

# Most Charities Fail at Online Fundraising Basics, Says Study

By Raymund Flandez

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Eighty-four percent of nonprofits, including many of the nation's largest charities, haven't made their donation websites easy to read on mobile devices, one of several flaws that can cost them significant contributions, according to experts who studied 150 charities and other organizations.

Included in the group of 151 organizations surveyed were 100 charities big enough to appear on *The Chronicle's* Philanthropy 400, the annual list of groups that raise the most from private sources. The study, conducted by the consulting group Dunham and Company and the fundraising think tank Next After, says charities aren't doing enough to persuade supporters to sign up for their emails, and the emails don't give enough direction: They don't suggest what action the recipients should take, such as donating or signing a petition.

The groups take too long to ask for money, and they make it too hard to give online.

As a result, according to the researchers, those nonprofits may be missing out on billions of dollars in online gifts.

Among the other findings:

- Thirty-seven percent of the organizations sent no emails within 30 days after visitors signed up to receive them.
- Fifty-six percent of the organizations did not ask for a donation within 90 days of people's signing up.
- Seventy-nine percent did not personalize email appeals with a supporter's first or last name.
- Sixty-five percent of their websites required visitors to click through three pages or more to give online.



Ducks Unlimited got a big boost in online giving by making its site mobile-friendly.

Researchers reviewed the websites of the organizations, signed up to receive emails, and gave each group an initial gift of \$20. It then monitored how each group communicated and built relationships with them online and through emails.

### **'Room for Improvement'**

While online giving still represents less than 10 percent of all charitable gifts, according to previous studies, the share is growing every year. But for that slice of the pie to grow bigger, charities need to try harder, according to the researchers.

“What we found is that there’s massive room for improvement,” says Brad Davies, project director of the study and vice president for digital services for Dunham and Company. “It is easy to assume nonprofits are missing out on several billion dollars” by not making their online-giving experience as easy and dynamic as possible.

While most organizations studied were nonprofits, eight were political organizations or campaigns. The groups with the best online-giving practices were those that help animals and protect the environment, but political campaigns were standouts compared with most other charities. Groups that scored the lowest were Jewish organizations, Christian ministries, performing-arts groups, and libraries.

Investing in online fundraising paid off, the researchers said. They found that the 10 organizations that gave donors the best online-giving experience raised about 25 percent more money online, on average, than others. The top 10 were Ducks Unlimited, Environmental Defense Fund, Feeding America, Food for the Poor, Heritage Foundation, Livestrong, Oxfam America, Special Olympics, United Way, and the public radio station WNYC.

The Environmental Defense Fund boosted its online fundraising from \$200,000 in 2005 to \$2.3 million today, out of the \$13 million it raises from individual donors. It credits that growth in part to the fact that its fundraisers used to work in online marketing for big companies. In addition, it analyzes how people behave when they receive messages from the group, and it tries to determine the point at which donors are turned off by too many messages.

“If anything, compared to our peers, we probably overcommunicate,” says Cynthia Hampton, vice president for marketing and communications. “We definitely err on the side of being more aggressive.”

Ducks Unlimited says that its emphasis on giving donors a good experience on mobile devices has been a boon for its online giving. After it overhauled its site to make it mobile-friendly in July, it saw a sharp increase in people who used their smartphones or tablets to make gifts. In the last five months, half of all the group’s web traffic and 25 to 35 percent of online donations are coming from mobile devices, says Anthony Jones, web director.

Feeding America reports that online revenue has more than doubled in the past five years, with online giving representing nearly 30 percent of what it raises from all forms of direct marketing, says Elizabeth Nielsen, vice president for digital engagement. She says that one reason for the growth in online is the constant testing her group does to see how any kind of change increases or slows donations.

### **What's Holding Them Back**

In reviewing the emails nonprofits sent to donors, Mr. Davies, the Dunham consultant, said the biggest flaw he saw came from nonprofits that asked supporters to make a contribution, become a monthly donor and sign up for a newsletter, all in one email. Such jumbled messages “always lessen the effectiveness” of the email, Mr. Davies says. He adds that multiple conflicting “calls to action” cause people to hesitate in making a decision. With those roadblocks in place, they are less likely to give online.

Other concerns about nonprofit communications, the researchers said, may be stunting the growth of online donations, like failure to give donors a reason to connect. Sixty-six percent of the organizations did not use words that would entice a supporter to sign up to give or receive more messages. They did not, for example, promise supporters “inspiring stories, photos, or video in a newsletter,” according to the study.

**Lack of urgency.** Only 14 percent of the groups' websites provided compelling reasons for giving “today.”

**Limited efforts to encourage sharing.** Only 27 percent offered donors a simple way to tell their followers on social networks that they had made a donation. Those that did so put “share” buttons for social-media networks, like Twitter or Facebook, on their sites, an action the researchers recommend.

**Tardy and meager follow-up efforts.** Only 18 of the 151 organizations studied welcomed new donors through a series of emails. The rest sent just one welcome message. The researchers say that the first 30 days is crucial in building a long-lasting relationship with donors, since that is when they're most apt to open emails and give. So organizations need to take advantage of this “honeymoon” period by giving new donors numerous ways to get involved or support the cause.

The longer it takes to get a second gift from donors, the less likely they are to give again, the researchers say. Conversely, the sooner donors give a second time, the more likely they'll contribute for years to come.

**Failure to nudge donors toward further action.** While almost all of the organizations thanked donors after they gave online (99 percent), 63 percent did not tell donors what they

could do next on behalf of the group, a move that can create a more lasting bond between supporter and charity.

As the researchers noted: “This is a 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.”