created each year mean that we are living in a world where nonprofits must become increasingly competitive for donor dollars. Connecting people to your cause in ways that maximize the value of every relationship requires the right mix of techniques, technologies and timing to achieve the results you desire.

In practical terms, that means that integrated marketing is always a work in progress. It will come in phases, adding one channel or testing a new combination or timing as you go.

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