Introduction to Online Fundraising

March 25, 2008
The Foundation Center
San Francisco, CA

Robert Weiner	Robert L. Weiner Consulting	robert@rlweiner.com
		www.rlweiner.com

My Agenda

- Getting Started with Online Fundraising
  - Why Bother?
  - Online Donations
  - Email Marketing
  - Building Your List
  - Best Practices
- Resources
- Q&A

FOUNDATION CENTER
Knowledge to build on.

Why Bother with Online Fundraising?

- ## Reason #1:
  - Internet use continues to grow. The adoption rate for adults 55 years and older grew by 20% last year.

Use the internet	
Total Adults	75%
Women	74
Men	76
Age	
18-29	92%
30-49	85
50-64	72
65+	37

Household income	
Less than $30,000/yr	61%
$30,000-$49,999	78
$50,000-$74,999	90
$75,000 +	93

Educational attainment	
Less than High School	38%
High School	67
Some College	84
College +	93

Source: Pew Internet & American Life Project, January, 2007
www.pewinternet.org/trends/User_Demo_2.15.08.htm

FOUNDATION CENTER
Knowledge to build on.
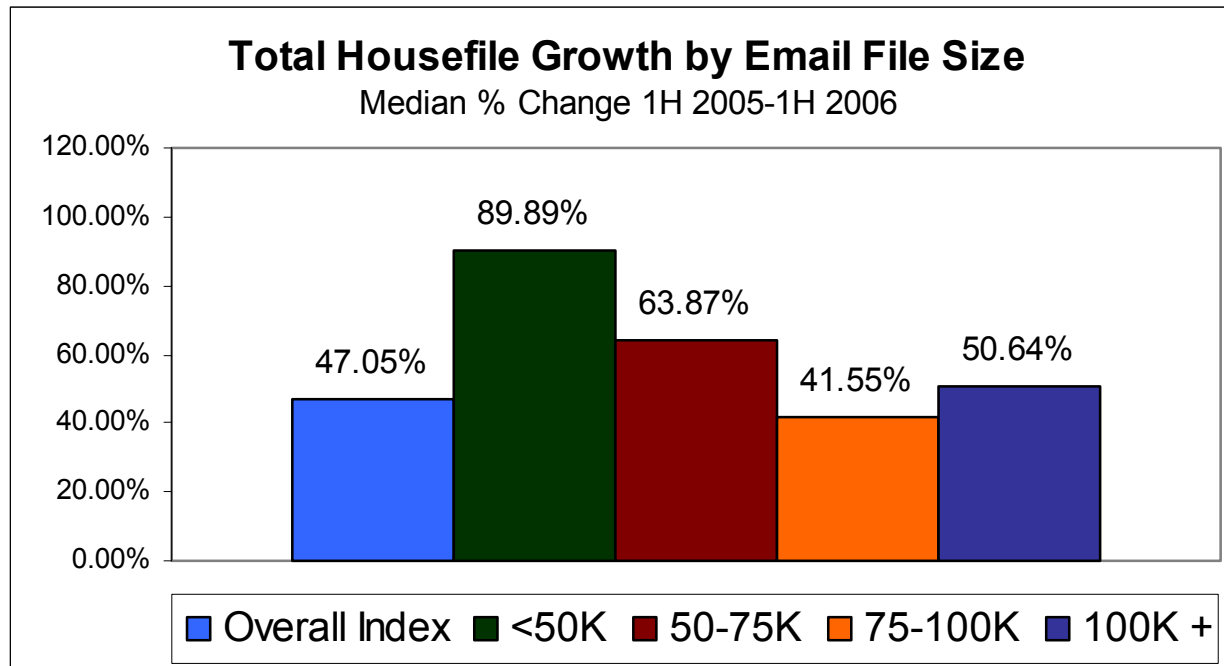
Why Bother? Reason # 2

Target Analysis client benchmarking study: Median cumulative growth in online donors has been 101% over the past three years, compared to 6% growth for non-online donors.

Fig. 1: Median Cumulative
Donor Growth
2003 to 2006

101%

6%

Donors Who Gave At
Least One Online Gift
(Within the Year)

Donors Who Gave Via
Other Channels
(Within the Year)
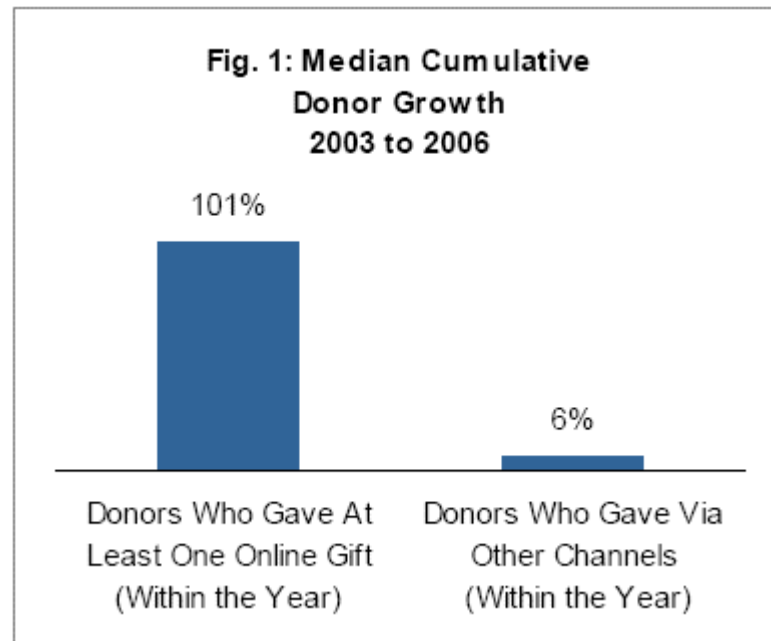
Source: Target Analysis Group: 2006 Online Giving
www.targetanalysis.com

FOUNDATION
CENTER
Knowledge to build on.

Why Bother? Reason #3

Convio client benchmarking study: Organizations with smaller online house files experienced faster growth than organizations with larger files.

Total Housefile Growth by Email File Size
Median % Change 1H 2005-1H 2006

Source: Convio Online Marketing (eCRM) Nonprofit Benchmark Index™ Study: www.convio.com/onlinebenchmarks2

FOUNDATION
CENTER
Knowledge to build on.

Why Bother? Reason #4

Target study: 2006 median average online gift was $57, compared to $33 average gift to all other sources. 2006 median revenue per donor was $114 for online donors and $82 for non-online donors.

Fig. 5: 2006 Median Average Gift

Fig. 6: 2006 Median Revenue per Donor

FOUNDATION CENTER
Knowledge to build on.
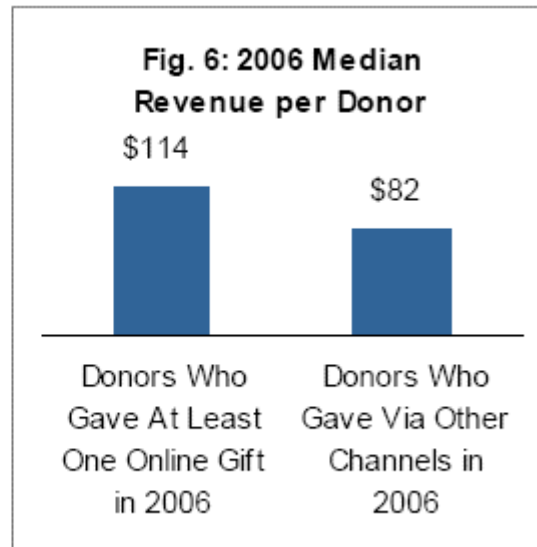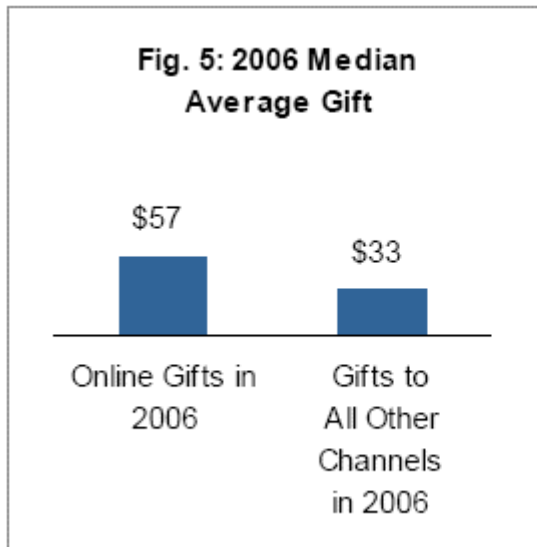
What Does It Take To Raise $$ Online?

- Technology to receive gifts
- Technology to send appeals
- A mailing list
- Getting your messages delivered and read
- A compelling message
  – We won't cover that today…
  – But there will be resources for self-improvement.

Online Donations: Do It Yourself

❑ Technical Issues:

- ❑ Integration with your web site & design.
- ❑ Donations page design.
- ❑ Secure web server.
- ❑ Payment gateway or credit card terminal.

- ❑ Merchant account.
- ❑ Secure connection to bank.
- ❑ Receipting.
- ❑ Gift designation options.
- ❑ Recurring gifts.

FOUNDATION CENTER
Knowledge to build on.

Do It Yourself : Pros and Cons

Pros:

❑ Complete control over design, text, donor options, and security.

❑ Can be inexpensive, especially if you already have a payment gateway and a web designer.

Cons:

❑ Need to build, design, and manage the systems.

❑ Must keep up with security.

❑ Need own merchant account.

❑ Usually not fully automated:
  - ❑ Can't charge credit card in real time.
  - ❑ Can't take donations at 11:55 pm on 12/31.

FOUNDATION CENTER
Knowledge to build on.

Online Donations: Pay Someone

- Optionally, use their secure server.

- In that case it's also their donations page.

- They charge the credit card.

- They email the receipt.

- They'll send you a file that you might be able to import into your donor database.

Pay Someone: Pros and Cons

Pros:

❏ Vendor provides server, security. Many provide merchant account.

❏ Quick and easy.

❏ Most are designed for fundraising.

❏ Fully automated (though entry in database is usually manual or upload).

Cons:

❏ Setup cost.

❏ May have monthly charge even if you don't get any $$.

❏ Might not have control over design, text, and receipt.

❏ Credit card might list vendor's name, not yours.

❏ Could be a delay in getting $$.

❏ If volume is high, could be cheaper to do it yourself.

FOUNDATION CENTER
Knowledge to build on.

Vendor Comparison: Idealware

idealware

	excellent	good	acceptable	poor
	●	● (blue)	● (light)	○

	Least expensive $	Moderate $	Most Expensive $

	Network for Good	PayPal	Click and Pledge	Groundspring	Democracy in Action	MemberClicks	eTapestry	Auctionpay	GiftTool	GivenGain	CharityWeb	Contribute.com
Setup Fee	–	–	–	$	$	$	$	$	$	$	$	–
Fees when Few Donations	$	$	$	$	$	$	$	$	$	$	$	$
Fees when Many Donations	$	$	$	$	$	$	$	$	$	$	$	$
Merchant Account (V=vendor; O=organzation; E=either)	V	V	V	V	E	O	O	V	E	V	O	V
Money Distribution	●	●	●	●	●	●	●	●	●	●	●	●
Integrated Recurring Donations	●		●	●	●		●	●	●	●	●*	●
Donations outside US/ Canada		●	●	●	●	●		●	●	●	●	●
Multiple Donation Forms		●	●		●	●	●	●	●	●	●	●
Registration/ Ticketing *		●	●		●	●	●	●	●		●	●
Product Sales *		●	●		●	●	●	●	●		●	●
Integrated Email *					●	●	●			●		

Introduction to Online Fundraising
Robert Weiner

FOUNDATION CENTER
Knowledge to build on.

Vendor Comparison: Affinity Resources

Fundraising & Internet Communications For A Changing World

Affinity Resources LLC®

Counsel To Nonprofits Since 1999

| Traditional Campaigns | Fundraising Online | Internet Marketing | Organizational Development | Resources & Articles | About Our Work | Contact Affinity | Request Alerts | |

Online Donation Engine Providers -- Fee Comparison Table - Page 1 more... Updated regularly since 1999

New: Client/Sample Links on Page 2

Company/URL Special Considerations	Info Updated As of	Setup Fee	Monthly Fee	Transaction Fee	Maximum Transaction Fee
4aGoodCause	07/07	Starting at $95	$35	$0.25	NA
82North	03/07	No	$30 (or $300 annual)	2.29% - 3.5%	NA
Acceptiva	02/07	$129 (includes page design)	$34.95	$0.25	NA
Antharia	03/06	$4,000 (includes first 2 years hosting, support, transactions)	$0	4%	NA
Auctionpay	05/05	No Response	No Response	No Response	No Response

FOUNDATION CENTER
Knowledge to build on.

Email: Do It Yourself (Outlook, etc.)

Pros:

❑ You already own it.

❑ It's cheap.

Cons:

❑ Limit on number of messages that can be sent.

❑ Have to use BCC line?

❑ Risk being ID'd as a spammer.

❑ Have to deal with bounces & opt-outs manually.

❑ Too easy to hit Send.

❑ Can you send HTML?

FOUNDATION
CENTER
Knowledge to build on.

Email Option 2: Use a Vendor

Pros:

❑ Design tools.

❑ Can handle high volumes.

❑ Automatic unsubscribes, bounce handling.

❑ Many vendors are whitelisted by major ISPs.

Cons:

❑ Time required to research and test.

❑ Cost.

❑ Many vendors require 100% opt-in lists.

FOUNDATION CENTER
Knowledge to build on.

Email Marketing Vendors

Sample Vendors:

[Yahoo Groups](#), [Google Groups](#), [Topica Lists](#) - free
plain text, designed for discussions, some have ads.

[Groundspring.org](#) - $29.95/mo. <= 10,000 msgs.

[Topica Publisher](#) - $49.95/month <= 5,000 msgs.

[Constant Contact](#) - $112/month for <= 10,000
msgs.

[Vertical Response](#) - $.015 to $.0075 per 1,000
msgs. 10K msgs. = $120.

Are Your Email Appeals Working?

Campaign Detail: Performance Summary

summary	tracked urls	subscribers

Show Content Formats	Totals	Rate	Change vs. Previous	Change vs. List
Attempts	2210		14 ↑	22 ↑
Bounces	3	0.001%	4.3% ↓	5.3% ↓
Deliveries	2197	99.4%	4.3% ↑	5.3% ↑
Unique Opens	2143	96.9%	38.4% ↑	1.3% ↑
Unique Clicks	2019	91.3%	4.9% ↑	4.4% ↑
Total Opens	2189			
Total Clicks	2175			

Introduction to Online Fundraising
Robert Weiner

FOUNDATION CENTER
Knowledge to build on.

Another Example of Tracking

Appeal	Net Sent	# of Donations	Total Donations	Response Rate	Avg Gift
Undergraduate AF Solicitation	11758	184	18,124	1.6%	98.50
Law AF Solicitation	8847	23	5,990	0.3%	260.43
Medical AF Solicitation	1998	2	200	0.1%	100.00
Class of 1999 AF Solicitation	1068	41	2,254	3.8%	54.98
Class of 1997 AF Solicitation	931	31	1,652	3.3%	53.29
Class of 1993 AF Solicitation	864	16	1,145	1.9%	71.56
Class of 1995 AF Solicitation	603	18	1,615	3.0%	89.72

FOUNDATION CENTER
Knowledge to build on.

Building Your List: Do It Yourself

- Signups on your web site.

- Ask for email in all communications.

- Collect email addresses at events.

FOUNDATION CENTER
Knowledge to build on.

Building Your List: Do It Yourself

- Online surveys, polls, and petitions.

- Contests.

- Offer special alerts, discounts and last-minute deals.

View Poll Results: The best chocolate			
German		5	8.33%
American		13	21.67%
Swiss		22	36.67%
English		3	5.00%
Brazilian		0	0%
Other(specify)		17	28.33%

FOUNDATION CENTER
Knowledge to build on.

Building Your List: Pay Someone

List Brokers

- Yields and quality tend to be low.

- Not opt-out. Risk being seen as a spammer by recipients.

- Risk being blocked as a spammer by ISPs, Blackholes.

- One-time contact. Invite recipients to join your list — don't just add them.

FOUNDATION CENTER
Knowledge to build on.
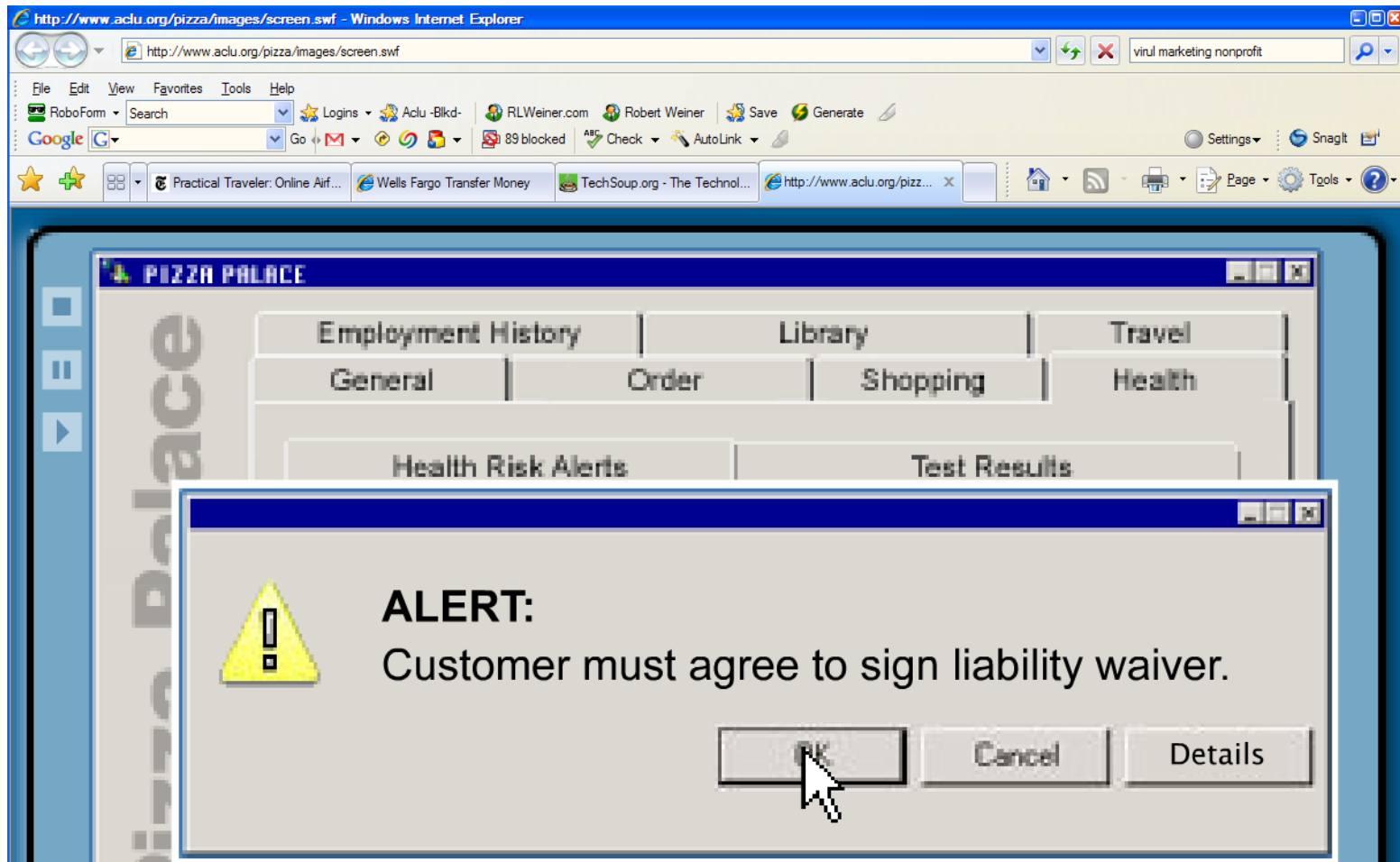
Building Your List: Get Help

Introductions From Like-Minded Groups or List Chaperones

- Minimal risk of being seen as a spammer by recipients.

- No risk that you will be blacklisted by ISPs — you're not sending the message.

- Best chance that recipients will read the message.

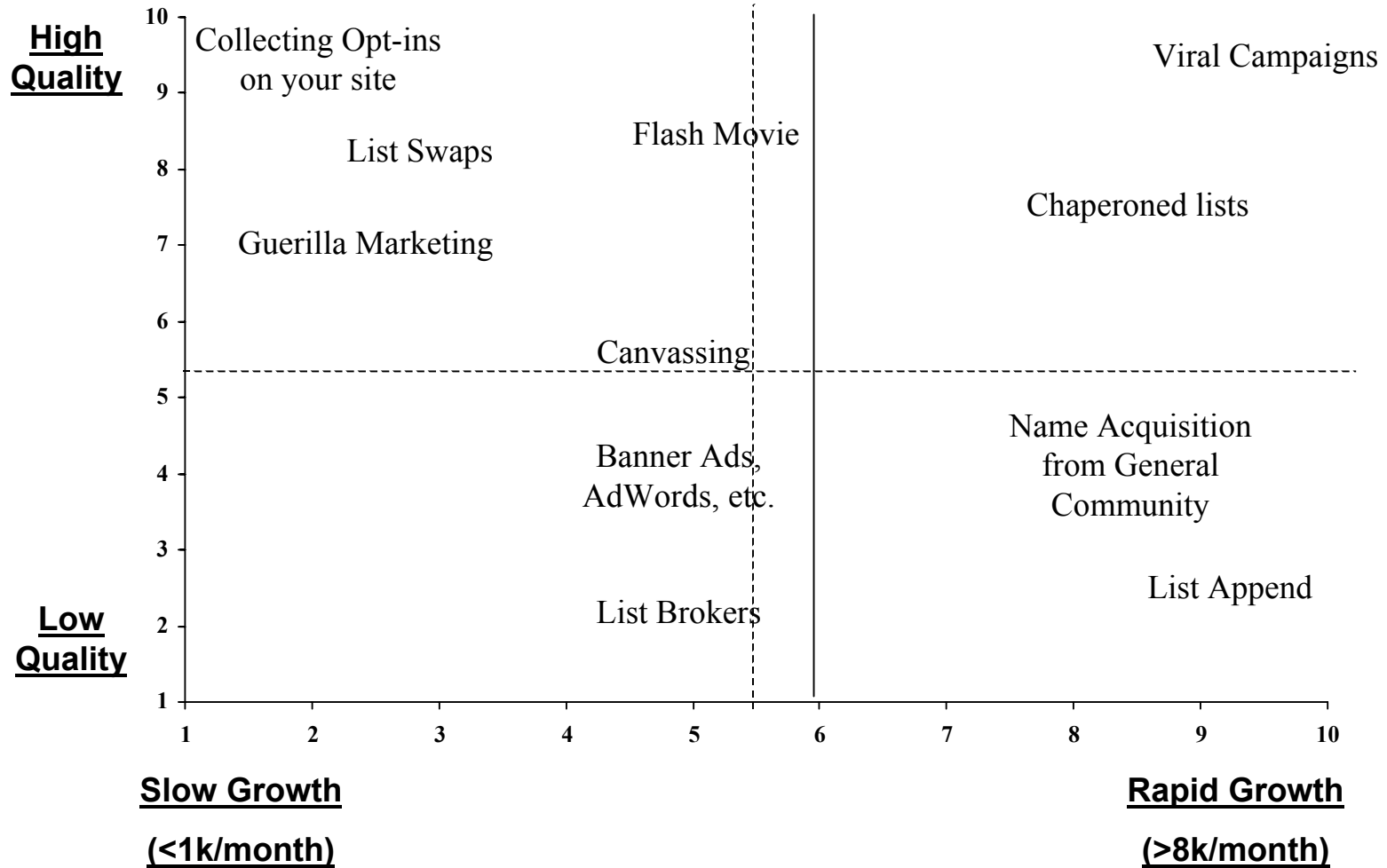- One-time contact, unless you're paying a chaperone.

FOUNDATION CENTER
Knowledge to build on.

Viral Marketing : The Holy Grail

http://www.aclu.org/pizza/images/screen.swf

Introduction to Online Fundraising
Robert Weiner

FOUNDATION
CENTER
Knowledge to build on.

Building Your List: What Works

High Quality

10 — Collecting Opt-ins on your site

Viral Campaigns

Flash Movie

List Swaps

Chaperoned lists

Guerilla Marketing

Canvassing

Name Acquisition from General Community

Banner Ads, AdWords, etc.

List Append

List Brokers

Low Quality

Slow Growth (<1k/month)

Rapid Growth (>8k/month)

FOUNDATION CENTER
Knowledge to build on.

Privacy Policies

- Develop and post a privacy policy.

How much do you care about their privacy policy?		
Response	**Chart**	**%**
Don't care		0.4%
Don't look at the privacy policy		4%
Read the privacy policy sometimes		13.6%
If they don't have a privacy policy I don't provide information		22.4%
If I am not happy with the privacy policy I leave the site		26.6%
I usually input false data		3.2%
I look for secure (SSL) sites		29.8%
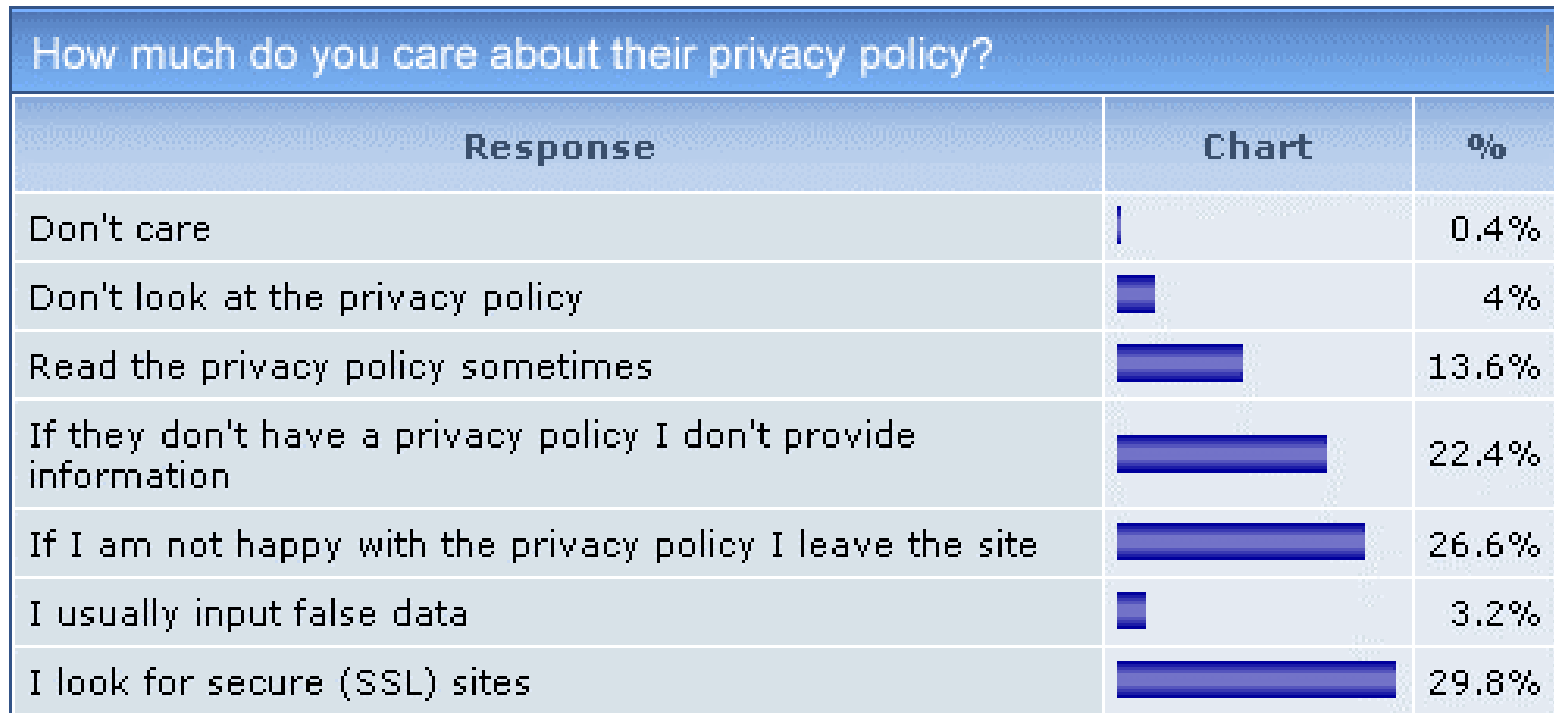
Customer Respect Group:

www.customerrespect.com/default.asp?hdnFilename=research_bp_privacypays.htm

FOUNDATION CENTER
Knowledge to build on.

Privacy Policies (2)

- DMA Privacy Policy Generator
  www.the-dma.org/privacy/creating.shtml

- Bottom line: make sure your audience wants to hear from you.

FOUNDATION CENTER
Knowledge to build on.

You Got Em — Now Keep Em

- First contact should not be a request for money.

- Expect to spend several months to a year building a relationship.

- Work on informing, engaging, and involving new constituents.

FOUNDATION CENTER
Knowledge to build on.

The Email Must Go Through Spam Filters

- Use a consistent and/or easily recognizable sender name.

- Ask recipients to "whitelist" you.

- Mention your org. in the subject.

- Test messages against spam filters (www.lyris.com/resources/contentchecker/, http://spamcheck.sitesell.com/, www.spamassassin.org) & major ISPs (AOL, EarthLink, etc.)

Spam Filters (2)

- Deal with "bounced" addresses.

- Avoid spam "trigger words"
  www.wilsonweb.com/wmt8/spamfilter_phrases.htm

- Use a service that's whitelisted with ISPs.

- Use opt-in lists.

- Always include an unsubscribe option.

- Comply with CAN-SPAM:

  www.ftc.gov/bcp/conline/pubs/buspubs/canspam.shtm

  www.techsoup.org/learningcenter/internet/page5264.cfm

FOUNDATION
CENTER
Knowledge to build on.

Think of the Reader

- Madeline Stanionis:

    – Be relevant

    – Tell a story

- Be brief
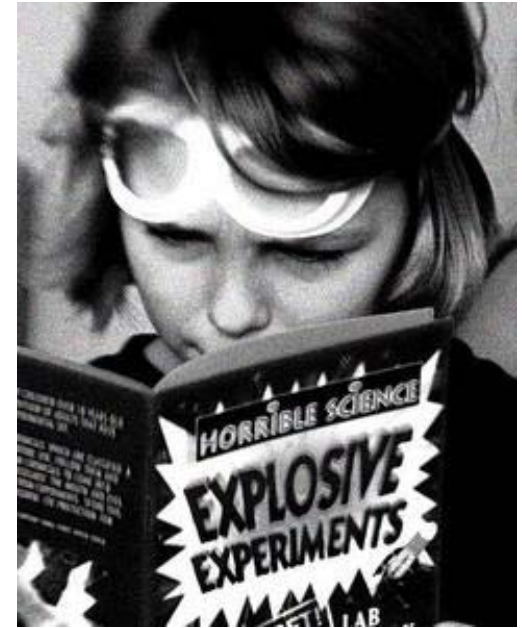
"If I'd had more time I would have written a shorter letter." — Mark Twain

FOUNDATION CENTER
Knowledge to build on.

Resources

Technical Stuff:

Affinity Resources: *Comparison of Online Donation Services*

www.affinityresources.com/pgs/awz55Online2.shtml

Alder Consulting: *Accepting Credit Cards Online on a Shoestring*

www.alderconsulting.com/creditcard.html

Idealware: Selecting an Online Donation Tool

www.idealware.org/donations/intro.php

**Interactive Advertising Bureau*: Guide to Email Deliverability*

www.emailexperience.org/uploads/File/Whitepapers/IABEmailDeliverability WhitePaper_Final.pdf

TechSoup: *Online Donations: Sorting Out the Chaos*

www.techsoup.org/howto/articles/funding/page1208.cfm

Weiner, Robert: *Online Donations Checklist*

www.rlweiner.com/clf/online_donations_checklist.pdf

More Resources

Strategy:

eROI: *Designing and Coding HTML Emails - What Works*

www.eroi.com/resources/emailDesign+codingBestPractices.pdf

Fundraising 123 Case studies and tips:

www.fundraising123.org

DonorDigital Case Study of Earthjustice:

www.malwarwick.com/learning-resources/e-newsletters/dec02.html

Madeline Stanionis, *The Mercifully Brief, Real World Guide to Raising Thousands (if Not Tens of Thousands) of Dollars with Email:*

http://www.emersonandchurch.com/direct_response.html#thousands

Madeline Stanionis presentations:

www.watershedcompany.com/index.php/writing_speaking/speaking

More online fundraising and email marketing resources are at:

www.rlweiner.com/resources.html

FOUNDATION CENTER
Knowledge to build on.