



Using E-Mail and the Web to Acquire and Cultivate Donors

Here are ways to reach donors more effectively in the future.

BY NICK ALLEN

While even the organizations most successful at raising money online still raise 30 times more offline than online, a wide range of groups are beginning to use e-mail and the Web to find new donors and cultivate the ones they have.

With more than 50 million Americans using the Internet every week—and many of them using their credit cards too—the audience is there. Computer use is growing across class and race lines, and more and more people have access to computers through public libraries and schools, if not in their homes.

How to Raise Money Online

A Web site and e-mail newsletter program provide opportunities for education, advocacy, and information distribution, as well as marketing and fundraising. In fact, to be effective at fundraising, the site has to have content and involvement that also educate. Few people will come to your Web site just to make a donation or become a member. They'll come, or come back, because you involve

them in your cause, give them information they want or need, provide them with some useful or interesting activity, engage them as an activist to send a fax or sign a petition or register for an event, or to sign up for a free e-newsletter subscription.

There are at least seven ways to raise money online:

1. Make effective appeals on your Web site (and get people there to read them),

2. Make appeals in your e-mail newsletters (and get subscribers).

3. Get commissions from sales of books, CDs, clothes, etc., via one of the online shopping malls that share their affiliate commissions with nonprofits (iGive.com, greatergood.com, shopforchange.com, etc.).

4. Benefit from online auctions or other co-promotions sponsored by major online players such as Amazon, E-Bay, and Yahoo.

5. Get sponsors who donate to your organization in exchange for sponsoring content areas (seniornet.org) or advertising on your site or in your e-mail.

6. Use e-mail to solicit donors who joined via direct mail but have given you their e-mail addresses too.

7. Sell something on line, preferably something related to your mission.

What's Working?

Direct fundraising has been the most successful way to raise funds online and will probably continue to be. Direct fundraising online includes getting people to join your organization through your Web site or asking for money through e-mail.

Most successful organizations put attractive membership offers on their Web home pages and throughout their Web site and include a "Donate" or "Join" link on every page. Fund appeals included in e-mail can also be effective, especially if the recipients are donors, or the appeal is urgent, or both.

In order to accept donations directly online, you can use a secure server at a Web-hosting company (hiway.com, interland.com, or verio.com), typically for an additional \$10-\$30 a month plus transaction fees. Or you can put a "Donate" button on your site from a service provider like entango.com, localvoice.com, or remit.net. These providers run secure servers, do all the transaction processing for you, and post the donor information in a password-protected database that you can download into your donor-tracking program. They typically charge five to ten percent of each transaction.

Indirect fundraising is another avenue for raising funds online by



joining up with dot-coms (nearly 100 of them already operating) that are seeking to help nonprofits raise money online—and make profits for themselves too. Online charity shopping malls such as greatergood.com, iGive.com, 4charity.com, and shopforchange.com invite nonprofits to encourage their supporters to shop online at Amazon, pets.com, J.Crew, or hundreds of e-tailers, and about five percent of the income from those sales will go directly to the charity. While most of these dot-coms won't release their results, iGive, the oldest, says it has distributed more than \$750,000 to 8,000 nonprofits—an average of \$93 a group, though iGive reports that a few have raised as much as \$15,000. To sign up, organizations just go to the sites and follow the directions.

Another indirect avenue for fundraising online is donation portals. These sites—such as 4charity.com, allcharities.com, giveforchange.com, givenation.com, and helping.org—allow visitors to search for a charity and make a donation online. Most of these dot-coms then charge about 10 percent for their handling (helping.org and 4charity.com charge no fee). In addition, organizations must pay the usual credit card fees of about 2.5 percent. If lots of donors find your organization through a charity portal, that's gravy for you. You get on a list by registering at the site, though at some of them any user can give to any nonprofit.

Traffic

Traffic is critical in Internet fundraising, just as volume can be in direct mail. If you can't get enough people to see your message, it's hard to convince the less than one percent who will give. Alliances with higher traffic sites—as well as aggressive off-line advertising and PR—are very useful.

Integrating Internet, Mail, and Phone

Integration will be the watchword of fundraising this decade. In the same way

that we might make a call telling donors to expect an important letter, you can e-mail people—telling them to watch the mail or wait for a call. The first renewal effort might be conducted by e-mail, followed by the usual multi-letter series, and eventually a phone call.

When a donor joins online, or even by phone or mail, you might consider e-mailing a welcome package instantly. It might contain information you normally mail, but some of it would be in the text of the e-mail, the rest on Web pages linked from the e-mail. Sophisticated e-mail messaging systems create customized Web pages on the fly, filling in the donor's information.

Customer Service

Internet buyers are getting used to great customer service from a few top vendors, and these sites are going to set the standard for online customer service. Following their model, you need to provide instant e-mail acknowledgment for gifts or any other online transactions. If you offer a premium, get it into the mail in a day or two, and notify the recipient by e-mail. If you invite Web visitors to e-mail you, get back to them right away. And put up the e-mail addresses of people whom users might want to contact. Make it easy for them to e-mail your organization in the middle of the night if that's when they're visiting your site.

Costs

Costs vary enormously, depending on what you're trying to do and how you want to do it. Building or rebuilding a Web site can cost you from a few thousand dollars to \$100,000. Setting up your site to accept credit card contributions costs only a few hundred if you use entango.com or others. E-mail newsletter services range from free ones like topica.com and egroups.com to sophisticated messaging systems hosted by Exastis or Digital Impact. Getting access to the database can cost plenty.

Five Things to Do Next

1. Be aggressive in getting e-mail addresses from your current donors and supporters and from everyone else you contact. Then send out one or more e-mail newsletters about once a month; you can edit one for members, another for everyone else.

2. Invite people who visit your Web site to subscribe to a free e-newsletter or to enter a contest and get free e-mail updates. Then e-mail them.

3. Ask for memberships or donations on your home page and on content pages. Tie your asks to the page's content—remember that Web visitors choose the pages they visit.

4. Integrate your e-mail and Web site with mail and phone to connect potential donors to your mission and events.

5. Invest in the Internet. Now's the time to abandon your least productive programs and projects and use the money to invest in the Internet—you'll be able to reach donors and constituents more effectively in the years to come. ■

Resources

Bogosian, John, "Internet Content Management: What's Next for Nonprofits?", *Nonprofit World*, Vol. 19, No. 6.

Feller, Gordon, "Latest High-Tech Trends: One Giant Leap for Nonprofits," *Nonprofit World*, Vol. 19, No. 1.

Lewandowski, Susan, "Improve Media Relations with Your Web Site," *Nonprofit World*, Vol. 20, No. 3.

Roufa, Mike & Leslie Hoffman, "Web Hosting Made Simple," *Nonprofit World*, Vol. 16, No. 6.

These resources are available from the Society's Resource Center, www.snpo.org.

Nick Allen is president of donordigital.com (182 Second Street, San Francisco, California 94105, nick@donordigital.com), a company that helps nonprofits use the Internet for marketing, fundraising, and advocacy. This article is reprinted from Grassroots Fundraising Journal with the author's permission.