

Profundo

Measuring donor satisfaction and loyalty

November, 2016

Roger Lawson Consulting

INSIGHT ★ STRATEGY ★ INCOME



Roger Lawson



Roger Lawson Consulting

Helping charities grow donor loyalty



About Loyalty

The charity sector's only Loyalty
benchmarking service

Roger Lawson



How fundraising has changed... 1992

What we did:

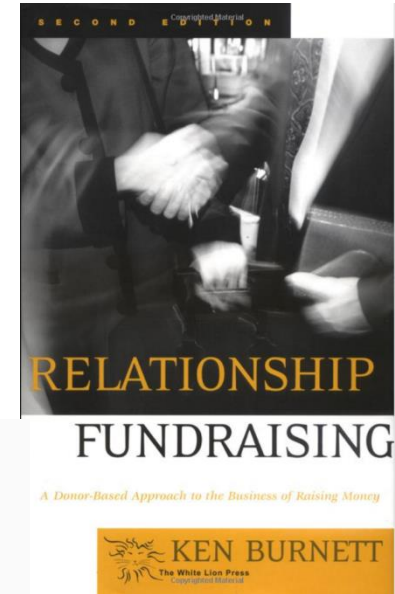
- Acquisition and development

Strategy

- Cold and appeals and DD conversion
- Thank you letters and newsletters

Our language:

- Relationship Fundraising
- Donor pyramid



How has fundraising changed... 2000

What happened?

- Along came the internet and face-to-face
- We discovered campaigning

Strategy

- Product cross-selling
- Channel integration

New language

- Integration



**Transactional
Engagement**

How has fundraising changed... today

What has changed now?

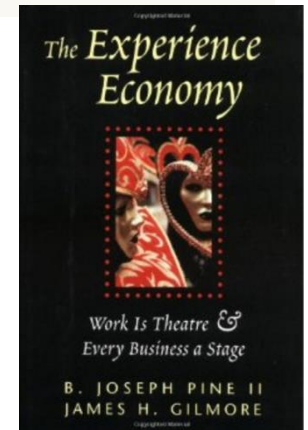
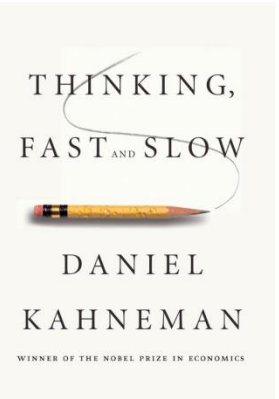
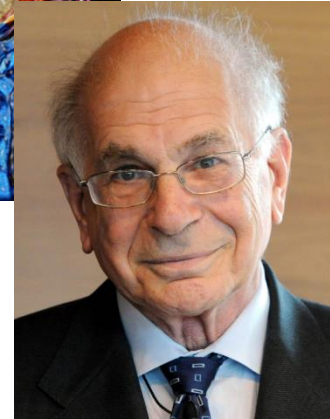
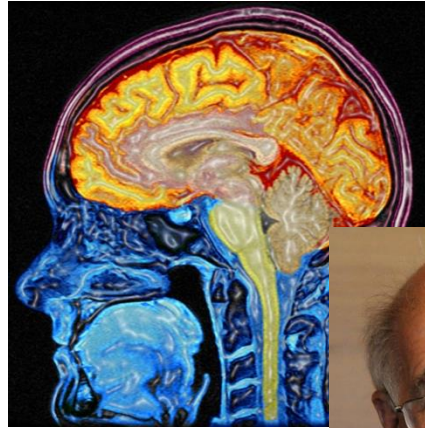
- Communications trigger emotions
- Emotions trigger response

Strategy

- Engagement
- Experience

New language:

- Loyalty



**Emotional
Engagement**

Loyalty

Why is Loyalty important?

"A 10% improvement in attrition can yield up to a 200% increase in projected value"

Professor Adrian Sargeant ¹



Source:

1: Professor Adrian Sargeant: Donor Retention: What Do We Know and What Can We Do About It? (May 2008)

2: Fundraising Effectiveness Project (2011)

Two types of Loyalty

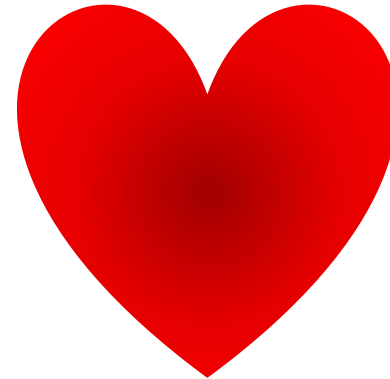
Behavioural Loyalty

How long someone gives for



Emotional Loyalty

The *feeling* of support or allegiance for a charity or cause



Loyalty is driven by...



Personal
connection



Familiarity



Perceived
performance



Shared
values



Satisfaction



Engagement



Social
capital



Identity



Commitment



Communal
orientation



Knowledge



Trust

Take a minute

What do you think drives Loyalty of **your** donors?

What do you think drives Loyalty of your donors?



Personal
connection



Familiarity



Perceived
performance



Shared
values



Satisfaction



Engagement



Social
capital



Identity



Commitment



Communal
orientation

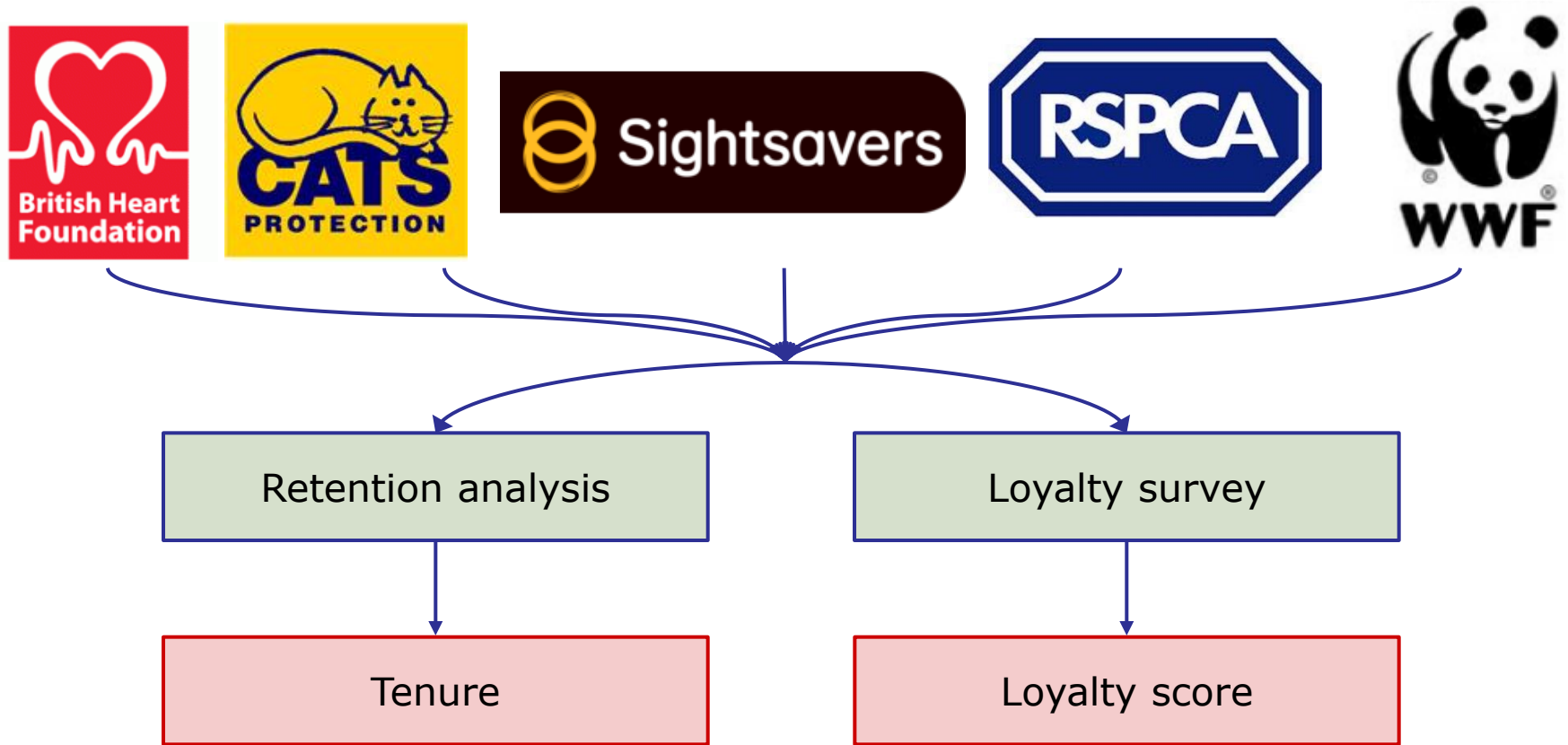


Knowledge



Trust

The research project

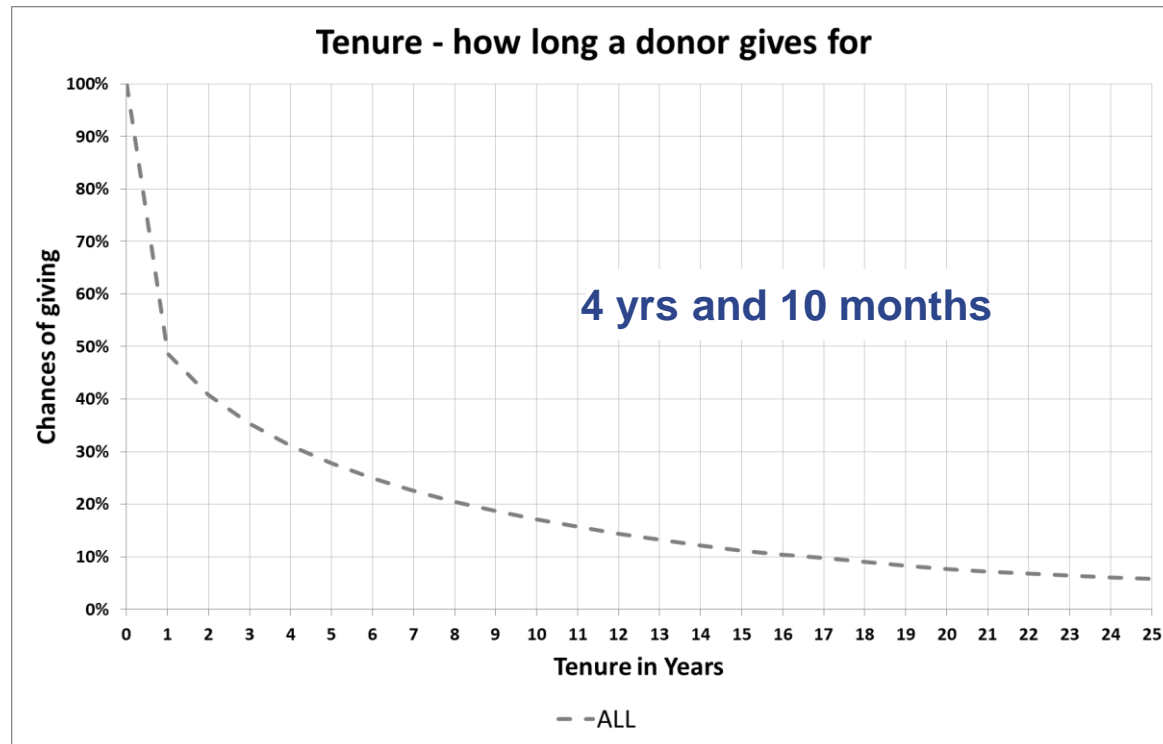


The research project

	Total no donors	Number of surveys sent	Total survey responses	Response rate	Survey responses analysed (supported >= 18 months)
Charity A	2,027,809	311,101	9,884	3.18%	5,073
Charity B	582,373	69,727	3,530	5.06%	2,412
Charity C	1,884,614	50,431	1,968	3.90%	1,642
Charity D	439,290	51,649	2,542	4.92%	1,869
Charity E	1,685,138	100,438	4,266	4.25%	2,716
Total	6,619,224	583,346	22,190	3.80%	13,712

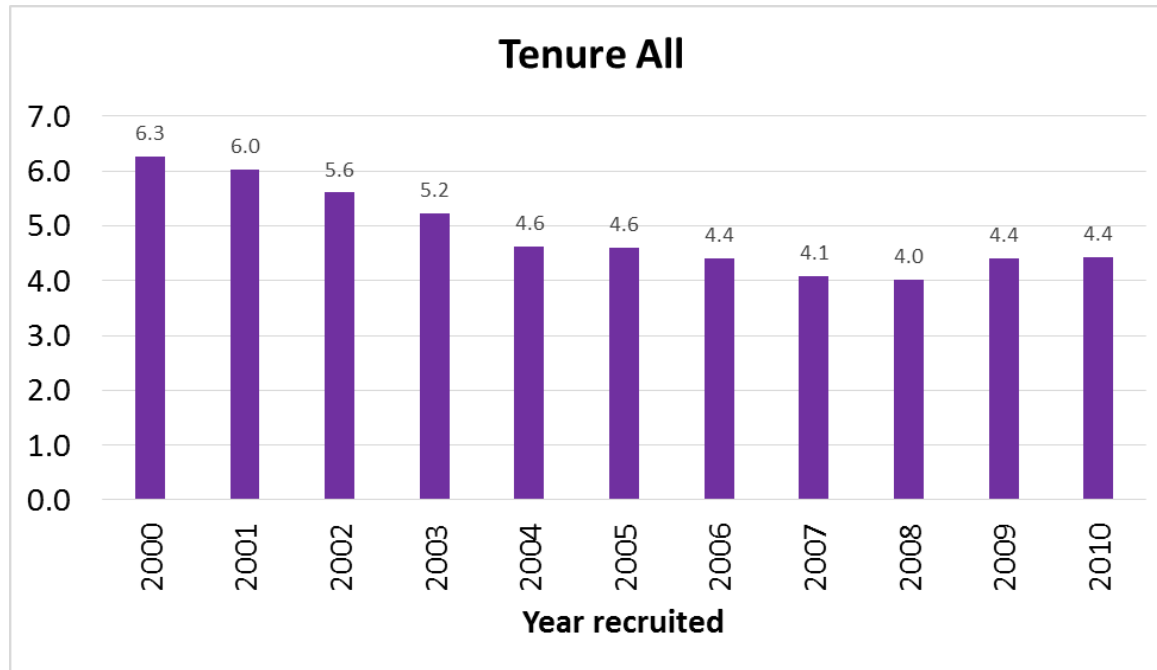


Why is loyalty important?



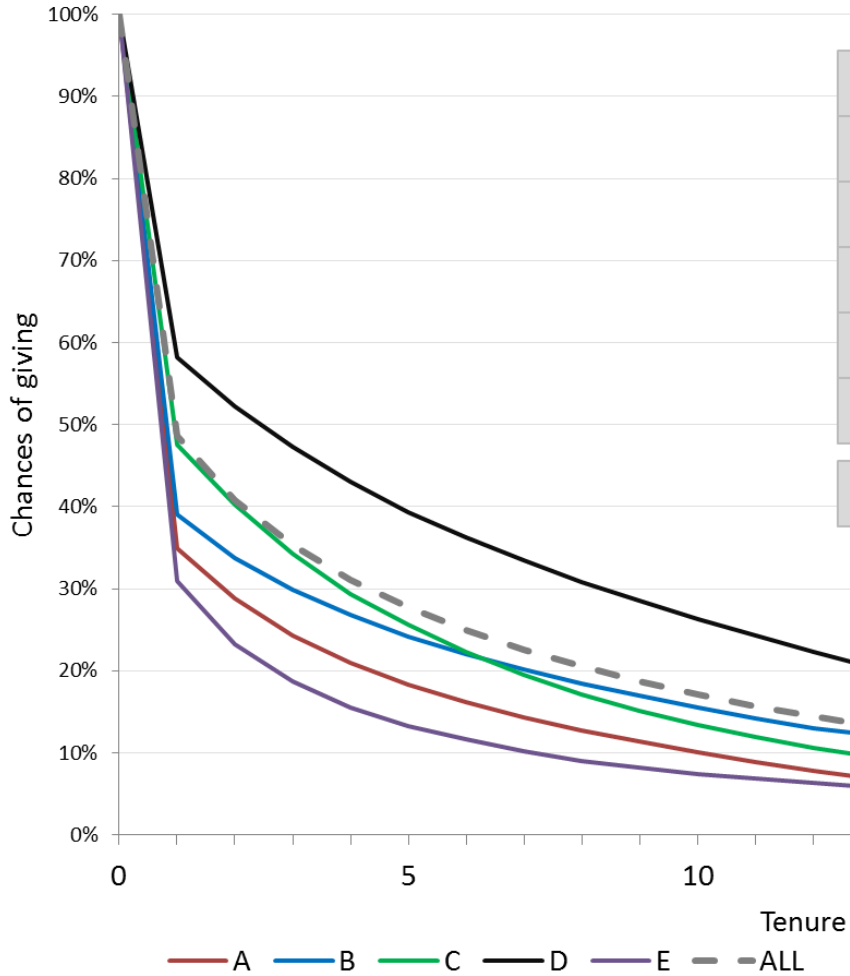
Year of giving	% still giving
1	48.6%
2	40.8%
3	35.3%
4	31.1%
5	27.7%
6	25.0%
7	22.6%
8	20.5%
9	18.7%
10	17.1%
11	15.7%
12	14.4%
13	13.3%
14	12.2%
15	11.2%
16	10.4%
17	9.8%
18	9.0%
19	8.3%
20	7.7%
21	7.1%
22	6.8%
23	6.4%
24	6.0%
25	5.7%

Why is loyalty getting more important?

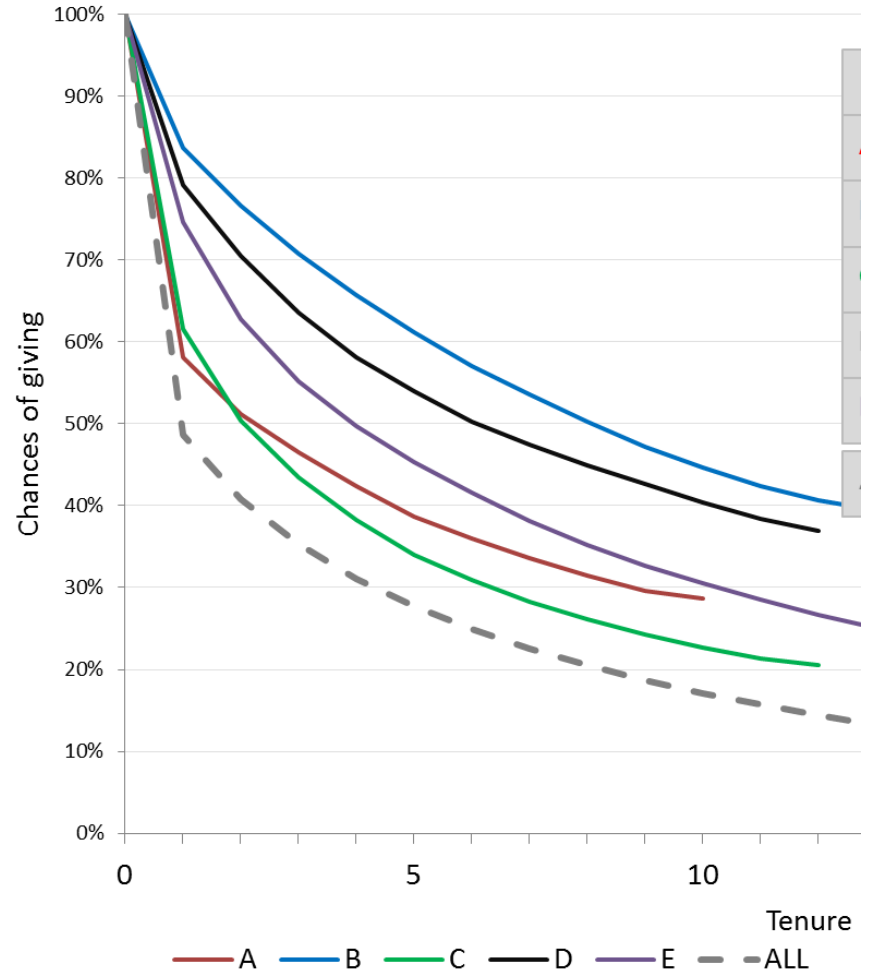


Method of Payment

Charity Comparison - Payment Method of Cash

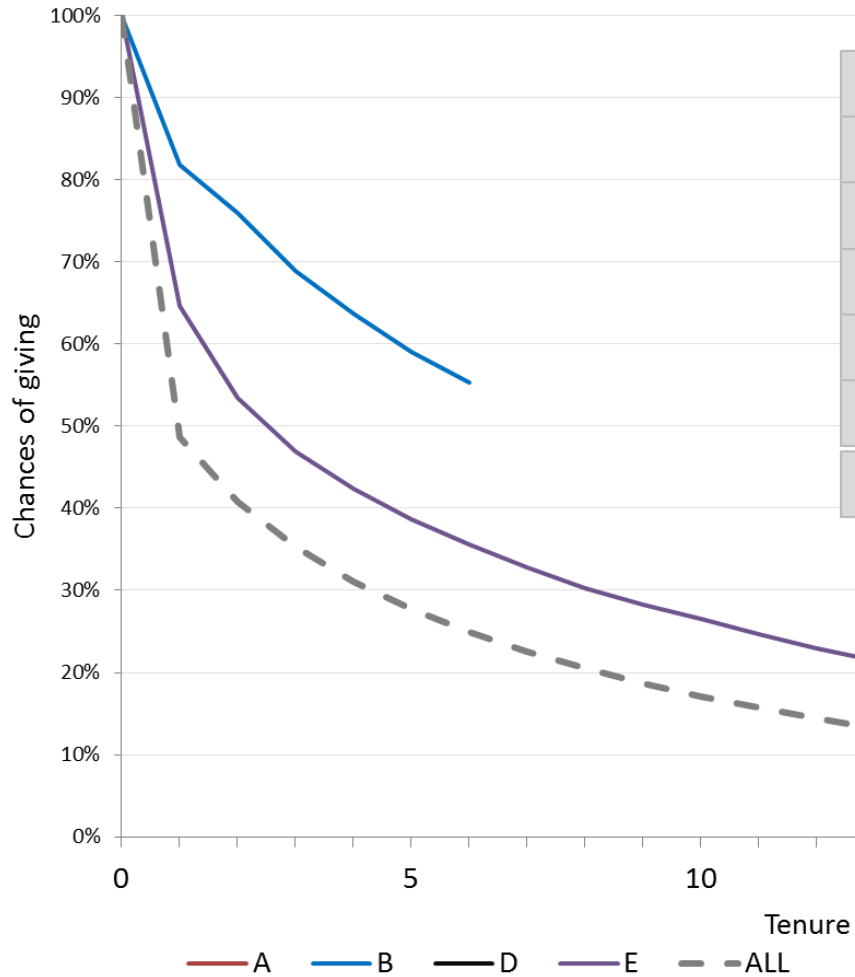


Charity Comparison - Payment Method of DD

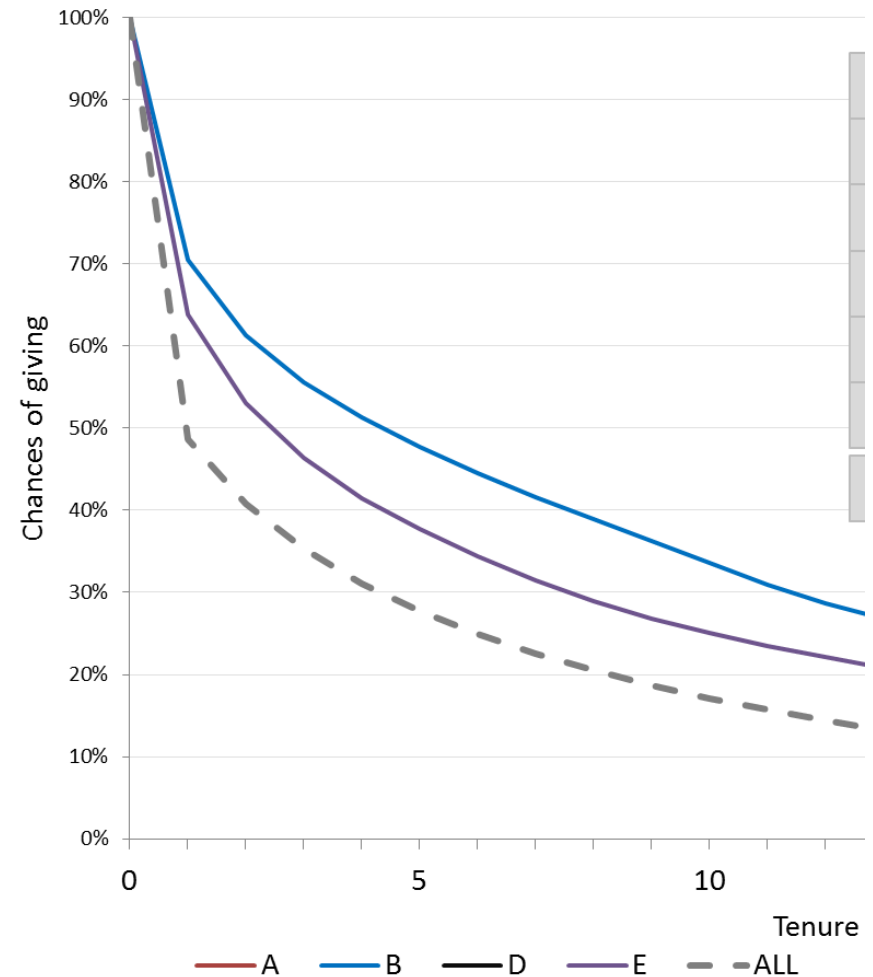


Product

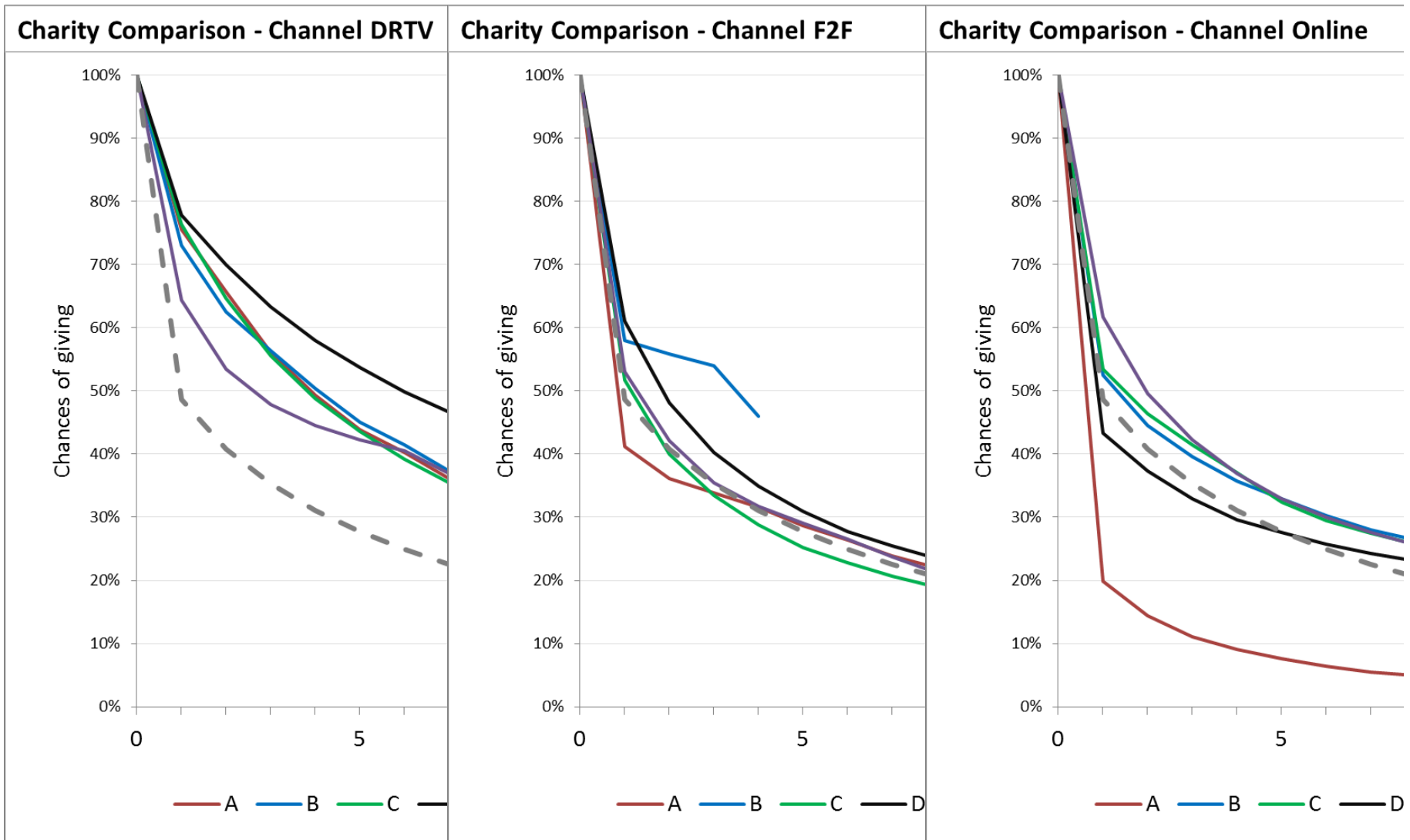
Charity Comparison - Product Sponsorship



Charity Comparison - Product Membership



Recruitment channel



Loyalty is driven by... Commitment, Satisfaction and Trust



Personal
connection



Familiarity



Perceived
performance



Shared
values



Satisfaction



Engagement



Social
capital



Identity



Commitment



Communal
orientation

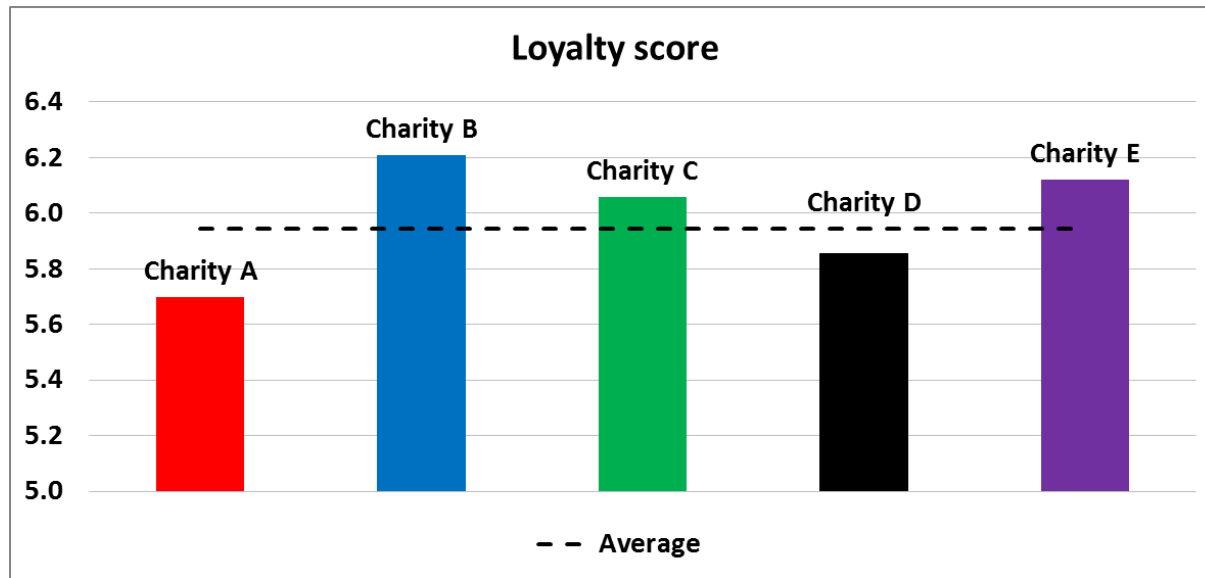


Knowledge

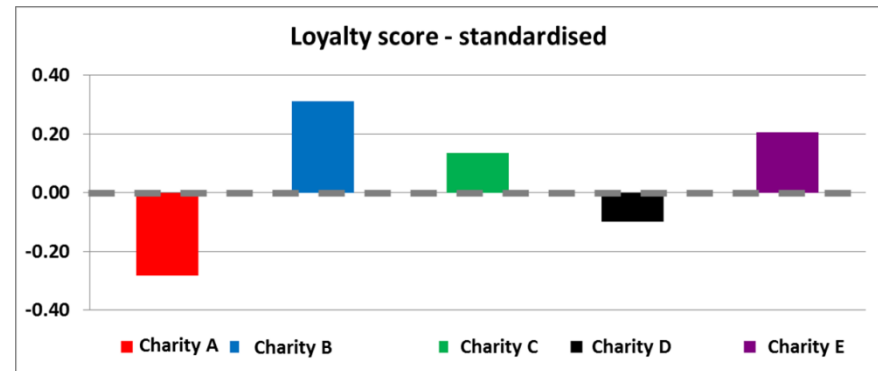


Trust

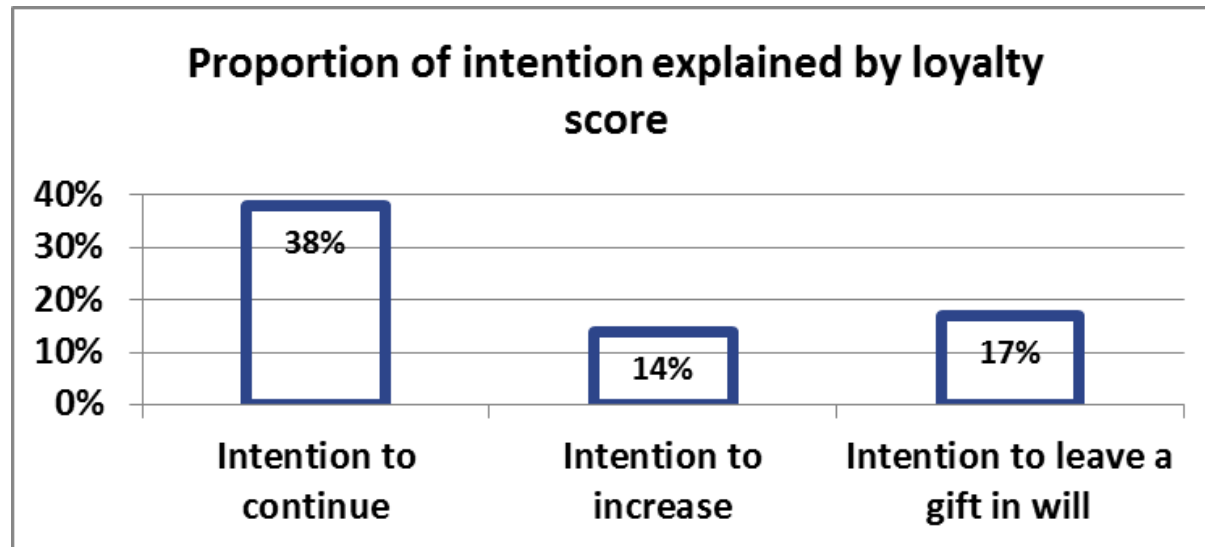
A Loyalty score



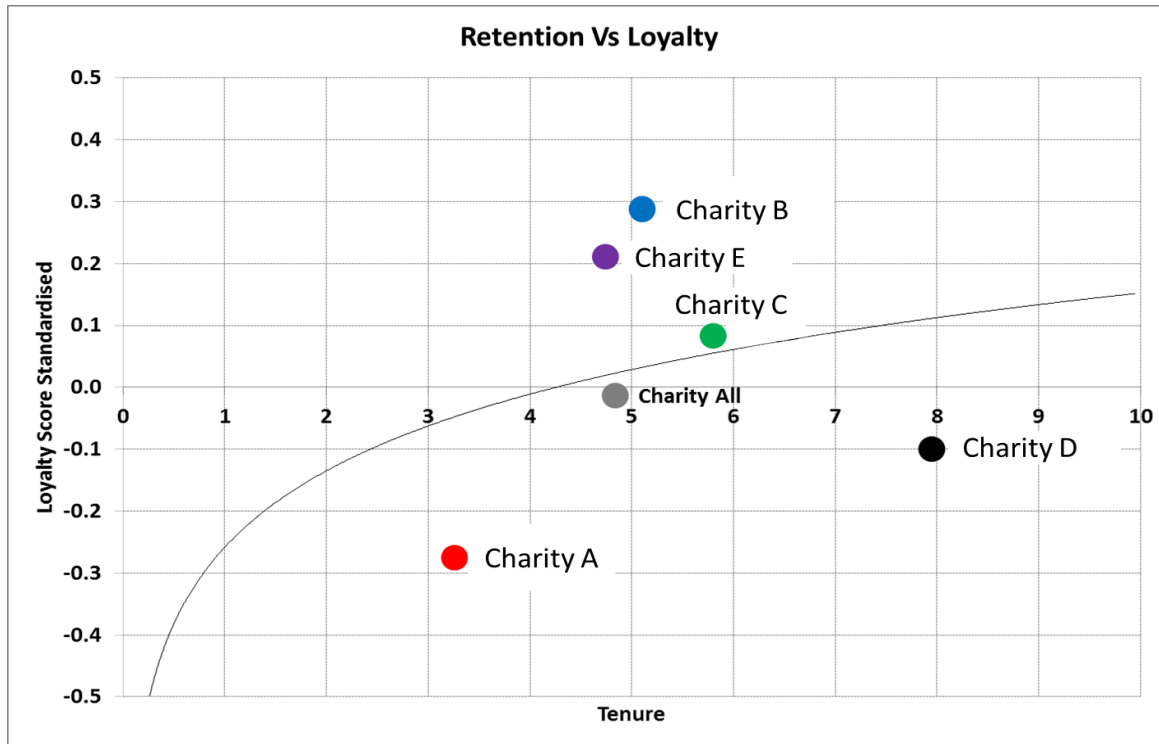
Because it's possible to measure Commitment, Satisfaction and Trust, it's possible to create a Loyalty score



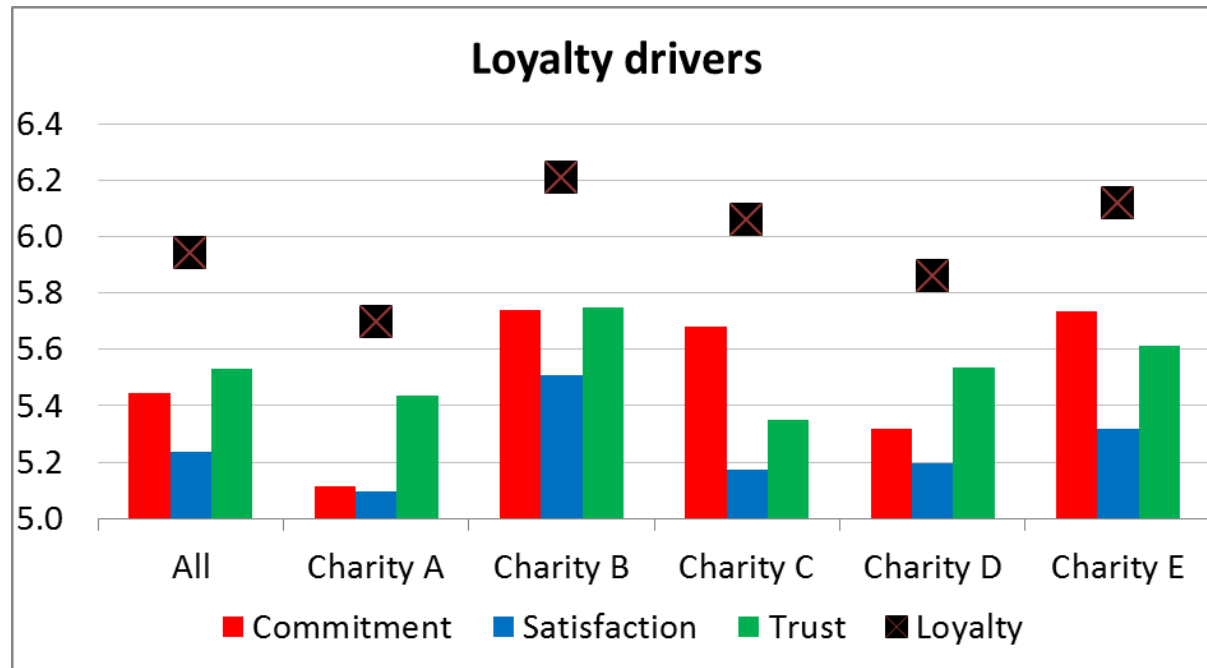
Loyalty Score = Commitment + Satisfaction + Trust



Emotional loyalty is important

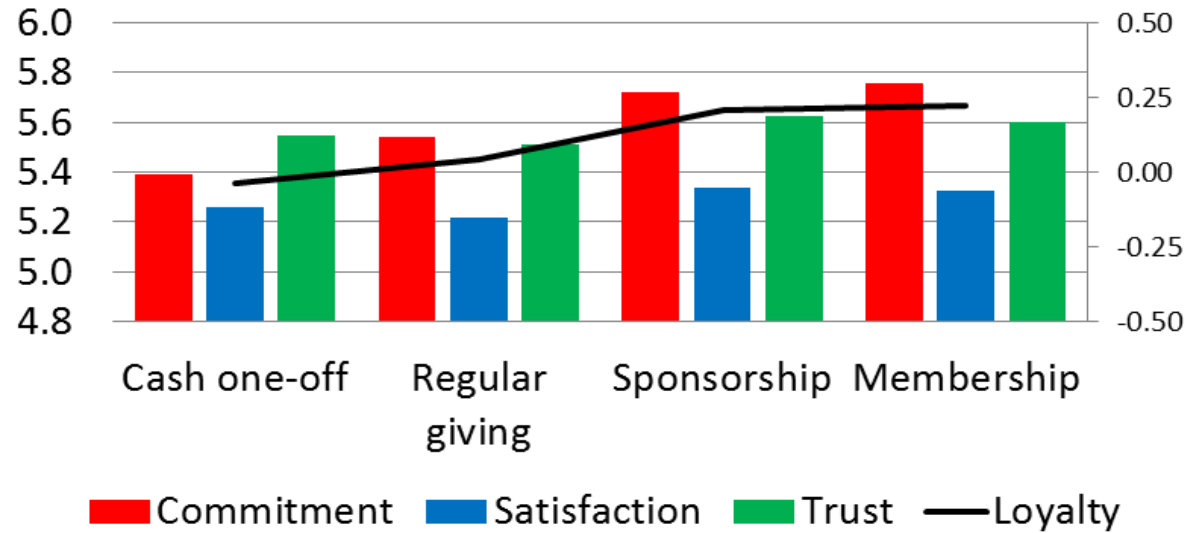


Loyalty varies by charity

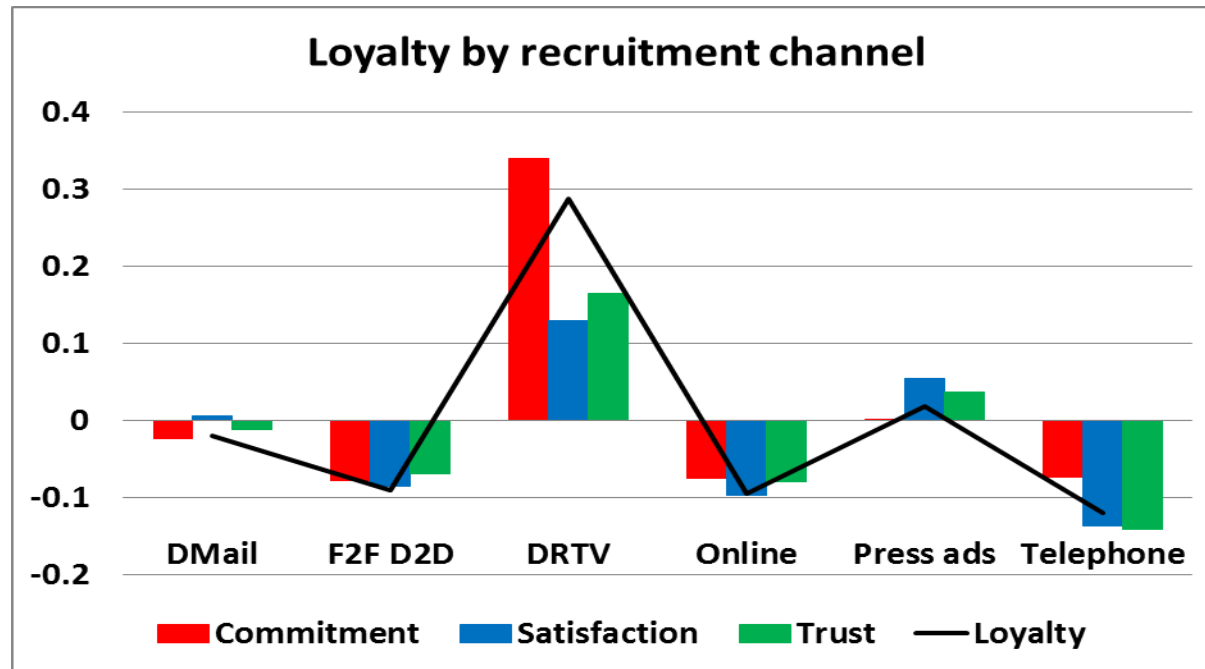


Loyalty varies by segment – product

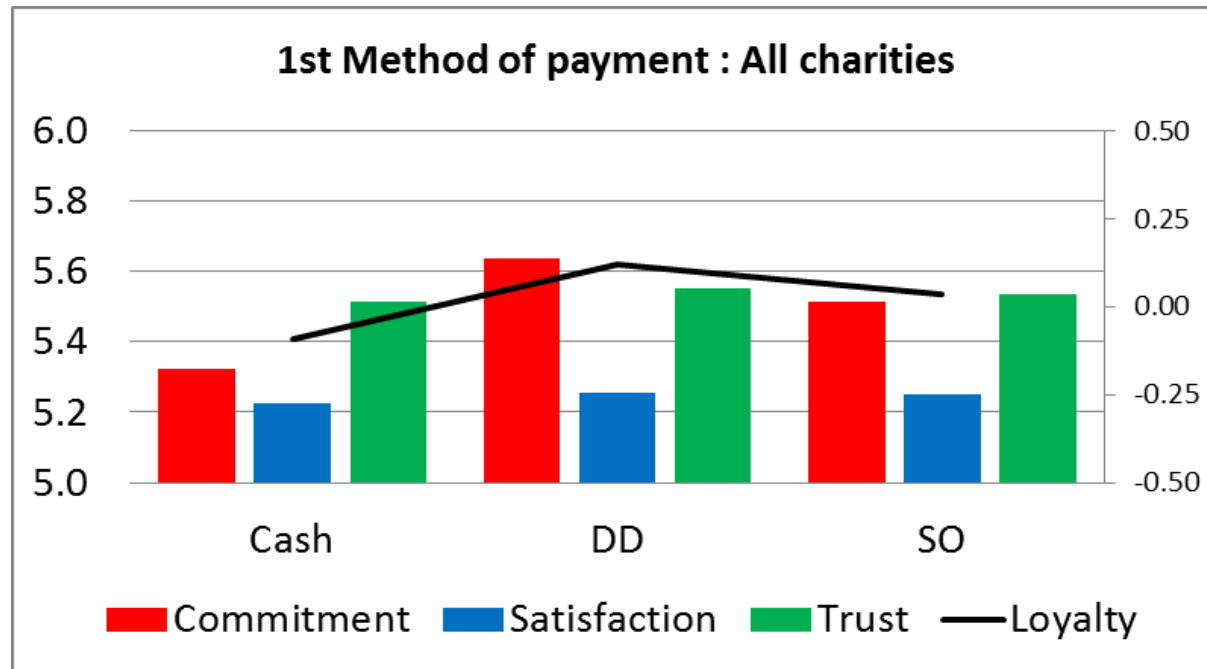
1st Product : All charities



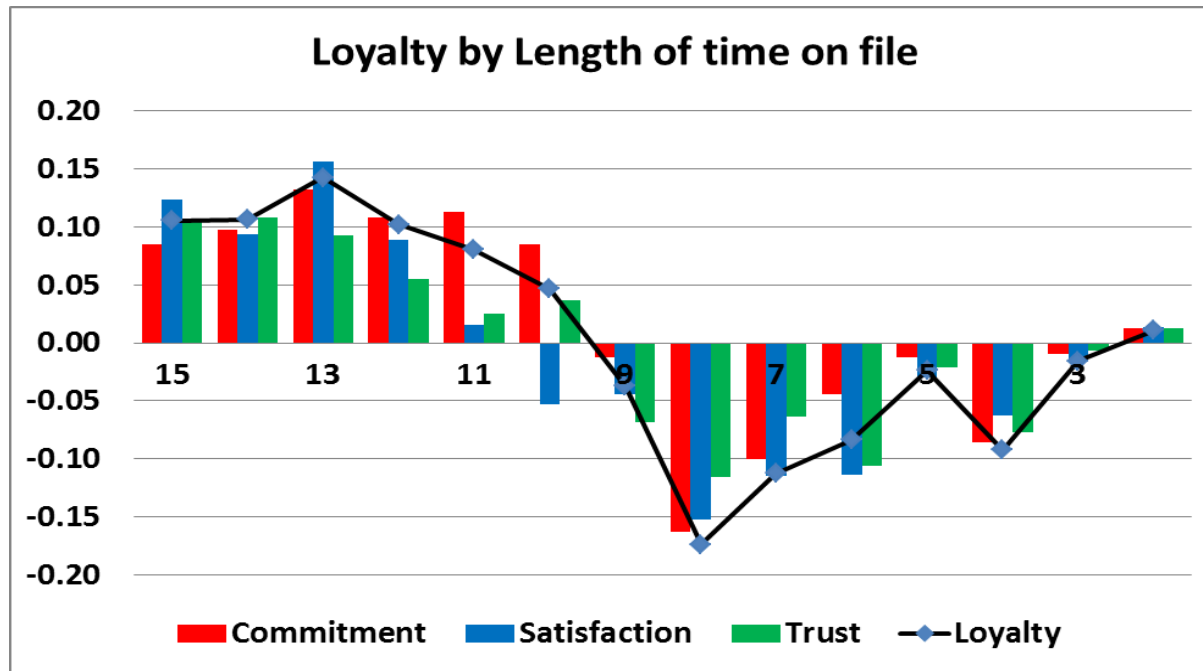
Loyalty varies by segment – recruitment channel



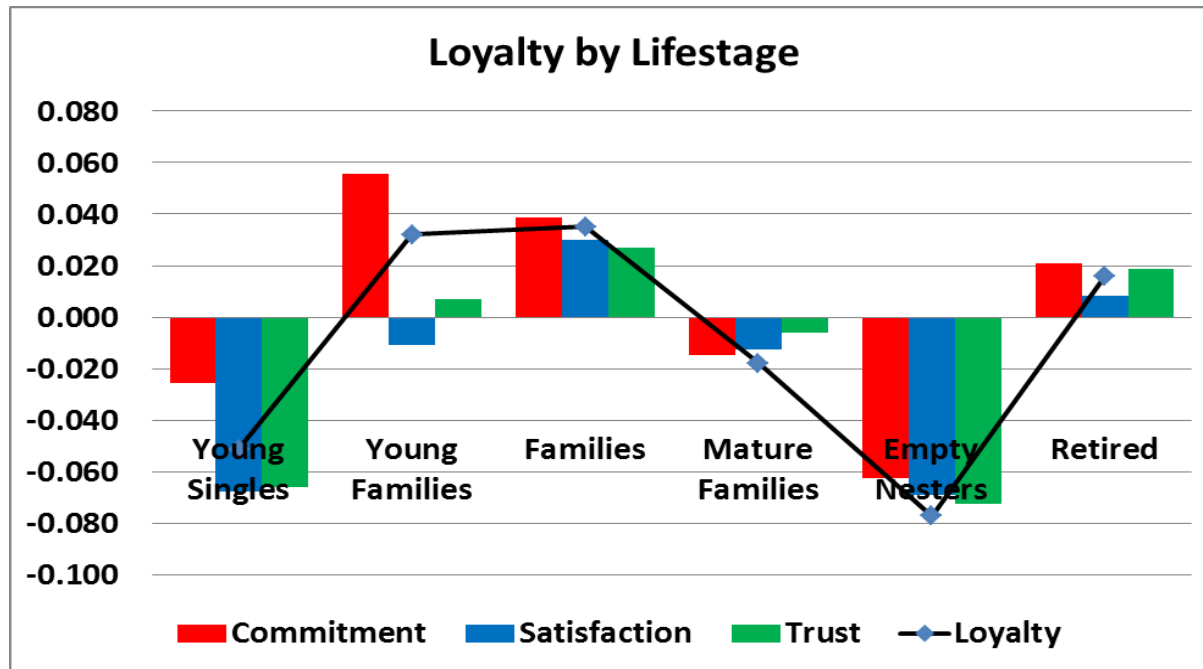
Loyalty varies by segment – method of payment



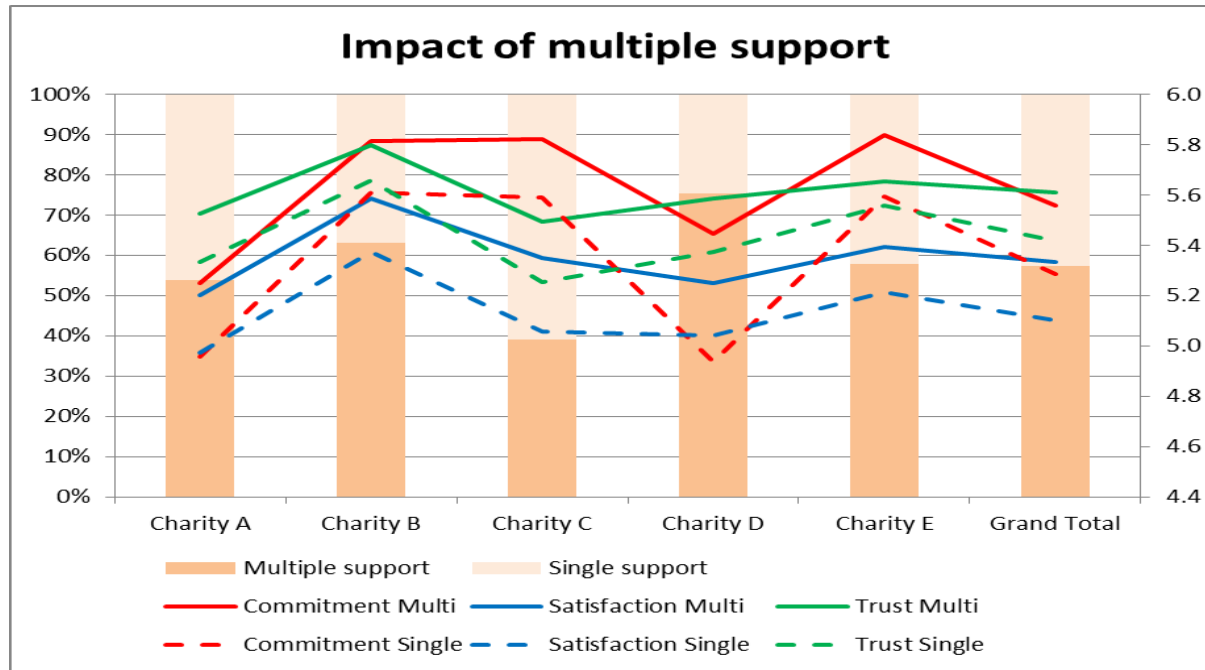
Loyalty varies by segment – time on file



Loyalty varies by segment – lifestage



Multiple support is important



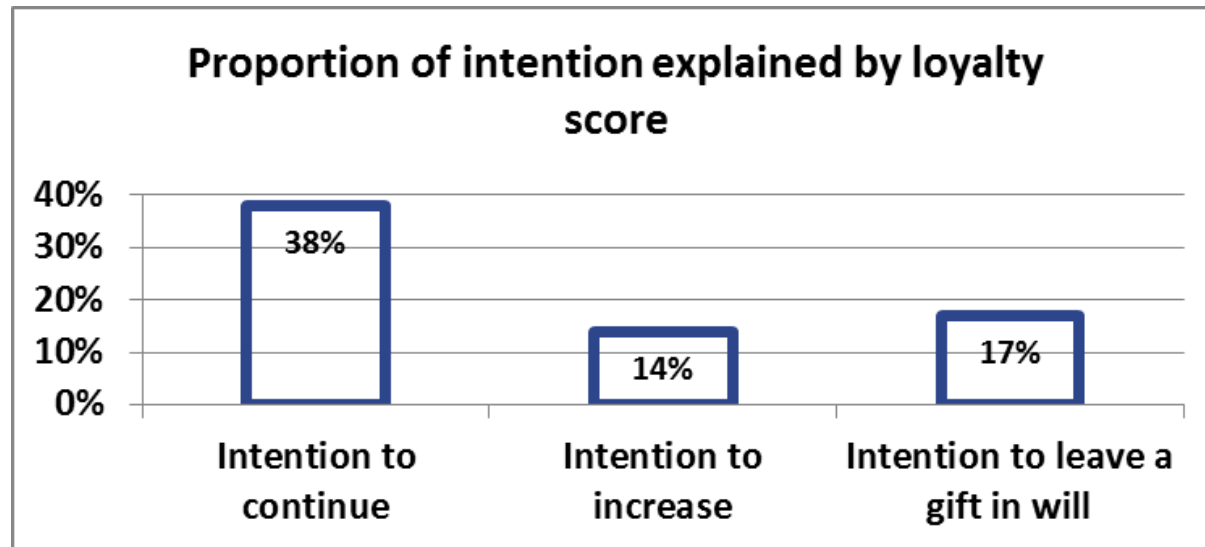
Take outs

- Emotional Loyalty is different to Behavioural Loyalty
- Emotional Loyalty = Commitment + Satisfaction + Trust
- Emotional Loyalty is important
- Different charities have different drivers
- Different donors have different drivers

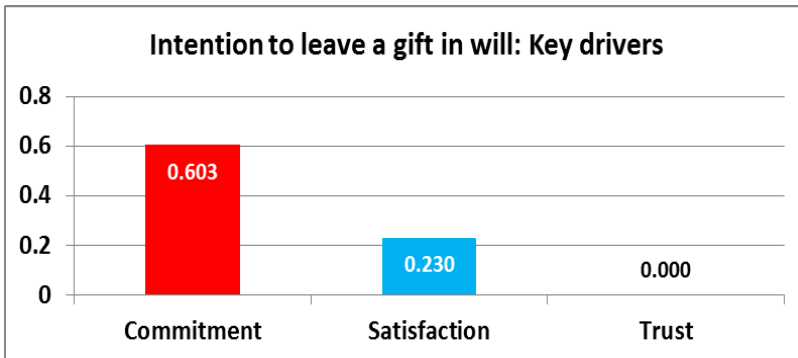
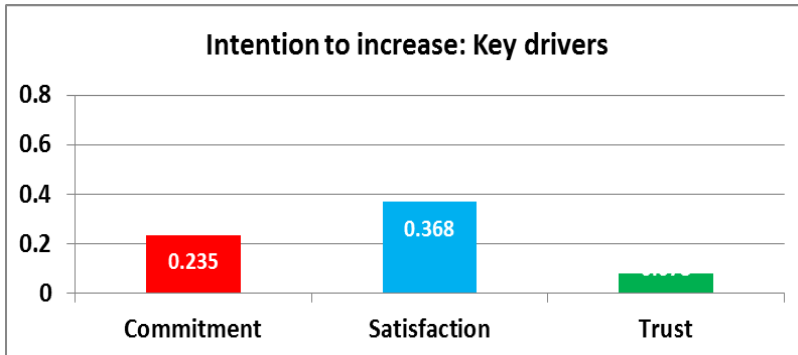
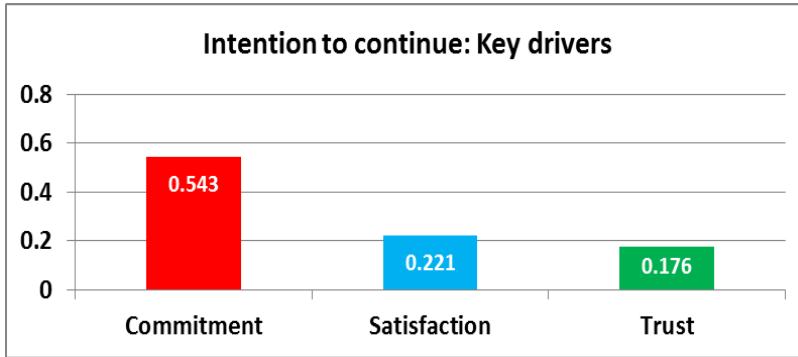
Break time

Commitment, satisfaction and trust

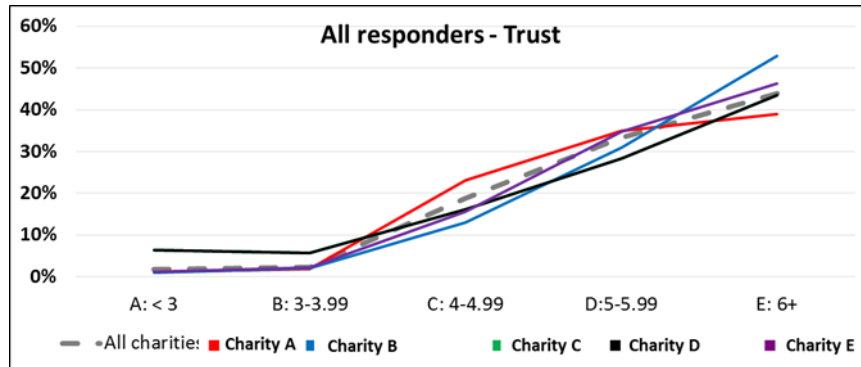
Loyalty Score = Commitment + Satisfaction + Trust



Different behaviours have different drivers



Trust

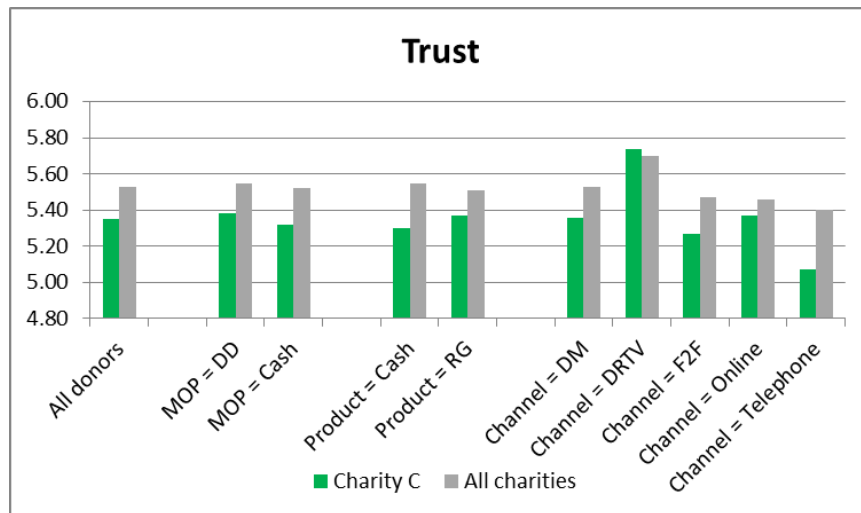


Trust varies least by charity.

Although there is some variation by segment, especially recruitment channel.

Research (nfpSynergy) has shown that trust in a charity tends to be inherited because of the type of charity it is.

Trust can be destroyed



Trust

Building trust

- Feed back
- Demonstrate role competence
- Demonstrate good judgement
- Being open and transparent when things go wrong
- Satisfactory complaint handling

Destroying trust

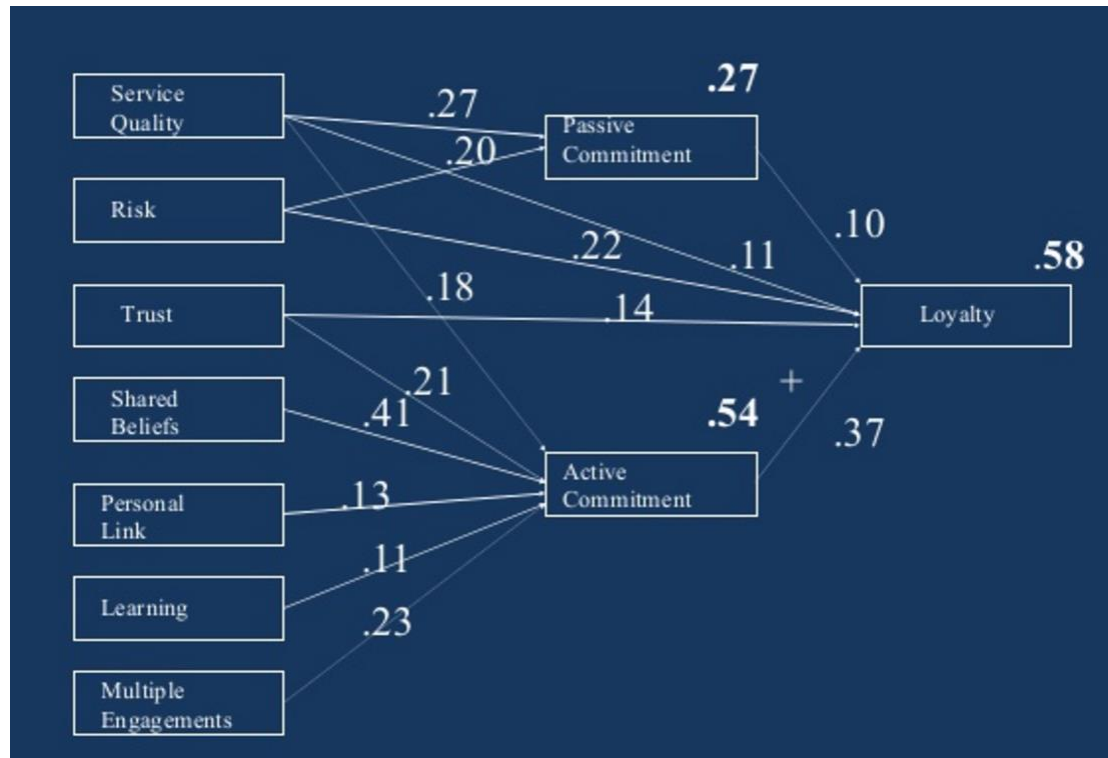
- Media coverage
- Spelling mistakes
- Not listening to donors
- Hard to complain to
- Difficult to access information

Commitment

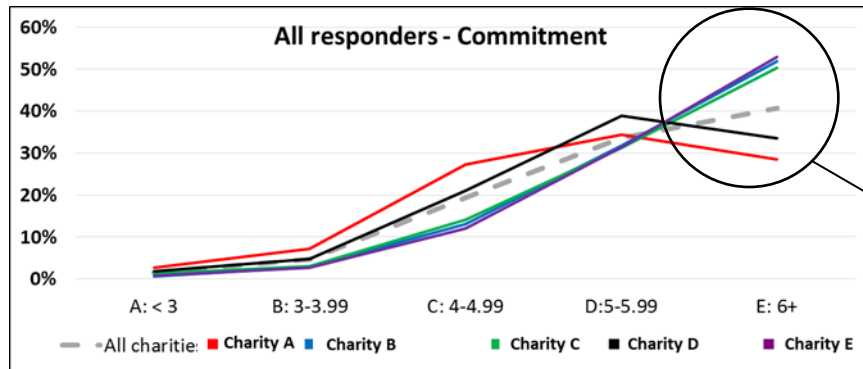
The most important factor

Structural Equation Model

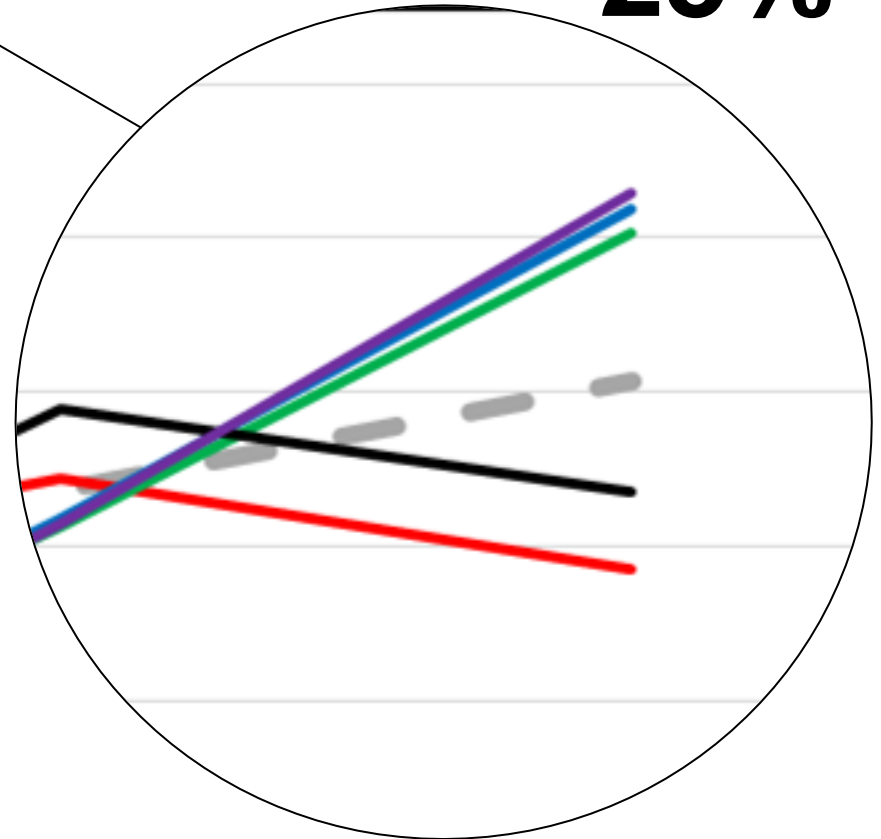
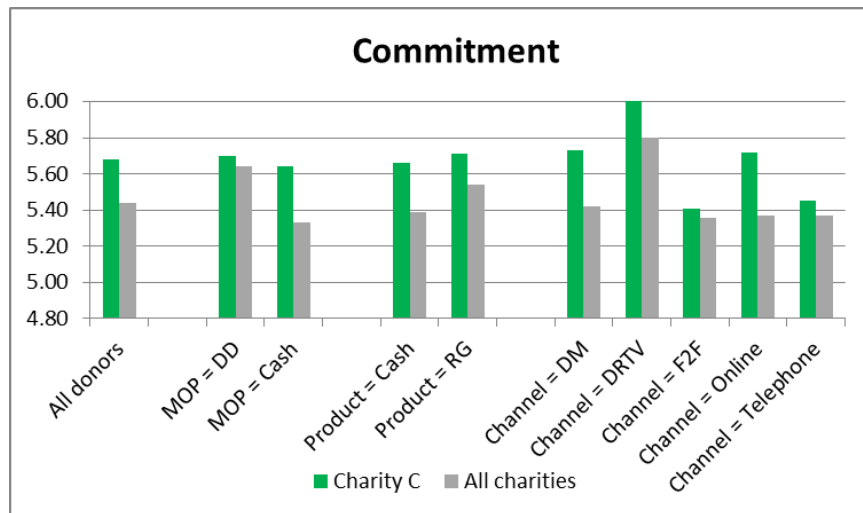
Professor Adrian Sargeant



Commitment



25%



How can you build commitment?

Passion

Ambition / vision

Impact

Emotion

How can you build commitment?

Need emotions

- Anger
- Helplessness
- Compassion

Reward emotions

- Gratitude
- Pride
- Togetherness

1

Why Thank You Letters Are REALLY Important



2

- Our research showed
 - The Thank you letter was identified as one of the most important communications a donor receives
 - 7 out of 10 people said they had a better recall of receiving a thank you letter than an appeal
 - 7 out of 10 people rated their thank you letter as “ordinary / predictable”

Source:
1: Alan Clayton
2: John Grain Associates

Before

«Address_Label»
«Position»
«Organisation»
«Address_Line_1»
«Address_Line_2»
«Address_Line_3»
«Town»
«County_Name»
«Postcode»

Membership number: «Membership_No» (1)

DATE

(2) «Salutation»,

(3) Thank you for supporting XYZ Charity.

On the anniversary of you joining, we want you to know what we have accomplished thanks to your generosity. I hope you will enjoy the enclosed newsletter, summarising our achievements of the past year.

Payment

Thank you for donating to us by Direct Debit, the cheapest method of collecting subscriptions. This means that more of your money goes towards protecting your wildlife. Your membership subscription Direct Debit is currently <<AMOUNT & FREQUENCY>>. We hope that you are still comfortable with this amount, but if you would like to change it, please complete the Direct Debit mandate on the 'XYZReply' form. If you could afford a little more, we would be very grateful.

(4)

Our Magazine

(5) If you would like to receive the national *Our Magazine*, which we issue free for the first twelve months of membership, please include a cheque or postal order (made payable to XYZ Charity) of £6.00 to cover the three issues a year, or add a minimum of £0.50 per month to your direct debit. Please indicate your decision on the enclosed 'XYZReply' form.

If you are altering your donation, or if are subscribing to *Our Magazine* please ensure that your completed form is returned to this office within the next 14 days. This will allow us to amend our records and ensure that the correct changes are made to your Direct Debit Payment. The first amended claim will be made on the next collection date.

Some of the subscription that you paid to us in your first year was absorbed in the costs of setting up your membership and sending you our various publications. On average it takes three years to feel the full benefits of your generosity and with this in mind, we are asking our members if they would be prepared to make a 'three year pledge' to support local wildlife. If you feel comfortable with this, then please tick the box on the enclosed 'Do one thing' form.

If you have any questions regarding your membership, or if anything in this letter raises problems for you, please do not hesitate to contact me. Once again, thank you for your support.

Yours sincerely
[SIGNATURE]

Membership Administration Officer (6)
Email
XYZ Charity Phone #

Lisa Comments:

- 1.) Consider membership number carefully. In thank you letters, I'm not keen on including anything that makes donor feel like a number. So unless it serves a bona fide purpose - and you say so - I suggest deleting.
- 2.) Improve readability: to 'visually encourage' donor to read what you write, try these -
 - * Left-justify only: keep a 'ragged' right margin
 - * Use at least a 1" (about 2.5 cm) margin
 - * Keep font uniform throughout: this begins with New Roman then switches to Arial.
 - * Use a serif font: Times New Roman is one. Save sans serif for your online copy and e-appeals
 - * Keep letter short
- 3.) Avoid fancy design tricks. In a one-to-one personal letter, simple font (vs. boldface) works best.
- 4.) Open with an engaging lead. Just like a good fundraising letter, you want to draw the donor into your letter. A great way to do this is to avoid beginning with "thank you" or "on behalf of."

More comments below...

After

«Address_Label»
«Position»
«Organisation»
«Address_Line_1»
«Address_Line_2»
«Address_Line_3»
«Town»
«County_Name»
«Postcode»

(1)

«Salutation»,

They flit from flower to flower. Trundle across dune heaths. Glisten in the grass. Each butterfly, beetle and bee orchid, protected because of you. (2)

And on your anniversary of joining XYZ Charity, I'd like to thank you. Through your <<frequency>> direct debits of <<amount>>, you protect the countryside we love - and the creatures who live here.

(3) As a member of XYZ Charity, you support the nature programmes that inspire young environmentalists... advocacy teams that speak out for our region's rare wildlife species... outreach services that teach local businesses how to thrive while caring for nature, and more.

We'll be sure to keep you updated on how you're helping - from heath to hillside - in our annual newsletter, and in *Our Magazine*, the XYZ Charity magazine that's free to members. And arriving shortly, you'll also receive your tax-deductible receipt and direct debit update form.

Meanwhile, if you have any questions, please give us a call here, on (XXXXXX) XXXXXX. We'd love to hear from you.

By caring for our corner of the countryside, you protect the planet, too. So from all of us at XYZ Charity, thank you.

Yours sincerely

FirstName LastName
(4) CEO, XYZ Charity

(5) P.S. On our website at www.xyzcharity.org, you'll find a map of the XX Nature Reserves managed by the Charity - along with a schedule of what's on at each. I hope you'll visit soon! Again, thanks.

Lisa Comments:

- 1.) For illustration, I restructured the 'after' version of this letter as a straight thank you, as if a separate update/welcome communication was already in place.
- 2.) As with so many of the others, inspiration for the lead came from this nonprofit's website.
- 3.) The main changes you'll see here: I strived to simplify the letter, and give donor a real sense of all that her gift is accomplishing. I left out 'administrative' details that can be saved for the welcome or update letters, and let donor know that this update would be forthcoming (in case she had a question about it). You'll also note that the magazine language is changed: I suggest finding a way to simply include this free for your members, and give them a chance to opt out if they prefer.

More comments below...

30 March 2009

Comments, continued:

4.) Now signed by CEO.

5.) And I added a P.S. This organization's website is packed with lush photos and fabulous information, including a map of Nature Reserves perfect for visiting. My aim is to encourage donors to have a look.

FirstName LastName
Address1
Address2
Address3

2nd March 2009

(1) Dear NAME,
(2)

(3) On behalf of XYZ Charity, thank you most sincerely for sending through AMOUNT donated on behalf of the winner of the ABC Competition. We truly appreciate your customer's generosity and support.

For over XXX years, XYZ Charity has been Ireland's leading independent charity advocating for the rights, well being & protection of children. Our mission is to end cruelty & injustice (4) to children in all forms – ensuring every child is given the opportunity to experience love, happiness & equal opportunity. Despite Ireland's great progress, the moral obligation to protect fully our most vulnerable citizens remains unfulfilled. This is the gap XYZ Charity aims to fill each & every day with the public's generous support.

Our services to children, their families and communities include: (5)

- ProgrammeName1 is Ireland's only multi-media listening service for children, providing daily round-the-clock support. With a network of over 200 volunteers nationwide, ProgrammeName1 has answered over 1.8 million calls, texts and online communications over its 20 year history. Nearly 2,000 calls are received each day.
- The ProgrammeName2 programme focuses on teenagers with behavioural or mental health problems as well as those at risk of substance abuse to prevent social isolation and early school leaving.
- ProgrammeName3 is a home-based service working with vulnerable young children who are experiencing behavioural or emotional difficulties with limited support options available.
- Now in its 12th year, ProgrammeName4 is a 24-7 service focused on children, young people and parents who are begging or at risk of begging on the streets. ProgrammeName4 also provides support to children from minority ethnic backgrounds who are seeking asylum in Ireland.

(6) We rely on donations like yours to continue to expand and improve our programming.

- AMOUNT can cover the costs of one month's one-on-one web counselling.
- AMOUNT can help us train one new volunteer who will then devote 100 hours or more of service to our programmes, making an immeasurable difference to the lives of so many children.

(7) We would welcome the chance to explain our work further or answer any questions you might have. Please do not hesitate to contact us anytime on (XX) XXX XXXX or visit www.xyzcharity.org.

Again, we really appreciate your support and we hope that you can continue to support us in whatever way you can in the future.

Yours sincerely,

(8)
Fundraising Campaigns Administrator

Lisa Comments:

- 1.) Great that you personalise!
- 2.) Three improvements to visually encourage donor to read your letter:
 - * Left-justify: keep a 'ragged' right margin
 - * Pace your paragraphs: avoid paras over 7 lines, 3-4 lines are better. Mix short & long.
 - * Avoid boldface type - it's not visible here, but this letter had boldface phrases sprinkled throughout
- 3.) Open with an engaging lead. Just like a good fundraising appeal, you want to draw the donor in. A great way to do this is to avoid beginning with "thank you" or "on behalf of."
- 4.) Focus on positive. Thank yous are all about helping donor feel good, so focus on positive (vs. negative words/phrases).

More comments below...

Comments, continued:

- 5.) Pare down detail and focus on 'you' (the donor). This section has an awful lot of detail for a thank you, especially since you can say all this in ongoing donor communications. I'd also avoid bullets.
- 6.) Reconsider asking for more. I avoid asks and upgrades - like the 'soft ask' in this section - in my thank you letters. (Not everyone will agree with me.)
- 7.) Nice contacts paragraph! I'd include update info, too.
- 8.) Consider using CEO or President as signor.

After

[XYZCharity Letterhead]

FirstName LastName
Address1
Address2
Address3

2nd March 2009

Dear NAME,

(1) Somewhere in Ireland, a child is calling for help. And because of you, a caring voice answers.

Thank you so much for donating AMOUNT through the ABC Competition to XYZ Charity. Your generosity – and your customer's support – are truly at the heart of all we do.

Nearly 2,000 times, each and every day, you make all the difference in the world for troubled children. Your kind contribution means that XYZ Charity can keep skilled volunteers standing ready to answer calls... offer counseling services that keep teenagers in school and away from drugs... and mentor young children (and their parents) to better cope with tough times.

(2) Your support even extends to Ireland's "invisibles" – those who beg or are at risk of begging – as through XYZ Charity's round-the-clock outreach services, young lives are forever changed.

It's all thanks to you.

And we welcome the chance to answer any questions you might have. Please contact us anytime on (XX) XXX XXXX or visit www.xyzcharity.org. I'll also update you on all the good your gift is doing in XYZ Charity's [annual letter? quarterly newsletter?], which you'll receive [when]. (3)

All of us here at XYZ Charity really appreciate your support. Thank you again for giving vulnerable young children a place to turn for help... and a reason to hope.

Yours sincerely,

[INSERT SIGNATURE]

Chief Executive, XYZ Charity

Lisa Comments:

- 1.) For inspiration, look to your website. This charity has a brilliant online video that inspired my lead sentence.
- 2.) In these paragraphs, I worked to do two things: clearly show donor how much her gift means to children and their families - using you-focused, benefit-rich language - and shorten this section of the original letter.
- 3.) I added an 'updates' sentence letting donor know when she'll next hear about all the good her gift is accomplishing.
- 4.) And changed the signor to the CEO.

Before

Before

Lisa Comments:

- 1.) Use an engaging lead. Just like a good fundraising appeal, you want to draw the reader into your thank you. A great way to accomplish this is to start with something other than "thank you" or "on behalf of."
- 2.) Great use of "you" and "your." This is where nonprofits commonly shift into "we-speak" - so by making this "you-based" and focused on benefits (vs. activities), you're on the right track. Well done.
- 3.) Make sense. "At-risk" always makes me wonder, at risk of what? It's best to avoid jargon. And clarify how I help others enjoy the Centre.

(more comments below...)

Date

«addressee»

«street»

«city», «state»

«zipcode»

Dear «formalsalu»,

(1) Thank you so much for your gift of «treptant» in support of the Ontario Science Centre.

(2) Science and technology enriches our lives, and a single visit to the Science Centre can plant a seed and provide the tools for a lifetime of exploration and discovery. Thanks to your support, young people and their families from Toronto's at risk communities will experience the inspiration and excitement that you and your family enjoy each time you visit. (3)

(4) We're thrilled to announce top-notch exhibitions and IMAX films in honour of our 40th anniversary. Come and experience our upcoming features The Science of Spying, followed by Lizards and Snakes, Alive! and our summer food programming. Watch for news on our anniversary celebration in September.

(5) In recognition of your donation, we'd like to acknowledge your support by including your name in our Annual Report and on our Donor Wall. Your donation receipt, in the form of a letter, is enclosed. If you have any questions or need any assistance, please contact Matt Wiesenfeld, Head of Annual Giving at (416) 696-3233.

I hope you visit us soon, to see the impact you are making when you chose to donate to the Science Centre.

Yours sincerely,

Lesley Lewis
CEO (6)

Encl.

Comments, continued...

- 4.) Great programs and excitement, but we-focused. Note difference between you-based paragraph #2 and this one, so all you need to do here is shift the focus.
- 5.) Is donor informed of this ahead of time? Many don't want that sort of recognition. Also, you can eliminate "in the form of a letter" phrase: If you label receipt clearly, simply tell donor it's enclosed.
- 6.) Bravo for signing w/ CEO! Great that signor comes from highest ranks of your nonprofit.

After

Lisa Comments:

- 1.) For inspiration, I looked to your website. The Science Centre has a terrific video online from which I was able to create a new lead paragraph for the letter. (This also "unifies" your theme and language across channels.)
- 2.) Here I aim to show donor how gift is already working. To keep copy donor-centric, I use more "you" than "we."
- 3.) I kept the contacts paragraph... and played down the tax receipt reference. (And online, Recognition Wall is noted, so I left this part.)
- 4.) Also added a P.S. Once you get a "base" thank you letter down, you can keep the copy fresh for longer by updating postscript. (Although you should be updating thank yous, too - every 6 months should do the trick, or even quarterly.) Note: this P.S. also serves to let donors know when you'll update them next.

Date

«addressee»

«street»

«city», «state»

«zipcode»

Dear «formalsalu»,

(1) Robots whirl. Comets streak. Tide pools gurgle. When science comes to life, anything is possible... and all because of you.

Thank you for your contribution of «treptant» in support of the Ontario Science Centre! Your gift is already inspiring a generation of future scientists and their families who, without you, might not have the means to visit our Science Centre.

(2) You provide the tools for a lifetime of exploration, too - illuminating the comets, giving tide pools their gurgle, and much more - sharing with others from Toronto's communities the same excitement that you and your family enjoy each time you visit.

(3) In recognition of your kind gift, we'll add your name to our Annual Report and our Donor Wall. (And you'll find your donation receipt enclosed.) If you have any questions, please contact Matt Wiesenfeld at (416) 696-3233. We'd love to hear from you.

Thank you so very much for sowing the seeds of discovery,

Lesley Lewis
CEO

P.S. (4) There's lots going on for our 40th anniversary - from The Science of Spying to Lizards and Snakes, Alive! - so I hope you'll visit us soon. Stay tuned for updates in our upcoming [newsletter?] and at www.ontariosciencecentre.ca. Thanks again.

How can you build commitment?

- I've just made a donation to your last appeal. Please write me the start of your thank you letter.
- What can you do to make your face-to-face acquisition experience inspiring?
- What would you like your charity's home page to look like?
- Come up with three ideas for how you can grow the commitment of your donors.

Some ideas



LITTLE HAVENS HOSPICE
OPEN DOORS
SUNDAY 26TH JUNE,
11AM-3PM

YOU'RE INVITED TO LITTLE HAVENS

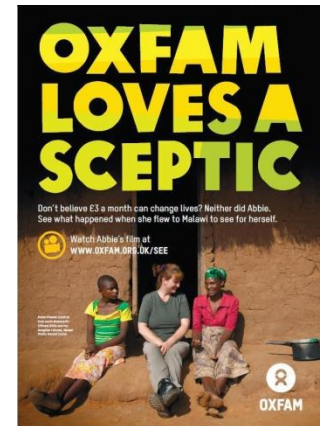
We want to invite you to our new 'Open Doors' day at Little Havens Hospice in Thursday. There'll be entertainment, activities, stalls and refreshments. You'll also have the opportunity to take a book around, meet the team and see how your support is 'Making every day count.'

• Little Havens Hospice - Sunday 26th June, 11am-3pm

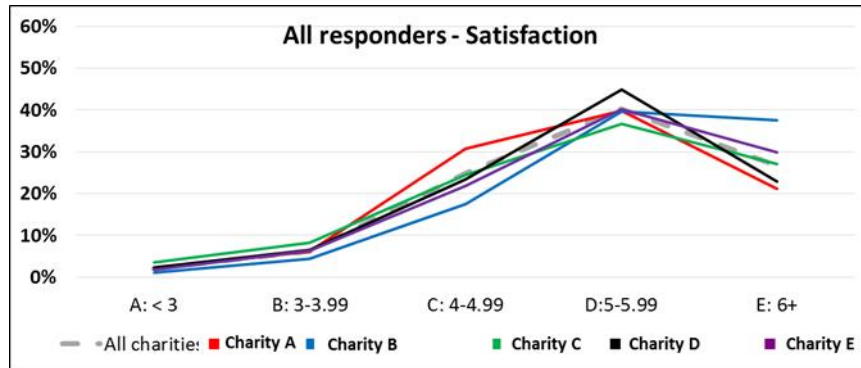
There's no need to book, just turn up on the day. For more information visit www.littlehavenshospice.org.uk/opendoors or www.facebook.com/havensevents

EVERY VISITOR MAKING EVERY DAY COUNT

Havens Hospices

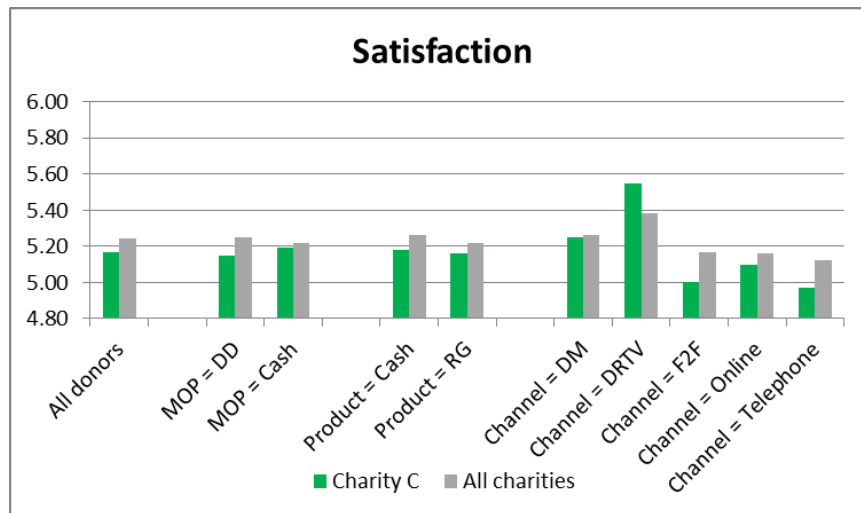


Satisfaction



“Even satisfied donors lapse. It is not until a donor is extremely satisfied that this affects their retention.”

Professor Adrian Sargeant



Causes of dissatisfaction:

- Feeling pressurised (tone / frequency)
- Fundraising tactics (channels)
- Charity behaviour (salaries / admin / waste)
- Not valuing or recognising donors

How can you build satisfaction?

Exceed expectations

- What do your donors expect from you?
- What can you do to exceed expectations?

Some ideas



THANK YOU FOR CHOOSING TO SUPPORT WSPA

STEP 1:
Please choose the total amount you would like to donate*:

☐ \$10 ☐ \$20 ☐ \$50 ☐ Other

*Please note - should you choose to support more than one programme in step 2, your total donation will be equally split between the programmes.

STEP 2:
Please choose the programme you would like your donation to fund*:

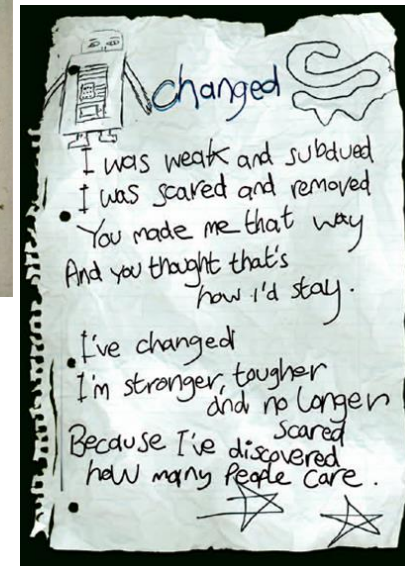
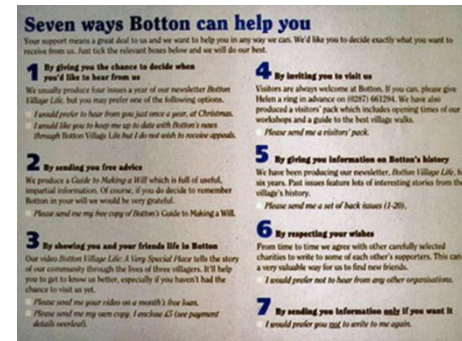
☐ LIBRARY ☐ Companion animals ☐ Wildlife ☐ All programmes ☐ Any programme

Your donation will go towards the WSPA programme that is most in need of funding.

STEP 3:
Please complete your payment details:

Your Details ☐ I enclose a cheque/CDF cheque made payable to WSPA, Inc. ☐ Please debit my credit/debit card

**MEMBERS GET 20% OFF
ANY GRANDE FRAPPUCCINO®
BLENDED BEVERAGE.**



Measurement

Why measure?

***“You can’t manage what you
don’t measure”***

Peter Drucker

Metrics



A final point

Everything is all about culture



Take aways

What will you take-away from today?