eGuide

The Donor Communication Mini Guide

Delight donors and show your gratitude with every message you send.

Network for Good

WWW.NETWORKFORGOOD.COM

Introduction

Where does your nonprofit focus most of its fundraising energy? Chances are, the answer is getting more donors. From sending email appeals to hosting events, the goal usually is getting more people to care (and to give!) to your organization.

What you really don't need is for someone to pull the drain on the bathtub while you're trying to fill it up. And yet, if you're not focused on donor retention, that's exactly what's happening.

Statistics show that for every 100 donors in a given year, only 46 will give again. That means that over half of those hard-earned donors are leaving your organization after their first donation.[1]

We're here to help you change that statistic by focusing on the human side of fundraising.

Giving isn't a business transaction—it's a human connection. In this guide, we'll show you how donor data, segmentation, meaningful communication, and gratitude form the foundation of a relationship-focused development strategy that will set your nonprofit up for long-term fundraising success.

You put so much work into getting your donors.

Now here's how to keep them.

1. Association of Fundraising Professionals, 2016 Fundraising Effectiveness Survey Report

We're committed to you.

And your fundraising

We love small nonprofits. We also believe small organizations deserve great technology, too. We're a mission-minded organization, like you, and we're passionate about seeing good causes succeed.

Network for Good combines fundraising expertise with simple-to-use technology to provide [smarter fundraising software]() that's easy to use, with all the support and coaching you need to get the most out of your investment. We're helping 6,000 small and emerging nonprofits create more successful fundraising campaigns, and we want to help you, too.

Ready to get even more from your fundraising campaigns?

We've got you covered. Our suite of tools includes everything you need to grow results, not expenses.

Donor Retention: A Gratitude-Centered Communications Strategy

How do you build relationships with your donors and keep them engaged with your nonprofit? It comes down to two things: great communication and gratitude.

Think of your relationship with a donor as a conversation. Your goal is to keep the conversation going through a variety of mediums. You can make calls, send handwritten notes, or send emails. Whatever you do, remember to return to the conversation's most important topic: gratitude.

Jamie McDonald, Founder of Generosity, Inc. recommends that all of your thank you's convey what she calls the **3Ms**:

- You **matter**. Your donation accomplished something tangible.
- You **made** a difference in someone's life.
- Your gift was **meaningful,** no matter how big or small.

Donors are more likely to stay engaged with your nonprofit when you show them how much they mean to you. Make them feel important—because they are—and you're on your way from turning one-time donors into lifetime supporters.

First Things First: Know Your Donors

The first step to effective communication is knowing your audience. Of course, knowing each and every donor personally might not be feasible. That's why organized and easily accessible donor data is crucial.

A functional, easy-to-use donor management system (DMS) is going to be your best friend here. You'll want a system that lets you easily track giving history, personal details, and your previous conversations with particular donors. This information makes it easier to build and maintain donor relationships and easily segment donors into groups based on shared characteristics, like giving levels.

Tracking and analyzing your donors also optimizes donor stewardship. With accurate information, you can better personalize messages, communication channels, and cultivation strategies based on each donor's unique needs and preferences.

In addition, a DMS also provides relevant metrics of your donor acquisition, retention, and attrition rates. Finally, a DMS will offer invaluable information for designing and implementing highly successful campaigns as well as good donor stewardship policies, processes and programs.

Start Simple: Lifecycle Segmentation

For more in-depth analysis, consider lifecycle segmentation. This means assigning donors into the following segments at the start of each fiscal year:

- New donors
- Second-year donors
- Multi-year donors
- Reactivated donors
- Lapsed donors
- Event (non-annual) donors

Since each donor remains in their lifecycle segment for a full year, it's easy to compare each segment year-over-year to leverage donor segmentation. You can identify target groups and potential donor cultivation to develop and build an ongoing donor pipeline, reinforcing both the fundraising results and sustainability of your nonprofit.

Once your data is organized, you're ready to begin crafting retention-focused communications.

5 Principles of Retention-Focused Communications

Every communication between you and your donors should be focused on retention. As you plan your communication strategy, keep these tips in mind to turn one-time donors into lifetime supporters:

1. Connect early and often.

After a donor makes that first donation, welcome them! Say thank you, share your gratitude, and tell them what you plan to accomplish with their funds. You can also ask first-time donors how they would like you to communicate with them and how often.

2. Be personal.

Segment your donors so that a first-time donor receives a different thank you letter than a repeat donor or a VIP donor. That simple separation will show your donors that you understand their unique relationship with your organization.

3. Relate to donors like they're great friends.

Donor retention is built just like a friendship: sometimes you call your friends, sometimes you write to them, and sometimes you invite them to an event. Put the same variety of communication to work when getting to know your new donors.

4. Rally supporters to send your message.

All of the messages you send to your donors don't have to come from you. If someone benefits from the funds raised at your event, ask them to write a letter about why that was meaningful to them, or let a sponsor write about why they chose to be involved. There are many different messengers you can call on to sing your organization's praises.

5. Show how you're achieving your mission.

Are the donations being put to good use? Let your donors know all the good work they're helping you do whenever you contact them.

Have an Attitude of Gratitude

Your donors make your mission possible. Your goal should be to show them just how important they are, and how their contributions are making a difference. Memorable, engaging donor thank you messages have four key qualities:

1. Personal

Being personal, warm, and authentic with your donors is critical. People expect to have open, honest, and authentic relationships with you. When communicating with your donors, make sure that you are being real and taking them seriously—not just treating them like an ATM. In addition to creating a warm message, take the time to customize your thank you letters. Make sure to utilize the segmentations you've created so you can message them appropriately. A good email tool should make this easy to do, so take advantage of this option. (If you're using Network for Good's donor management system, just go to the email tab and select which segment you'd like to write to). If you're doing snail mail outreach, consider writing a handwritten note to stand out from the crowd. Or, pick up the phone and tell donors just how important their support really is. Don't be afraid to do something different and take the time to customize your thank yous. Investing the time to be personal pays off by making a good impression on your donors.

2. Tangible

Show your donors exactly how their donation is making a difference. Donors want to know that their dollars matter, so tell them what you did with their money. One of the best ways to do this is sharing a story that highlights how a donor's gift is making a difference. Stories put names and faces to the facts and figures that nonprofits often share with their donors.

If your donors are local, invite them to tour your facility or visit a program site. Show them the work you do, and, if possible, meet some of the people you serve. There's nothing like having an unforgettable experience to make a cause tangible.

3. Creative

Don't look at sending thank you letters as drudgery. Use it as an opportunity to be creative and connect with your donors in unique ways. Sending photos or videos of your work is a great way to create a stronger emotional connection with your donors. Another way to get creative is to change who's telling the story. Instead of sending a thank you note from an executive director, consider sending letters from volunteers, community members, or the person who was directly affected by the gift.

4. Donor-Centric

Don't forget that your donors make your work happen. They should get credit for the work they do. List the accomplishments they've made possible and put them front and center in all of your outreach. Don't just talk about your organization as if it's somehow outside of the work and the investment of your donors. The idea is that donors made this possible. They get the credit. What did they accomplish? As you write your thank you letters, make it about them and the difference they are making together with you.

Putting it All Together: Your Donor-Retention Timeline

Now that you know the basic principles of retention-focused donor communications, it's time to put your plan in action. This straightforward timeline from nonprofit expert Nancy Schwartz shows how and when to interact with first-time donors to ensure they stay engaged with your nonprofit.

On receiving an online gift: Show your gratitude.

- Share your appreciation via a follow-up page as soon as your first-time donor finishes the transaction.

Same day: Get all donor and gift data into your donor management system.

- Many data points, from the time of day the gift was made to your donor's zip code, can help you customize upcoming donor communications and increase the probability of future gifts. Don't delay in importing that data into your system.

Within one day: Thank your donor in a brief, but compelling, email.

- Use your donor management system to automate this initial email after the first-time gift
- Mention the campaign or specific project your donor is supporting
- Include a receipt.
- Send it from your executive director or star program staffer (if that staffer is well known).

Within four to seven days: Reinforce your thanks with a warm, heartfelt follow-up email.

- Reiterate your appreciation for this first-time gift. Welcome your new donor to the cause.
- Share a specific impact story—photo or video op!—that donations made possible to show the importance of the donor's gift. This person gave to your organization because they found something you said appealing, so reinforce that!
- Tell the donor how and when you'll be following up and that you're looking forward to getting to know him or her better.
- Invite the donor to get in touch with you or a colleague with any questions or requests.
- Send future messages from your executive director or development or program director to add a personal touch. Relationships are built from person to person, not from organization to person. Your donors will notice the difference in the email's "from" field.

Within two weeks: Roll out your welcome wagon (aka your welcome pack).

- Show your donor that you care by sharing content suited to their interests. For example, note if the donor first gave on #GivingTuesday, lives near a program site, or donated to your life skills program.
- Link your donor's gift to the impact your organization is making across programs and services. You'll strengthen the donor's connection to the cause and your organization.
- Surprise your top-prospect segment with a handwritten (or even just hand-signed) thank you note or phone call.
- For donors who gave offline: mail a second thank you/welcome note (hand-signed if possible, at least to higher-level donors) with a short newsletter or impact story.
- For donors who gave online: kick off your welcome email series, featuring a brief impact story in every email and dripping out other info about your organization's unique impact and approach. Include calls to actions such as sharing an event on Facebook or signing a petition.
- For new high-value donors, take a step further to reinforce your relationship with a hand-signed, printed welcome note.

Within two weeks: Dig into your data to get to know your new donors.

- Assess your new-donor data at least every two weeks.
- Determine if your new donors do or don't fit into your donor framework (target groups and segments within each).
- For new donors similar to your current groups and segments, determine how you can customize your messages to match the relevant segment while integrating your new-donor welcome and appreciation messages.
- Note any groups of outliers who are similar to one another but don't fit well into existing segments.
- Articulate what's unique about their wants and preferences. These gifts may signal the potential for more donors like them, but you need to know what "like them" is so you can look for it.

Over the next three months: Stay in close touch with relevant content.

- As with any new relationship, the first few months are everything. If you don't engage your first-time donors within 90 days post-gift, you're not going to resonate with them.
- The proven way to keep these donors engaged is to deliver content marketing that shows you "get" them.
- Take a cue from these superstar content marketing models.

Simply put, strive to communicate with new donors in their preferred format, at the time that they are most responsive, and with content that they care about.

For a personalized demo to learn how we can help you meet your fundraising goals, contact us today:

1.888.284.7978, option 1.

Or visit us online to reserve a time with one of our fundraising consultants and find out how the right software, tools, and support can help your organization raise more money all year round.