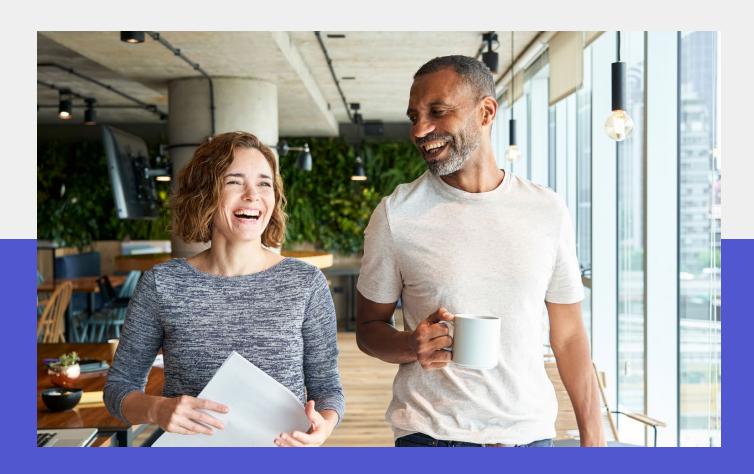


# How to Boost End-of-Year Fundraising Through Digital Marketing

5 Proven Campaigns to Expand and Nurture Your Audience





#### forward

End-of-year fundraising goals can often feel overly ambitious.

Goals should be aspirational, but how can nonprofit marketers and communications team members consistently meet aggressive goals

— often with limited resources and staffing?

For-profit organizations have long used paid digital advertising and marketing automation to increase website traffic, boost engagement, and drive higher ROIs.

It's time for nonprofits to use these same tactics for good. The more successful an organization's marketing initiatives are, the more they can further expand the reach of their mission.

And that's a big deal.

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#### **PURPOSE**

In this guide we'll dive into five of the most impactful and proven digital marketing campaigns an organization can run to boost their end-of-year giving and exceed annual fundraising goals.

We want nonprofits to grow so that they can make an even bigger impact, and with these five campaigns, nonprofit organizations will have a leg up on those formidable goals despite persistently smaller budgets and staff compared to their for-profit counterparts.

The best marketers know it takes time, energy, and a lot of creativity to draw people to a brand and mission. Knowing where to begin is often half the battle. And understanding where to focus those efforts can save nonprofits precious time and energy.

#### **TRENDS**

In 2021, <u>The CMO Survey</u>, a Deloitte-sponsored study, tracked increased marketing spending across all industries. The study saw marketing budgets increasing to 11.7% of organizations' overall budgets — a return to pre-pandemic levels. Digital marketing specifically accounted for 57.1% of the average organization's marketing budget and is expected to grow 16.2% over the course of 2022.

Nonprofit organizations have followed a similar trajectory over the same period. In 2017, the Nonprofit Communications Trends Report revealed that 19% of nonprofits had no set budget for marketing or communications and found money only as needed. This differs widely with their 2022 report, which found that 65% of nonprofits with over 20 staff have at least two full-time team members in communications or marketing roles.

<u>Blackbaud Institute's 2021 Charitable Giving Report</u> further reinforced the importance of digital giving. The institute reported that online giving increased 42% over the previous three years and that in 2021 alone, an estimated 28% of online donations were made on a mobile device.

For-profit organizations have long known the importance of using new technologies to win a larger portion of their market share. But nonprofits have begun to see the necessity of expanding their digital presence in order to secure larger and more consistent donations, especially as they attempt to meet ever increasing end-of-year development goals.

HOW DONORS WANT TO ENGAGE POST-PANDEMIC				
	Gen Z	Millenials	Gen X	Baby Boomer
Only Virtual	22%	22%	14%	7%
Mostly Virtual	32%	27%	16%	10%
Balance In-Person and Virtual	20%	28%	24%	15%
Mostly In-Person	9%	10%	12%	11%
Only In-Person	5%	3%	10%	14%
Not Sure, N/A	13%	10%	24%	44%

Source: Tipping Point: Aligning with Supporters in a Changing World, Chart 22. Retrieved August 2, 2022: https://institute.blackbaud.com/tippingpoint/



# Donation Abandonment

## **Donation Abandonment**

#### Sorry, my wallet's in the other room

E-commerce websites have long tracked potential buyers who make it to checkout. In the for-profit sector, the campaign that targets these people has been called cart abandonment campaigns. But nonprofits have the same ability to track website visitors' behaviors and follow up with those people — <a href="mailto:on-average-83%">on-average-83%</a> — who made it to the donation page but left without giving.

Donation abandonment campaigns are just one of many forms of digital retargeting. Retargeting uses information about visitors to a website so that catered messaging can be sent to segmented audiences. Instead of one size fits all marketing campaigns, the right people are hearing the right message at the right time. Spiralytics estimates that these retargeting ads are 70% more likely to lead to a conversion than other forms of digital advertising, which means that nonprofits can increase donations with even limited ad spend.

This is why we're not afraid to say that donation abandonment campaigns are the single best step forward for nonprofits that are just stepping into paid digital advertising. Dana Snyder, host of the Missions to Movement podcast, said much the same thing during a recent webinar discussing donation abandonment campaigns: "THIS is a massive opportunity for nonprofits."

**Retargeting** uses information about website visitors to a website so that catered messaging can be sent to segmented audiences.

## **Donation Abandonment**

#### Segment, segment, segment

Retargeting is so effective because of its ability to segment audiences. Segmentation refers to the ability marketers have of sending specific messaging to specific groups based on their behaviors, interests, demographic data, or other differentiating factors.

Billboards on the side of the road by nature must be general and apply to almost any audience. Everybody sees the same thing. The digital equivalent — a banner ad — is entirely different. Through segmentation, digital ads have the unique ability to show specific messages to specific people, which dramatically increases their effectiveness.

One of the easiest ways to increase end-of-year giving is to start with the low-hanging fruit. People who have enough interest in an organization and mission to make it to their donation page have seriously considered giving. A well-placed ad might be all it takes to change a potential donor into a recurring donor!

Millennials are quickly rising in organizations to decision making roles, and many of them are already on subscription based services like Netflix or Dollar Shave Club. This familiarity with recurring payments may in part explain why 40% of them say they are likely to give monthly to new causes. Nonprofits must pay close attention to these trends and begin catering to younger generations who have grown to expect easy, automatic monthly payments.

**Segmentation** refers to the ability marketers have of sending specific messaging to specific groups based on their behaviors, interests, demographic data, or other differentiating factors.



# Geofencing

# Geofencing

#### What in the world is geofencing?

Geofencing uses GPS and RFID technologies to serve ads to users in specific physical locations. Organizations can choose what geographic boundaries they want their ads to appear in and applicable devices that enter that "geofenced" area will see the specified ad.

While GPS and RFID technologies have been available for some time, the capacity to use them effectively in marketing campaigns is a recent development. Increasingly, for-profits have been leveraging this new type of campaign and nonprofits must follow suit to bring wider awareness to their missions.

This type of campaign is in many ways the inverse of segmentation, which serves ads to tracked users online. Segmented advertising targets "known" people in unknown locations while geofencing targets "unknown" people in a known location. And for this reason, the key to geofencing is just like the key to real estate: location, location, location.

These are just a few examples of places that can be "geofenced":

- Expensive neighborhoods
- Office buildings
- Festivals, concerts, sporting events
- University campuses
- Competitor's events!

**Geofencing** uses GPS and RFID technologies to serve ads to users in specific physical locations.

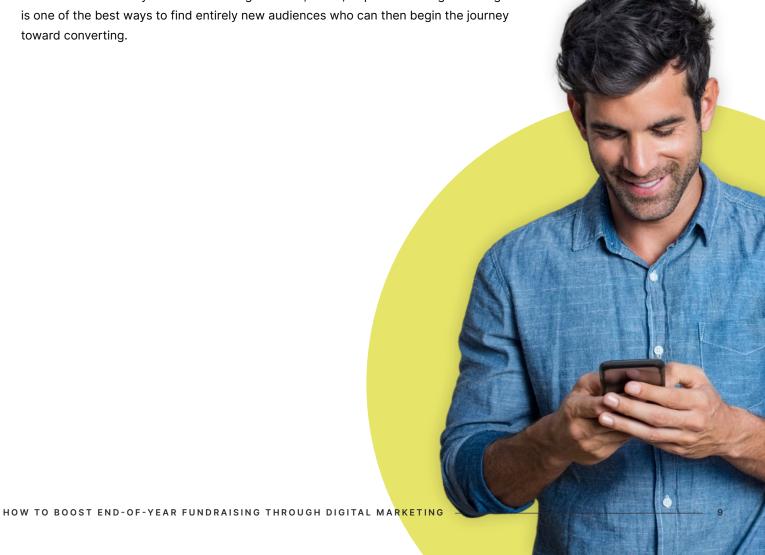
# Geofencing

#### What's the point of geofencing?

Because geofencing is approaching an "unknown" audience, the ad they see might be showing them a brand or mission for the first time. This means that it might be the beginning of their donor journey and not the end of it.

For end-of-year fundraising drives, it's important to keep in mind that these campaigns should be run long before donations are expected to begin landing, ideally six months prior. Then that valuable behavior data can be used to follow up with higher converting initiatives like donation abandonment campaigns. In other words, Rome wasn't built in a day.

Geofencing should be viewed as part of a larger initiative that includes awareness, engagement, and conversion phases. Not everyone will be ready to donate or buy the first time that they hear about an organization, event, or product. But geofencing is one of the best ways to find entirely new audiences who can then begin the journey toward converting.





# Email Mapping

(or CRM Retargeting)

# **Email Mapping or CRM Retargeting**

#### That's not my name

No, these aren't two different campaigns but instead different names for the same thing. Because the technology is new, the dust hasn't settled on the accepted terminology, and some of the larger players may persist in calling it something unique on each of their platforms.

Google calls it customer match while LinkedIn uses the term matched audiences. And then Facebook and Twitter call it custom audiences while elsewhere it's CRM retargeting. In the Feathr app, it's found under email mapping.

Email mapping is a digital ad campaign that links email addresses to IP addresses. Once linked, these campaigns serve ads to these targeted audiences. Almost every organization has a growing collection of email lists, and the beauty of email mapping campaigns is that now there's a specific ad campaign that can leverage this valuable — though often difficult to use — information.

**Email mapping** is a digital ad campaign that links email addresses to IP addresses. Once linked, these campaigns serve ads to these targeted audiences.

# **Email Mapping or CRM Retargeting**

#### Why not send an email?

With all these email lists available it may seem like the best step is simply to send an email. And although an email isn't a bad choice, email open rates have been in a steady decline and today average 21.33% across all industries.

Although nonprofits on average fare better at 25.2% — only government organizations have a higher open rate at 30.5% — this is still only reaching one of four recipients.

The reason traditional email marketing isn't going anywhere is because traditional email campaigns average a \$36 return for every \$1 spent. But by running email mapping campaigns alongside a traditional email marketing campaign, organizations can get in front of those same lists in novel ways. And because of this, they can expect additional revenue compared to their historic expectations.

Here are just a few ways that organizations have used email lists to segment their targeted audience:

- Member status (current, lapsed, non-member)
- Donation activity (recency, amount, campaign)
- · Event attendees
- Volunteers
- Newsletter subscribers (or unsubscribers!)

Again the focus is on segmentation: non-members will respond differently than current or lapsed members, so these groups should be receiving different types of ads. With the right software, organizations can even follow up specifically with those people who received an email but didn't open it or didn't click through.

One important thing to remember with email mapping campaigns is that no emails are sent. This is especially relevant for unsubscriber lists. These people may not want an email in their inbox, but that doesn't mean that they don't care about the mission anymore. A well-placed ad can be just the right touch for this group, and roping them back in might be the last piece in the puzzle for meeting that fundraising goal.

How many email addresses are necessary for an email mapping campaign? Aidan Augustin, president and cofounder of Feathr, shares: "A good rule of thumb is at least 2,500 emails on a given list. This is because with a 40% match rate, this would still link 1,000 accounts, which is the minimum number required for these campaigns."





# Email Smarter, Not Harder

# **Email Smarter, Not Harder**

#### Don't fix something that isn't broken

While we're on the subject of email lists, it's just as important to maximize results through traditional email marketing campaigns. Nonprofits have an advantage over the competition here as their messaging stands out from the pack. As we said before, nonprofits have the second highest average open rate at over 25%!

And although nonprofits have higher open rates, many still haven't begun to leverage email automation to streamline their communication process. This is ultimately overburdening their already hard-working teams and leading to missed opportunities.



# **Email Smarter, Not Harder**

#### You can automate that?

Marketing automation allows organizations to customize and streamline their email marketing campaigns. Instead of building single emails and then specifying individual recipients, email automation makes these actions automatic based on user behaviors or other key differentiating factors.

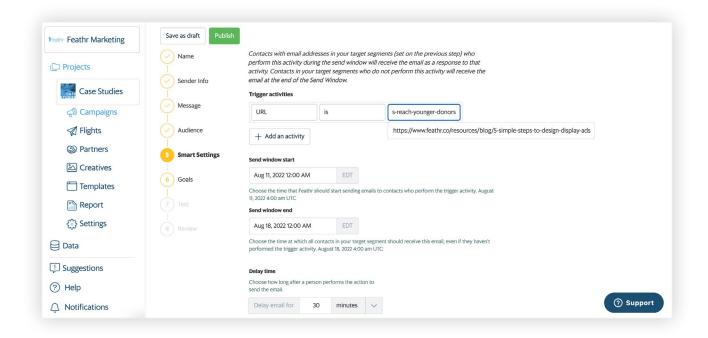
There are three major activities that go into marketing automation:

- Developing more accurate Customer Relationship Management (CRM) data.
- Triggering automatic email responses based on set behaviors.
- · Scheduling series of emails, or drips.

Many nonprofits already have some series of emails that they send to new donors or to major donors as they gear up for an end-of-year fundraising drive. But many are still missing out on sending more personalized and timely responses based on website visitors' actions.

For example, if a potential new donor subscribes to the newsletter, clicks through during the second drip email and reads a certain case study, there could be a follow-up email that leads them to a similar story they may also be interested in. Tracking and using individual behaviors to create more targeted and personalized emails will result in more opens, higher click-through rates, and more completed donations!

All of these things that used to require hours and hours of time, filling in user data and scheduling email after email can now be a once-and-done activity. This gives nonprofit teams back time that they can now use to build great content or allow them to focus on higher level questions and more strategic marketing decisions.





# **Get Social**

### **Get Social**

#### How influential is your mission?

Why is it important to be on social media? Fifty-nine percent of the world's population uses social media and 75% of internet users from 16 to 64-years-old use social media to research brands and products — and this includes nonprofits.

Does every nonprofit need to be on every social media channel? No! But they do need to be where their target audience is, which is where they'll be most effective. Internet users said they used these three social media channels the most for following and researching brands:

- Instagram
- Facebook
- Pinterest

An interesting note about Pinterest — although it doesn't have as many users as Facebook or Instagram, researching brands is the major reason why people are on Pinterest. Why didn't TikTok make the cut? It's primarily become a channel for funny or entertaining content. Some nonprofits may excel here, but others may play it safer on more traditional platforms.

For nonprofits whose communications respond to news and current events, Twitter, Facebook, LinkedIn, and even Reddit may be good choices for creating and fostering a social community.

### **Get Social**

#### You get what you pay for

Nonprofits historically do well at email and social marketing, but there is still room for growth. Social media sites are constantly changing their algorithms and adjusting how users can most effectively advertise on their sites.

Social media used to rank posts almost entirely based on organic metrics. The best communicators and strongest brands ended up at the top of feeds because they received the most reposts and responses. However, social media sites have recently begun to give the lion's share of space to those who pay to play.

Today, if an organization posts on Instagram, only 10% of their followers will see the post. That's on the high end! In order to reach that other 90%, organizations will now need to boost their posts, paying additional money simply to reach their own followers.

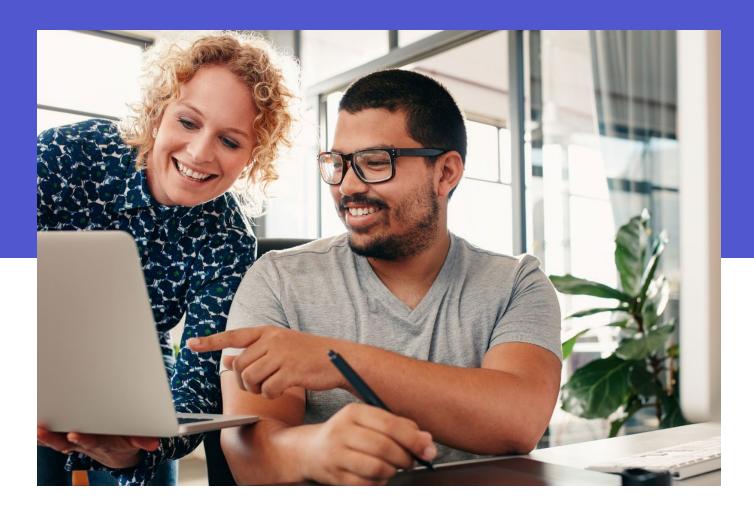
#### Put the lime in the coconut. Mix it all together.

The days of traditional email marketing and organic social are finite. These techniques are still cost-effective ways to incrementally gain a new audience, but more and more these strategies must be combined with their paid counterparts to maximize ambitious end-of-year

fundraising drives.

Donation abandonment and email mapping campaigns can be run through social sites since the essence of both is about targeting specific users — or segmentation. The average internet user in the U.S. spends two hours and 13 minutes on social media each day. So if traditional methods aren't grabbing attention, it's time to expand to new channels, including paid social.





#### CONCLUSION

Marketing and communication aren't simply about adopting the most recent technologies and allocating 100% of funds and efforts in the new direction. Instead, it's a constant balance of working within channels that have already brought results, streamlining and maximizing those efforts, and then expanding into new mediums with novel techniques.

A long-term but escalating trend is the requirement to pay to play online. More and more sites are offering the most conspicuous placements to those who pay. From paid search to paid social, it isn't surprising that the big tech players are demanding fees to get a slice of the action.

This is the challenge posed to the modern nonprofit. To grow and scale they must allocate greater portions of their budget toward long-term marketing strategies that secure new donors, streamline volunteer recruitment, and maximize returns on their events.

Mother Teresa intuitively understood marketing when she said, "no margin, no mission." Although she would rather have been actively serving the poor, she often devoted precious time articulating her mission to those whose deepest need was to find a place to share their time and money. If nonprofits take to heart her message and effectively communicate their story to the world, they will soon have more margin and more mission!