

MORE THAN
JUST A DONOR:

**How Nonprofits Can Define Their Audience
and Create Better Relationships.**



ADVANCE **OHIO**

ebook

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In 2015, online revenue for nonprofits increased 19%.



Introduction

Charitable giving exceeded \$373 billion in 2015¹. Every nonprofit organization depends on donors to stay viable, and everyone is fighting for donor attention.

Many nonprofits are beginning to see the value of integrating digital marketing into their overall marketing strategy, but nonprofit marketers have some especially unique struggles in the marketing world. They are often overworked and understaffed, and have to juggle traditional marketing like print and events, while trying to stay up to date on newer digital tactics like email, social media, and mobile. Oftentimes, even the most well-planned digital strategies fall by the wayside due to time and energy constraints.

The reality is, digital marketing isn't going away – in 2015, online revenue for nonprofits increased 19%². In fact, it's only going to grow in the near future, and it's important for nonprofits to get on the bandwagon if they want to get a piece of that donor pie. Donors of all ages are getting more digitally savvy, and to stay on their donation radar, nonprofit organizations are going to have to keep up.

Digital marketing is tricky, though – with so many people online and so many organizations trying to get their message seen and heard, it's easy to get lost in the shuffle. For marketers, creating content can be like trying to throw darts at a dartboard while blindfolded, and hoping that it ends up somewhere near the target.

There is a solution: using data to learn about your audience. By learning who your audience is and what they are looking for, you can create content that relates to them, which gives you a leg up on the competition. Now, instead of throwing darts blindly, you can know where your target is so you can aim right at it. It's a solution that's on the cutting edge of digital marketing – and we're here to show you how it can be used to your nonprofit's advantage.



... lack of audience clarification is an important reason why it is crucial for a nonprofit to define its donors.



PART 1 Learning Your Audience



... a data-driven strategy can be used to identify and target specific segments of donors.



PART 2 The Importance of Understanding Your Donors and their Motivations

To well-informed marketers, it's no longer a question of whether they should be diving into digital marketing. The answer to that is a resounding "YES!". The question is now: **"how do I integrate digital marketing into my organization's strategy?"**. While this is a valid question, marketers should be asking an even more important question before even considering the development of their digital marketing strategy: **"Who is my audience?"**.

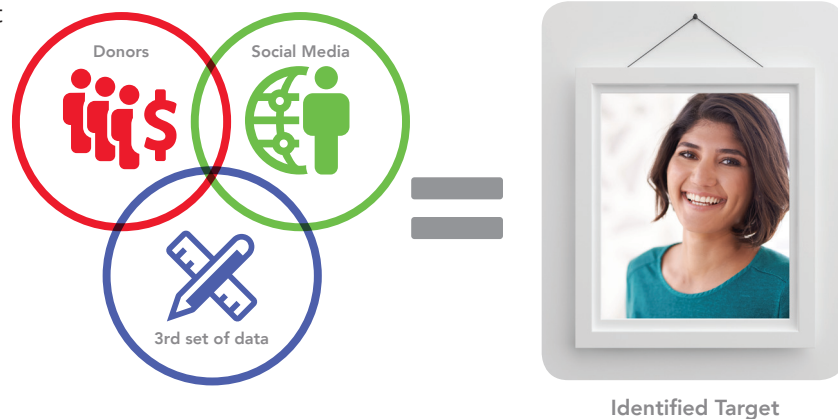
Many nonprofit organizations assume they know who their donor audience is, and develop strategies based on these assumptions. There are two problems with making these assumptions:

1. **How do you know these assumptions are accurate?**
2. **Even if these assumptions have been accurate in the past, are they still accurate, and will they continue to be accurate in the future?**

This lack of audience clarification is an important reason why it is crucial for a nonprofit to define its donors.

Data is one of the most important parts of any digital marketing strategy. 80% of nonprofits use donation amount as their primary, and often only, data point for their targeting strategy³. Only 34% use age and birth year data in their targeting. In order to more effectively increase engagement and conversions, nonprofits need to expand their use of data.

Rather than blindly sending out a message to any available audience, a data-driven strategy can be used to identify and target specific segments of donors. For data to make sense and be valuable, you need to have numerous and accurate data sets. Think of data like a black and white picture. Adding one set of data – like donors – would be like adding the color red. Another set of data, possibly social media followers, would be green, and then adding a third set of data would be like adding blue. Suddenly, you have a full scale color picture. When you analyze and organize the data, it's like adding a nice frame around it and now the picture is ready for viewing.



... people are more likely to respond to campaigns that resonate with them.



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PART 2 The Importance of Understanding Your Donors and their Motivations

When an organization truly understands its donor base, everything can be planned around those audience members and what they're looking for. Content can be created that speaks to what's important to them and what drew them to the organization in the first place. E-newsletters can be timed to agree with a donor's schedule and filled with content that is important to them. Social media interactions can be more meaningful and create further conversations through sharing.

The fact of the matter is that people are more likely to respond to campaigns that resonate with them. More than just knowing an audience, digital marketing helps build strong, loyal, and long-term relationships with donors, so they feel a connection to the organization and continue donating on a regular basis. By knowing who donors are on a more specific level, organizations can understand their habits and behaviors, and relate to donors even more.





Knowing what influences your audience helps you reach them when they are ready to donate.

PART 1 Using Data to Create a Donor Audience

One of the great benefits of digital marketing is the amount of data that you can collect on your donors through the process. Digital channels offer insight into how your donors find and interact with your website, whether they read your emails, and how they engage with your organization on social media. This information, combined with demographics, past donations and event attendance, and any other first, second, or third party data you can gain access to, can help further refine your donor base into specific audiences. You can then use this information to tailor your marketing efforts towards those audiences.

Here are a few ways to get started:

- Web analytics show which search terms brought people to your site and the amount of time they spent on each page.
- Website cookies can track visitors' clicks on your site, and where they go after they leave it.
- Email data reveals which subscribers open your messages, the links they click, and which offers they respond to.
- Social media analytics can show you where your customers live, where they work, where they went to school, what movies and music they like, who their friends are, and more. Using a social media monitoring platform can help you analyze your most popular posts and audience trends.

You can supplement these digital sources by gathering information directly from donors, such as through surveys, website registrations, or gated content. If you use additional channels such as online advertising, third-party data providers can provide additional insights such as demographic details and donation information.

Once you take the time to analyze this data, you can begin sorting your donors according to shared characteristics, such as:

Location:

What areas are most important to reach your audience? You can target donors near and far and create specific content depending on their location.

Interests and Behaviors:

What interests or behaviors motivate your audience? Once you know, you can target them. Some donors may be interested in long-form content, so they may find an eBook valuable. Others may just want tidbits of information on a specific area that your organization focuses on. Knowing these things helps you reach them more effectively.

Demographics:

Age, gender, household income, education level, and employment are some of the many different factors that could all have an effect on how and when people donate. Knowing what influences your audience helps you reach them when they are ready to donate.

Collecting CRM data is a beneficial marketing effort that complements other online and offline strategies.



PART 2 Organization and Implementation



With enough data, the possibilities of
donor targeting are endless...



PART 2 How to Manage and Organize Data

It is not out of the ordinary for nonprofit staff of all sizes to question if donor/customer relationship management software (CRM) is really necessary. As digital marketing becomes more prevalent, and more data on customers becomes available, it is becoming a requisite for nonprofits to invest in a relationship management program. As we've mentioned before, it is essential that any digital marketing strategy be rooted in data and based on audiences.

Collecting CRM data is a beneficial marketing effort that complements other online and offline strategies. It has the capability to reveal more about supporters than you would generally know, and the ability to create profiles of supporter bases, consumer lookalike audiences, and predictability models for targeted campaigns.

CRM data is a valuable resource on which to base strategies, but it is crucial to note that the data is only as good as its accuracy. Maintaining a database by collecting up-to-date information and categorizing it

effectively is a pivotal part of any ongoing marketing strategy.

Basically, a CRM will make the lives of nonprofit staff easier. A well-organized, consistently updated CRM will help a nonprofit:

- Track interactions with donors and donations
- Set communication reminders
- Analyze donors' giving trends
- Accept and receive donations
- Create and send branded emails, newsletters, invitations, and content
- Integrate with accounting software to create more accurate record keeping

The greatest benefit of a CRM is that all your donor information is kept in one location that is easy accessible and can easily be integrated into other systems that you could use for current or future outreach campaigns.

For organizations that want to take their CRM data one step further, there are various Data Management Platforms (DMP) available that can do just that. Donor files can be appended to various third-party data points and then analyzed to give you even further insight into customer segments.

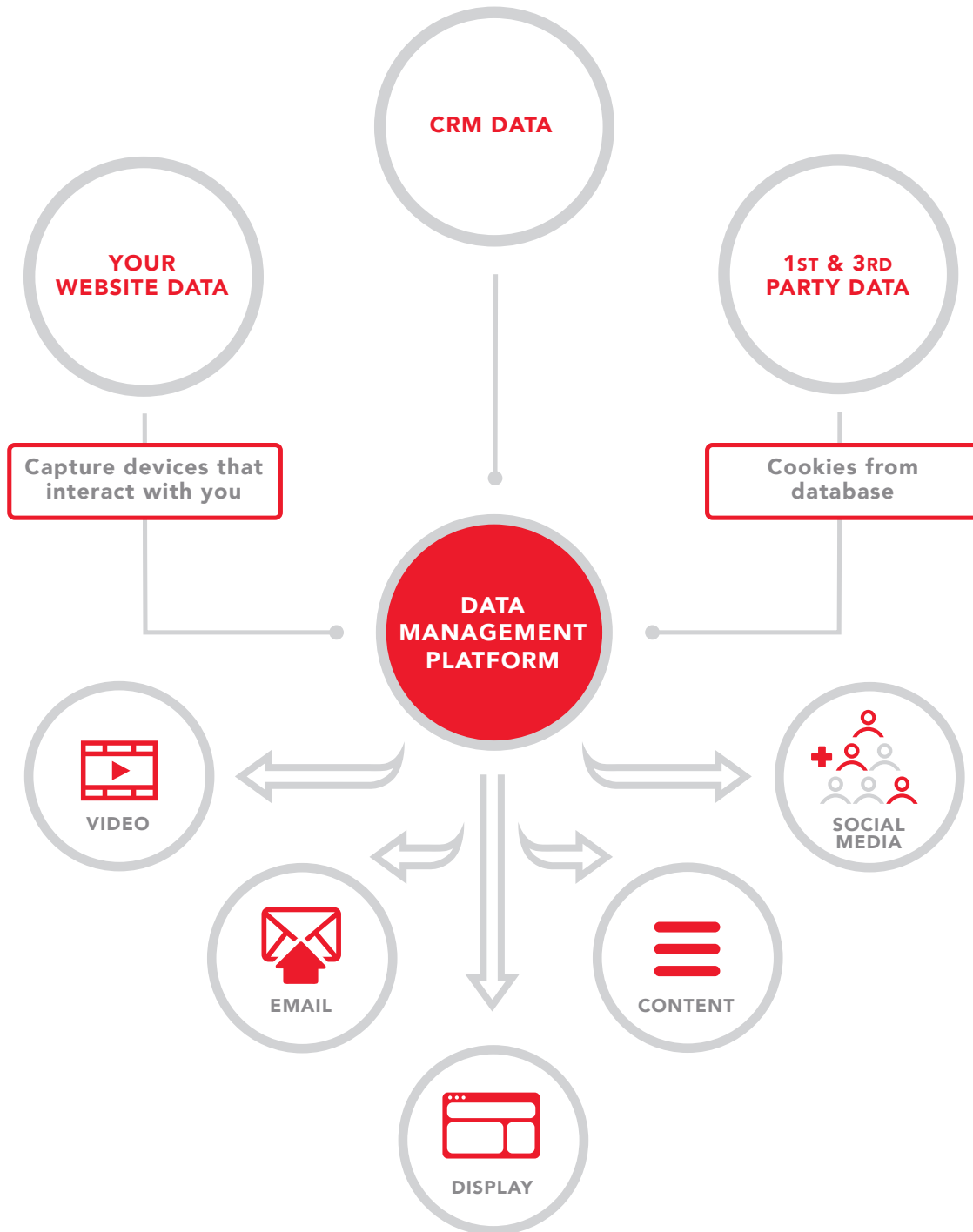
With enough data, the possibilities of donor targeting are endless, so it's important for nonprofits to keep donor records as accurate and up-to-date as possible.



The greatest benefit of a CRM is that all your donor information is kept in one location...



PART 2 Maximizing Your Data



With enough data, the possibilities of
donor targeting are endless...



PART 2 Best Digital Marketing Tactics for Nonprofits (and how to keep the cost low)

Nonprofit marketers really are troopers. Not only do they juggle every aspect of marketing from email, to print, to events, to digital, and have to stay updated on everything at once – they have to stay within budget and answer to the board. Often, nonprofits are competing with more financially-endowed advertisers in a difficult online marketplace. It's not easy, but there are ways to get the word out there in a cost-effective way. Below are six tactics that nonprofit marketers should be utilizing in their marketing strategy.

1. Mobile is Crucial for Nonprofits



Online donations are trending up by more than 30% year over year⁴, and based on mobile trends, that number is not going down. In addition, nonprofits without means for mobile donations miss out on almost 20% of available donations⁵. With the internet at everyone's fingertips, it is even more important for nonprofits to catch people wherever and whenever they want to donate.

2. Continue Email Marketing Campaigns



Most nonprofits have some sort of e-newsletter distributed. Keep it going. Here's an interesting statistic: email metrics are down, but email fundraisings up². For nonprofits, email is becoming increasingly important –

27% of average online revenue for nonprofits can be tracked directly to an email appeal². Crafting a compelling subject line, adding images, and keeping copy easily digestible will improve email engagement.

3. Visually Appeal to Donors Through Video



While video can be intimidating for an already stretched nonprofit marketing staff, constant improvements to smartphones make high-quality video a possibility for everyone.

Video gives your organization stronger search rankings, and quickly gains the attention of donors. In general, videos only help your cause often times with higher click-through rates, and of course the emotional connections that are evoked through a short video are second to none.

4. Invest (at least a little) in Paid Social Media



Social media is not just a trend. For nonprofits, this is both good and bad – it's hard to navigate and keep up with the times, but it is a low-cost way to advertise and engage with donors. That's why it is so important for nonprofits to put a little bit of that budget away to invest in paid-social media. It is hard to gain visibility across the networks without getting a little traction, and paying for social is a great way to get there.

Google offers \$10,000 of AdWords advertising to eligible nonprofit organizations



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PART 2 Best Digital Marketing Tactics for Nonprofits (and how to keep the cost low)

5. Check out if You're Eligible for Google Ad Grants



Most nonprofits don't even consider search engine marketing because of the costs associated with it. In comes Google Ad Grants – an online advertising solution from Google.

They offer \$10,000 of AdWords advertising to eligible nonprofit organizations. Of course, there are some restrictions on eligibility and implementation, but hey – it's free advertising.

6. Consider Outsourcing



Here's the thing—all marketers are overwhelmed. It's hard to wear all the different hats and learn all the most recent tricks of the trade.

Marketers are responsible for research, lead generation, website design and management, content creation, social media, SEO, SEM, content creation, and content distribution and management. On top of that, they are expected to be the visionaries, project directors, storytellers, editors, creatives, researchers, and analysts. Hiring a team of experts in each of these areas is obviously the ideal, but that means big bucks. The next best option is to consider outsourcing: hiring an agency that is already filled with experts whose job is to stay up to date on the most recent trends is the obvious choice for a nonprofit marketer who could use a little assistance in the digital world.



Every form that is filled on a nonprofit's website should be tracked.



PART 2 Measuring Results

Once an audience is defined and a strategy is implemented, it's important to be able to prove the value of digital marketing efforts to your management and to the nonprofit board. While analytics tools lend great insight into the performance of content, success depends on what the goals of the strategy are. Whatever goals were set in advance should be tracked throughout the life of each campaign and the whole strategy. Here are some things that nonprofit marketers should consider measuring:

Site Traffic and Sources: Of the most obvious metrics to measure, a marketer should not only track the traffic, but the source of the traffic - organic search, direct traffic, social media, email, or referral traffic. This will give marketers an idea of what strategy is working best.

Average Time on Page: This number will show if visitors are consuming the content for the appropriate length of time and help show if content is relevant to the audience.

Bounce Rate: Going hand-in-hand with average time on page, the bounce rate shows if someone jumps on the site, then leaves without looking at other pages on the site - an indication that content might need work.

Conversion Rate: This measures the effectiveness of email campaigns by showing how many recipients took an action, and what sources are converting to leads.

Number of Leads: Every form that is filled on a nonprofit's website should be tracked. The more information that is collected through the forms, the easier it is to segment leads so marketers know where to focus their attention.



Social Media Engagement:

- Audience Size
- Audience Engagement
- Audience Growth Rate
- New Follower Count
- Shares per Post
- Likes per Post
- Clicks per Post

PART 3 Get Started



...website tagging is an incredibly helpful tool for grouping people...



PART 2 Audience Insights Without a CRM?

For organizations that don't have a CRM or a CRM with bad or outdated data, it is still possible to gain insight into donor interests within a data management platform. Nonprofits that maintain an email subscriber list have a great source of information right at their fingertips. People who have given an organization their email address have raised their hand to interact with that organization online with a permission based marketing channel. While they may not always exactly match with your ideal donors, they probably aren't too far off. That email information will need to go through a relatively technical process of scrubbing personally identifiable information that turns the available list into an anonymous audience that is then imported into a data management platform and cross-referenced against the data in the platform to find matches.

Organizations that lack an email database or don't have the means to anonymize it, website tagging is an incredibly helpful tool for grouping people who interact with a website online into audiences for analysis. This source of information is already anonymized so all it needs is a Data Management Platform that can group the tagged users for analysis. If a site has enough traffic, consider using one tag for the total site audience, and separate tags on specific products or services for ad hoc segmentation. This will allow you to compare groups

interested in those products/services to identify differences and similarities that might predict future behavior.

Of course, nonprofits are notorious for keeping a tight budget, so it's possible that an organization may not have access to a data management platform or a partner with access to one. These organizations can turn to Facebook to learn about their audience. While Facebook can only give insight into your social audiences, it essentially functions as a data management platform with an audience analysis tool that gives surprisingly detailed information on followers. By creating audiences within Facebook's Audience Insights, a nonprofit can easily get a better picture of who their social audience is.



It's hard for an intelligent board to argue with facts.



PART 2 Getting the Board on Board

You've spent countless hours organizing data, defining your audience, and creating a digital marketing strategy for your nonprofit, but there is one thing in your way: board approval.

The good news is that many people are now understanding that digital marketing is the wave of the future, and with a proper presentation, you can present a persuasive argument to explain the importance of digital to your board.

We've compiled a few tips on how to "get the board on board":

Match the Mission: As your organizations marketer, you understand the goals and mission of your nonprofit and you've built your digital strategy to embrace them. Clearly demonstrate to the board how your strategy aligns with the organizations short- and long-term goals, and how it will work to drive the nonprofit's mission forward.

Speak to Your Audience: It's not just about knowing your external audience, you need to know your internal audience and how to speak to them as well. Leave out the jargon, and make sure to frame your presentation in a way that the board will not only understand, but relate with. Explain how the digital space is less of a "new technology" but an opportunity to build an audience.

Tell the Story: Prepare a compelling and detailed case for your project that focuses on how the strategy will benefit the organization, not just about how you're going to implement it. Present it in a way that's easily digestible and understandable. Make sure to highlight what the strategy will do – the board won't care as much about how specifically it will be implemented.

Present the Facts: It's hard for an intelligent board to argue with facts. Provide the board with cold-hard data that they can review that support your strategy, whether it's facts about the rise of data-driven marketing or stats on how digital is on the rise. On top of that, make sure the board is aware that the digital space provides a great opportunity to tell your nonprofit's story.

Identify Risks: If you don't consider the risks and address them, chances are there will be a board member that will. Make sure to address any risks with your strategy to the board, and show them how you will handle potential issues that may come up.

Promote Capacity Building: With the inherent lack of manpower that often troubles nonprofits, it is important to show the board how digital strategies can help build your capacity. In other words, show the board that digital strategies will help your organization scale your strategies and can help improve your nonprofit's effectiveness organizationally

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PART 2 Getting the Board on Board

and financially. Frame your request in terms of what your potential additional outcomes can be, like growth and your greater capacity to serve potential donors.

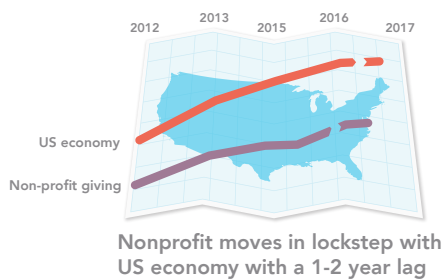
Highlight Value Not Cost: As with every organization, the board will care most about staying within a budget. If you are going over the budget that was allocated, make sure you can defend the increase. Emphasize the goals you are trying to reach and how they will benefit the organization. Point out that your plan includes constant measurement and analysis that will be able to prove a return on the investment in the long run.

The function of a nonprofit board is to make sure an organization thrives and moves forward. By doing your research and presenting your strategy in a clear and concise manner that highlights how the organization will benefit from digital marketing, it will make it much easier for your board to approve your digital marketing strategy.

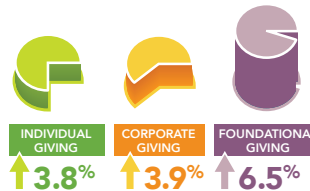


PART 2 Nonprofit Industry Snapshot

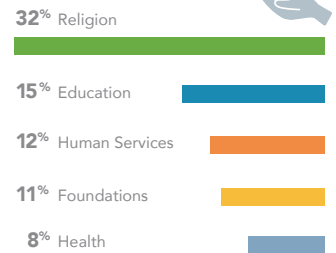
INDUSTRY TRENDS



Giving was up 4.1% in 2015, predicted to rise again by 4.1% in 2016, and 4.3% in 2017



Top causes for giving are:



CASE FOR DIGITAL

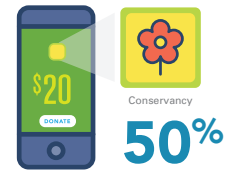


Online donations are trending up by more than 30% YoY

Mobile is Crucial



Nonprofits without means for mobile donations miss out on almost 20% of available donations.

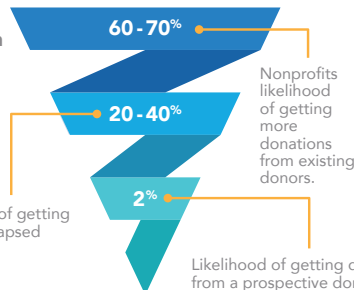


Almost 50% of US adults would donate within a mobile app

CHALLENGES

Donor acquisition and retention are key high funnel activities. Donor cultivation is critical.

Nonprofits likelihood of getting more donations from lapsed donors.



Biggest challenges to digital strategy?

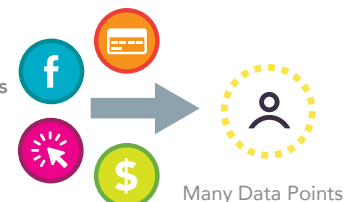


OPPORTUNITIES

80% of nonprofits use only a single data point – donation amount – to target communications and fundraising campaigns



Leveraging many data points increases engagement, retention, and accelerates giving.



SOURCES:

- ¹ Giving USA 2016 Report (PDF)
- ² M+R Benchmarks 2015 (PDF)
- ³ Donor Engagement Study <http://www.abila.com/lpgs/donorengagementstudy/>
- ⁴ Online Giving Dashboard <https://www.philanthropy.com/interactives/online-giving-dashboard>
- ⁵ 16 Must-Know Stats About Online Fundraising and Social Media <http://www.nptechforgood.com/2016/05/13/16-must-know-stats-about-online-fundraising-and-social-media/>



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