



Modern Donor Relationships
+
Data-Driven Fundraising:

4 PILLARS

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INTRODUCTION

There are four pillars of a modern donor relationship, and they are the common threads of success for fundraising communications.

Content has always been judged on conversion, but important to note is that relationships are nurtured over several pieces of content. What has not been measured is the impact that content has over time, but is ultimately increasing the overall lifetime value of a donor.

Too often, the pressure to raise money NOW, obscures any strategy towards long term predictable cash flow. The brilliant thing about these four pillars is that when in place, they accomplish both, getting the maximum amount of money today, and ensuring maximum lifetime value.

These pillars were developed over millions of communications studied, including the removal of one pillar or another. Here is what we've learned:





USING PERSONALIZED VARIABLES

We have had multiple organizations send videos through Fundmetric's video engine via email, both using personalized variables, and separately using a generic video. The power of video itself is undeniable, but the results and impact are starkly different when personalized variables are involved.

Let's start with open rates, when using personalized variables in the email, we saw a doubling of engagement compared to those emails that were sent not using personalized variables. When personalization was used in the video itself, the completion rate of those videos averages over 95%.

Having data systems that can pull out data points about constituents and insert them into communications is a crucial step into personalizing a donor experience. This can be as simple as using their first name and as detailed as remembering a donor's first gift of x amount on x date or notifying them of an event that is taking place x miles from their home.

The trade off with personalization in traditional solutions has been choosing between authenticity OR a very manual process. In other words you may record a video for each donor, OR choose to go with generic phrases like "Dear Supporter". Each of these sacrifices either the authenticity or the scalability of the various solutions, but this is no longer required in today's data driven age. There is a better way, but it requires harmony of more than one of the pillars we will go through.

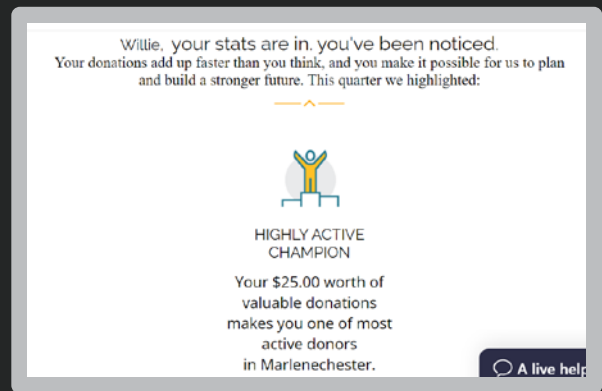


Figure 1: Go beyond the name to make sure the donor takes notice

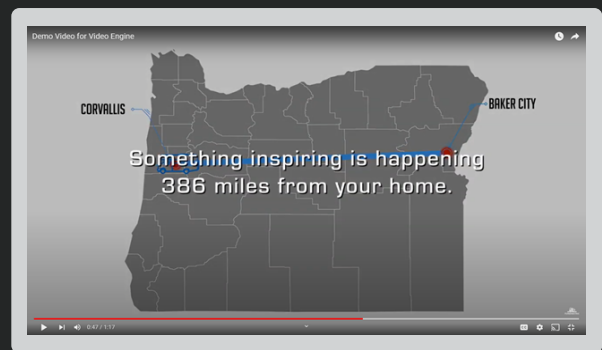


Figure 2: Demonstrates a calculated value derived from data but not stored in the database



MAKE DONORS FEEL PART OF SOMETHING LARGER

While using personalized variables is critical for relationship building at scale, personalizing the whole experience of a communication also requires that people feel part of something larger than themselves.

People crave to know that they are not alone and that they're not the only ones willing to step up to the plate. So many of the social issues we tackle seem insurmountable, and sometimes it can feel like our donations are going into a black hole.

In order to combat that black hole feeling, we have to understand that futility is a key marker in demotivation. Futility or hopelessness is a cancer in terms of donor retention, if donors are feeling that the cause they are supporting is futile, then they are less likely to believe they can make a difference.

One of the anecdotes to futility is in ensuring that people know that they are not alone, and that others are taking the same action.

The formula for showing that you're part of something larger is you + X, or aggregated data. This is deliberately not personalized, which means that the goal that you + X accomplish needs to be as specific as possible to have an impact. For example, "you + X helped us with cancer research" is not specific enough, but "you + X paid for 50 life saving MRI's" is.



Figure 3: Videos are personalized for each donor automatically using this shows they are not alone

It's important to acknowledge that these impact statements don't often break down nicely in the real world, but it is important to make the effort no matter if it's imperfect. Don't be afraid to acknowledge the imperfection and point them to the annual report for harder numbers. In fact, directing a donor to an annual report is great, because we know that no unengaged constituent is going to read financial statements for fun.



DONORS NEED UNDERSTAND THEIR IMPACT

Another anecdote to the feeling of futility, is providing hope through demonstrating impact. Too often impact is seen as results, and a key insight we have noticed in our data is that while results are a form of impact, results aren't the only way to communicate impact.

Another form of impact is momentum or progress based, there is usually a segment of your constituency that drives satisfaction from building things. These people aren't as interested in knowing how many wells were provided to a vulnerable population, as they are interested in how many maintenance workers were trained to be able to fix them.



Figure 4: Video using low numbers if donors feel responsible for filling a gap

They will be particularly interested in insights or learnings coming from the population that you are trying to help. Like how you learned that you couldn't build those wells in certain locations because of tribal conflict or unfeasible environment.

For example, an organization like Care Canada originally started dropping care packages in war torn countries, and has since evolved to deal with other humanitarian issues that they learned were needed in a modern world. It is sufficient to say that Care Canada's donors have evolved with them as they have expanded their work based on learnings and how their understanding of poverty has grown over the decades. For more on this, you can listen to our podcast with Care Canada CEO Barbara Grantham [here](#).

Donors motivated by progress and evidence of a sustained effort, are particularly keen to help you solve the problem, and not as keen to judge you on results. Demonstrating progress can have the net effect of relieving pressure on your fundraising, shifting power to the fundraiser over other



TRANSPARENT AND EFFICIENT

Progress based impact communication goes hand in hand with transparency and efficiency.

Transparency is not necessarily the same as accountability, it includes the willingness to acknowledge both the successes and the learning opportunities that arise from challenges.

Being made aware of insights and learnings that an organization has made is exciting to donors because it shows that their dollars are going to an organization that is constantly improving, and paying attention to what works and what doesn't.

Being transparent about what you learned from what you did, vs just what you did, gives donors insight into your organization's efficiency. This kind of transparency builds donor affinity as it allows for donors to build a human level of trust with an organization when they feel their dollars are being used to make their impact more efficient and effective.

In conclusion, you need all four of these pillars for success. Key to note is that we don't disqualify any pillars from a message, and that all the pillars work in harmony when they are communicated together

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