



# Online Fundraising Success Factors



Don't forget these important measures when assessing online fundraising success. If you do, you may be selling your efforts short.

By Gene Austin

The true value of the Internet for any organization is in creating and sustaining constituent relationships to ensure ongoing support. The best way to do so is to implement an online Constituent Relationship Management (eCRM) strategy to involve constituents — especially donors — in more than one activity so they can support your organization in multiple ways at different times. Consider the following factors when evaluating the overall success of your organization's online fundraising efforts.

## Drive Online and Offline Giving

Consumers frequently conduct research online before making a purchase. When deciding where to make actual purchases, however, they tend to follow individual preferences based on convenience, comfort with online transactions, and other factors. Donors, like consumers, make gifts or purchases where they feel most comfortable and, for some donors, that still is

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through traditional methods such as direct mail or telephone. Keep in mind that online communications and appeals will likely drive offline donations, and remember to factor that into the assessment of online success.

## Increase Donor Lifetime Value

Donors' lifetime value is based on their average gift level, gift frequency, and expected retention rate. Each of these variables depends on the quality of your organization's relationship with donors. Connecting with donors and involving them in additional activities — such as advocacy, volunteering, and sending messages to friends — will help develop stronger

donor relationships.

Research by the Indiana University Center on Philanthropy (published in *FRM Weekly*) suggests how important your communications with donors are. One thousand lapsed donors from nine charities were asked why they discontinued giving. The study yielded the following "Top 10 Reasons Why Donors Stop Giving":

10. Charity did not inform donor how contribution was used (1.7 percent)

9. Charity asked for an inappropriate donation amount (3.1 percent)

8. Charity didn't remind donor to give again (3.3 percent)

7. Charity's communications were inappropriate (3.6 percent)

6. Death (5.2 percent)

5. Donor relocated (6.7 percent)

4. Donor still supports charity by other means (6.8 percent)

3. No memory of ever supporting charity (11.4 percent)

2. No longer able to afford support (22.3 percent)

1. Feeling that other causes were more deserving (26.5 percent)

Most of these reasons for lapsed giving can be attributed to poor donor relationships. Traditional communications such as direct mail and telemarketing focus on solicitation, but the Internet opens a world of new possibilities for donor relations because of the ease and low cost of sending constituents frequent, targeted, and personalized communications. Remember when measuring online success that online communications increase your organization's capacity to build stronger, more personalized relationships. And that often leads to a greater lifetime value for each donor.

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### Reduce Communication & Fundraising Costs

Paper-based communications such as newsletters, member updates, and program guides are expensive. By moving many of these communications online, you can reduce costs without sacrificing the frequency or quality of communications. While the Internet will never completely replace paper-based communication, e-mail and Web site content are more effective alternatives in some cases — for example, when you want to make urgent appeals based on a current event. Plus, by using the latest online fundraising software, you can prevent information overload for your constituents (and cost overload for your organization) by sending only relevant information based on preferences people indicate through online registration and other means.

### Support Major Giving

As donors become more comfortable giving online, you can expect to receive larger transactions over the Internet. You should also consider using the Internet to support traditional major giving efforts. Doing so will let you communicate in a personalized way with large groups of major donors and prospects, resulting in more “marketing coverage” at a reduced overall cost.

### Encourage Contributions in Other Areas

Donors and prospects may want to support your organization in ways other than providing financial support. This support can be just as valuable as a direct financial contribution. You can use e-mail and Web site content to encourage constituents to volunteer, participate in advocacy campaigns, attend events, and forward your organization's messages to friends.

### Evaluate Broadly

When measuring the success of your online fundraising campaign, keep in mind that there are many ways for a constituent to support your organization in addition to donating. Consider factors such as decreased costs and increased donor lifetime value as well as financial support when gauging online results. Online fundraising yields few results if it's unplanned

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and separate from an overall fundraising strategy. Be prepared to examine all angles of a campaign when determining your success. ■

### Resources

Atlas, Leonard, “Charity Begins on the Web: Tips to Enhance Online Fundraising,” *Nonprofit World*, Vol. 23, No. 4.

Austin, Gene, “Ten Ways to Raise More Funds Over the Internet,” *Nonprofit World*, Vol. 24, No. 4.

Frenza, JP & Leslie Hoffman, “Fundraising on the Internet: Three Easy Strategies,” *Nonprofit World*, Vol. 17, No. 4.

These resources are available at [www.snpo.org/members](http://www.snpo.org/members).

*Gene Austin is CEO of Austin-based Convio, Inc. ([www.convio.com](http://www.convio.com)), a market-leading provider of software and services to help nonprofits use the Internet for developing strong constituent relationships to drive fundraising, marketing, advocacy and other forms of support. For more information, please visit [www.convio.com](http://www.convio.com).*

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