

Relationship Marketing

Creating the “Donor Experience”
for Conversion and Retention



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Presenter



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“After 15 years in the Big 4, I felt called to use my talents for a greater social impact. So I launched Snowflake, a Certified B Corporation®. We help organizations transform individuals’ and communities’ quality of life.”

Strategy › Organizations › People › Marketing
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Objectives



By the end of this session, you'll learn to:

- › **Define philosophies and key terms**
- › **Understand why to change**
- › **Get to know your donor pool**
- › **Map journeys to conversion and retention**
- › **Create experiences that deliver**
- › **Measure and adjust to results**



Relationship Marketing

Creating the “Donor Experience” for Conversion and Retention

The Goal



What do non-profits seek from donor development?

Consistent revenue
Increasing contributions
Long-term, recurring donors

**We want to maintain the baseline, increase amounts,
expand the pool, and get people to keep giving.**

Implications



What does this mean for our approach to donors?

Long-term relationships over “one-and-done” interactions



We need to stop looking at donors simply as transactions, and start seeing them as people.

Forming Bonds



What are the characteristics of a strong relationship?

Finding a connection

Meeting on each other's terms

Recognizing unique traits

Developing trust

Ensuring mutual benefits

Displaying gratitude

Continuously communicating

**Rewarding relationships are developed over time,
and require effort on the part of both parties.**

Unique Personalities



Are all relationships the same?

**Are your friends and acquaintances exactly alike?
Do you act differently depending on who you're with?
Is every relationship equally valuable?
Do you prioritize some people over others?**

No, they're not!

**Building and maintaining relationships
requires a different approach for each person.**

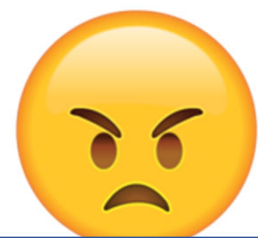
Little Moments



What are relationships built on?

Experiences!

“Events (or non-events) that affect people’s thoughts and feelings about a relationship, and how they’re inclined to act.”



The quality of a relationship is driven by the impacts of experiences throughout the life cycle.

Takeaway



The same concepts that apply to individuals are also relevant to non-profits and their donors.

This is the foundation for

Relationship Marketing

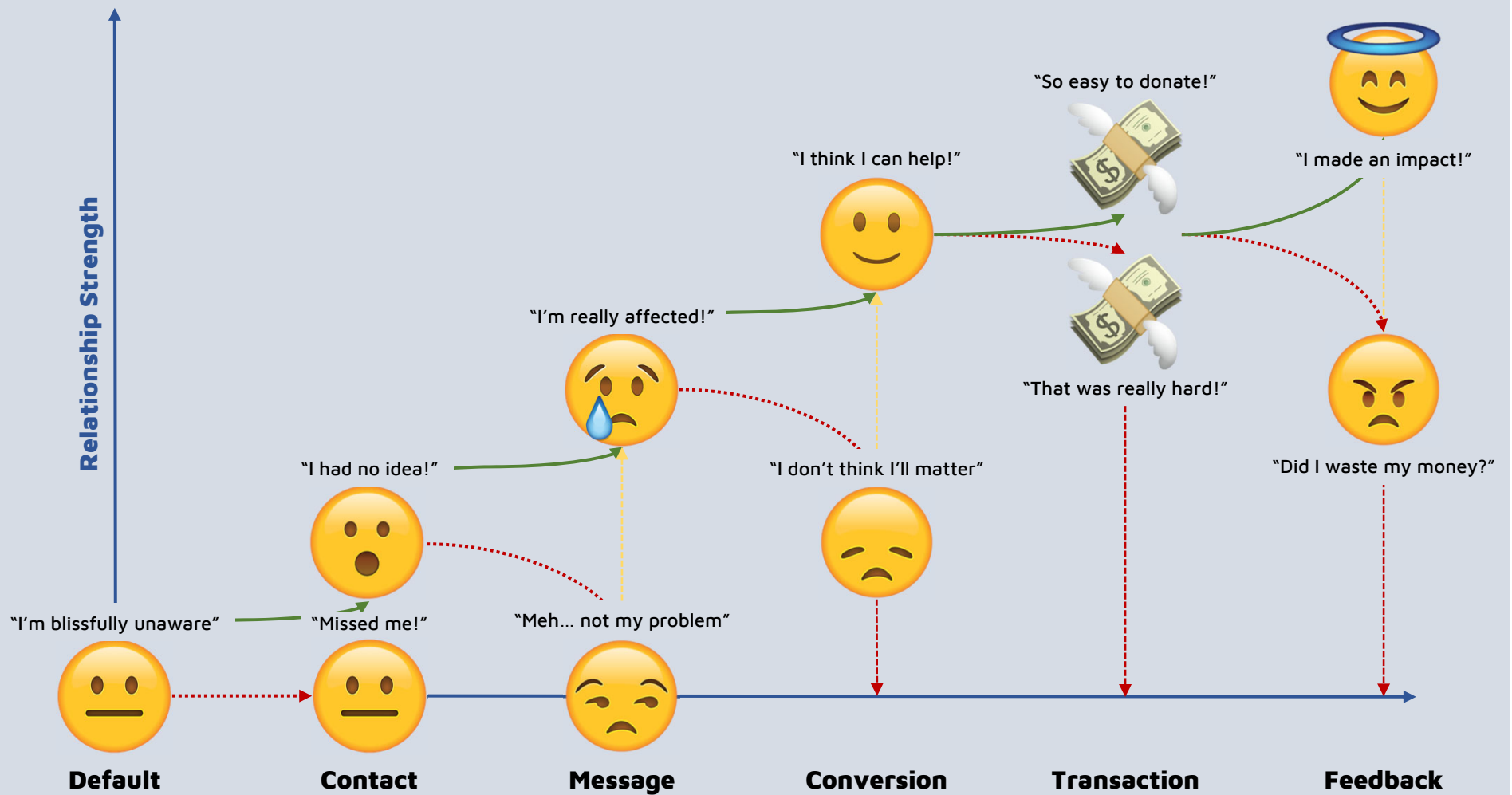
“Creating complete personal experiences that influence donors to engage and give in a long-term relationship.”

Non-profits that embrace relationship marketing increase revenue and sustain it over time.

Illustration



Experiences directly affect how relationships unfold.





Why Bother?

Rationale for Adopting Relationship Marketing

The Standards



Non-profits try many things to secure and retain donors.



**What are the approaches
your non-profit is taking?**

Mail and E-mail



Many non-profits use mail and e-mail for regular appeals.

› Direct mail

- Costs for mailing lists, production, distribution
- Recipients often ignore correspondence

Average response rate

6%

Source: MobileCause (2019)

› Electronic mail

- Costs for lists, donor management applications
- Most e-mails are unopened, fewer get responses

Average interaction rate

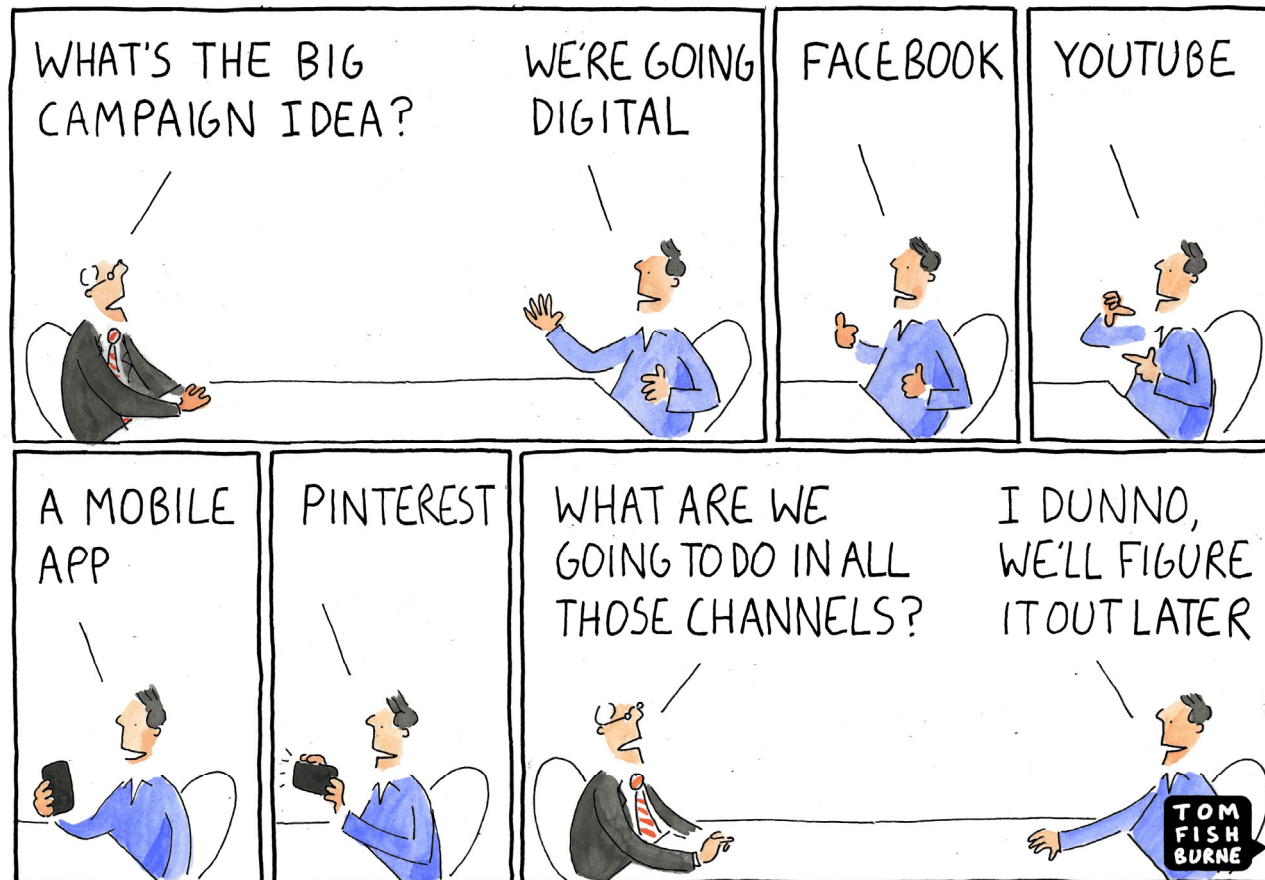
2%

Source: Constant Contact (2018)

New Tools



Web, blogs, and social media are increasingly being used.



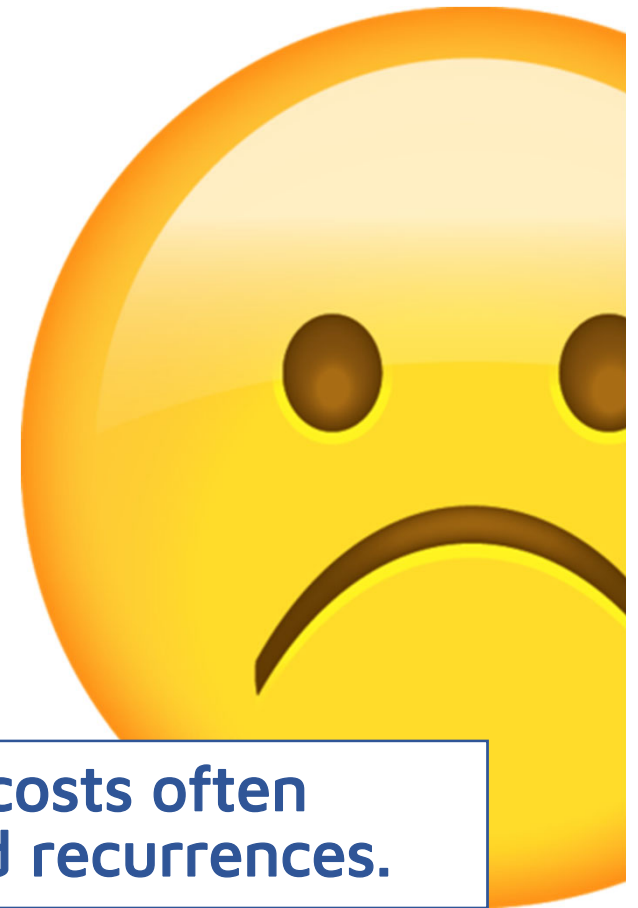
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Bottom Line



What many non-profits are doing isn't working well.

- › They're trying old and new things
- › But, they're flying blind
 - Don't know targets
 - Unaware of their experiences
- › They're focusing on the wrong things
 - Aren't reaching the right people
 - Not compelling them to take action



Financial, time, and opportunity costs often exceed the value of conversions and recurrences.

Takeaway



There's potential in non-profit donor pools that standard approaches aren't reaching. Something needs to change.

What are successful non-profits doing right?

Creating personalized experiences

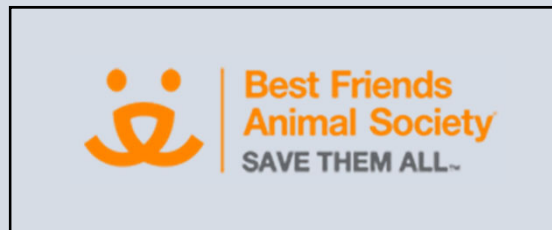
“Knowing your targets and developing interest, trust, and satisfaction are the keys to lasting, rewarding relationships.”

The most successful non-profits are customizing their approaches to the people they want to capture.

Illustration



These organizations demonstrate how powerful strong donor relationships can be.



- › **Significant increases in recurring revenue because they:**
 - **View donors as people, not transactions**
 - **Get to know their targets personally**
 - **Develop integrated, tailored strategies**
 - **Create multi-channel, end-to-end experiences**
 - **Keep donors engaged on their terms**



Relationships: Journeys

Designing Experiences that Influence Your Audience

Time and Effort



Developing relationships is a process.

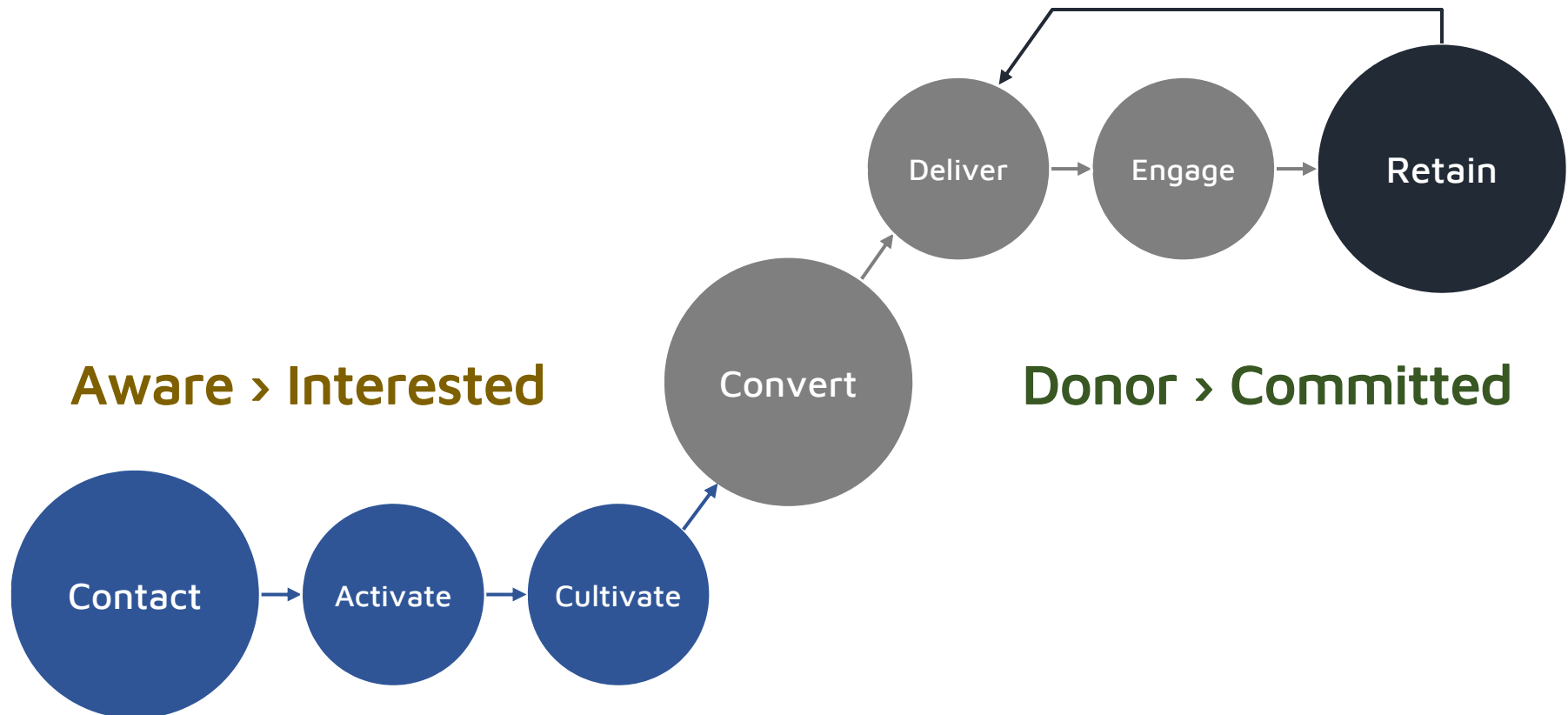


**How are you forming relationships
with your prospects and donors?**

Relationship Cycle



The “relationship cycle” reflects key touchpoints at which non-profits must effectively engage the target audience.



Facilitating Action



Like any relationship, action is required on the parts of both the non-profit and the target audiences.

The goal is to make target donors want to make the effort.

**It's a journey, and
you are the guide**

Non-profits need to provide targets everything they need along the way to becoming recurring donors.

Job Description



What makes for an effective guide?

Knowledge, understanding, customization, commitment.

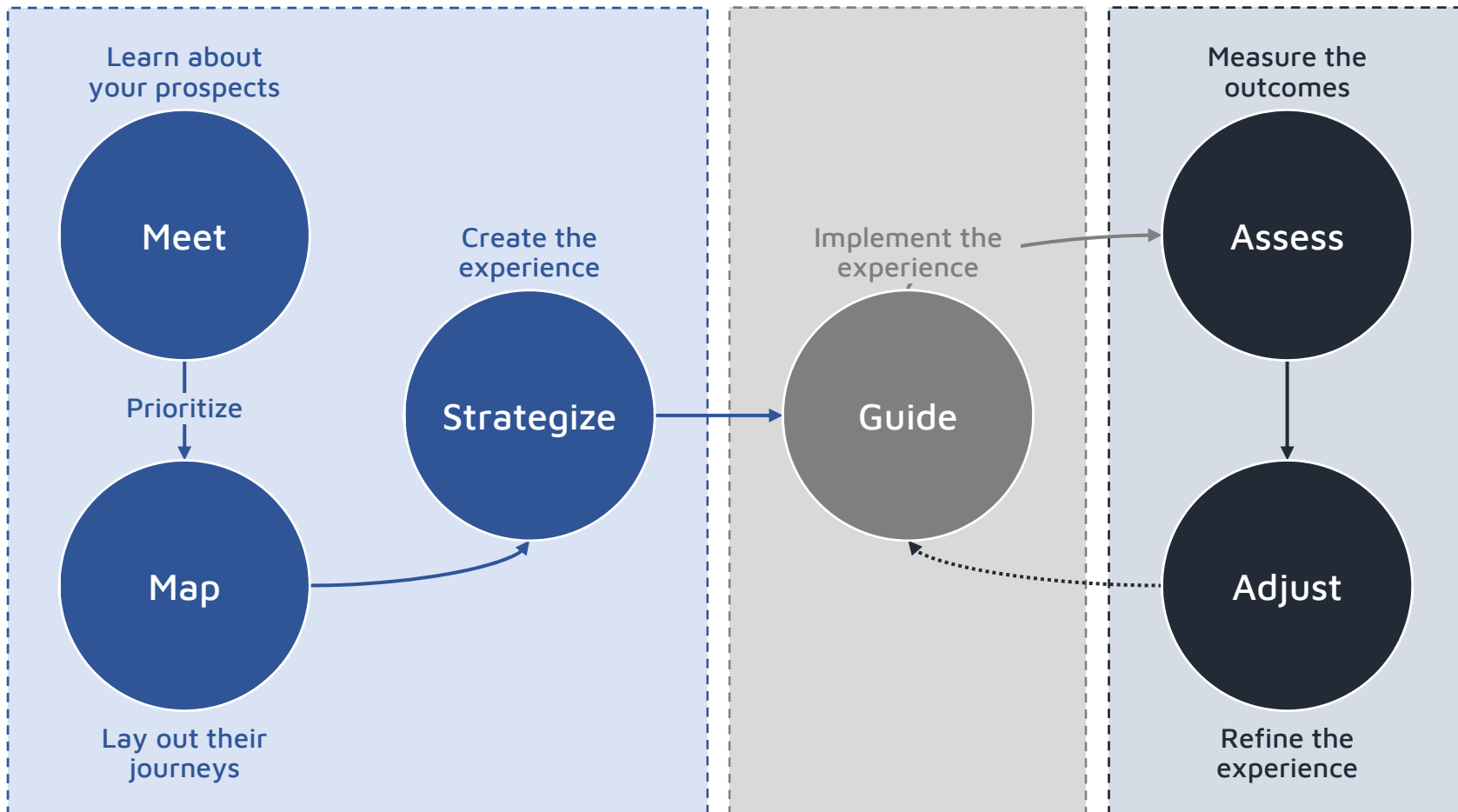
**Give the audience an
experience it won't forget**

Getting to know prospects, prioritizing them, mapping their journeys, and catering to them are the keys.

Approach



Compelling experiences create rewarding relationships.





Introductions

Getting to Know the People in Your Donor Pool

Who Are They?



Knowing who you're after is key to rewarding relationships.



**How well do you
know your audience?**

Donor Pool



Prospective donors in the “market” can be segmented into groups of people with similar characteristics.

Attributes
Potential
Probability



So Much Information!



What can we find out about prospects?

- › **Personal attributes**
 - Demographics
 - Economics
 - Psychographics
 - Behaviors
- › **Connection factors**
 - Issue knowledge
 - Resonance of cause
 - Brand recognition
 - Giving thresholds



Investigation



How do we get to know them?

- › Current and past donors
 - Data exploration
 - Direct to the people
- › General population
 - Individual surveys
 - Group discussions
- › Internal data points
 - Data analytics
 - General observations



Data Analysis



The information helps define and assess the donor pool.

- › **Descriptors**
 - Core characteristics
 - Willingness and capacity
- › **Correlations**
 - Problem recognition
 - Involvement factors
 - Knowledge of non-profit
 - Related interests
 - Engagement preferences
 - Behavioral influences
 - Needs and wants
 - Barriers to participation



Ideal Prospect Groups



The results of analysis enable identification of target donors.

Group A

Annual giving threshold = \$50 – \$100
Probability of donating = 75%
Size of pool = > 500

Demographics

Age range: 30 – 39
Gender: Male
Geography: Timonium
Employment: Full-time, white collar
Income level: \$100,000 – \$149,999
Family status: Married, 0 – 2 children

Awareness

Issue knowledge: Aware, but not of details
Brand recognition: Know name but little else

Basis for Involvement

- Desired to get involved in community
- Care for specific issue when presented

Group B

Annual giving threshold = \$100 – \$500
Probability of donating = 75%
Size of pool = > 500

Demographics

Age range: 65+
Gender: Male or Female
Geography: Owings Mills
Employment: Semi-retired, retired
Income level: \$50,000 – \$74,999
Family status: Married, 3 – 4 children

Awareness

Issue knowledge: Generally unaware
Brand recognition: Never heard of us

Basis for Involvement

- Want to give money to a good cause
- Prefer local to national charities

Donor Personas



Information puts a “face and a name” to key donor groups.

Group A

Annual giving threshold = \$100 – \$500
Probability of donating = 75%
Size of pool = < 500

Demographics

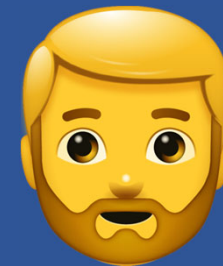
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Working Name

- › Knowledge of the problem
- › Level of interest in addressing the issue
- › Awareness of non-profit
- › Facility with and use of technology
- › Shopping and buying habits
- › Employment commitments
- › Use of personal free time
- › Involvement in community groups
- › Interest and participation in social causes
- › Cause-based donation behaviors
- › Post-donation needs and wants
- › Follow-up engagement preferences

Development



What's important to remember when developing personas?

- › **Data-driven**
 - Uses what we've learned
 - Completes the image
- › **Creativity**
 - "Art" as much as "science"
 - Involves different people
- › **Iteration**
 - Tested with representatives
 - Refined through feedback



Takeaway



Understanding the donor pool is essential to meeting target audiences, and is the basis for creating tailored experiences.

What does data about the donor pool enable?

Prioritizing and personifying

“Getting to intimately know the people most likely to donate is essential to developing relationships that endure.”

Deep, personal knowledge of “ideal donors” allows non-profits to map and guide relationship journeys.

Illustration (a)



What does a donor persona look like in practice?

Group A

Annual giving threshold = \$100 – \$500
Probability of donating = 75%
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Age range: 30 – 39
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Basis for Involvement

- Desired to get involved in community
- Care for specific issue when presented



Rod Marshall

- General idea there is local homelessness
- Became interested when informed of extent
- Heard of us, but doesn't know what we do
- Big social media user, always on computer
- Shops on-line, avoids brick-and-mortar
- Dedicated to job, works >60 hours per week
- Not religious, does not go to church
- Not actively involved in community activities
- Interested in social causes, but has no time
- Donates impulsively, attaches to recipients
- Cares about what happens to his money
- Wants to be told, doesn't seek information

Illustration (b)



What does a donor persona look like in practice?

Group B

Annual giving threshold = \$100 – \$500
Probability of donating = 75%
Size of pool = > 500

Demographics

Age range: 65+
Gender: Male
Geography: Owings Mills
Employment: Semi-retired, retired
Income level: \$50,000 – \$74,999
Family status: Married, 3 – 4 children

Awareness

Issue knowledge: Generally unaware
Brand recognition: Never heard of us

Basis for Involvement

- Want to give money to a good cause
- Prefer local to national charities



Don Scherer

- Surprised to learn homelessness is an issue
- Thinks more should be done, now that he knows
- Knows national charities, never heard of us
- Uncomfortable around computers, but tries
- Comparative shopper, coupon-clipper
- Semi-retired, works for spending money
- Active church-goer, involved in church groups
- Plays a lot of golf in his free time
- Donates at end of year to national organizations
- Doesn't research recipients, goes by "feel"
- Doesn't pay much attention to recipients' results
- Interested in current events, learns from TV



Donor Journeys

How People Go from Contact to Conversion to Retention

Getting “There”



You need to know how people get from Point A to Point B.



Do you understand why your donors commit to your non-profit?

Progressions



Journeys = Prospects movements towards the goal by engaging at “key moments.”

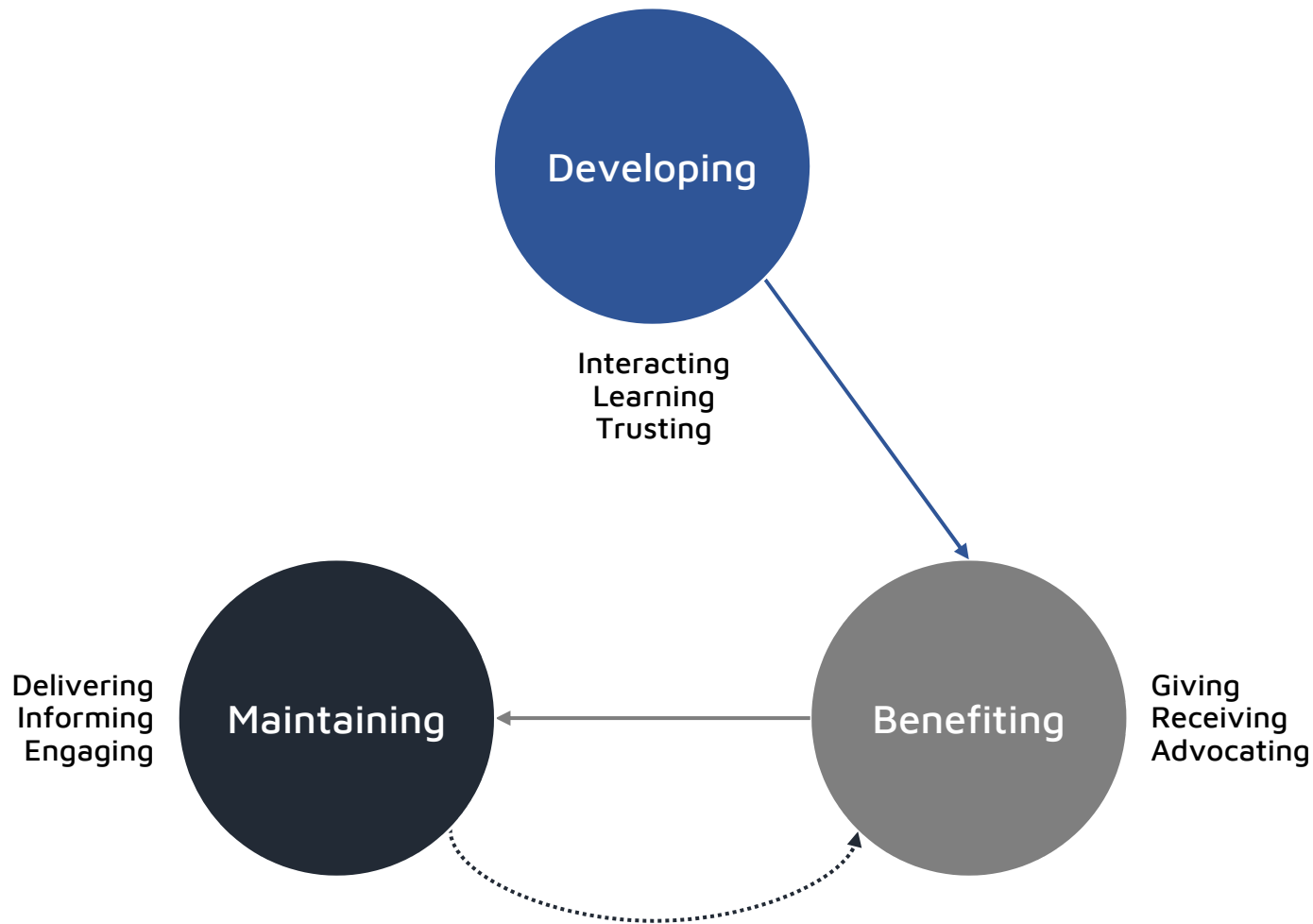
Stages and Status Thinking and Feeling Opportunities



Relationship Phases



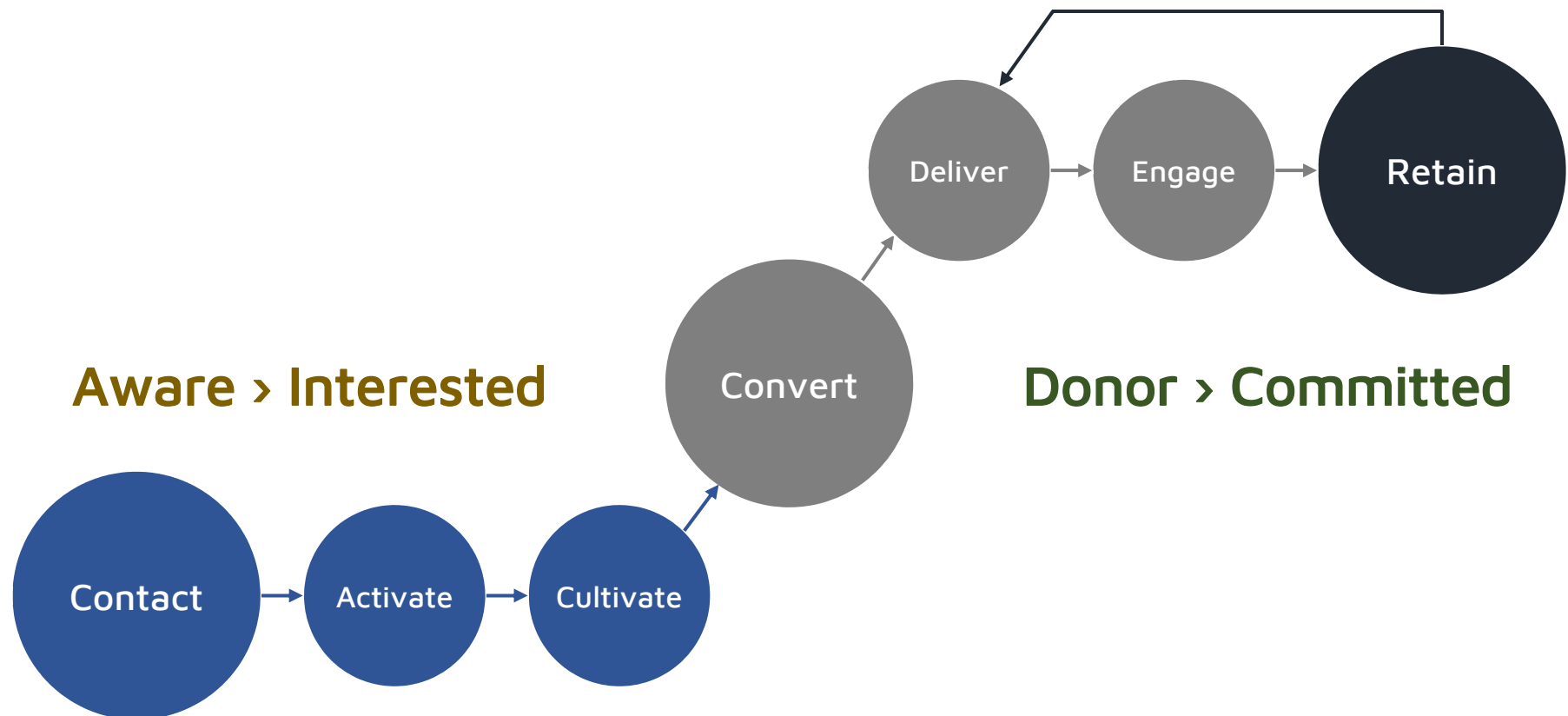
There are three basic “action groups” in relationship journeys.



Steps on the Way



Remember the “relationship cycle?” These are the key touchpoints on the target donor’s journey.

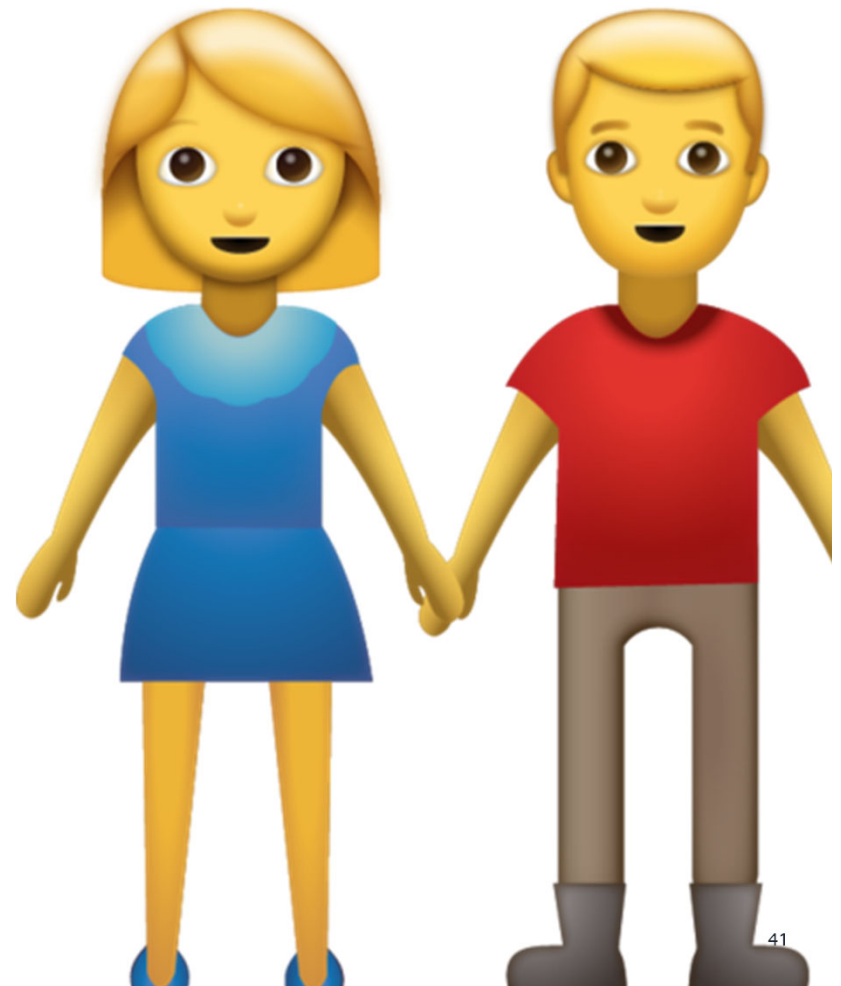


Evolution



The donor experience has to guide the audience through a “transformation” along the journey.

- › Aware of the problem
- › Educated on the issue
- › Invested in solving it
- › Convinced in the non-profit
- › Aligned with the “ask”
- › Acting to contribute
- › Satisfied with delivery
- › Engaged over the long term
- › Committed to the cause
- › Advocating for the non-profit



Key Elements

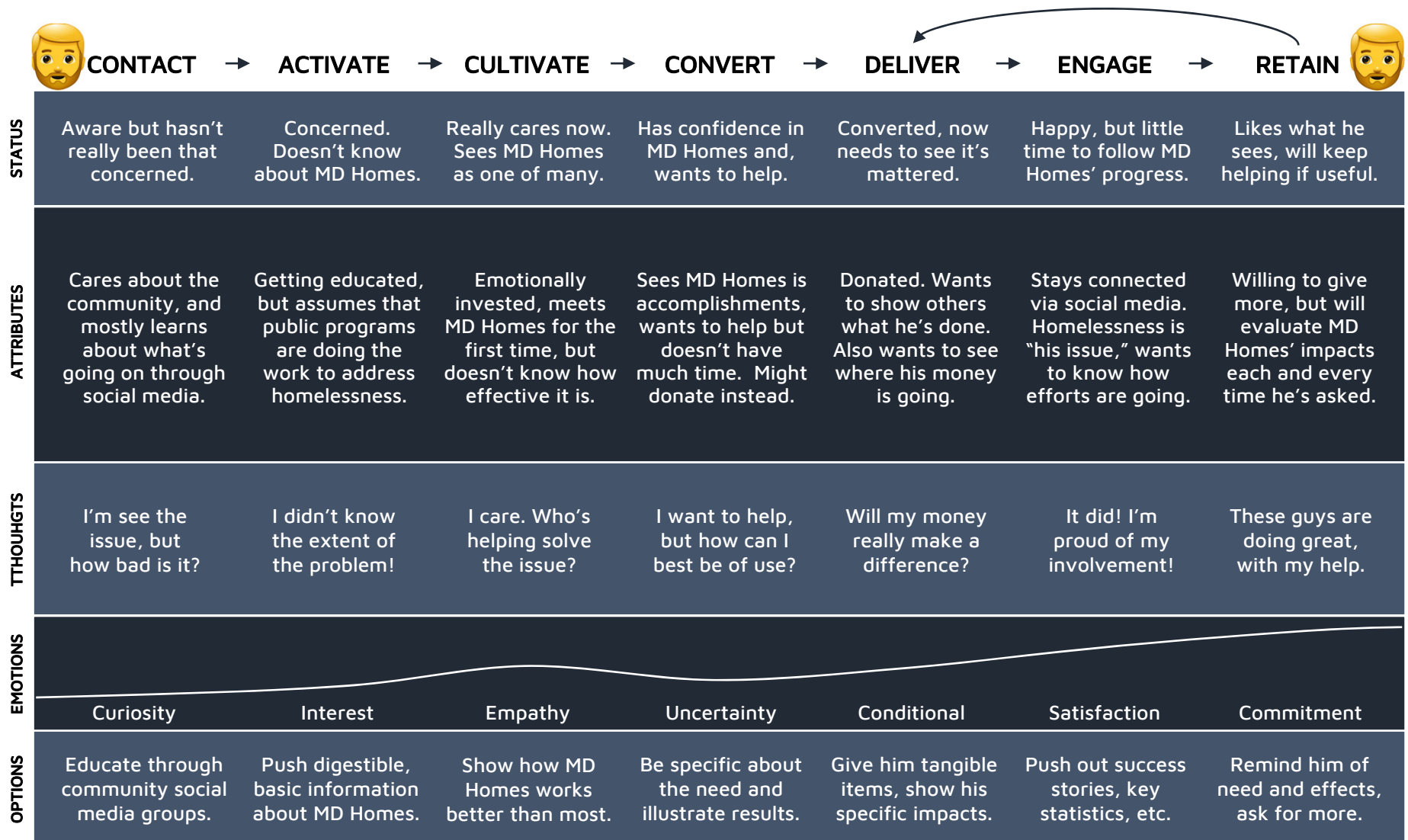


What do we see at each stage of the journey?

- › **Status**
 - Overall impressions
- › **Attributes**
 - Where they're at
- › **Thoughts**
 - What's on their minds
- › **Emotions**
 - Peaks and valleys
- › **Options**
 - Ways to move forward



Journey Maps



Development



What are the key points in developing journey maps?

- › **Rely on personas**
 - Built on personal traits
 - Describe “typical” progress
- › **Highly interactive**
 - Visual, dynamic construction
 - May be software-enabled
- › **Always evolving**
 - Baseline assumptions
 - Reality-based adaptation



Takeaway



Understanding the journey enables creation of tailored experiences based on “where they’re at.”

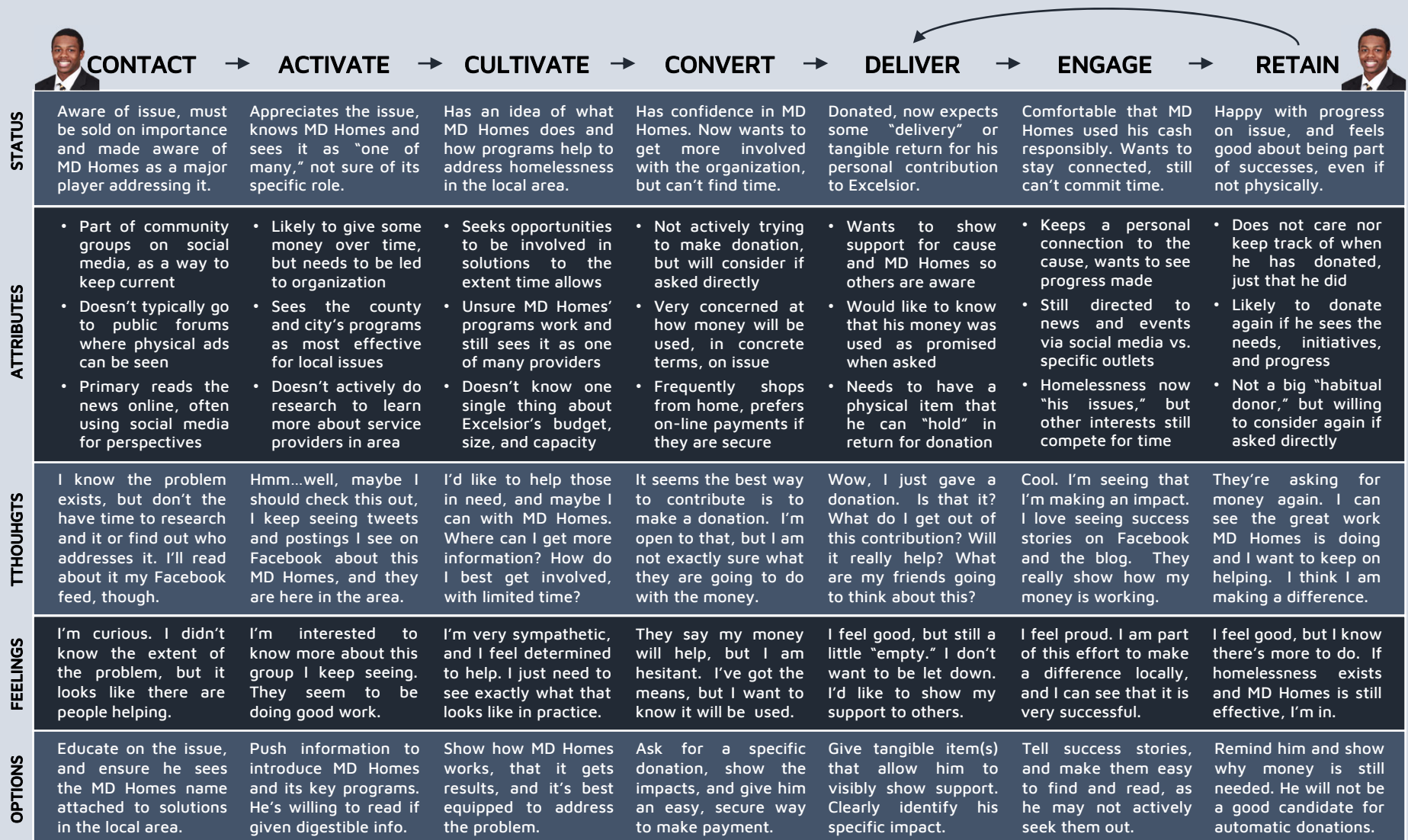
What do journey maps allow?

Recognizing and influencing

“When you know where your prospect is likely to be, it’s easier to control the experience she has.”

Journey maps show progression in relationship development, and highlight opportunities to engage.

Illustration





Donor Experiences

Creating Pathways that Generate Lasting Results

Connect and Convert



Experiences dictate the strength of relationships.



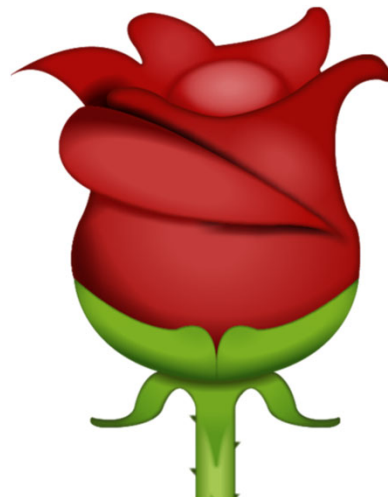
What kind of experiences do your donors have engaging with you?

Experiences



**Non-profits can influence how people interact with them.
Make them feel special, and make it easy to engage.**

Touchpoints Content Platforms



Major Factors



Where should non-profits focus when creating experiences?

- › **Key Events**
 - Frequency and type of contact
 - What, where, when, how
- › **Decision Points**
 - Progression milestones
 - Requests, incentives, promises
- › **Ease of Access**
 - Interactions and payments
 - Channels, applications



A Closer Look



Facilitating progression, decisions, and actions is critical.

Key Events	Decision Points	Ease of Access
› Make the introduction › Provide information › Ask for action	› Find out more › Proceed to next phase › Make a donation	› Inbound contacts › Donation platforms › “Push” communications
“Visit our web site” “Click to donate now”	“I’m interested in this” “I’m ready to contribute”	“I have some questions” “I want to write a check”
› Message › Format › Media › Placement › Timing	› Incentives › Calls to Action	› Destinations › Results

Remember, the best experiences are customized to the donor segment’s knowledge, preferences, etc.

Levers of Influence



Lever	Definition	Examples
Message	What the audience is told	› Issue details › Accomplishments and goals
Format	How information is conveyed	› Infographics (timelines, stats, etc.) › Personal stories
Media	Presentation method(s)	› Written updates › Informational videos
Placement	Channels selected for delivery	› Specific social media groups › Paid radio advertisements
Timing	Schedule for message placement	› Daily for a set duration › Every Sunday between 8 – 10am
Incentives	What the next stage offers	› Non-profit collateral › Specific impact on the problem
Call to Action	What the audience needs to do	› Click to learn more › Make a certain level of donation
Destination	Where the Call to Action leads	› Landing page on web site › Secure, fast e-payment site
Results	What happens after the action	› Join our mailing list option › Personal “thank you” from ED

Takeaway



There are many components of donor interactions, and they must be tightly integrated to create a complete experience.

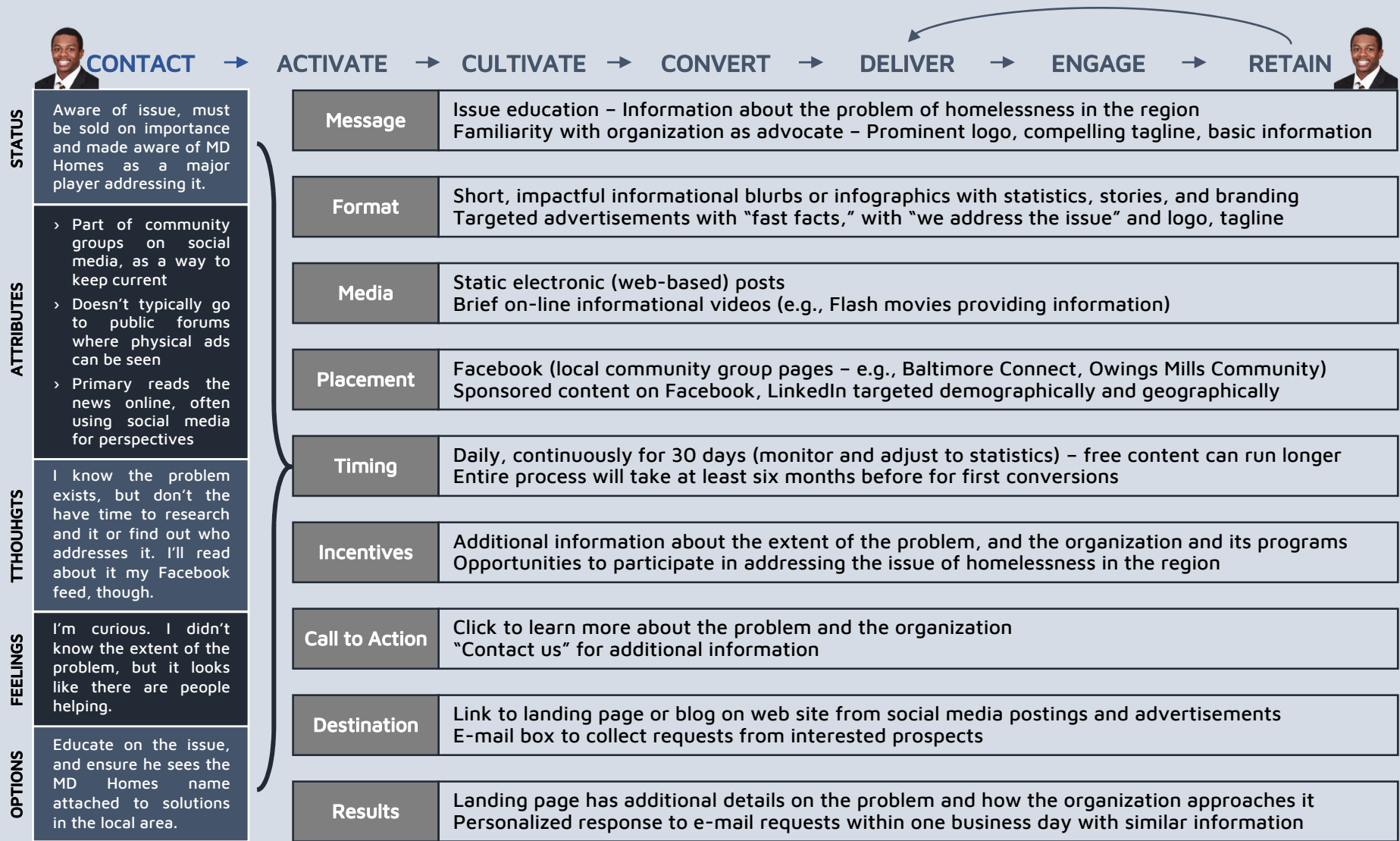
What is the key thing non-profits want to accomplish?

Make everything easy

“Making it simple requires meeting prospects on their terms—their ‘positions,’ preferences, behaviors, concerns, etc.”

A positive experience is a personal one, leading a prospect end-to-end to become a recurring donor.

Illustration





Measuring and Adapting

Evaluating Outcomes and Refining Experiences

Knowing Results



Understanding outcomes is essential to relationship-building.



What are you doing to measure the effectiveness of your efforts?

The Outcomes



Strong relationships are dynamic in nature, changing as each party learns more. It's important to observe and respond!

**Metrics
Progress
Effectiveness**



Data Analytics



Data tells a lot about the effectiveness of the experience.

- › Prospect reach
 - Are we “meeting” target prospects?
- › Issue resonance
 - Do they “get it,” and care?
- › Brand recognition
 - Do they know and trust us?
- › Level of interaction
 - Do they take action? If not, why not?
- › Donor revenue
 - How much, and from where?



Feedback Sources



The data non-profits need is widely available, if they're willing to find and know how to interpret it.

- › Current donor information
- › Web dashboards
- › Media-specific providers
- › Social platforms
- › Third-party applications
- › The audiences themselves

Every source gives different information. To use it for adjustments, we need to put it all together.

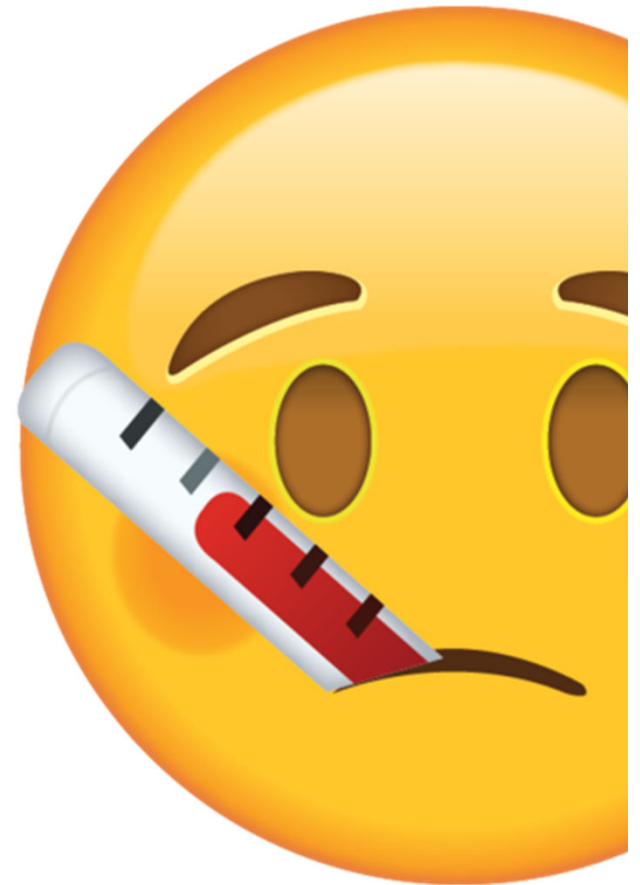


Refinement



Issue recognition enables responsive adaptation.

- › **Learn and respond**
 - Refine journey maps
 - Identify “missed moments”
- › **Alter the approach**
 - Revise messaging
 - Communicate differently
 - Modify distribution channels
- › **Make it easier**
 - Align donation methods
 - Eliminate barriers



Considerations



What's important to remember about monitoring results?

- › **Metrics**
 - Informative measures
 - Key financial milestones
- › **Measurement**
 - Tools to collect data
 - Continuous monitoring
- › **Evaluation**
 - Actual vs. planned journey
 - Explanatory factors



Takeaway



Monitoring the situation and responding to problems are key to building and maintaining lasting relationships.

Experiences are perfected over time, so:

Be attentive and flexible

“We can learn so much as people engage with the experience, and use that knowledge to continuously improve it.”

Who doesn't measure results? If you don't, how can you ensure your strategy is working?

Illustration



Social media campaign to inform the target audience about the extent and impacts of homelessness in Maryland



Placement: Baltimore Connect Facebook Page

Two-week period – 1,500 views, 182 clicks, 3% requested more information
The demographics of the viewers are consistent with our persona.

Initial Interpretation

The message is reaching the right people, but it's not compelling them to action. Is it the message itself, the way it's presented, or both?

Extended Analysis

We have a one-minute video on the landing page, but people aren't watching it. Of the 182 clicks, only 28 people clicked on the video link.

Responsive Action Plan

Consider changing the format to eliminate the extra action (video click) and provide visual information immediately upon landing on our page.



Wrap-up

Summary, Questions and Answers, and More Information

End of the Tour



This concludes this afternoon's discussion!



What are the key things you'll remember from this session?

Key Points



Things to keep in mind about Relationship Marketing

- › Don't objectify... personify
- › Focus on lasting relationships
- › Get to know your target audience
- › Be a great guide
- › Go where the people are
- › Speak your prospects' language
- › Make decisions and actions easy
- › Measure, adjust, measure again



Ask Away!



Relationship Marketing
Creating the “Donor Experience”
for Conversion and Retention

**What questions do you have?
Did you learn what you hoped?**

More Information



Interested in finding out more?

tom.morley@snowflake.com
www.snowflake.com/contact



Thank You



Thank you to Maryland Nonprofits for the opportunity to present at this year's conference.

I'm especially grateful to you for attending this session!

Please Tweet your thoughts!

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