

Upgrading Through the Pipeline

Lifting Investment
at All Levels

DMA Nonprofit
Federation

#DCNP2018



UPGRADING THROUGH THE PIPELINE

A conversation with...

Kristin Serrano: Senior Director of Insight & Experience
Schultz & Williams

Caity Craver: CEO
DonorTrends

Lizzy Ludwig: Deputy Director of Development
International Campaign for Tibet

WHY DOES UPGRADING DESERVE YOUR ATTENTION?

**UPGRADING DONORS
IS THE QUICKEST AND
MOST COST-EFFECTIVE
PATH TO INCREASING
YOUR ANNUAL REVENUE.**

OUR APPROACH

Moving donors to higher levels of giving requires more than simply asking for an increased gift.

1. Audit your program for understanding about donor behaviors
2. Define upgrading as an organizational priority and think about it *institutionally* rather than as isolated actions or channels
3. Steward and engage with thanks, appreciation and information
4. Use behavioral science to inform strategy
5. Make the ask clear and compelling
6. Use data and analysis to refine and guide strategy

AUDIT FOR UNDERSTANDING

With data as your guide, determine who your upgrading donors are by compiling the behaviors and characteristics that signal value over time.

- Look at things like gift source, demographics, giving behavior, channel behavior, engagement and interaction
- If you aren't already, collect non-giving data
- Who are these donors? What do you know about them?
- What do these donor journeys look like?
- What pattern of offers, engagements and/or asks sustain/erode value?

AUDIT FOR UNDERSTANDING

Examine how you currently upgrade donor giving and question why it works that way.

- What are the upgrading offers available to your donors?
- Who receives them?
- When do you offer them?
- How do you offer them?
- What data drives the offer?

UPGRADE AS AN ORGANIZATION

Donor Journey Goal:

Appreciated → Engaged → Committed → Increased Giving → Loyal

- Think about upgrading as an increase in donor value
 - *donor investment in time or engagement (action, advocacy)*
 - *donor investment of dollars (larger gifts, frequency of gifts)*
 - *donor loyalty (long-term retention; participation in giving clubs)*
- Acknowledge and be comfortable with the fact that upgrading may result in donors switching or expanding giving channels
- Focus on the ultimate goals: upgrade and retain

IN ACTION: ICT UPGRADING AS AN ORGANIZATION

Goal: Grow number of sustainers through house file conversion and new-to-file acquisition

Strategies:

- Addition of 'Give Monthly' button to online donation form
- Digital Campaign with a defined goal that includes emails and ads to targeted audiences and a website lightbox
- Features in the mail newsletters



The screenshot shows a web form titled "Help Save Tibet" with a navigation bar at the top containing links: "Home", "Resources", "Take Action", "Support Tibet", "About ICT", and a "DONATE" button. The form text includes: "Human rights and democratic freedoms for the people of Tibet. All efforts are made in the name of people of conscience like you." and "Move toward compassion and kindness. Make a gift today." It instructs users to select "PayPal" from the Payment Type menu. Below this, there are two sections: "SELECT DONATION TYPE" with "ONE-TIME" and "GIVE MONTHLY" buttons, and "SELECT DONATION AMOUNT" with a text input field and three preset buttons: "\$50", "\$75", and "\$150".



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IN ACTION: ICT UPGRADING AS AN ORGANIZATION

Results:

- Sustainers continued to give both monthly and to direct response appeals *(included in select campaigns throughout the year)*
- Giving from this group of donors increased by \$46,911 year-over-year
- Organizational win!

Sustainer Enrollment Source	FY17 New Sustainer Giving		New-To-File Donors	FY16 Direct Resp Giving		FY17 Direct Resp Giving	
	#	Gross \$		#	Gross \$	#	Gross \$
Acquisition & Reinstatement	6	\$355	1	0	\$0	1	\$50
Appeals & Renewals	62	\$13,614	11	25	\$4,420	21	\$2,963
Cultivation & New Mbr Ask	22	\$2,015	19	4	\$310	18	\$990
Newsletter (TPW)	3	\$280	0	1	\$20	2	\$700
Online White Mail	42	\$7,996	7	15	\$2,437	12	\$999
Personal Solicitation	4	\$5,320	0	2	\$2,030	1	\$50
Sustainer	155	\$16,496	30	87	\$8,108	88	\$8,246
White Mail / Unknown	36	\$4,208	1	18	\$1,381	15	\$1,336
Totals	330	\$50,283	69	152	\$18,706	158	\$15,334

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IN ACTION: ICT UPGRADING AS AN ORGANIZATION

Goal: Upgrade donors at all levels

Strategies:

- Use the DonorTrends upgrade model to identify active and lapsed donors primed for higher levels of giving and ask more aggressively
- Convert single gift donors to monthly donors
- Increase cultivation and engagement opportunities and deliver consistently
- Use 4-ask gift string vs 3-ask (tested into)

IN ACTION: ICT UPGRADING AS AN ORGANIZATION

Results:

- All upgrade metrics outlined below exceeded FY16 results
- Increased number of Annual Fund donors upgraded into the Mid-Level Giving Program and within Mid-Level, Major and Mega donors
- Organizational win!

Fiscal Year	% of File Upgraded	Average Gift	# of Ann. Fund to ML	# of \$1K+ Upgrades
FY17	5.8%	\$152	50	81
FY16	4.2%	\$125	41	50

IDEAS & SUCCESSES: UPGRADING AS AN ORGANIZATION

STEWARD & ENGAGE

Donor Journey Goal:

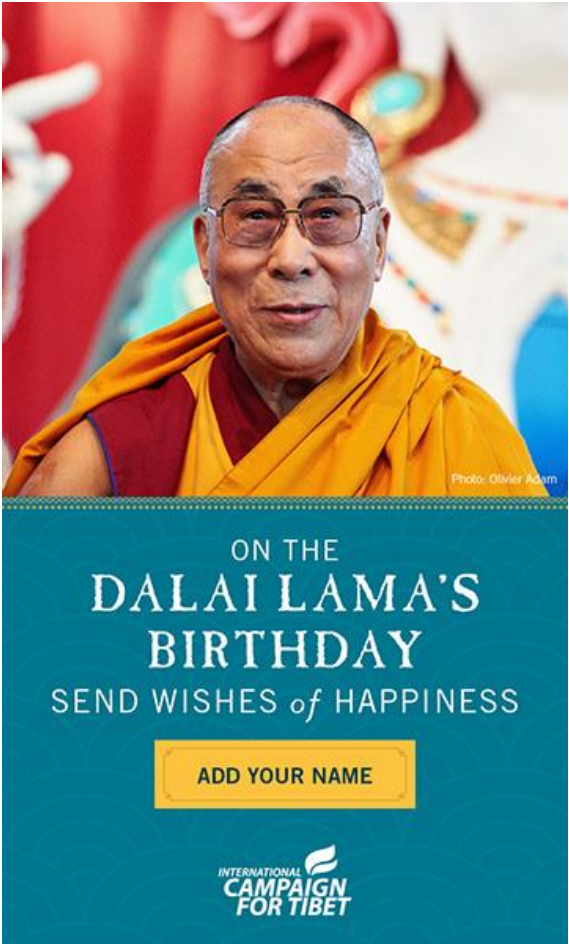
Appreciated → Engaged → Committed → Increased Giving → Loyal

- Design a year-long cultivation plan for donors
- Include a combination of channels
(mail, email, social, phone, video call, in-person, event)
- Stay committed and deliver
- Include soft asks where appropriate, but focus on thanks, appreciation and information
- Pay attention to connections that donors initiate

IN ACTION: ICT STEWARDSHIP & ENGAGEMENT

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ad



ON THE
DALAI LAMA'S
BIRTHDAY
SEND WISHES of HAPPINESS

ADD YOUR NAME


INTERNATIONAL
CAMPAIGN
FOR TIBET

International Campaign for Tibet
1825 Jefferson Place, N.W. • Washington, DC 20036 • www.savetibet.org

Sent with gratitude

LOSAR TASHI DELEK

ཨ་མ་གསར་ལ་བུ་ལོ་ས་བདེ་ལེགས་ལྷོ།




mail

The entire ICT family joins in wishing you
Losar Tashi Delek (Happy New Year)!

May the year of the Earth Dog bring you
– and all sentient beings –
peace, health and happiness.

email

The entire ICT family joins in wishing you
LOSAR TASHI DELEK!
ཨ་མ་གསར་ལ་བུ་ལོ་ས་བདེ་ལེགས་ལྷོ།




~ HAPPY TIBETAN NEW YEAR ~

With this year's Losar being observed
as the Earth Dog Year 2145 on the
Tibetan calendar, a Lhasa Apso graces this
greeting. Its appearance honors the breed's
origin in Tibet and its ubiquitous presence
in homes and monasteries throughout
Tibet and the diaspora community.

May the year of the Earth Dog bring you
– and all sentient beings –
PEACE, HEALTH AND HAPPINESS.

Sent with gratitude from



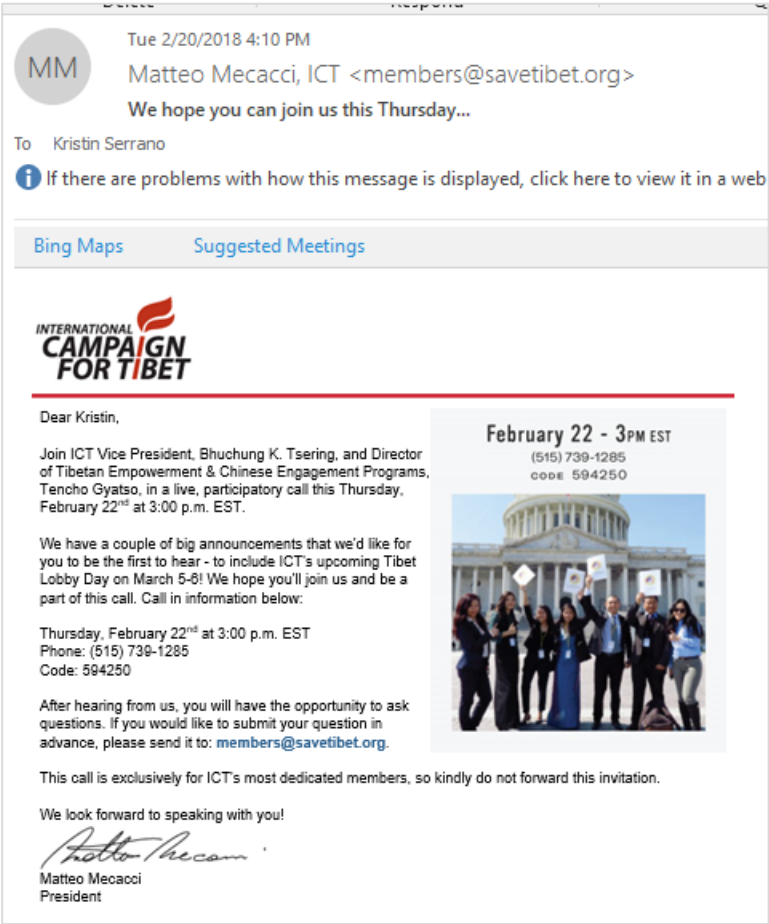
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IN ACTION: ICT STEWARDSHIP & ENGAGEMENT

newsletter / mail



special call invite / email



newsletter / email



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DMA Nonprofit Federation

IN ACTION: ICT STEWARDSHIP & ENGAGEMENT

Goal: Expand cultivation and engagement with mid-level, major and mega donors to drive upgrades

Strategies:

- Conference calls with ICT leadership
- Personal thank you calls
- Personal invites to local events
- Member e-newsletters with video messages from ICT President

Results:

- After incorporating these strategies more robustly and consistently in FY16 and FY17, revenue from these donors has increased by \$98,586 year-over-year.

IDEAS & SUCCESSES: STEWARDING & ENGAGING

USE BEHAVIORAL SCIENCE

Donor Journey Goal:

Appreciated → Engaged → Committed → Increased Giving → Loyal

Behavioral Science can help influence the donor journey to achieve increased giving.

“Behavioral economics says we are sometimes rational, but most of the time our rationality is limited by our ability to work things out, the large amount of information available, the limited relevant knowledge we have and our own lack of time and energy”

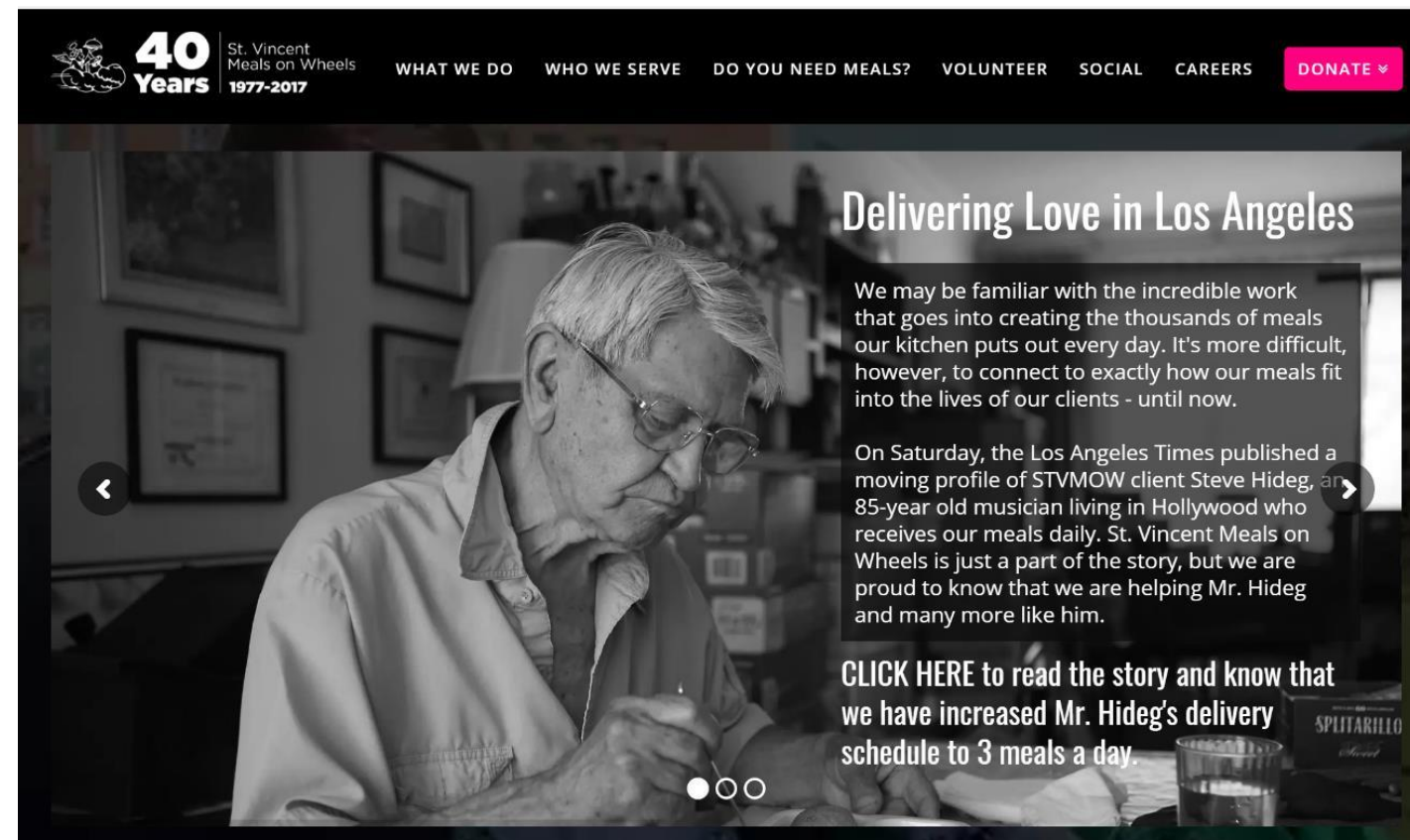
- Bernard Ross and Omar Mahmoud

Because of this, people use mental short cuts, or **heuristics**, to help them make decisions.

APPROACH 1: THE STORY OF ONE

To connect emotionally, focus on one person rather than many.

- The larger and more abstract a problem, the more distance it creates with a donor
- Tell the story of one senior who received a hot meal and great conversation – not the story of thousands of elderly who need help




APPROACH 2: SOCIAL PROOF

- People look for cues about what others are doing when making a choice

Your gift today helps save more lives

Your contribution to Best Friends goes straight to work helping tens of thousands of animals—both at the Sanctuary and through outreach and rescue programs all across the country. With a gift of \$25 or more, you'll receive six bimonthly issues of *Best Friends* magazine.

To make your gift in honor of a loved one, please [give a tribute gift here](#).



Your donation to Best Friends
All donations are tax deductible.

Most people are giving \$100 right now

☐ \$25 ☐ \$50 ☒ \$100 ☐ \$500 ☐ \$ other

❀ **PRIORITY RENEWAL OF SUPPORT** ❀

☐ **YES, I am happy to be giving help and hope to the people of Tibet in their nonviolent struggle against China's oppression!** To help expose China's violations of Tibetans' religious freedom, increase access to Tibet, and fulfill the Dalai Lama's vision for peace in Tibet, I am enclosing a tax-deductible gift in support of ICT's work:

☐ ((\$HPC)) ☒ ((\$1.5xHPC))* ☐ ((\$2xHPC)) ☐ ((\$4xHPC)) ☐ My best gift \$ _____

*Many members renew at this level!

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APPROACH 3: RECIPROCITY

I give to you, now you give to me.

- People are more likely to give when they get something back. Science has shown that this is true even when they know the gift is to motivate them to give!
- Premiums (upfront and backend) are obvious examples - webinars, town halls, site visits are others



TIBETAN
PRAYER FLAGS
ENCLOSED

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APPROACH 4: THE ANCHORING EFFECT




- The first piece of information received is used to make decisions



APPROACH 5: THE DECOY EFFECT

- The Decoy Effect is a cognitive bias that you can use in your fundraising to influence a donor's decision making



Technical Specifications				Close ↑	
Finish	Space Gray	Gold	Silver		
					
Capacity ²	16GB	32GB	64GB		
Price ¹	\$199	\$299	\$399		

☐ **YES! I am proud to stand with Tibetan nomads in protecting their culture, rights, and families!**

My special contribution to the International Campaign for Tibet is enclosed:

☐ ((\$HPC)) ☐ ((\$1.5xHPC)) ☐ ((\$2xHPC)) ☐ ((\$3xHPC)) ☐ My best gift \$ _____

IN ACTION: ICT USING BEHAVIORAL SCIENCE

Goal: Use the ‘story of one’ and ‘decoy effect’ approaches, along with an engagement device linked to Tibetans, to drive average gift

It was last fall during a trip to Dharamsala, India with International Campaign for Tibet (ICT) staff and members. I was in a small shop run by a Tibetan refugee when ICT’s Tencho Gyatso introduced me by name, “This is my friend Cynthia.”

The shopkeeper was gracious and welcoming. But then Tencho told him that I also worked for ICT.

Suddenly his face lit up with a big smile. He came from behind the counter, pressed his palms together, politely bowed, and presented a small good luck medallion as a symbol of thanks for all that ICT does to help Tibetans in their struggle for peace and justice.

This gentleman’s gratitude, along with that of so many other Tibetans I have met, although expressed to me also belongs to you, ((SALUTATION)).

- Strategies:
- Told the story of one Tibetan man’s reaction to ICT support
 - Tested a 3-ask gift string against a 4-ask
 - Included a sign & return engagement device

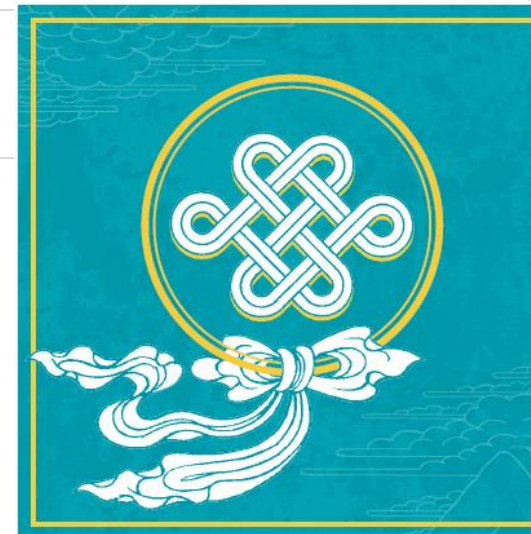
My Tibetan Friend,
Tashi Delek!
བཏག་ཤིས་བདེ་ལེགས།

Although many miles separate us, distance does not diminish our connection or our sense of oneness. Please know that you are not alone in your quest for peace, justice, and freedom for all the people of Tibet.

In solidarity,

ICT MEMBER

CITY _____ STATE _____



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IN ACTION: ICT USING BEHAVIORAL SCIENCE

Results:

- Mailing achieved the highest average gift of the past three years, increasing by \$2.99
- Mailing also achieved the highest response rate of the past three years, increasing by 0.73%
- 4-ask gift string outperformed the 3-ask gift string response rate by 0.14% and outperformed the average gift by \$2.43
- These successes resulted in the highest revenue of the past three years, increasing by \$8,106

IDEAS & SUCCESSES: USING BEHAVIORAL SCIENCE

MAKE THE ASK CLEAR & COMPELLING

Do your donors know what you need and would like from them?

- Anchor your ask
- Keep it simple
- Connect emotionally
- Communicate why the donor matters and how their gift will impact change

IN ACTION: ICT MAKING THE ASK CLEAR & COMPELLING

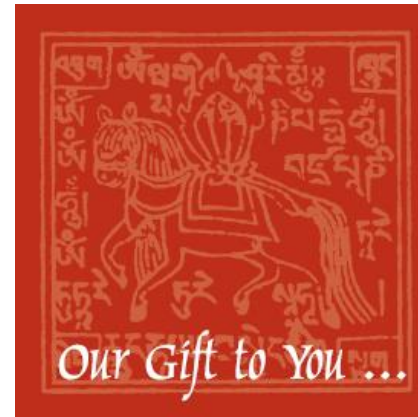
Goal: Reinstate deep lapsed donors

Strategies:

- Use a clear call to action on the carrier
- Offer a mission-connected backend premium
- Include an insert calling attention to the premium

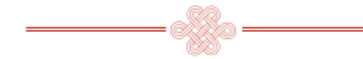
Results:

- Control that consistently performs well to reinstate deep lapsed donors



In gratitude for your membership gift of \$35 or more, we will send you a set of five small, colorful Tibetan prayer flags crafted in Nepal of handmade paper.

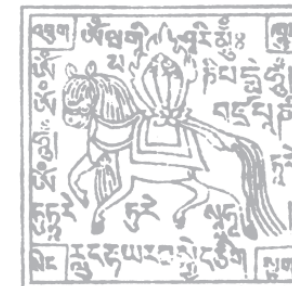
Please join today!



INTERNATIONAL
CAMPAIGN
FOR TIBET
1825 Jefferson Place, N.W.
Washington, DC 20036

*We urgently
need just \$5!*

Freeform Name
Company
Extra Address Line
Street
City State ZipCode with +4



Please send your tax-deductible gift today. \$5 will help. \$35 will do more to intensify pressure on the Chinese regime and bring hope to the people of Tibet. Plus, you will become a full-fledged ICT member with special benefits including our newsletter and a free welcome gift: a set of five small, colorful Tibetan prayer flags, handcrafted by artisans in Nepal, to grace your home and life.

IDEAS & SUCCESSES: MAKING THE ASK CLEAR & COMPELLING

USE DATA & ANALYSIS TO REFINE STRATEGY

Prioritize the analysis of your data.

- Crunch the numbers and review your data through multiple angles (package, audience segment, testing, etc)
- Identify strategies that are working, need re-testing and are not working
- Look for successes that can be tested across audiences and channels
- Look for areas of opportunity for testing new ideas or approaches for segments that are not performing as well as you'd like, or where you think there is room for further improvement
- Take the time to gather and analyze data before refining strategy

IN ACTION: ICT USING DATA & ANALYSIS TO REFINE STRATEGY

Goal: Test an appeal mailing with deep lapsed donors that did very well increasing response rate with lapsed donors

Strategies:

- Data showed that the 'Tibet Map' appeal resulted in lapsed donor response rates doubling those of the first four appeals of the year
- Test this package with the deep lapsed audience in an effort to beat the two reinstate control packages in response rate and average gift

IN ACTION: ICT USING DATA & ANALYSIS TO

REFINE STRATEGY

Results:

- Map Test achieved an average gift \$1.69 higher than the Flag Control and \$5.73 higher than the \$35 Control
- The Flag Control continued to achieve the highest response rate, with the Map Test and \$35 Control achieving the same response rate
- With promising initial test results, the Map Package is being retested in June



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CAMPAIGN
FOR TIBET
1825 Jefferson Place, N.W.
Washington, DC 20036

DELADORI
CITY STATE ZIPCODE

DON'T LET CHINA
wipe Tibet off the map!

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IN ACTION: ICT USING DATA & ANALYSIS TO REFINE STRATEGY

Goal: Upgrade active and lapsed annual fund donors

Strategies:

- Use the DonorTrends upgrade model to identify active and lapsed donors primed for higher levels of giving and ask more aggressively
 - Standard Ask: HPC HPCx1.5 HPCx2 My Best Gift
 - Aggressive Ask: HPC HPCx1.75 HPCx2.5 My Best Gift
 - Immediate Upgrade Test: Aggressive Ask vs \$1,000

IN ACTION: ICT USING DATA & ANALYSIS TO

Results: REFINE STRATEGY

- For donors in FY17 that were scored as ready for upgrade by DonorTrends, the below metrics show this audience's FY17 performance versus FY16
- All upgrade metrics outlined below exceeded FY16 results
- Increased number of Annual Fund donors upgraded into the Mid-Level Giving Program

Fiscal Year	% of File Upgraded	Average Gift	# of Ann. Fund to ML
FY17	9.0%	\$100	21
FY16	8.1%	\$ 93	0

IN ACTION: ICT USING DATA & ANALYSIS TO REFINE STRATEGY

New strategies being incorporated for FY18:

- DonorTrends Modeling
 - *continued use of the Upgrade Model*
 - use of the Sustainer Model (mail & digital)
 - use of the Planned Giving Model (mail)
- Year-long cultivation campaign (digital)
- Year-long sustainer campaign (digital)

IDEAS & SUCCESSES: USING DATA & ANALYSIS TO REFINE STRATEGY

CREATE A PLAN TO UPGRADE YOUR DONORS BY:

1. Auditing your program for understanding about donor behaviors
2. Defining upgrading as an organizational priority and thinking about it *institutionally* rather than as isolated actions or channels
3. Stewarding and engaging with thanks, appreciation and information
4. Using behavioral science to inform strategy
5. Making the ask clear and compelling
6. Using data and analysis to refine and guide strategy

**FOCUS ON UPGRADING YOUR DONORS TO
INCREASE YOUR ANNUAL REVENUE IN THE
QUICKEST AND MOST COST-EFFECTIVE WAY.**

QUESTIONS & DISCUSSION

THANK YOU!

Kristin Serrano

Caity Craver

Lizzy Ludwig

Schultz & Williams

DonorTrends

International Campaign for Tibet

kserrano@schultzwilliams.com

caity.craver@donortrends.com

lizzy.ludwig@savetibet.org

UPGRADING IDEAS & SUCCESSES FROM THE GROUP:

- Gratitude touch points (magnet)
- Donor thank-a-thon (calls from staff or donor volunteers)
- Symbolic descriptions
- Conversion from check to credit card or ACH (better retention & LTV)
- Iconic offers tailored to higher dollar donors
- Matching gift
- Journalistic-style publications that drive focus on mission and impact
- 4-ask gift string
- Personalized and segmented emails with asks based on giving history
- Events with organization/donor beneficiaries as speakers



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UPGRADING IDEAS & SUCCESSES FROM THE GROUP:

- Ask sustainers what types of communications they want to receive
- Ask for a micro-increase 1x a year of 10%
- Giving circles
- Cultivation donor journey with tailored information/education to introduce offers
- Manager of individual giving sends personal thank you, invitations, breaking news updates, in-person meeting requests
- Impact report targeted to \$1,000 to \$10,000 donors with donor profile and mission articles (reporting back)
- Thank you card that explains the mid-level society and creates program awareness
- Wealth screening to define target mid-level invite audience
- Holiday card



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UPGRADING IDEAS & SUCCESSES FROM THE GROUP:

- Model with data append (behavior, lookalikes, qualify & test)
- Additional touchpoints
- Wealth Engine/data enhancements
- Handwritten lift note from gift officer in year-end appeal
- Customize giving envelope levels depending on past gifts
- Primer of warm gratitude with a soft reminder to respond to soon-to-be-received renewal mailing to 12-24M donors
- Oversized quarterly postcards with thank you, simple program updates and vanity URL
- Facebook retargeting
- Quarterly updates personalized to projects of interest/chosen to support



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