

# Sage Nonprofit Solutions

## **Be Your Donors' Favorite Charity:**

10 Tips to Keep Them Giving Again and Again



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## Introduction

We all know that it takes more time, energy, and money to attract new donors than it does to keep existing donors. So how do you keep new donors from becoming one-hit wonders, and your repeat donors from fading to black? Here are some proven best practices to keep your donors engaged and their checkbooks open.

## Be Accountable

Trust is a precious commodity in the nonprofit sector. It is imperative that you are being accountable not only in your financial audits, but to your donors as well. Make sure you use money raised for the purposes you outlined in your solicitations. Communicate these actions clearly and often to your donors, because once a donor is lost to a lack of trust, it is rare that he or she will return. Being accountable for the funds you raise will keep your organizational integrity intact and your donors contributing to your cause.

## Know Your Donors

Does Jane Smith not want to receive newsletters? Does the Jones Family Trust want to receive solicitations through your annual appeal? What is John Doe's normal giving cycle? Who knows the Taylors'? What prompted Ms. Clark to give to you in the first place? Knowing your donors is the foundation of any donor retention program.

If you don't know anything about the donor, start asking around. Ask your board members and senior staff. See if the donor appears in an Internet search or as a donor in another organization's annual report. Pay attention to any communication you receive from donors—written notes with contributions, attendance at a particular event, or a sudden change in a giving pattern. As you begin to compile a donor profile, be sure you have a system in place to document and save this information to recall for your future interactions and solicitations.

The more you know about your donors, the more opportunities you have to reinforce the relationships. Respect your donors' wishes when it comes to communications, solicitations, and acknowledgements. Take advantage of what prompted that first donation, who in the organization knows the donor, how the donor likes to be treated, and why the donor continues to give. After all, future gifts depend on how well you've nurtured the donor's relationship with your organization.

## Thank Your Donors

It sounds simple enough, and we all know it's important. But how we thank donors can either secure their loyalty or begin to erode away their confidence in your organization. They have chosen to give to you, so do everything you can to reinforce what a good choice they have made.

Timeliness is of the utmost importance. Thank your donors as soon as possible after receiving their contributions. This can be with a call, a card, a letter, or e-mail, whichever is the most appropriate for your organization. The gift is fresh in their minds, and quick responses secure their faith in your organization.

Take advantage of the fact that saying thank you is another chance to strengthen your campaign message. Plan the strategy for thanking donors along with your campaign and experiment with other communication vehicles and mediums. For example, rather than the mail-merge form letter, use a custom thank you card designed to emphasize the cause to which a gift was sent. By sharing a success story and recent photo, you are supplying the donor with the immediate gratification that his or her dollars are making a difference and are being used for the donor's intended purpose.

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## Make It Personal

Whenever possible, make your communications with your donors personal. One well-known and widely-used technique is to personalize salutations. However, this is also a very visible personalization. Your donors may not be forgiving if they receive a half-hearted attempt to make their letter personal such as “Dear Jane Smith”, a typo, or a blatant error. Accuracy in personalization is a necessity.

Within solicitation and thank you letters, include details of their most recent gifts such as the specific amount of the donation, the date or time of year, and the campaign for which the contribution was made. Also acknowledge any unique qualities about a gift. For example, did the gift originate from a family trust or neighborhood event, did it include a matching gift form from the donor's employer, or was it designated toward a specific purpose? This level of personalization shows that you are paying attention not only to the gift itself, but the donor's intentions.

To take personalization a step further, add a special touch to event invitations, thank you cards, and solicitations by adding a handwritten note or making follow-up phone calls. Ideally these notes or calls would come from someone who the donor knows, for example, the Executive Director, Board Member, or Campaign Chair, but it can be from any staff member, volunteer, or even a client. Wherever possible, physically sign correspondence rather than using an electronic signature. Handwrite addresses on envelopes and use a first class stamp rather than metered mail.

Although you may not be able to implement these techniques for all donors or for all mailings, start with a personalization technique that can be easily added to ongoing fundraising efforts. Over time, you will find that the extra effort can go a long way in not only keeping your donor's attention, but cultivating donors into that next giving category.

## Be Consistent

If you want donors to consistently give to your organization, then you need to be consistent with your donors. Part of maintaining consistency is to understand the expectations that have been established with long-time donors, the expectations of those who recently began supporting your organization, and the goals and limitations of your organization to meet those expectations while guiding expectations for the future. Consistency in communication and messaging, in events, and in timing helps to create a pattern of expectations from your donors and credibility for your organization.

Being consistent doesn't mean you are locked into the old ways of doing something or you can't change to meet the needs of your organization. If there has been or will be a major change in the usual pattern of expectation, communicate that change with your donors. For example, if your major fundraising event is always held in October but needs to be held in May because of funding constraints, you can survey the participants about attending in May and explain the reasons for the move. If your organization has a new logo, communicate the new look in a donor newsletter or on your Web site. Keeping the donors in the loop will strengthen their relationship with your organization and give you another chance to touch your supporters.

On the other hand, inconsistency can plant seeds of doubt in donors' minds regarding your organization. This doubt can prevent future gifts, which is what a donor retention program is designed to address.

## Show Donors How They've Helped—Engaging Without the 'Ask'

Although we naturally communicate with our top donors and grantors the results obtained from their contributions, we often don't implement the same strategy across the entire donor spectrum. No matter the size of the gift or the reason for giving, people want to feel valued and know their donations are making a difference.

As mentioned in the section on thanking your donors, one way to begin building and reinforcing donor loyalty is to share a success story within the thank you. This strategy shows how the donor's most recent contribution is making a difference and can be implemented for every gift, regardless of size. In every donor communication to follow—newsletters, Web sites, and solicitations—give examples of how the donor's money is being put to good use with testimonials, statistics, achievements, and images of success.

Frequency of these messages can play a big role in donor retention. For example, if you highlight the good work done through their support only in your annual appeal, the donors are not as likely to respond as strongly as if it is a message they are receiving throughout the year. Reaching out to your donors often and through a variety of mediums will help keep “top of mind” awareness for your organization.

Engaging your donors can be passive. It may take the form of newsletters, annual reports, postcards, or e-mails to share the accomplishments of your organization. Or it can be active. This includes when you invite donors to volunteer at your organization, hold an open house, or even ask for letters of support.

A key to donor retention is to build loyalty amongst all the donors. Plan the “pats on the back” and opportunities for donors to be engaged as pieces of your overall marketing and fundraising strategy to continually reinforce how important their gifts are and what good work you are achieving because of them.

## Have a Media Strategy and Implement It

One of the least expensive ways to promote your organization is by taking advantage of the various media outlets that serve your donor demographics. Having positive press coverage in the local newspapers, magazines, TV, or even on the radio serves as third-party validation of your organization and yet another way to reach out to your donors.

To successfully receive media coverage, it is important to develop a relationship with your media contacts. Decide on a consistent format for your press releases and send releases often so that the editor will get to know your organization. Make sure the contact person and supporting resources promoted within the release are available to the press for interviews and offer compelling visuals for TV footage and photos. Although you may not have total control over the decision to cover your story or the exact message the reporter creates, you do have control over the information you make available, the timing, and the selling points that would win coverage over a competing story.

Positive press reinforces the credibility and worthiness of your organization to your donors, just as negative press can have the opposite effect. Use the press wisely in your efforts to reinforce your message and to keep your donors excited about the good work being done by your organization.

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## Build Circles of Support to Reinforce Your Message

Word of mouth is a powerful marketing tool. In fact, some businesses rely on it alone to promote business and acquire new customers. Likewise, it can be a powerful strategy for a nonprofit organization.

Encourage your board, volunteers, and staff to take advantage of opportunities to talk with others about your organizational achievements in their everyday interactions. Build relationships with local businesses that will be advocates to their customers, clients, and business associates on your behalf. Use the various networking groups and service clubs as part of your marketing strategies to expand your contact sphere and circles of influence.

Word-of-mouth marketing serves multiple purposes, including attracting new donors and creating a good organizational image in the community.

These efforts also promote donor retention. The more people who speak highly of your organization, the greater chance your donors will be hearing messages of credibility and worthiness in casual conversation. These messages confirm the wise choice to support your organization and can generate further excitement about being a consistent contributor.

## Practice Continuous Improvement

Continuous improvement is a phrase suggesting that a process or product should always get better as knowledge about it and experience with it accumulates over time. This concept is not just for the manufacturing and quality control industries of the world, but also for all aspects of your donor retention efforts.

It is insightful to meet after a major fundraising initiative to review the strengths and weaknesses of the effort and prepare for the next one. But everything you do to attract and retain your donors—direct mail solicitations, telethons, events, capital campaigns—needs to be evaluated, documented, and improved upon for the future.

Continuous improvement means that for each donor-agency interaction, there are experiences that can be observed, documented, and tested. These lessons can then be applied as appropriate to similarly profiled donors or across the spectrum of donors. Your donor communication vehicles (newsletters, Web site) are great tools to show continuous improvement for the programs and efforts for which you are raising money. This includes improvements in your overall organizational image, style, and messaging. However, keep in mind your donor's perception of your organization when making upgrades to your communication vehicles. For example, a grassroots organization wanting to make the move from a black-and-white, in-house printed donor newsletter to one with color may want to try to get the printing for free or at a discount rather than paying full price for the upgrade. This way, the improvement to the newsletter can be communicated as the result of a charitable contribution rather than interpreted as funds redirected from programming to marketing efforts.

Continuous improvements made to all aspects of your organization will not only help your programs be more effective, but will create an organization that your donors will be happy to be affiliated with.

## Create a Recurring Gift Program

As one of the fastest-growing retention techniques, recurring gift programs are a proven method of increasing donor loyalty while providing a constant revenue stream into your organization. These programs can be easily integrated into current fundraising initiatives. By asking existing donors to make smaller donations on a recurring basis, you are keeping them active and engaged. Automatic deductions allow for a painless method of giving, provide an opportunity to easily upgrade to a higher recurring amount, and are more likely to keep your donors giving since it takes a specific action to stop the deductions.

Before implementing such a program, proper planning is essential. Determine the method for processing the recurring gift, the security measures needed to protect your donors' private information, the internal resources needed to manage the program, and the technological infrastructure needed to track all the additional information that a successful recurring gift program will create. By specifically inviting donors to join the program, you are not only securing their continued support, but opening the door for additional "asks" throughout the year. Creating a recurring gift program alone will not ensure donor retention. However, when combined with the best practices mentioned, it can be a powerful tool to keep your donors giving again and again.

*Use the press wisely in your efforts to reinforce your message and to keep your donors excited about the good work being done by your organization.*

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