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ONLINE FUNDRAISING SCORECARD

A National Study Analyzing Online Fundraising Habits & Donor Experience

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CAUSE+EFFECT

NextAfter

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Online giving represents less than ten percent of total charitable giving. So Dunham+Company and Next After set out to determine if charities are inhibiting or facilitating this movement to fundraising online.

In this study, we scored 151 charity organizations (including 100 that are in the *Chronicle of Philanthropy's* ***Philanthropy 400***) on 46 different metrics. This scoring was based on known best practices as established by MECLABS. For the Online Fundraising Scorecard, we gave each organization $20 and documented the entire process.

Here are some of our key findings in each of our four key categories.

Email Registration

Some good news, but much more bad news.

- 76% of charities do make it easy to find their email sign-up form.
- 66% of email sign-up offers provide little-to-no interest to a potential donor.
- 84% of charities present a non-exclusive email sign-up offer.

Email Communication

Big factors in deciding the success of online fundraising are the frequency and manner in which charities communicate with donors.

- More than one-third of organizations did not send a single email to new subscribers within the first 30 days of signing up.
- 79% of emails do not personalize the "To Line" with a first and last name.
- 56% of organizations did not make a single ask in the first 90 days!

Online Donation Experience

Our findings here were generally positive, but there is still room for improvement.

- 80% present a clear call-to-action.
- 85% have a landing page design that matches the email.
- But 84% were not optimized for mobile viewing.

Gift Acknowledgment

Most organizations (99%) understand the importance of thanking a donor, but 63% did not offer a donor "next steps" to take.

We hope this study will provide new benchmarks for the online presence of nonprofits so we can all improve together.

Is My Website Optimized for Fundraising?

In working with charitable organizations around the world, this is the question that we are asked on a consistent basis. It's a difficult question to answer. Reading between the lines, it asks a much deeper question that should hit home with most folks who spend their lives working in the trenches of nonprofit fundraising: "Am I doing all I can to maximize donated income and still be a good steward of the resources I have to spend on fundraising?"

It's a great question.

If you have ever asked this question, it means that you actually care. You're open to counsel rather than thinking you have it all wired. You don't just go through the motions; you fight to take it to a new level. You see a 10% response rate and read that as a 90% non-response rate – and that fuels your desire to do better. You are optimistic. You are brave. You believe, as the late management guru Peter F. Drucker once did, that "adequacy is the enemy of excellence."

(By the way, the answer to the question is always, "No." Your website is not optimized. You could generate more online income.)

Here's why:

- **Optimization Seeks to Understand Truth**
  This new science of optimization is really just the age-old search for truth. When something is optimized, it is working perfectly; and when something is working perfectly, it is right; and when something is right, it is true. The optimizer is on a journey seeking truth.

- **Testing Trumps Intuition**
  Flint McGlaughlin, Founder and CEO of MECLABS, once put it this way, "There is no such thing as expert marketers. There are only experienced marketers and expert testers." One of the essential truths that the optimizer must wrestle with is the simple fact that we are often wrong. But that's okay! Every time we are wrong, we can learn and adapt. That's why the optimizer must be a perpetual experimenter – he never stops testing.

So, How Can This Study Help Me?

This study has been developed to provoke a conversation about optimization within the nonprofit community. It is designed to inspire others to ask the question, "Is my website optimized for fundraising?" It is also designed to help organizations learn from one another in order to create an environment of collaboration in pursuit of excellence, as well as establishing some benchmarks around optimization.

We are not suggesting we are 100% correct in our assessment of each organization, nor are the 46 different dimensions that we examined a definitive list of criteria to determine whether or not an organization's website is optimized for fundraising. But it is an awfully strong starting point. Our hope is that this study will illuminate areas within your own online fundraising program where you can begin testing and learning. This study is not the final destination; it is the start of the journey.

Onward,

Tim Kachuriak, Lead Researcher
Chief Innovation & Optimization Officer, Next After

Brad Davies, Project Director
Vice President Digital Services, Dunham+Company

Note from the Authors

Before we released this study, we vetted our research with some of the nonprofit industry's leading experts. Steve MacLaughlin is the Director of the Idea Lab at Blackbaud, a leading global provider of software and services for nonprofits and publisher of The Blackbaud Index (www.blackbaud.com/blackbaudindex), a monthly index of charitable giving. Steve has spent more than 15 years building successful online initiatives with for-profit and nonprofit organizations across the world. He has been featured as a fundraising and nonprofit expert in many mainstream publications and serves on the Nonprofit Technology Enterprise Network (NTEN) board of directors.

Steve has a very unique perspective of the nonprofit industry, so we asked him to preview this study and give his thoughts as to what are some of the biggest takeaways.

Key Insights from Industry Expert Steve MacLaughlin, Director of Blackbaud's Idea Lab

Over the past 10 years, the growth in online giving has been nothing but remarkable. No other fundraising channel has had such impressive growth over a similar time period. Online giving in the United States now exceeds $20 billion annually and has continued to grow at double-digit rates for most of the past decade.

Donors continue to embrace online giving in increasing numbers. These donors also tend to be younger, wealthier, and make larger gifts than traditional direct mail donors. Online has also emerged as the first response channel of choice when natural disasters or unfortunate events occur. Donors are certainly driving the shift to online giving for a variety of reasons including convenience, mobility, and an accelerated blurring of the lines between the online and offline worlds.

With all these changes taking place, the question is how well are nonprofit organizations keeping pace? This report is one of the most extensive and detailed analyses of online practices used by nonprofits. It reveals key findings into the overall online engagement, giving, and stewardship experience of donors.

The following are some key findings and takeaways from this report:

Every Organization Has Room for Improvement: The analysis shows that even the best-of-the-best have areas that could benefit from improvements. Direct marketing oriented organizations (those who send a lot of direct mail and understand the role of multichannel communications) also tend to outperform organizations which emphasize traditional high-touch fundraising (i.e., major gifts, planned giving) in their online optimization. This suggests that given the choice, donors will gravitate over time to those that embrace online engagement and fundraising from end-to-end.

Don't Mistake Effort for Execution: Nonprofits check all the right boxes on opt-outs and privacy policies, but they aren't giving potential supporters enough compelling reasons to want to receive their email messages. Worse yet, when supporters actually do subscribe to receive information, more than one-third of nonprofits failed to send them anything within 30 days. Email addresses are like fish – they don't age well.

Email Appeals Aren't Very Appealing: The analysis reveals that most nonprofit organizations are not emailing their constituents enough. That's right! And the examination of over 1,300 emails shows conflicting calls-to-action, poor mobile optimization, and disjointed transitions to the website. This may explain the trend towards lower click-through and conversion rates in email appeals in the nonprofit sector. If email is dying, then it might be from self-inflicted wounds.

Online Giving is More Complicated than Sophisticated: Too many clicks. Too many steps. Too many fields. One of the main reasons donors prefer online giving is because of its convenience. The research suggests that nonprofits are placing too many barriers between donors and the online giving experience. The sector is also lagging behind in mobile friendliness considering that over 50% of emails are now read on a mobile device and website views on desktops are in decline.

These findings suggest there is a significant gap between best practice and the standard practices currently being used by nonprofit organizations. The pace of change will certainly only increase as mobile and social interactions continue to grow. There is a significant opportunity for nonprofits to increase their fundraising results by making some simple but important changes.

Steve MacLaughlin
Director, Blackbaud's Idea Lab

Rationale for the Study

Over the past few years, a new trend has been emerging in the world of online fundraising – **online fundraising optimization**. Although it may be called different things (conversion tuning, performance management, perpetual improvement), the idea is simple – make your online fundraising program produce better results.

Dunham+Company and Next After are committed to advancing the science of optimization and have joined forces to produce this study that examines **46 specific key-indicators across four critical online fundraising processes**.

Unlike a typical primary study that interviews individuals and asks them questions about their online fundraising program, this study actually interviews websites. Our team of researchers went online to 151 leading nonprofit organizations to experience, document, and assess the following four key areas that are critical to online fundraising success:

1. **Email Registration Process** – Many other industry studies have validated that the more email addresses an organization has on file, the more money they can raise online. This means that the way and manner in which an organization grows their email database is critically important.

2. **Email Communication** – The second area that we focus on is email communication. This is split into two components: the Email Message Envelope (To Line, From Line, Subject Line), and Email Message Body. The manner and frequency with which an organization communicates with its constituents via email is a determining factor of their success in fundraising online.

3. **Online Donation Experience** – The third key area of focus is the online donation experience. This may, perhaps, be the most critical aspect of the study. Giving a gift online is very different than ordering a product online. Organizations that understand this subtle difference move closer to an optimized online giving experience.

4. **Gift Acknowledgment** – For organizations that are primarily supported through the charitable contributions of individuals, you would think that saying “thank you” would be second nature. Well, we just wanted to make sure.

Our Methodology

We have learned a tremendous amount about best practices from some of the great work published in many of the industry benchmark studies[1]. These studies explore how the industry is doing as a whole and point to best practices that should be adopted to give organizations the highest probability of online success. But sometimes best practices are not enough. Sometimes we need to gain a different perspective – the perspective of the donor. That's why the primary goal of this study was, first and foremost, to document the experience from the donor's point of view.

Here's the approach we used:

a. We went to 151 charitable organization sites and signed up (or at least tried) to receive emails from them.

b. We then watched our inboxes to see what these organizations might send out; time/date stamped every email, analyzed the content, and took screenshots of each message.

c. When we received our first invitation from the organization to make a financial contribution, we gave a gift of $20; we documented and analyzed each step of the giving process.

d. We then analyzed the thank-you process and waited to see what would happen next.

e. Once all the data was captured, we scored each organization in each area and assigned them a composite and aggregate score.

f. We converted each of the scores into percentiles, calculated the standard deviation, and assigned a letter grade for each organization in each key area based on a standard "Bell Curve."

The study was conducted over the course of 9 months and, as noted above, includes data points for 151 organizations – **100 of which are in the *Chronicle of Philanthropy's Philanthropy 400***. We chose to break the various charities into the same classification as Blackbaud's Online Benchmarking Study for Nonprofits, so that organizations can benchmark themselves across both studies to better gauge where they stand and where they can improve.

[1]These studies include: Online Marketing Benchmark Study for Nonprofits by Blackbaud; eNonProfit Benchmark Study by NTEN.

How in the world do you assess whether or not a website is optimized? That was a question that hung over us as we began planning for this study. So we turned to the optimization experts at MECLABS. **MECLABS is the largest marketing optimization research institution in the world. Their research includes over 1,500 marketing experiments, spanning over 1 billion emails, 5 million telephone calls, and 10,000 conversion paths**. MECLABS has *developed a rigorous methodology to optimizing online conversions*. This methodology includes a number of proprietary heuristics and formulas which attempt to codify the elements that are extremely important in online communication. The scoring criteria for this study were completely developed by Next After and Dunham+Company, but they are heavily based on the following two heuristics that have been developed by, and are the exclusive property of, MECLABS:

MECLABS

Email Messaging Sequence

ec<op<ct<lp

wherein:

ec	=	Email Capture
op	=	Email Open
ct	=	Email Clickthrough
lp	=	Landing Page

Email Effectiveness Index

eme = rv(of + i) - (f + a)

wherein:

eme	=	Email Marketing Effectiveness
rv	=	Relevance
of	=	Offer
i	=	Incentive
f	=	Friction
a	=	Anxiety

As we developed the scoring criteria for this study, we made every attempt to make it as objective as possible. For example, as a measure of friction, we had our researchers count the number of steps or clicks required to complete a donation. As a measure of anxiety, we asked the researchers to look for the presence of a privacy policy on pages that collect email addresses. As much as possible, we tried to create criterion that could be objectively observed on each page.

For some criterion, we were forced to be a bit more subjective. For example, to assess the value proposition associated with an email sign-up offer, we asked our researchers to rank the appeal and exclusivity of that offer. For appeal, they were asked to assess whether or not, as a donor, they would be highly interested in the offer, somewhat interested, or not interested at all. For exclusivity, we asked them to determine if the email offer was something they could find nowhere else, somewhere else, or anywhere else.

We Had to Grade on a Curve

When we completed our analysis and computed the overall scores for each organization, we made the following observations:

- Not a single organization scored higher than 83%.
- Not a single organization scored lower than 54%.
- The majority of responses fell between 66% and 73%.

Based on these observations, we determined the best way to eliminate some of the instrumentation bias was to develop a grading scale based on a standard distribution or "Bell Curve." **Figure 1 below illustrates the distribution of scores and identifies our overall grading scale.**

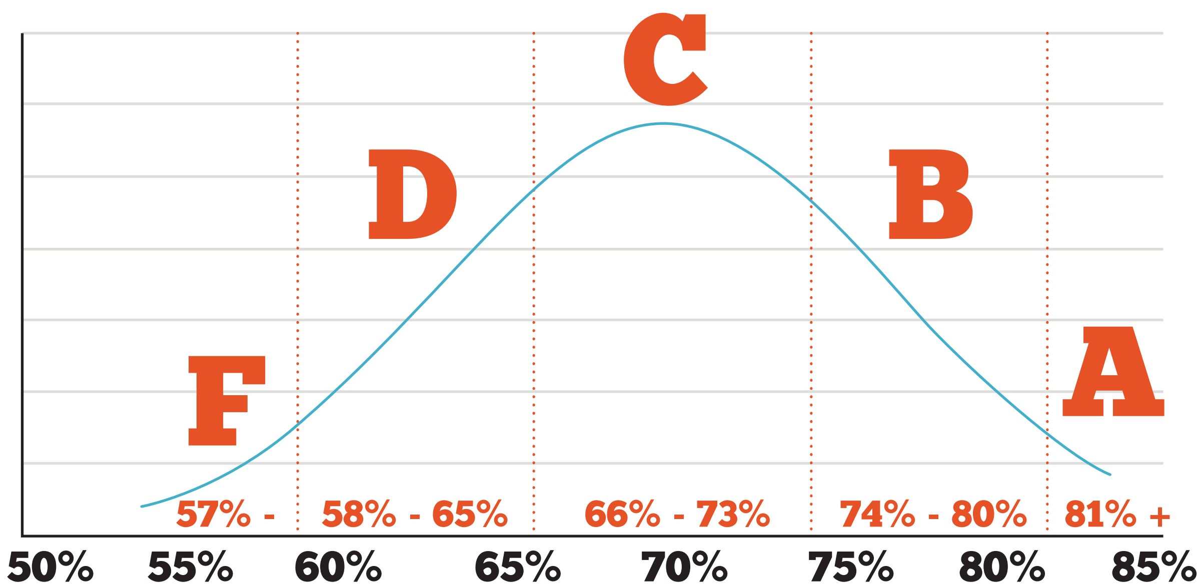


Figure 1

There's Always Room for Improvement

When we looked at the top ten performing organizations, we noticed each one had at least one area where they scored below average. **Figure 2 below shows the composite and aggregate scores for the top ten organizations in the study.**

Organization	Sum of Email Capture	Sum of Email Envelope	Sum of Email Body	Sum of Landing Page	Sum of Thank You Page	Sum of Total Score
1	82%	82%	64%	89%	85%	83%
2	82%	82%	64%	87%	92%	83%
3	82%	82%	91%	85%	77%	83%
4	82%	82%	64%	87%	85%	82%
5	82%	64%	100%	89%	54%	81%
6	88%	64%	82%	83%	85%	81%
7	82%	82%	82%	85%	77%	82%
8	94%	100%	73%	80%	77%	82%
9	53%	82%	100%	91%	69%	81%
10	82%	64%	64%	89%	85%	81%

Figure 2

Another way to interpret this is to come to the conclusion that, **based on the bar we set, no one is really "killing it" in terms of having a website that is fully optimized for fundraising.** But that's really the main point of this study and optimization in general. Eighty-three percent might be adequate to score an A, but it certainly isn't excellent. The bad news is all of us are a bit worse off than we would like to think; the good news is there is tremendous opportunity for all of us to improve.

Some Verticals Do Better Than Others

As we began to look into specific verticals, we noticed that some are doing better than others. **Figure 3 highlights the overall scores for each vertical represented in the study.**

At the head of the class:

- Animal Welfare: **81% A**
- Political Candidates: **78% B**
- Environment & Wildlife: **77% B**
- Public Affairs: **75% B-**
- Public Broadcasting Stations: **75% B-**

And the bottom five verticals:

- Jewish Organizations: **68% C**
- Christian Ministries: **67% C-**
- Performing Arts & Libraries: **67% C-**
- Hospitals: **65% D**
- Associations/Membership: **63% D**

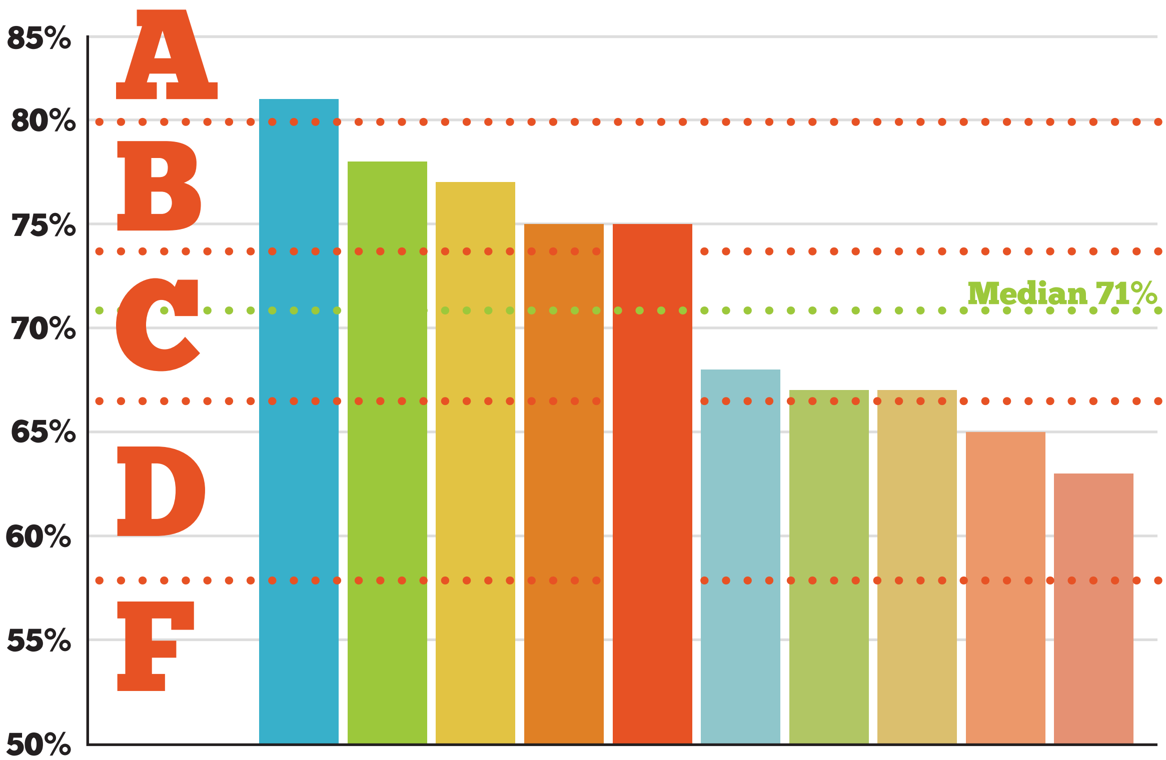


Figure 3

Because most of these verticals represent a number of different organizations, it is interesting to see this much separation. This suggests there seem to be some verticals that are investing more effort in optimizing their online programs than others.

You Need to Sow in Order to Reap

Another theory we had as to why some organizations scored better than others was the possibility they were investing more money in their fundraising program. We were able to track down recent financials for 94 of the 151 organizations in the study. We took their total fundraising expenses divided by their total income and calculated their overall "Fundraising Percent." We then looked at the top 25 organizations in terms of Fundraising Percent compared to the bottom 25 by Fundraising Percent and their Overall Assessment scores.

There does seem to be some correlation between fundraising investment and fundraising optimization as Figures 4 and 5 illustrate.

	Fundraising Percent	Score Percentile
1	33%	71%
2	29%	72%
3	26%	75%
4	22%	69%
5	22%	75%
6	21%	74%
7	19%	81%
8	19%	69%
9	19%	74%
10	17%	83%
11	17%	72%
12	16%	81%
13	16%	82%
14	16%	72%
15	16%	73%
16	15%	81%
17	15%	80%
18	15%	67%
19	15%	83%
20	14%	75%
21	14%	77%
22	13%	72%
23	13%	82%
24	13%	62%
25	12%	65%

Figure 4 - Top 25 by Fundraising Percent

	Fundraising Percent	Score Percentile
1	2%	69%
2	2%	67%
3	2%	65%
4	1%	65%
5	1%	69%
6	1%	78%
7	1%	59%
8	1%	62%
9	1%	62%
10	1%	63%
11	1%	56%
12	1%	78%
13	0%	75%
14	0%	69%
15	0%	62%
16	0%	60%
17	0%	68%
18	0%	65%
19	0%	74%
20	0%	71%
21	0%	67%
22	0%	63%
23	0%	67%
24	0%	69%
25	0%	65%

Figure 5 - Bottom 25 by Fundraising Percent

1

Email Registration

GETTING PEOPLE TO RAISE THEIR HAND

The first step toward getting people to give is getting people to care. When people care about your cause, your mission, your work – they are expressing a share of heart. Share of heart leads to share of wallet.

So how do we measure genuine interest online? Is measuring web visits alone enough? Probably not. Genuine interest requires the visitor to make some small investment of something of value to them in order to demonstrate that interest is real. That may be investing time in reading content. It may be investing their sphere of influence by sharing something with friends. Or it may be virtually "raising their hand" by signing up to receive emails so they can learn more from you.

For this study, we focused on email registration as the initial measure of interest. When someone signs up to receive emails from your organization, they are giving up something of value – their personal contact information – and they do that because they perceive the value of your organization is at least worth a second look. This makes the email registration process critical to building meaningful relationships with web visitors for the purpose of engaging, and ultimately cultivating, these interested subscribers into financial supporters.

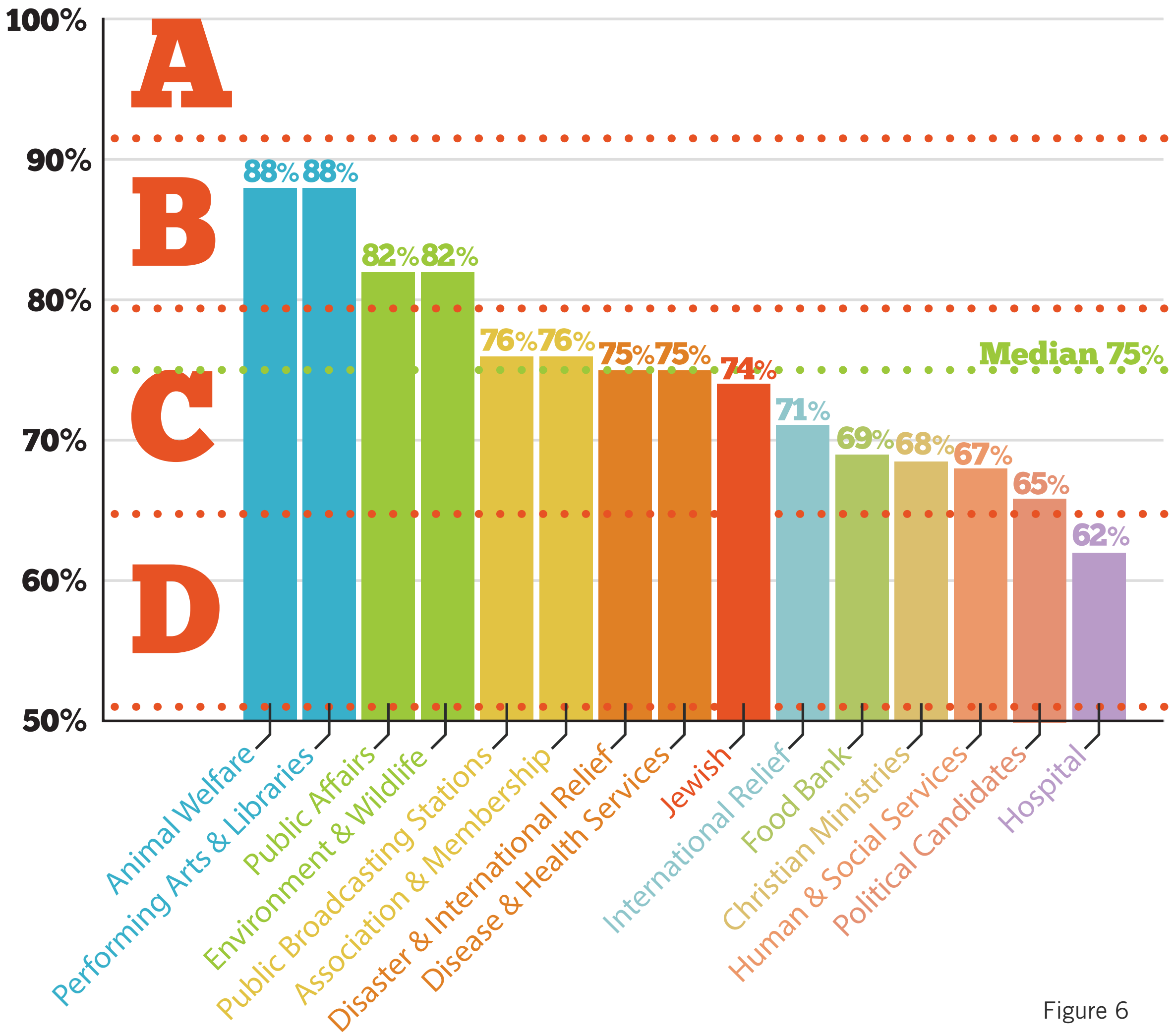


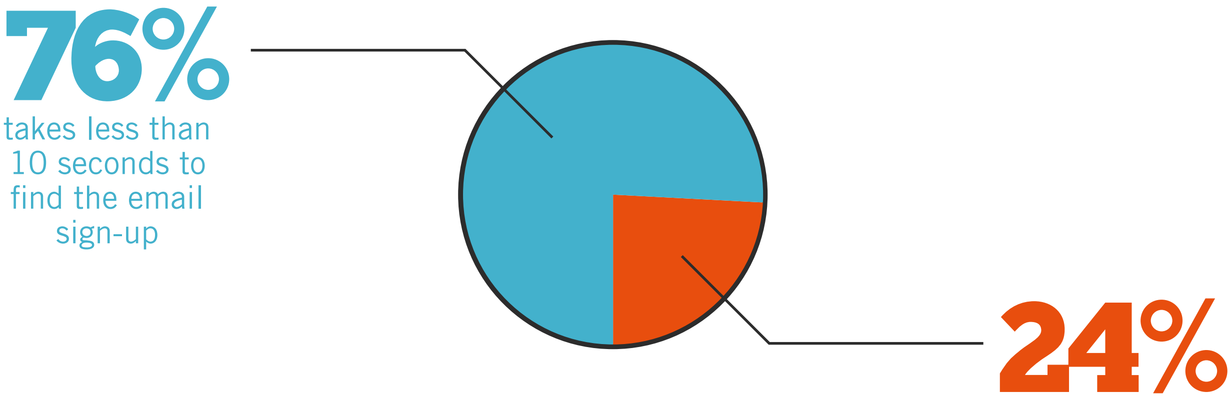
Figure 6

Overall, we see a pretty large gap in scores for the email registration process with the top performing organization scoring in the 94th percentile and lowest performing organization coming in at the 41st percentile. Figure 6 above illustrates the breakdown by vertical and the corresponding letter grade based on the normal distribution curve for this key area.

In analyzing the data, a few interesting insights were illuminated.

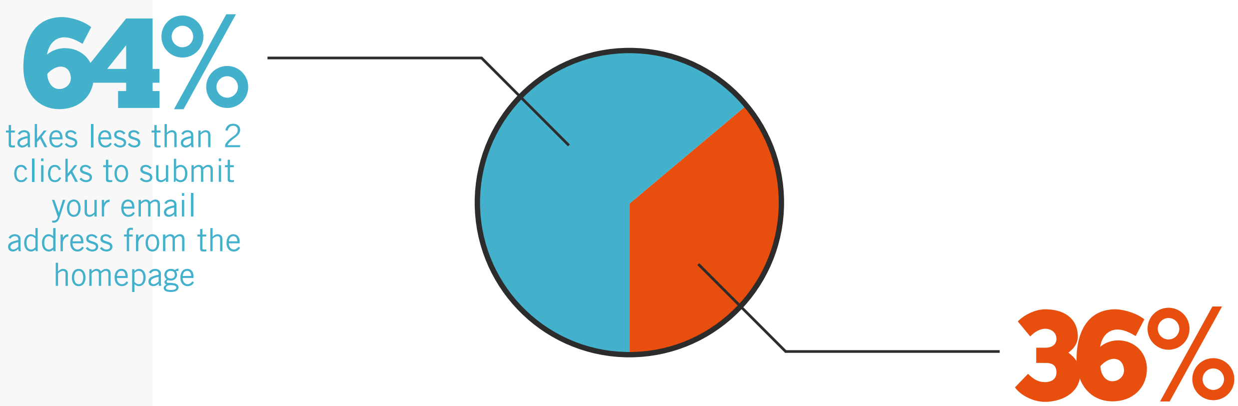
Most organizations are making it easy to locate email registration forms, but many still do not.

Accessibility of email registration opportunities is low-hanging fruit. It's encouraging to see that most organizations are making it easy for visitors to locate the email registration form. What is troubling is that one out of four STILL does not.



One out of three organizations has unnecessary friction in their email registration process.

Friction mitigation is always the best practice. In this case, it means reducing the number of clicks or steps necessary to register an email address. Thirty-six percent of organizations require visitors to make more than two clicks to sign up for emails.



Friction as defined by MECLABS is anything that causes psychological resistance to a given element in the sales, donation, or sign-up process.

I don't really want what you have to offer.

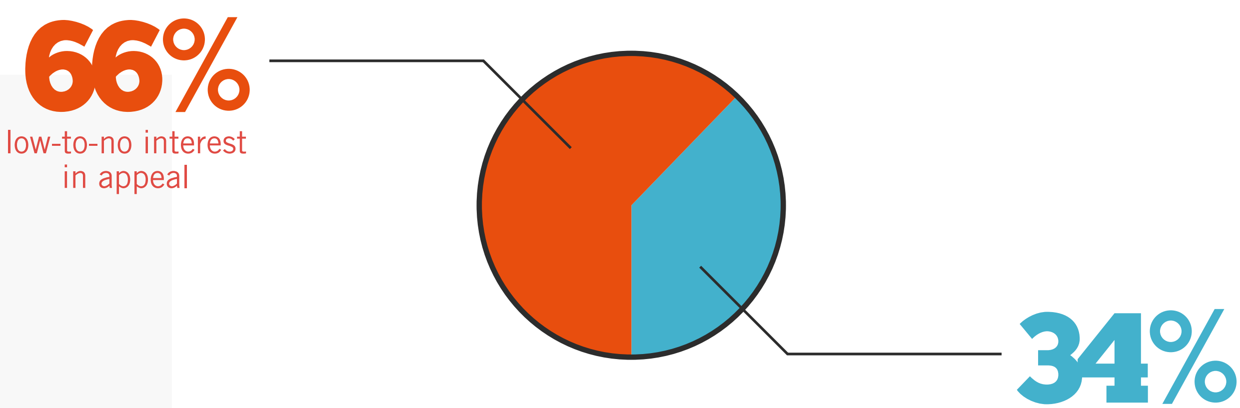
This is where it gets really interesting. When we assessed the offer associated with the email sign-up opportunity, we attempted to assess the potential appeal for the offer. So we asked ourselves the question, "If I am the ideal customer or donor, how appealing is this offer?" We then ranked our responses on a three-point scale:

1. **No Interest** – The ideal donor would have no interest in receiving these emails based on the information presented on the sign-up page alone.

2. **Possible Interest** – The potential donor may have some interest in receiving emails based on the information provided at sign-up.

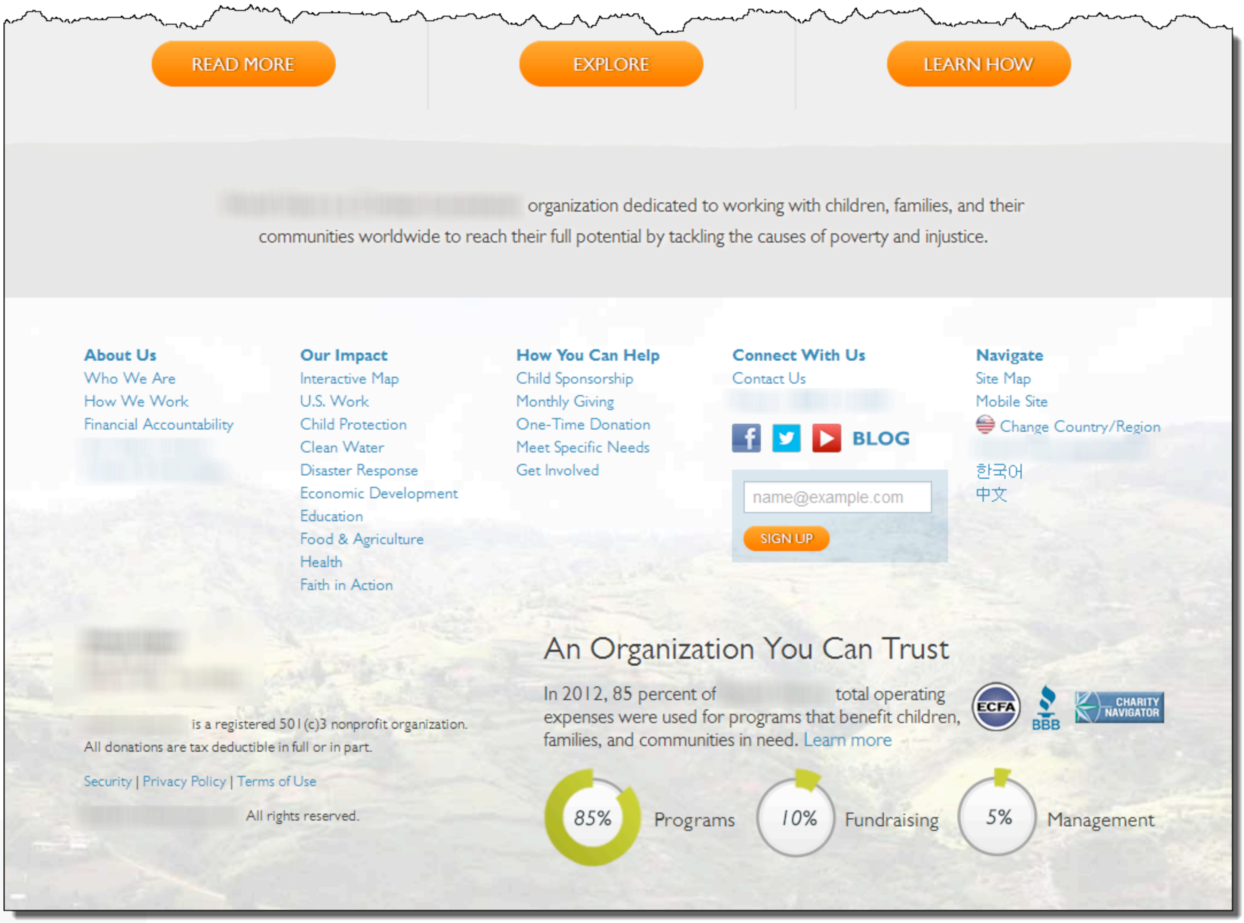
3. **High Interest** – Based on the information presented on the page at sign-up, the ideal donor would have a great deal of interest in hearing from the organization.

When scoring the appeal of the email registration offer (i.e., newsletter, updates, etc.), we found two out of three organizations were presenting offers that had little-to-no appeal to a visitor.



Let's look at two examples and their scores to illustrate this point – though we understand this is open to subjectivity.

Email Registration Offer Appeal – Example #1

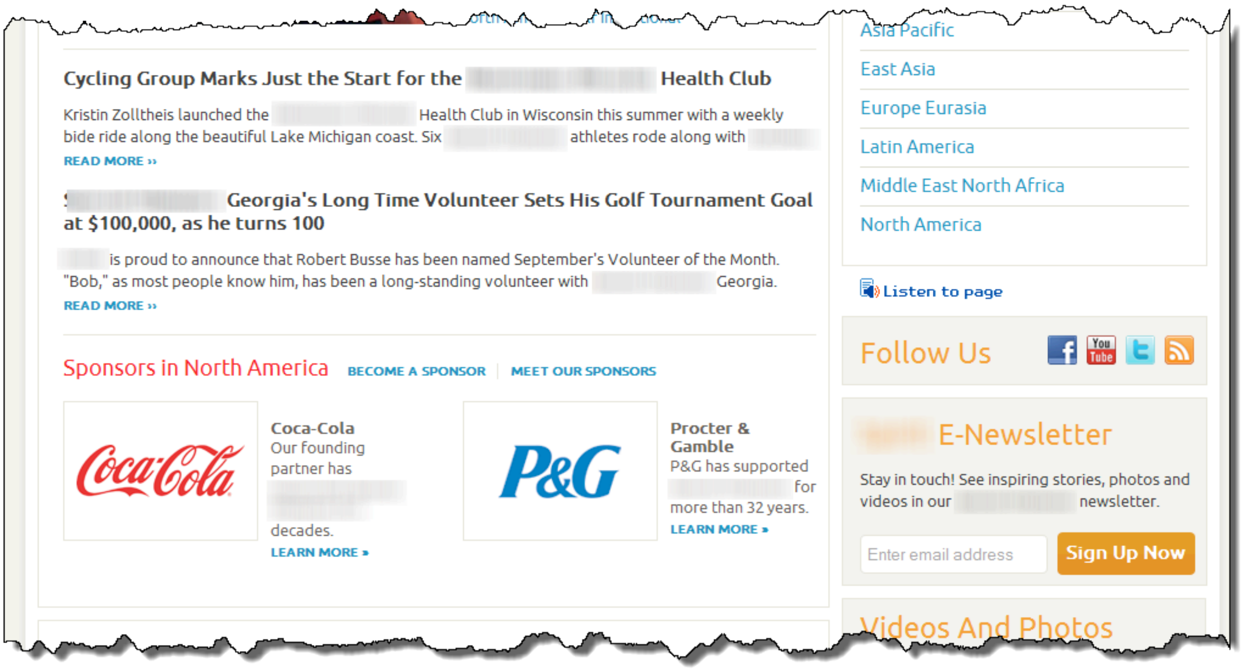


In this example, the names have been blurred out to protect the identity of the organization, but we are showing enough of the page so that you can get a feel for the content and perform the analysis yourself. The content has been truncated so what you are seeing is the very bottom third of the homepage, which is where the email sign-up offer is located.

As you can see in about the middle of the screenshot, under the "Connect with Us" section there a few social sharing links, and a box without description that hints to the visitor that they can sign up for something by putting their email in the box and clicking the orange "sign up" button.

So, based on the information presented here, how would you score the "appeal level" of the offer? No Interest, Possible Interest, or High Interest? We were generous – we gave them a "Possible Interest" score.

Email Registration Offer Appeal – Example #2



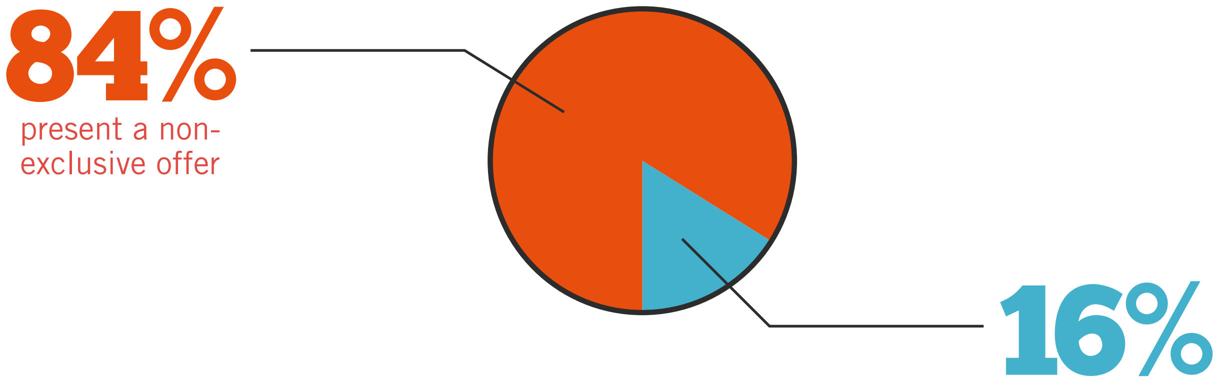
In this example, the email sign-up offer is in the right column in the middle vertical-third of the overall (very long) homepage. Notice the offer language:

Stay in touch! See inspiring stories, photos and videos in our ____ newsletter.

Based on the information presented here, if you were the ideal donor, how would you score the appeal of the email offer? No Interest, Possible Interest, or High Interest? Even though this isn't the best email offer we reviewed, we again were generous and gave this offer a "High Interest" score.

Appeal is tremendously important to attracting visitors and motivating them to express interest in your organization. It is a mistake to assume that visitors just experience this intuitively when they come to your website – it needs to be communicated clearly, poignantly, and in a compelling manner. This is one of the keys to optimizing your email sign-up opportunities.

I can get a crappy newsletter anywhere!

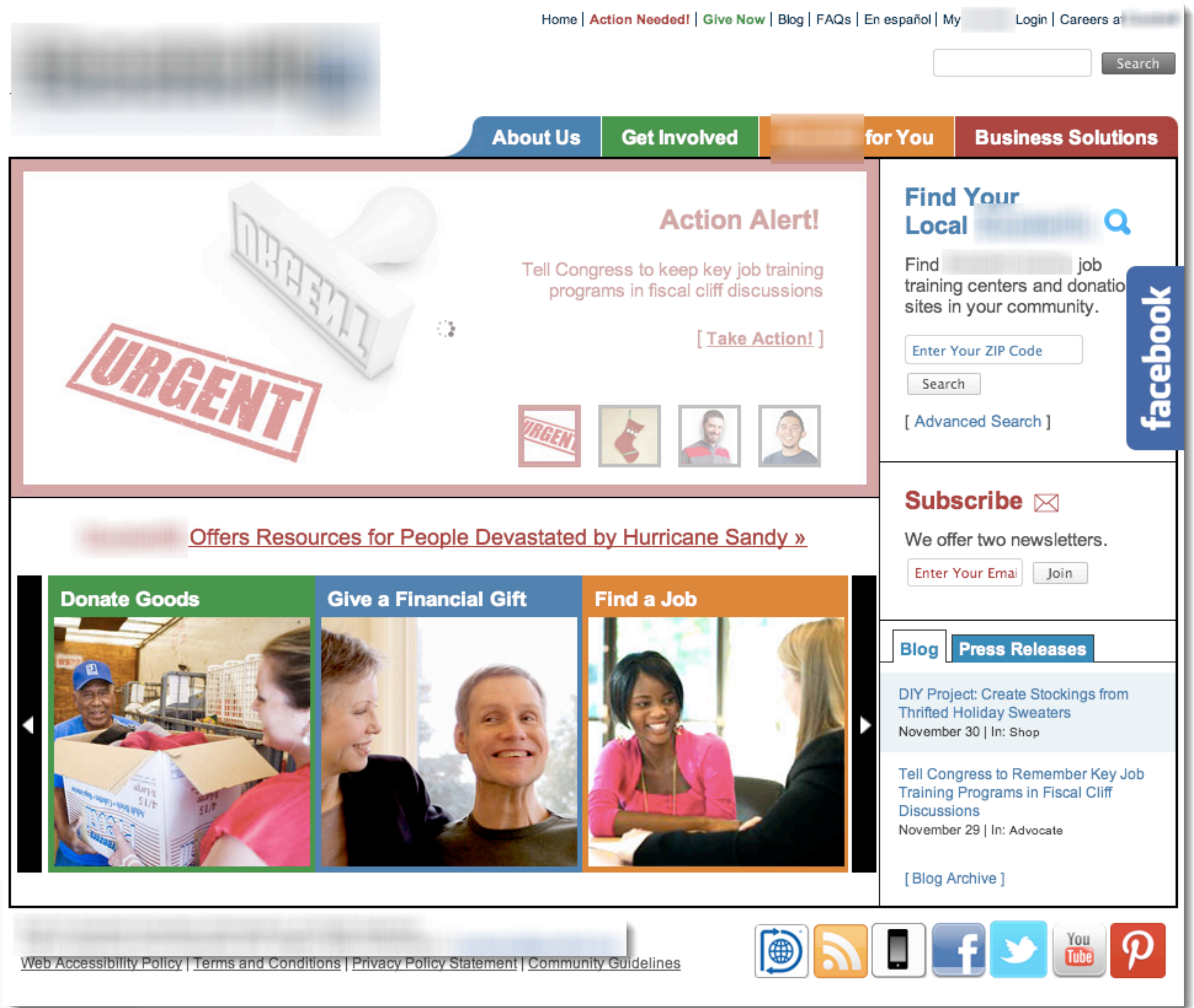


Your email capture offer has two main elements, the Appeal and the Exclusivity of the offer. If we have an extremely appealing offer, but the donor perceives they can get that same offer anywhere, then the appeal is diluted. On the other hand, if the donor feels that your organization is the only one offering what it is you are offering, they will be more likely to exchange their personal information in order to receive it.

As we assessed each email offer, we scored the perceived exclusivity of the offer as well as the perceived appeal. What we discovered is more than **8 out of 10 organizations are communicating little-to-no exclusivity with their offers**.

Again, this was somewhat of a subjective analysis, so let's look at a couple of examples.

Email Registration Offer Exclusivity – Example #1



Looking at this page, we see in the right column on the homepage above the fold is a call-to-action box with the headline “Subscribe.” I know we are focusing on exclusivity here, but take a moment and mentally assess the appeal of this offer. Who wakes up in the morning looking for things they can “subscribe” to? Moving on to exclusivity, let’s assess the exclusivity of this offer based on the context clues we have available on this page. The copy reads:

> Subscribe
> We offer two newsletters
> [Enter Your Email] <Join>

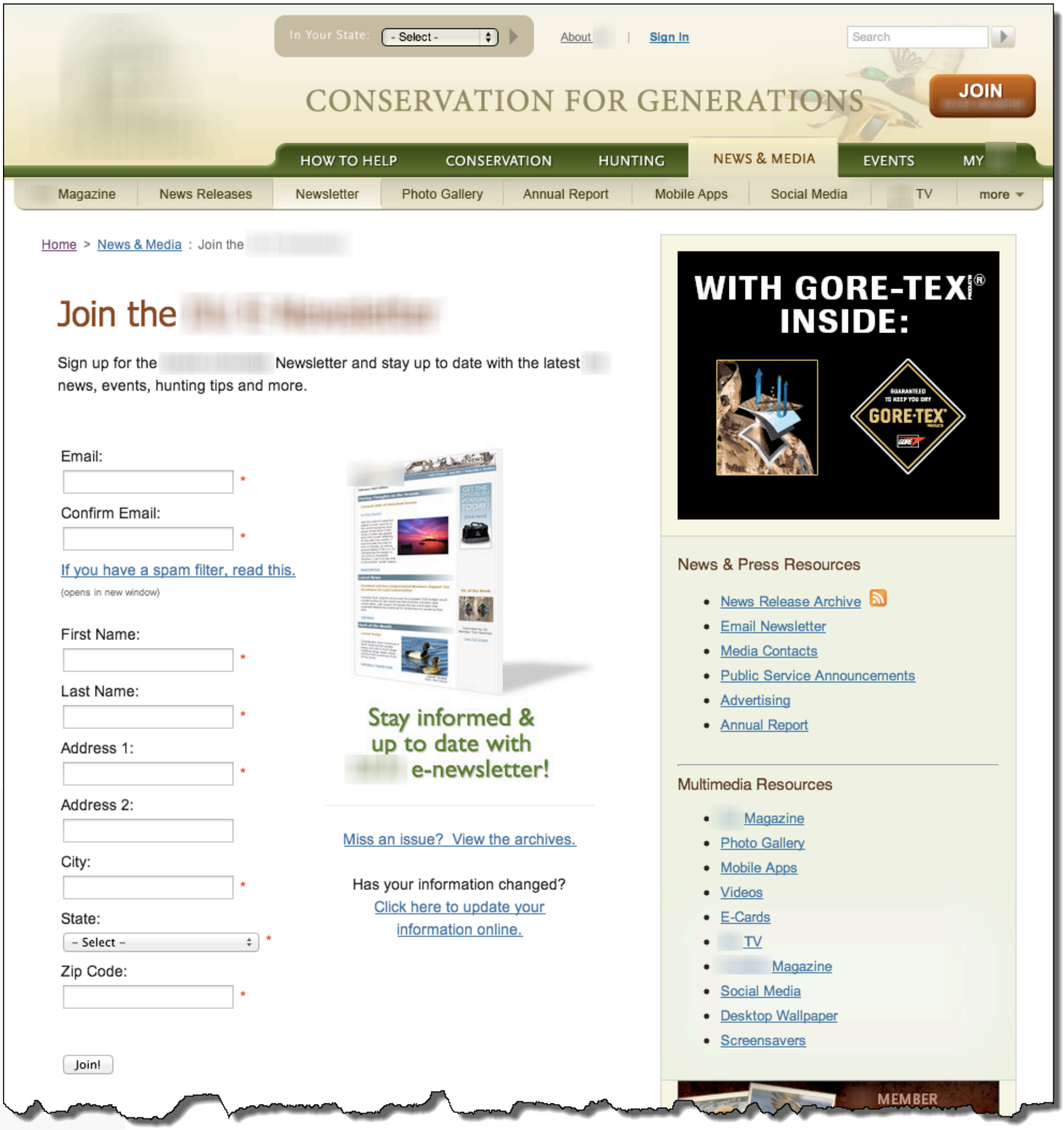
How would you score the exclusivity of this offer? Based on what is being communicated about the offer, do you perceive that this is something you can get: Anywhere Else, Somewhere Else, or Nowhere Else? Again, we were generous and gave them a score of Somewhere Else. I can get a newsletter just about anywhere – maybe not about this organization – but based on what's provided, I'm left to assume what I'm going to get will blend in with every other newsletter I've ever received. What makes this example especially interesting is what the sign-up form does tell us – they "offer two newsletters." In this case, the organization is actually diluting the appeal of their own offer.

You offer two newsletters? Whoop-de-doo! So, which one should I – or am I – signing up for? Why should I sign up for your newsletter(s) when I can get a newsletter just about anywhere? Why is yours unique? Why would I dare risk giving up my contact information – something that is very valuable to me – when you haven't given me any indication as to what I might receive or why I should want it?

These questions may not often be verbalized by visitors to your website, but they are being considered – often on a subconscious level – every time a visitor encounters your offer.

Let's look at another example.

Email Registration Offer Exclusivity – Example #2



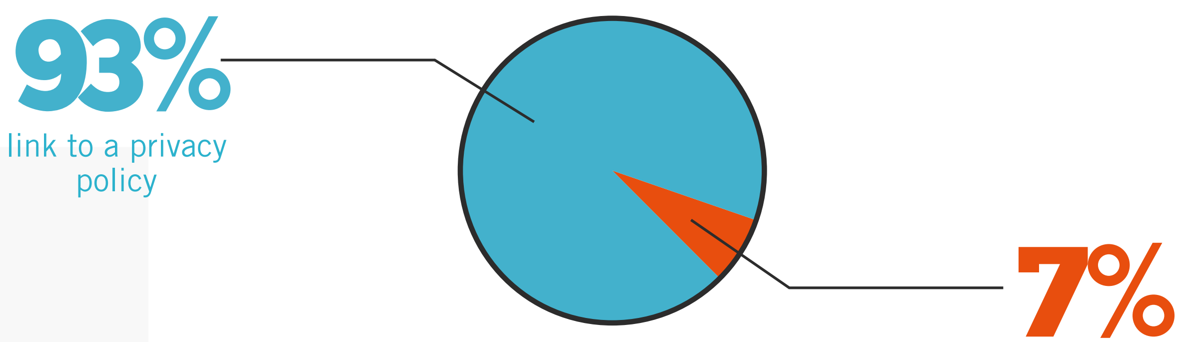
In this example, the organization provides a bit more information about their email offer. It doesn't go into specific detail, but we learn more about what makes this e-newsletter unique by understanding the benefits of subscribing (staying informed and up-to-date), as well as the kind of information the subscriber can expect when they subscribe (latest news, events, hunting tips, etc.). Based on this information, we concluded this specific offer might not be able to be found anywhere else and gave it a higher exclusivity ranking.

The good news is that most organizations have adopted privacy policies.

What we have to keep in mind is that when people venture out on the internet, they have two competing dispositions – an offensive posture that is in pursuit of gain, and a defensive posture that seeks to prevent against loss. MECLABS describes this second posture as "anxiety." Anxiety is anything that stimulates a psychological concern by a given element in the sales, donation, or sign-up process.

When a web visitor is weighing the decision to sign up for an email offer, they are trying to determine if the perceived value outweighs the perceived cost. This balancing act is the essence of a value proposition.

What a privacy policy attempts to do is ease the anxiety the visitor may have about what happens to their personal contact information once it is given to the organization. One of the elements worth testing is the privacy assurance message that is communicated along with the link to the privacy policy.



2

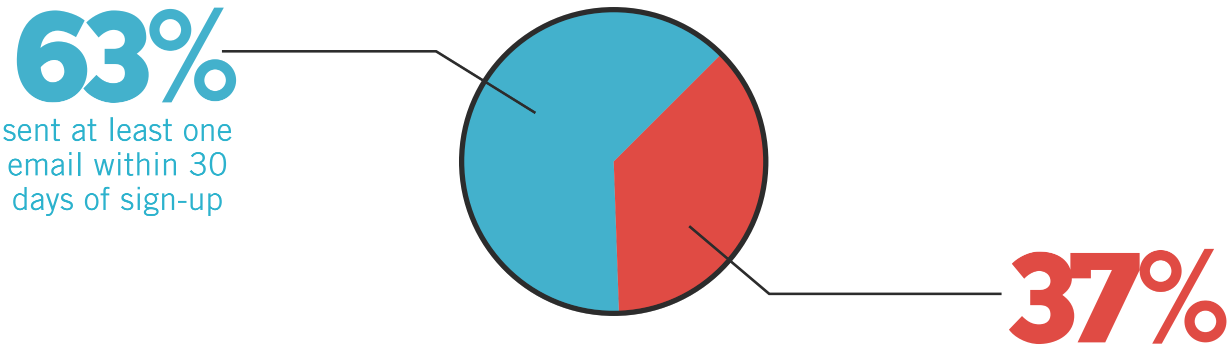
Email Communication

GETTING PEOPLE TO PAY ATTENTION

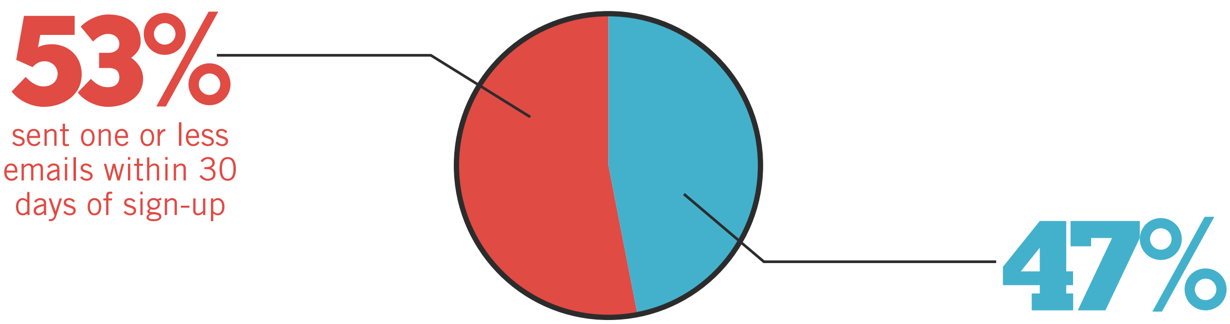
The next area we turned our attention to was email communication. Despite the emergence of new digital channels like social media, email is still the driving force for most online fundraising programs. We started our analysis by seeking to answer a few fundamental questions representing the unspoken expectations of a website visitor who registers on an organization's website to receive emails.

Question 1: If I signed up to receive emails from an organization, what might I expect to receive in the first 30 days?

Not much! Shockingly, more than one-third of organizations sampled did not send a single email to their subscribers within the first 30 days of sign-up. Nothing. Nada. Zilch.

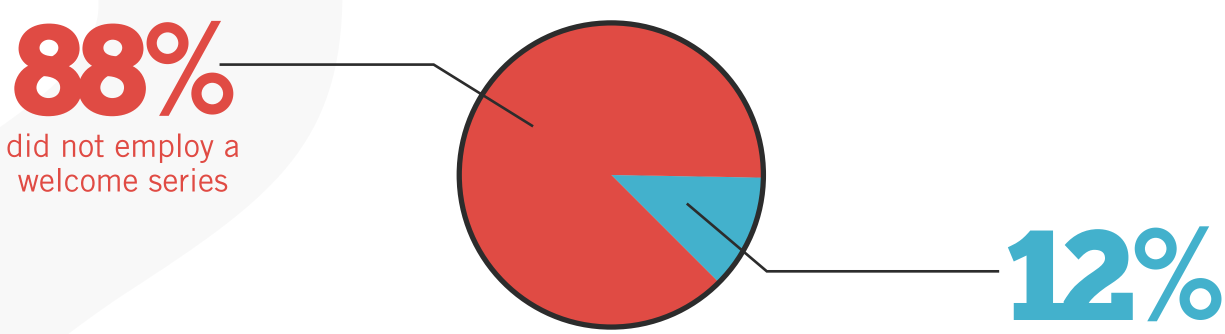


Of all the organizations in the study, less than half sent more than 1 email in the first 30 days after registration.



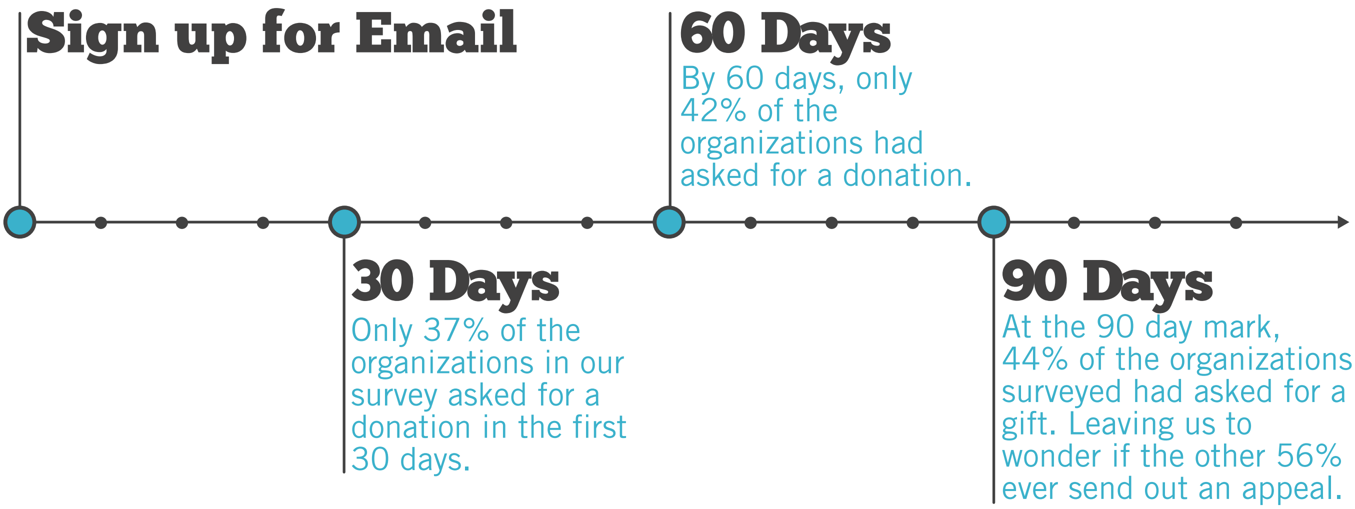
Question 2: We've been talking about the importance of doing a welcome series for new email subscribers for almost a decade now. How many organizations are actually sending a welcome series?

Hardly any! Of the 151 organizations sampled in the study, only 18 actually employ a New Email Subscriber Welcome Series.



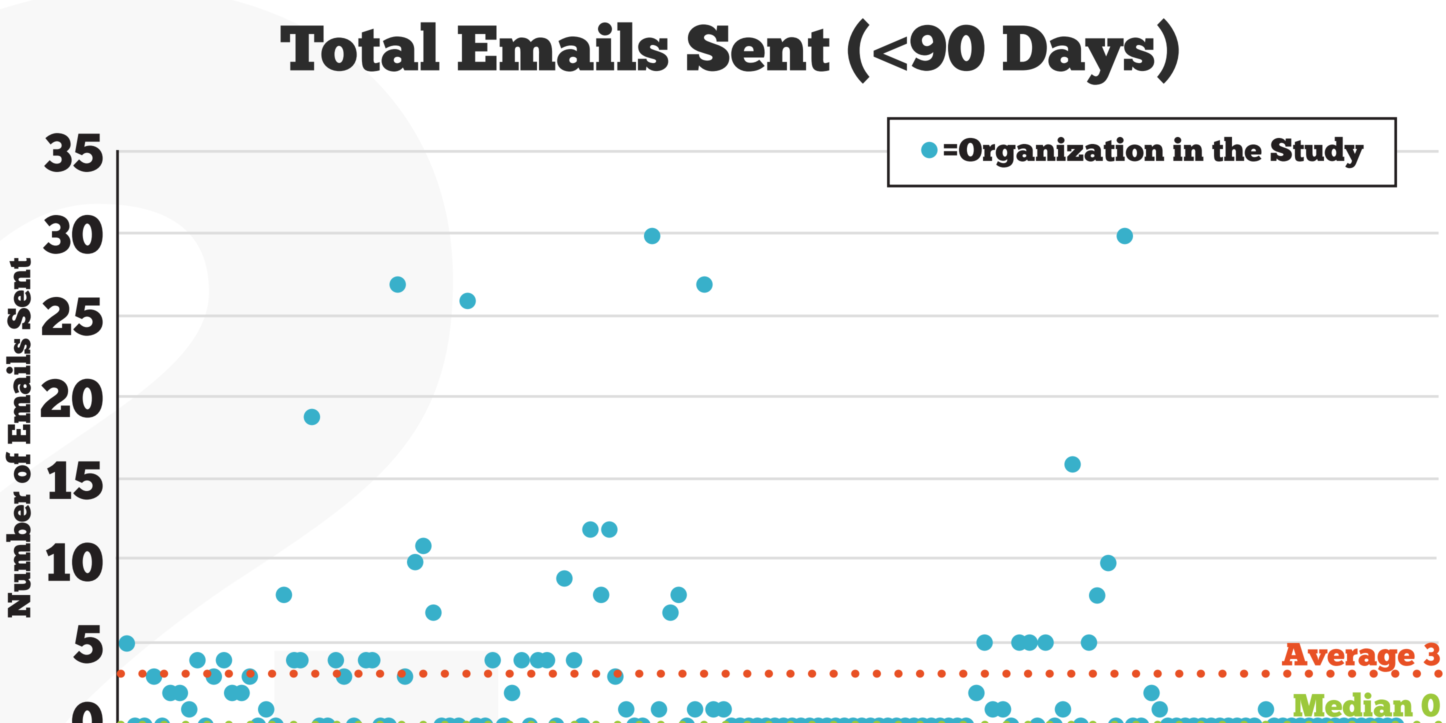
Question 3: How long after subscribing do organizations start asking for money?

Too long! Of the organizations in the study, 56% do not make a single ask in the first 90 days.



Question 4: How many emails does the average organization send in the first 90 days after a visitor signs up?

Not enough! The average number of emails sent in the first 90 days after sign-up is 3, or an average of less than 1 per month. The chart below illustrates the total number of messages sent by each organization included in the study.



Dissecting an Email

4 out of 5 organizations do not personalize the "To" line of an email like they should.

Most organizations are following basic best practices for the "From" Line:

98% avoid using aliases like Do_Not_Reply

98% use the name of their organization or an individual

Relevant, Concise Subject Line

From: First Name, Last Name, organization
To: Joe Donor
Cc:
Subject: Relevant Concise Subject Line

Message Envelope:
To, From, & Subject

RE: Internal Message Subject Line

Personalized Salutation,

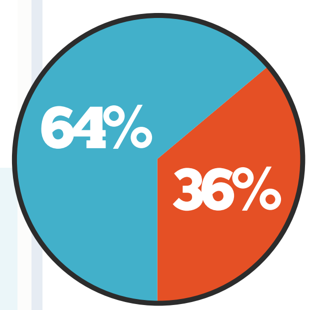
Initial headline or sentence that is designed to compel recipient to read the first paragraph.

The first paragraph needs to clearly and concisely convey the value proposition. What is the problem? Why is it worth the reader's attention to learn more about this problem. The goal of the email is get a click, not a donation.

16% of organizations make a call-to-action in the first paragraph of an email, before the value proposition has been communicated.

22% of organizations do not make it clear to the reader how their donation will be used.

1 out of 3 organizations send emails with multiple conflicting calls-to-action.



Call-to-Action:
Tell me what you want me to do.

- ✔ Why I should
- ✔ Why I should
- ✔ Why I should

Call-to-Action

"If you are going to use a quote or testimonial, a great place for that is right next to or below the call-to-action."

Sincerely,
Mr. Real Person

94% of organizations have moved away from using **"Click Here"** as the call-to-action in their emails, however **27%** of calls-to-action communicate little or no value to the donor.

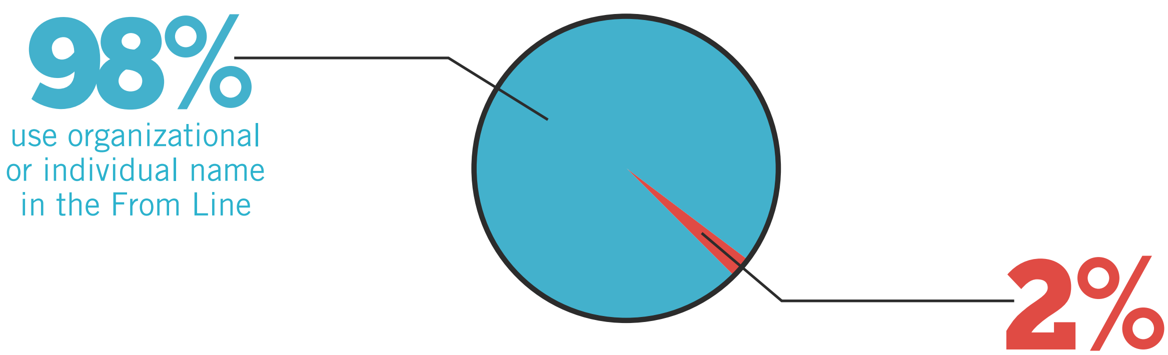
Getting People to Open the Email

We broke email communication down into two sub-sections: the email envelope, that includes the "To Line," the "From Line," and the "Subject Line," and the email body, which includes the message itself.

Most Organizations Are Abiding by Best Practices with the Email Envelope

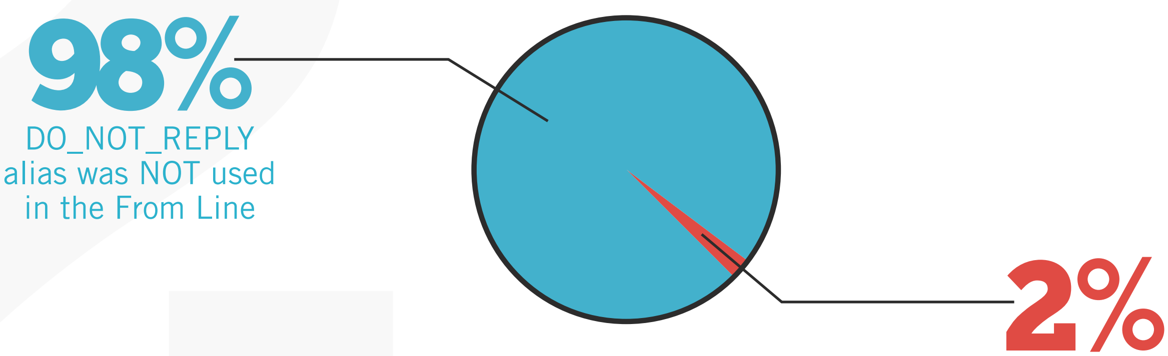
In our assessment of 1,366 individual emails, we found most organizations are following basic best practices when it comes to the "To Line," the "From Line," and the "Subject Line" of their email messages.

The "From Line" of the email is critically important. People tend to only open emails from familiar senders. Our researchers found that most organizations are using either their organization name or the name of an individual from their organization as their sender name.

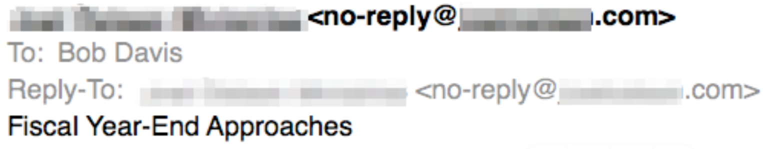


Another encouraging finding is that almost every organization we surveyed has moved away from using an email alias in the "From Line" of their emails.

We had our researchers specifically look for "From Lines" that used a "Do_Not_Reply" alias.

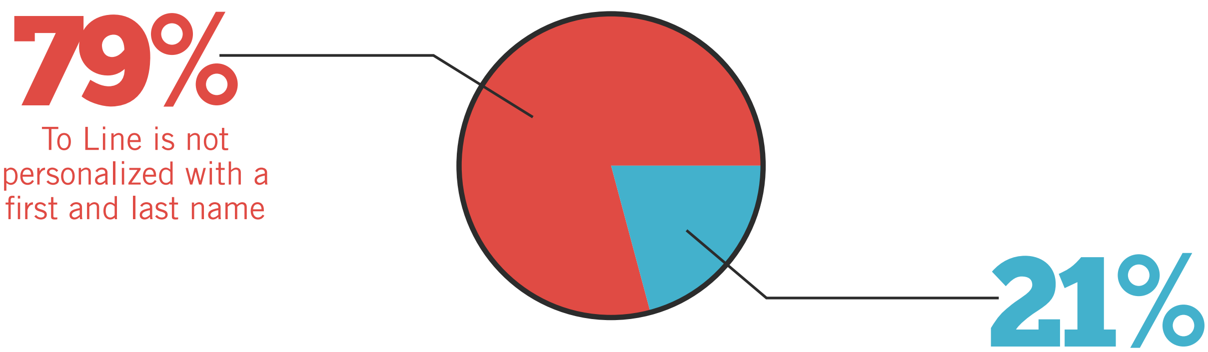


Surprisingly, there are still a few organizations that are sending the message to their supporters and subscribers that “we don’t want to hear from you.”



This is the one area of the email message envelope that seems to be neglected by most organizations.

Four out of 5 organizations are NOT personalizing the To Line with the recipient’s first and last name. This may point to an email registration issue, as the registrant’s name may not have been collected along with their email address.



Getting People to Click

The goal of every email is always the same – get people to "click." You can't donate through an email as that must happen on the website. So in order for an email message to be effective, it must inspire people to click through to the organization's website.

As we analyzed the message body of 1,366 emails, we were looking for two specific things:

Value Factors – An effective email conveys a value proposition. It must answer a simple, unspoken question posed in the mind of the subscriber: "Why should I click?" In answering this question, our researchers were looking for the following:

a. A clear call-to-action.

b. Buttons or links that click through to a web page.

c. Congruence between the message envelope and the email body.

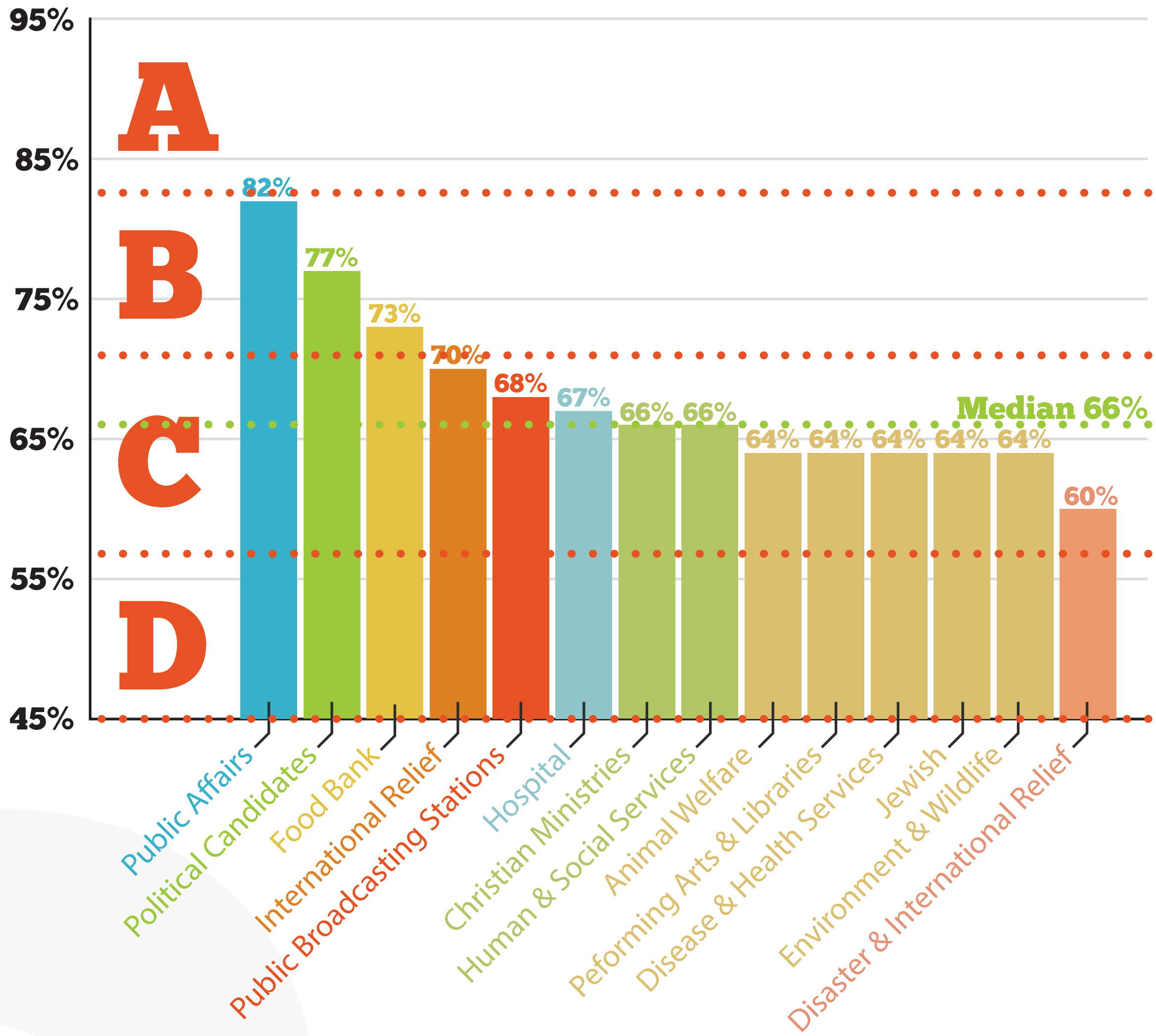
Inhibitors – Contrary to value factors, inhibitors inspire the subscriber to delete a message. In order to identify inhibitors, our researchers observed the following:

a. Multiple conflicting calls-to-action.

b. Mobile phone rendering (Can the message be viewed on a mobile device without "pinching and zooming"?).

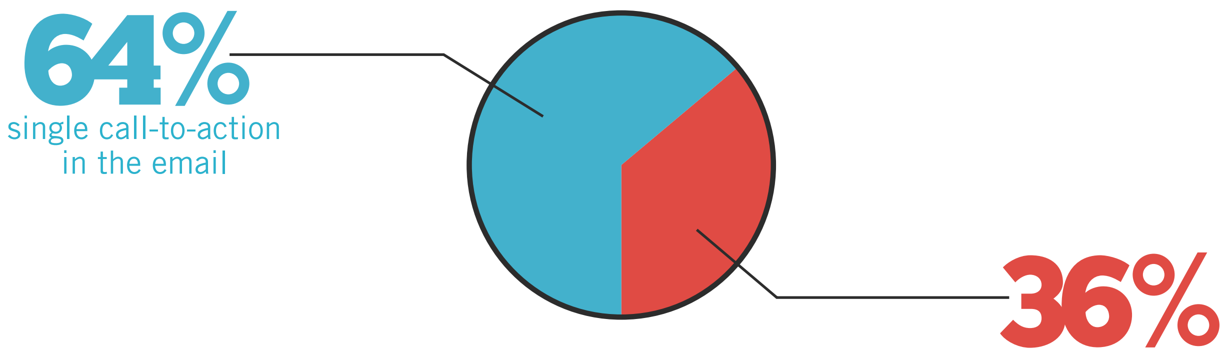
c. No links or buttons linking to a web page.

Based on our analysis, we observed a wide variance of scores for email body ranging from100% (A+) to a 9% (F). Public Affairs and Political Candidates were the highest scoring verticals with most verticals grouped tightly between the 70th and 64th percentiles.



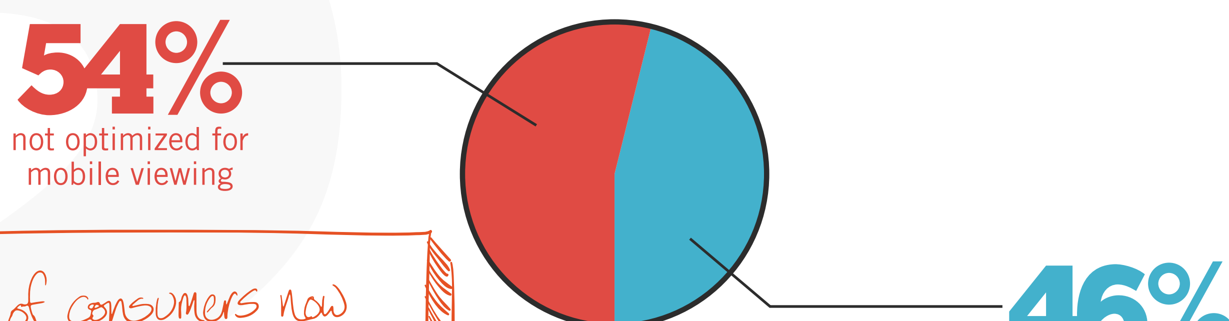
What do you REALLY want me to do?

Even though most organizations have a call-to-action in their emails, our researchers observed that **1 out of 3 organizations are sending emails with multiple conflicting calls-to-action.** By introducing multiple options, the email recipient is forced to make a choice and determine which action is most important for them to take. This adds friction and anxiety to the process because the recipient is left having to answer an unanticipated question. Emails can be simplified and clarified by eliminating the conflicting calls-to-action and focusing the recipient on taking one clearly defined next step.



Better hurry home if you want to read my email.

Even though more and more people are now reading their emails on a mobile device, most organizations in our sample are not making their emails mobile friendly. **Fifty-four percent of organizations are sending emails that are NOT optimized for viewing on a mobile device**.



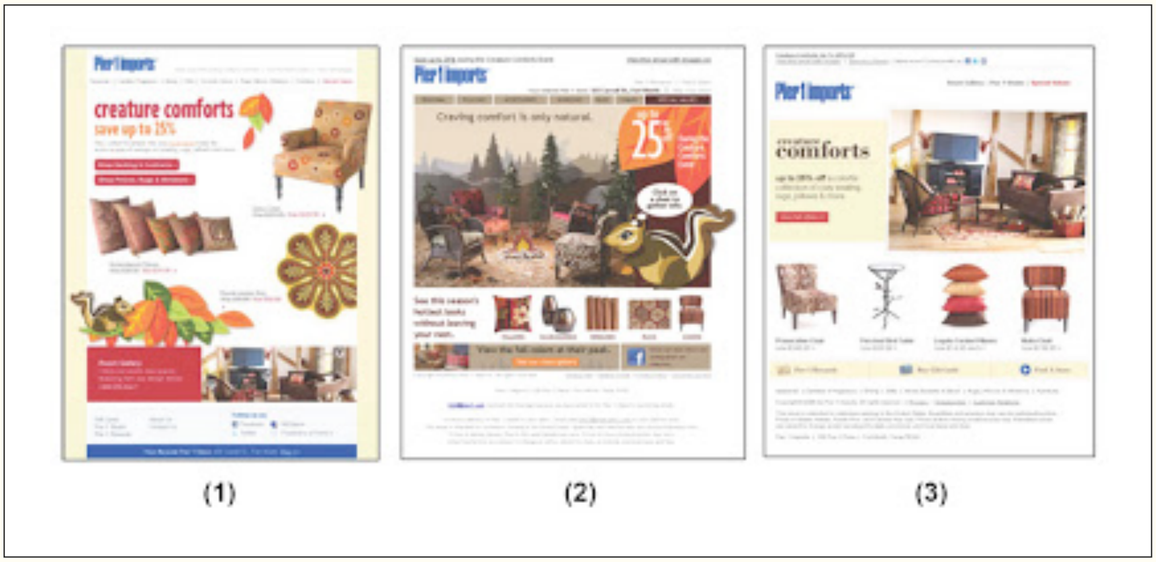
61% of consumers now read at least some of their emails on a mobile device.

- Yesmail "Email Compass: The Mobile Effect" (2013)

How Changing One Sentence Led to a 139% Increase in Click-through and a 42% Increase in Revenue

It seems like forever ago, but I remember it like it was yesterday. It was a sunny February day in Miami, Florida about four years ago. I had just settled in at the Intercontinental hotel getting ready for the Marketing Sherpa Email Optimization Summit. My reasons for attending were to brush up on some skills, and maybe walk away with a few new email tactics. I was sure that everything I was going to see I had seen before, or read about online, so my expectation was that this would be a good refresher course. Boy, was I wrong.

Within the first five minutes, I had my marketing intuition challenged when Dr. Flint McGlaughlin put a slide on the screen with the following three emails. Each one was a different version of the same content. Each was designed by a top-tier NYC agency. The audience was asked to look at each one and vote for the email that was the most optimized, that is, the email that would produce the highest response.

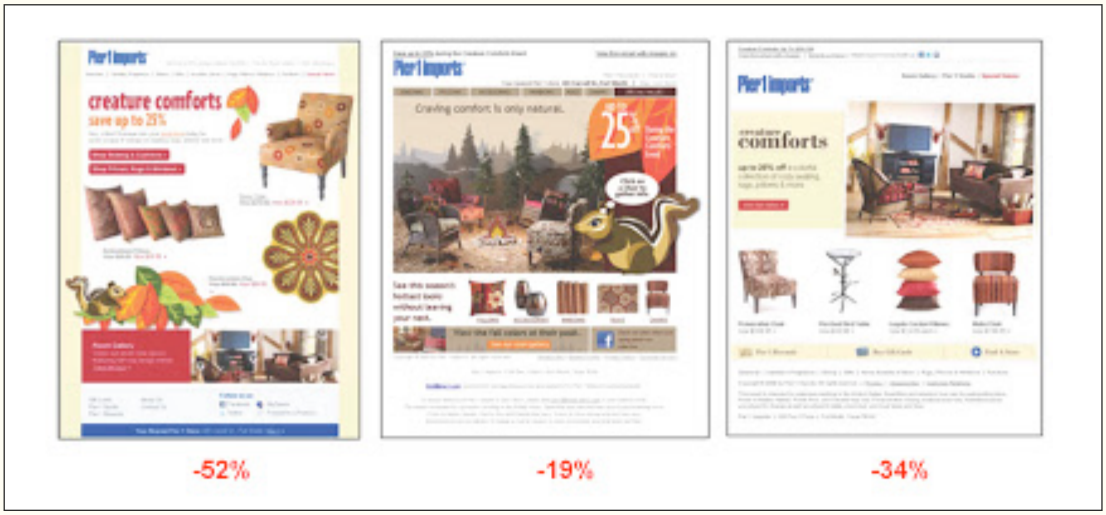


It might be fun for you to do the same thing. Look at each one and pick out the email that you think will perform best.

Now consider the following:

Why did you pick the version you picked?
What made you believe this one would do better than the others?
Why didn't you pick the other ones?
What is the criterion that a marketer can look at and know that it is optimized?

Now, here are the results of a test of each of the three treatments.



As you can see, each one performed worse than the control. Now, the control was never shown to the audience – but it didn't matter. The point was that when it comes optimizing emails, marketing intuition is not enough. Testing is what trumps marketing intuition. And when you test, you need to use a rigorous methodology.

After that, I was sold. At the first break, I called my team and told them that "starting Monday, we will change the way we do everything for our clients… actually, no – starting now."

At the time, I was consulting with the George W. Bush Presidential Center, and my team and I were doing all of the online donor acquisition work. The very next day, we were sending an email to a few rented lists in an effort to acquire new donors. This seemed like the perfect opportunity to test some of this new "rigorous testing methodology" that I was learning, so right there – from the floor of the conference – I phoned in our very first test. Below are the screenshots of both the treatment and the control:

Can you see the difference? It is very subtle. In fact, the only difference appears in just one sentence – the very last sentence of the email.

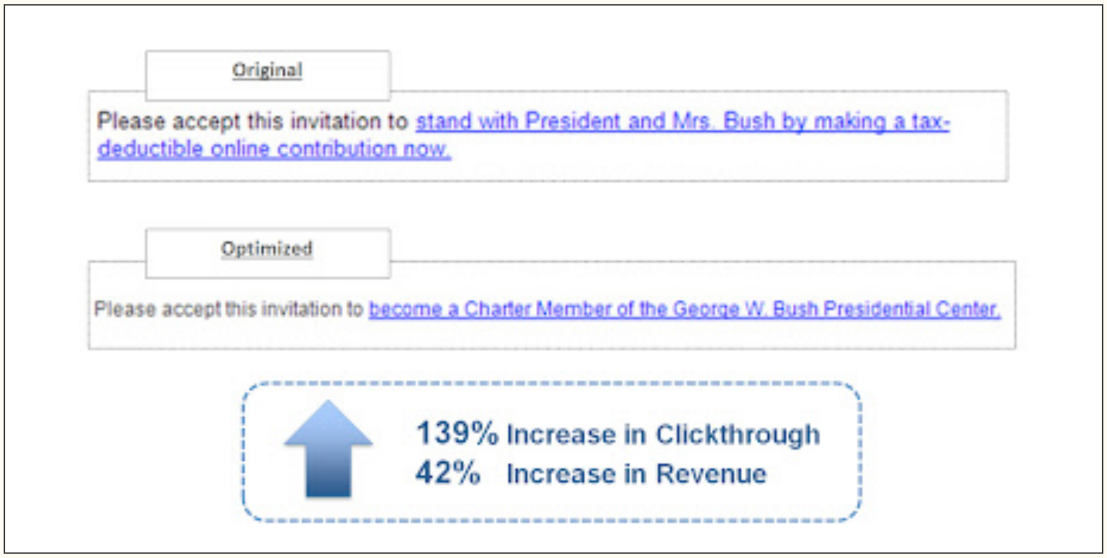
Now, best practices would tell me that only 18% of people who actually open and read emails will read all the way to the bottom. So, how could making a change like this make a meaningful difference?

Even my client raised this concern. In fact, he was very reluctant to do the test, but eventually did acquiesce, reminding me that I was the one who would be held accountable for results. Great. I love pressure. But I really believed in the test and was willing to bet the farm on this one.

So, we ran the test. And check out the results – the new treatment, the one with the revised sentence, generated a 139% increase in the click-through rate and a 42% increase in revenue.

Here's what you need to understand:

The last sentence contained the call-to-action of the email. You can see an enlarged version of both the control and the optimized treatment below.



- **Key Principle #1 – You must make them click.** The call-to-action is perhaps the most critical element of any email, and interestingly enough, the action that you want the recipient to take is always the same – you want them to CLICK! One mistake that many email marketers make is they often give the email recipient too much information. And the recipient responds by saying no, and not clicking through to the landing page. But the landing page is where the conversion takes place – not the email. So, the goal of the email must, first and foremost, inspire the recipient to click, not give, or buy, or register – or anything else – just take the next step by clicking.

- **Key Principle #2 – Your offer must be desirable to the recipient.** Look again at the control copy and the optimized copy. What conveys more value to you – "…making a tax-deductible online contribution now" or "…[becoming] a Charter Member of the George W. Bush Presidential Center"? Consider the exclusivity of the two offers: can I make a tax-deductible online contribution anywhere else? How about joining – as a Charter Member – a Presidential Center that bears George W. Bush's name? Can I do that anywhere else? When we look at the offers in this light, it becomes very clear what is the most desirable offer.

- **Key Principle #3 – Increasing traffic to your landing page usually means more conversions.** Here is what is interesting about this experiment. We had a 139% increase in click-through from the optimized treatment. That means we had 139% more people visiting the landing page where they actually could make a gift. But when we looked at our landing page metrics, the conversion rate (the percentage at which visitors donated) was much lower, and yet we still increased donations by 42%. So how can this be? What I learned is that by focusing my email on selling a click – not a donation – I can get a ton more people to, at least, go that next step with me to learn more on the landing page. Because I get so many more people to the landing page, some of the people who would have never even considered giving a gift have the opportunity to change their mind (with a strong value proposition presented on the landing page) and donate. These are people who, if they had received the control version with the call-to-action to donate, would have probably said no and not clicked.

3

Online Donation Experience

GETTING PEOPLE TO DONATE

Moving on from email communication, we shifted our attention back to the organization's website. Specifically, we focused in on the online giving experience. Our goal was to experience what the donor experiences when she makes a donation online. As they went through each step of the process, our researchers were primarily looking for friction points that created barricades to giving a gift online. Examples of friction points include: excessive steps or clicks in the giving process, multiple conflicting calls-to-action, or non-essential buttons, menus, or navigational elements. Eliminating friction in the giving process leads to lower abandonment and greater conversion rates.

Dissecting a Landing Page

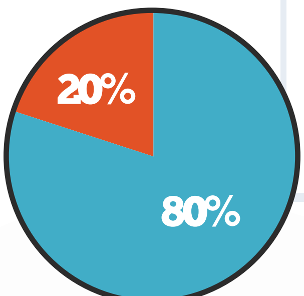
72%
of organizations put buttons, menus, or other elements on their landing pages that click-out to non-conversion-focused pages of their website.

12%
of organizations offer an incentive to the donor when they make a gift (i.e., free item, matching gift, quantifiable impact).

93%
of landing pages provide at least one indicator that the page is secure or that information shared will be kept safe.

Less than 50% of landing pages convey a value proposition or strong reason to take action.

1 out of 5
organizations do not have a call-to-action on their landing page.



22%
of landing pages include gift arrays on the donation form.

$
$$
$$$

DONATE TODAY

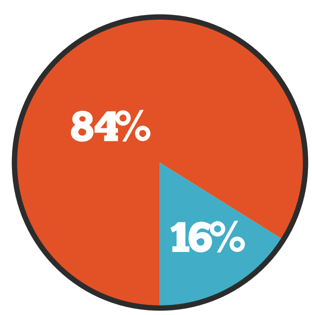
Only 14% of landing pages surveyed convey a sense of urgency to donate today.

95%
of landing pages include a link to the organization's privacy policy.

1 out of 3
landing pages do not include the presence of third-party credibility indicators.

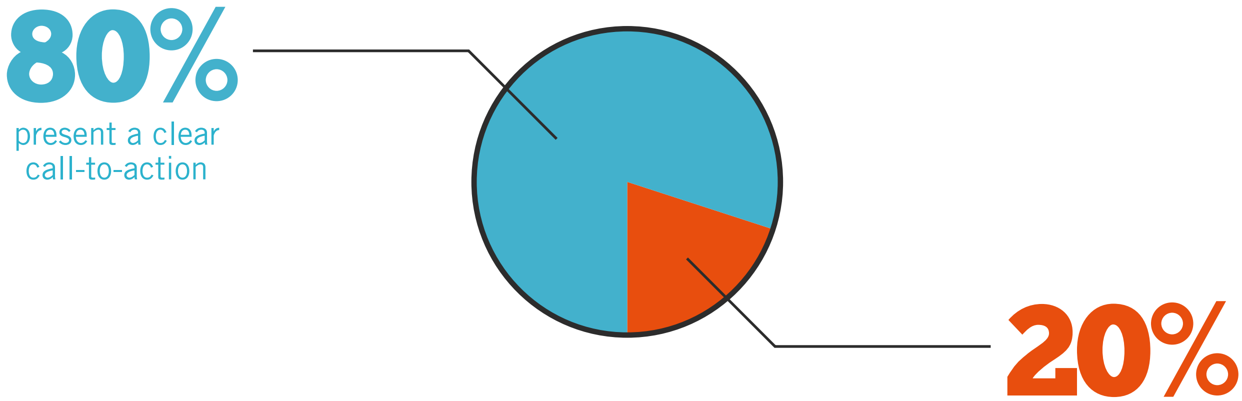
17%
have multiple, conflicting calls-to-action.

More than **8 out of 10** landing pages are NOT optimized for mobile.

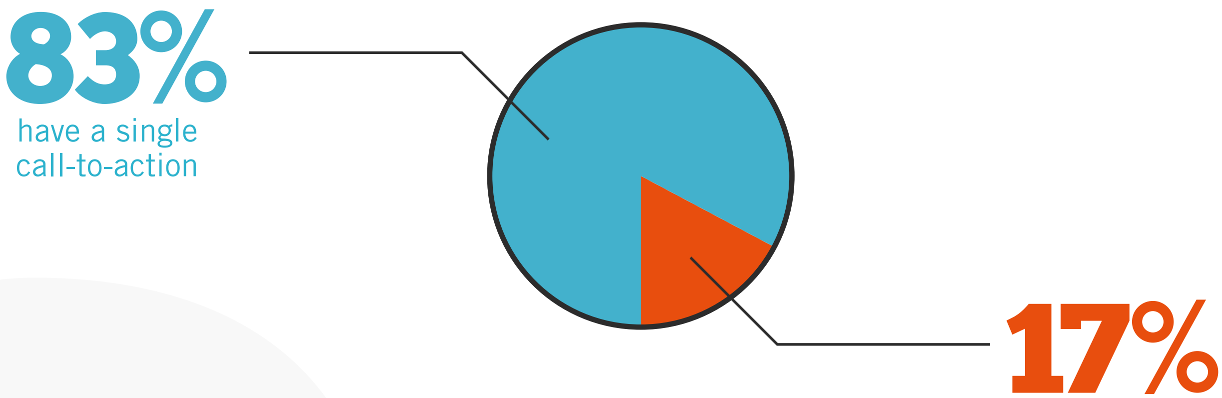


Getting People to Donate

The good news is that **8 out of 10 organizations have a clear call-to-action on their donation landing page**. The bad news – 1 out of 5 organizations do not.

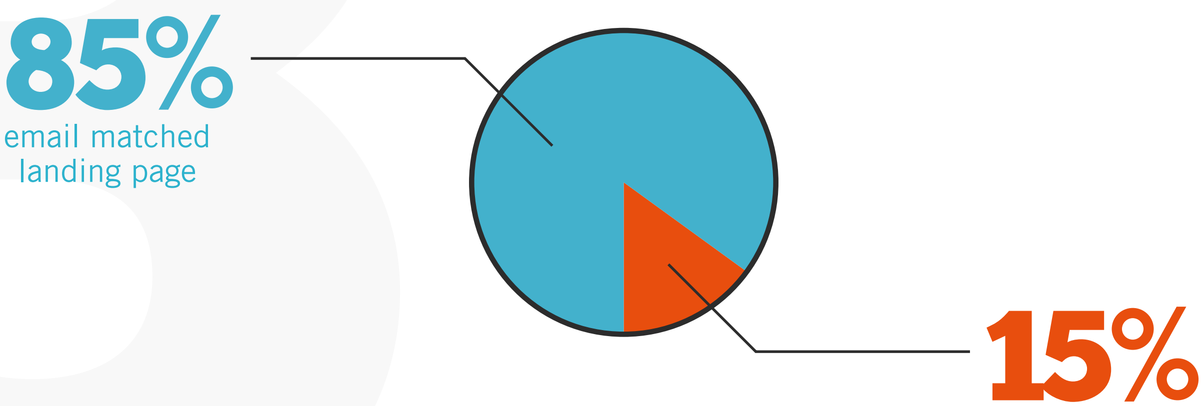


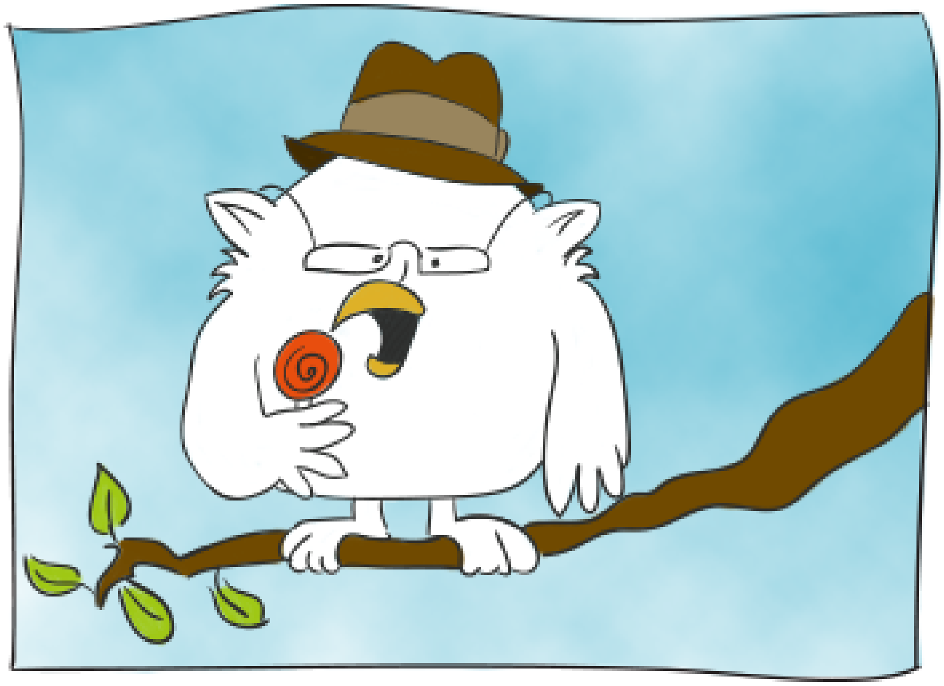
It is also encouraging to see that most organizations are asking for only one thing at a time. **Eighty-three percent of donation landing pages include a single call-to-action**.



Does this tie match my shirt?

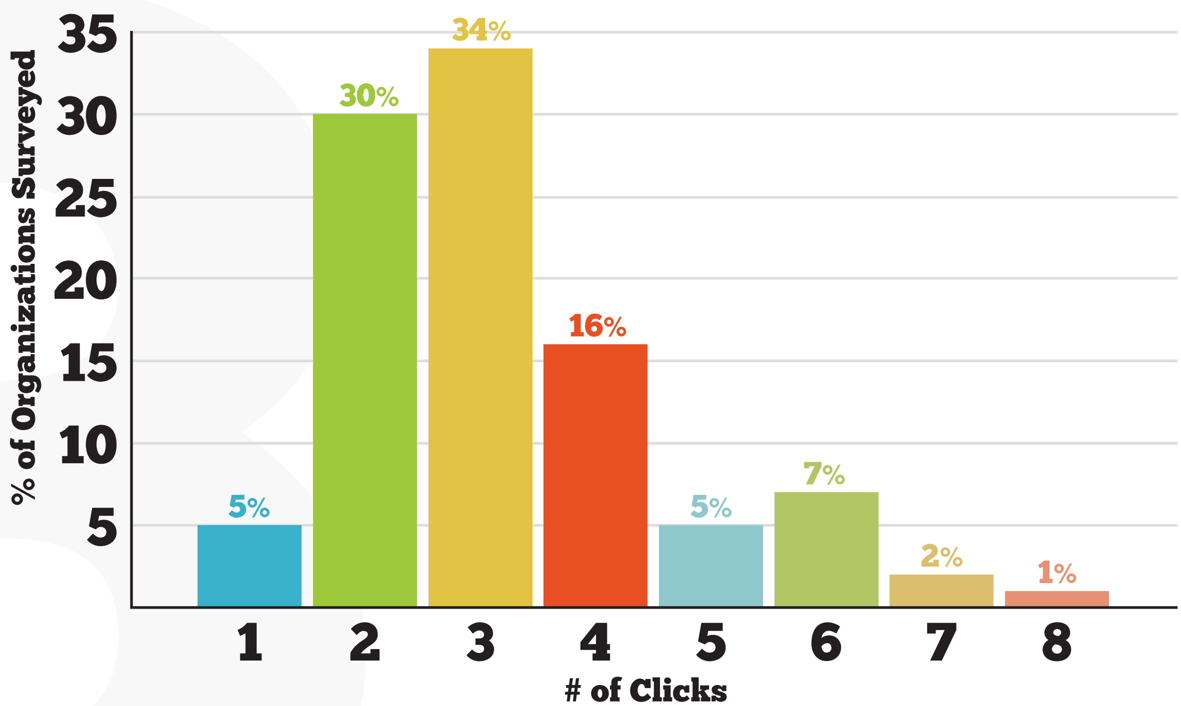
When we looked at the design of the landing page and the email that sent us there, **85% looked like they went together**.





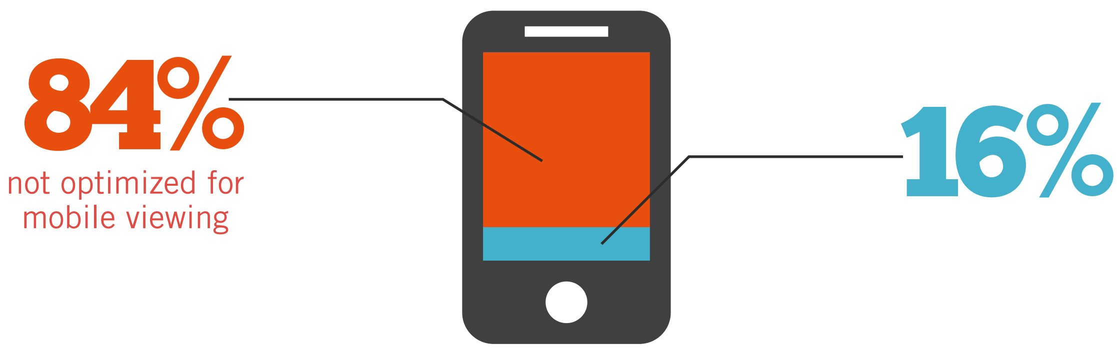
Mr. Owl, how many CLICKS does it take to get to the end of a donation form?

Too many! Even though it is now widely accepted that adding steps or clicks to the donation process adds friction and leads to abandonment, most organizations make their donors click 3 or more times to give a donation.



Not Suitable for Smartphones

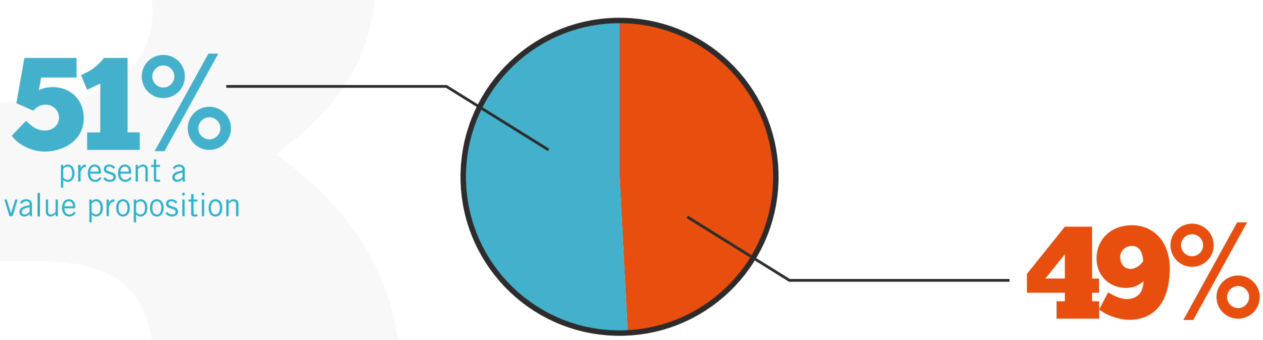
Accessibility and readability of landing pages and emails across devices is a growing concern. A 2013 national study of donors revealed that 62% are now using smartphones, including 1 out of 3 60+-year-olds[2]. As more and more people use their phones to view emails, it is important to ensure that both the emails and landing pages those emails link to are responsive and scale down neatly for easy viewing on a smaller screen. Based on our analysis, most organizations have not yet made the shift to responsive design. **Eighty-four percent of organizations have an online donation experience that is not optimized for viewing on a mobile device.**



Give me a reason

Reducing friction may make it easier for visitors to give, but it won't inspire them to make the gift. As we analyzed the landing pages for each organization, we were looking for evidence of a value proposition. In essence, the value proposition must provide a specific reason "why" the visitor should give a gift.

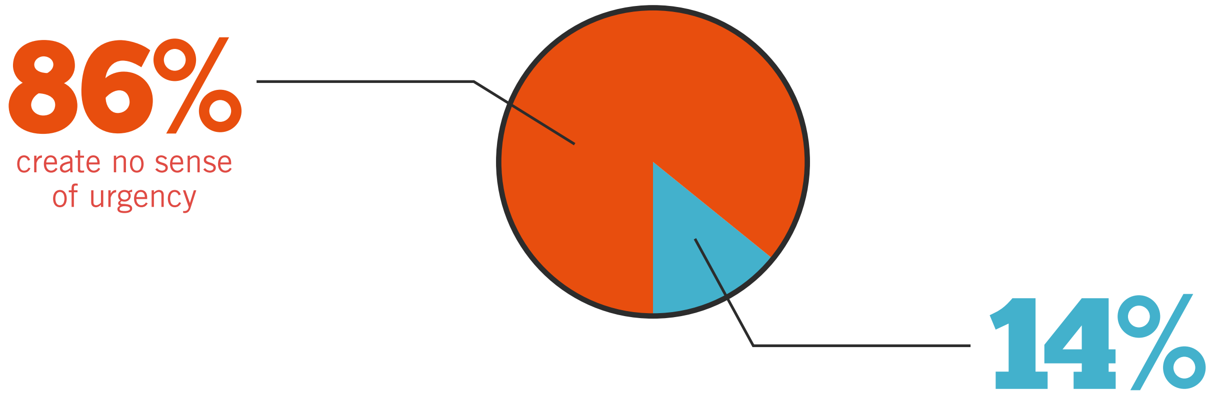
Only about half of the organizations present the visitors with a value proposition (reason to give) on their landing page. This is may be low-hanging fruit for many organizations that desire to increase their donation conversion rate.



2 This study can be found at http://www.dunhamandcompany.com/2013/09/online-giving-gains-ground-among-older-donors/

Why should I give now?

In addition to evidence of a value proposition, we were looking to the landing page to provide an answer to the question, "Why now?" **Only 14% of organizations create a sense of urgency by providing visitors compelling reasons why they should give their gift today.** Again, this may be low-hanging fruit when it comes to increasing the conversion rates on donation landing pages.

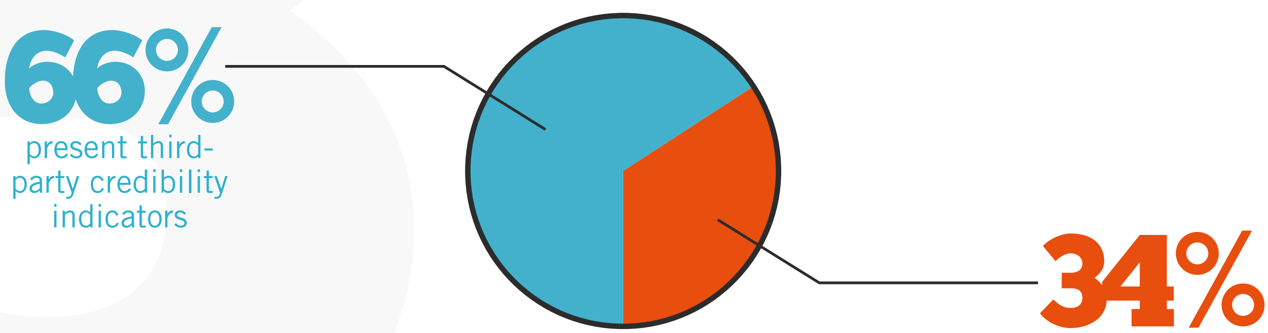


Why should I trust you?

Effective fundraising is built on the foundation of a solid relationship, and a solid relationship is built on trust. Unfortunately, there have been a handful of nonprofit organizations that have provided the giving public with reasons to be a little bit more cautious with their trust. Add to that the general anxiety around cyber-crime: spamming, spoofing, phishing, identity theft – and it makes for a very delicate situation every time a donor considers giving a gift online.

This means that it is vitally important for the online giving experience to inspire a feeling of trust in the organization. As we reviewed each page, we were looking for evidence of third-party credibility indicators. These may be endorsements, testimonials, or even seals and banners from organizations that certify how organizations allocate donations.

Two-thirds of organizations have the presence of some type of third-party credibility indicators on their donation landing page.

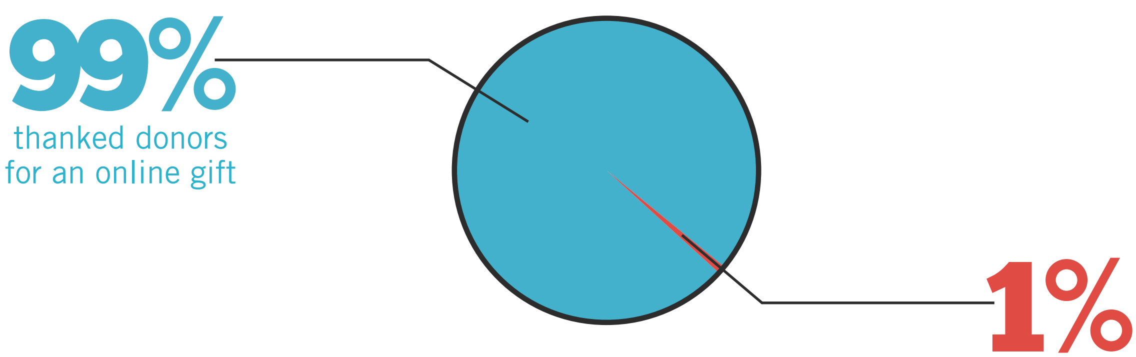


4

Gift Acknowledgment

GIVING PEOPLE YOUR GRATITUDE

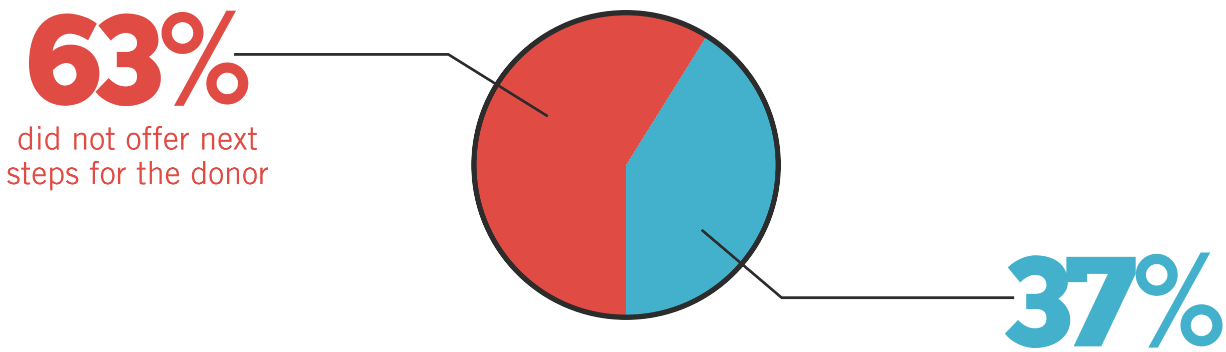
Nonprofit organizations serve at the mercy of their supporters, so when it comes to thanking a person for making a gift, organizations need to get it right. Our researchers found that nearly all of the organizations reviewed thanked donors for making an online gift.



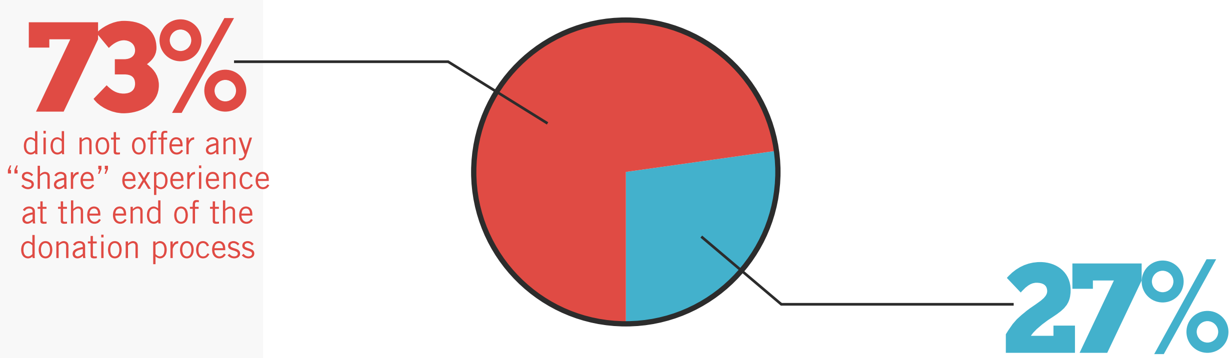
To just thank a person for their gift is probably not enough. We believe organizations should express as much gratitude as possible at the end of a transaction. So we looked at the next steps a donor was given after completing her donation. Did organizations show the donor the impact of her gift through an image or video, helping to solidify that she made a great choice when she decided to donate?

Nearly two-thirds of organizations did not have any type of next step for a donor to take.

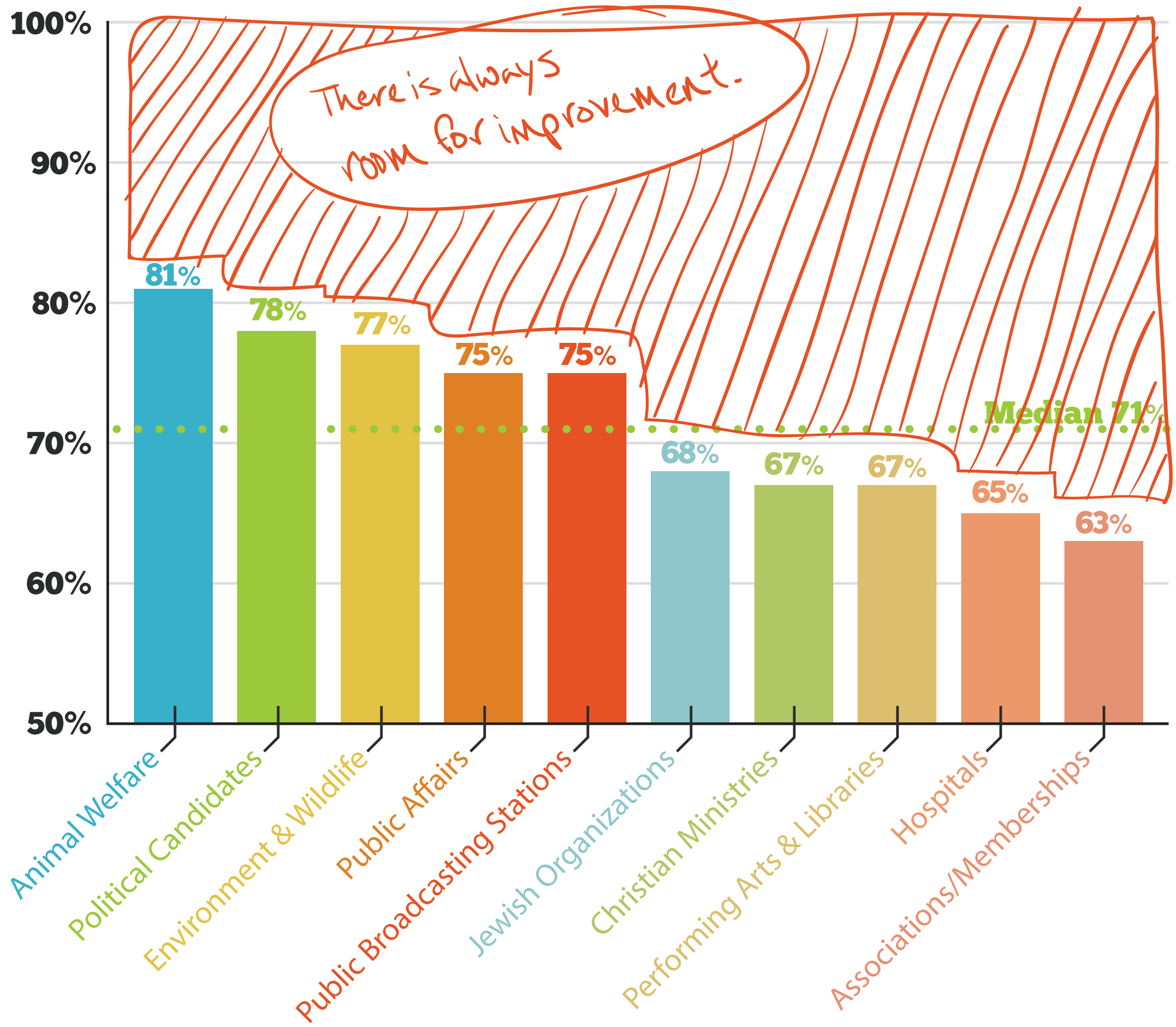
This is the emotional high point for the donor, yet most groups are doing little to give donors that warm and fuzzy feeling at the end of the donation process.



We then asked our researchers to see if they were asked to share the organization with their social networks after making a donation. **We found only 27% of groups offered any "share" experience at the end of the donation process.** We believe this is low-hanging fruit for organizations.



Final Report



So, is your website optimized for fundraising?

Of course not, no website is.

There is always room for improvement. Looking over the study you may have realized that your organization has *quite a bit* of room for improvement like the chart above shows.

You've seen the problems, now what are the solutions? Well, it depends on the shape of your online presence. You may need an online overhaul, or just a few tweaks to what you are doing. Regardless, here are some takeaways:

- No matter the state of your online presence, there is one thing you can begin doing now and should continue to do: Test. It's our contention that the most important thing is to never stop testing. The key to improvement is figuring out what works. There are some general best practices, like having an organization or person's name in the "From" line, but there are other instances where there is no consensus. The only wrong option is to leave something that isn't working alone. As the example from the MECLABS case study proves, even the top advertising agencies can get it wrong. Never stop testing and never stop trying to improve.

- The lack of mobile optimization in many organizations proves that many do stop improving. The popularity of using the internet on mobile devices will only continue to grow, and yet a stunning 84% of giving forms aren't mobile optimized. That is money left on the table by organizations.

- The lack of next steps after a "Thank You" has been given, is another major, yet easy-to-fix issue. Nonprofits, by their very nature, depend on asking donors for money. They can't be afraid to ask for money, but at the same time, they shouldn't fail to show how grateful they are to their donors when they do give.

- We believe the main change needs to be a nonprofit's mindset when it comes to the online space. Never settle for what you are getting as an organization. As the charts on page 11 illustrate, the organizations that invest the most in fundraising yield the highest scores. But you can't just throw money at the problem and hope it gets fixed. And just because your organization lacks the funds of a larger group doesn't mean you can't improve. As Dr. McGlaughlin says, "We do not believe in optimizing emails. We optimize thought sequences."

So we encourage you to do your own research, test changes to your site, and see what can happen. It's amazing how things can change when you change your thinking. We would love to hear about the results of your tests.

We hope this research helps you improve your site and your approach to online communication. As we said, this is just the beginning of the journey to optimization. So thank you for taking the time to read this study… now let's start improving!

Next Steps

If you are not sure where to start improving your online fundraising program or would be interested in seeing what grade your site would receive using the online fundraising report card, you can go to www.OnlineFundraisingScorecard.com. We would love to provide you with some tools so you can figure out how to get going.

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Big thanks to Tidal Wave for helping us polish the results and figuring out ways to make the numbers come alive. You guys are great to work with.

About Next After

Next After is a fundraising think tank that helps nonprofits optimize the donation funnel through applied research. The Next After approach to fundraising is based on optimization science that has been developed over the past 15 years by MECLABS—the largest marketing optimization research institution in the world. Their research includes over 1,300 marketing experiments, spanning over 1 billion emails, 5 million telephone calls, and 10,000 conversion paths. Next After is the only fundraising research organization that is recognized as a MECLABS-certified Email Optimization Specialist, Landing Page Optimization Specialist, and Value Proposition Management Specialist. You can learn more at NextAfter.com.

About Tim Kachuriak

Tim Kachuriak is the founder and Chief Innovation and Optimization Officer for Next After, a research and consulting firm that works with nonprofits and NGOs to help them grow their resource capacity. Next After's work is primarily focused on optimizing the donor funnel through applied research using the Internet as a living laboratory. Tim has developed a number of innovative fundraising programs and methodologies that are utilized by national and international nonprofits, NGOs, and fundraising agencies. A fundraising thought leader, Tim is a frequent speaker at national nonprofit conferences including Social Media for Nonprofits, Association of Fundraising Professionals, the Direct Marketing Association Nonprofit Federation, the National Religious Broadcasters association, Missio-Nexus, and the Christian Leadership Alliance. Tim is also contributing writer for Fundraising Success, CO+OP, and Outcomes magazine, and Advisory Board Member for MECLABS, and Co-Founder and Vice Chairman for Online for Life, a nonprofit organization that uses the internet to save babies.

Tim lives in Frisco, Texas with his wife Rebecca, and three children, Max, Charlie, and Gracie. You can follow him on Twitter @DigitalDonor or on his blog at DigitalDonor.com.

About Dunham+Company

For most nonprofit organizations, there's a gap between where they are and where they want to be. At Dunham+Company, we call this the "impact gap" and it is our job to help close the gap. From offices in the United States and Australia, we use our fundraising expertise to help organizations all over the world develop and sustain support to achieve their vision.

Built off of over 35 years of experience, our expertise and strategies are grounded on learned principles and informed by our ongoing research, which makes Dunham+Company uniquely suited to increase the impact of nonprofit organizations from the highest levels of strategic planning to the most meticulous analysis of data. Find out more at www.DunhamandCompany.com.

About Brad Davies

Brad spends a lot of his time thinking about online fundraising, and even more doing it in his role as the Vice President of Digital Services for Dunham+Company. As the former CEO of a charity, Brad has a passion to see charities become great at interacting with donors through new and not-so-new forms of communication.

Brad frequently speaks at conferences about online fundraising, and has done so at the Direct Marketing Association Nonprofit Federation, the National Religious Broadcasters, the Christian Leadership Association, the Christian New Media Conference (London, UK), and the Australian Communities Forum. He currently serves on the Internet Committee for the National Religious Broadcasters.

He has worked with World Vision, Daily Hope with Rick Warren, Family Talk with Dr. James Dobson, Feed The Hungry, Premier Christian Radio, Open Doors, Global Media Outreach, and National Breast Cancer Foundation, among many others.

Brad has a BA from Biola University and has an MBA in Global Business from the University of Redlands. He holds certifications in Search Engine Optimization, Email Optimization, Landing Page Optimization, and Online Testing. He and his wife Katy live in Addison, Texas. He tweets when inspiration strikes him at @BradJDavies.