Nathan: Good afternoon, everyone. Welcome to the webinar. We'll give a few minutes here for everyone to join. I see that attendee number, just, uh, going up, up, up, up. And so as we're waiting for everyone to join, I would love if you would open your chat and let me know a couple of things who you are, what organization you're from and where in the world are you zooming in from? I'd love to know that it's always really cool and exciting and interesting to see how far reaching some of these webinars are. Um, but more than that, just this cause of how do we grow generosity together. Um, you know how many people globally are really rallying around this idea, uh, and working simultaneously to grow, giving and grow generosity. So jump in the chat, let me know, make sure you select to everyone. Sometimes it defaults to like just sending to me or just the panelists, send it to everyone.

Nathan: So we all know who you are, what organization and where in the world are you zooming in from today? I'll keep my eye on the chat as those come in, but glad you all are here. I'll give some shoutouts right at the top. We've got Cita from Canada in Toronto, specifically. We've got Jennifer in Moni, Indiana. We've got, uh, someone from Augusta, Georgia. Let's scroll down. We've got Kevin Kane and Philadelphia. We've got Becky from the humane society and Fisher's Indiana. Welcome. Welcome. Welcome. We've got some friends from NIC place in Vancouver, so glad you all. Oh, some a decent amount of Canadians in the house. We've got Naomi also in Vancouver. Welcome. Welcome. Welcome. So glad you all are here. Oh, and I see we've got our Portland representative, Cynthia keeping it weird. I love it. Okay. Let's kind of jump into some things, a few housekeeping things and announcements, uh, up front.

Nathan: Uh, number one, as you see right on your screen, we have a brand new course on online donor acquisition that is coming up and coming out in a couple of weeks. So we're, we're diving into donor acquisition today and there's a whole lot more that we're not gonna get into that will be coming up in this course that you'll be able to take advantage of, uh, in a couple weeks. So that's just to sort of plant a seed. Another seed I wanna plant has a little bit more urgency around it, uh, which is the ni O summit. This is our conference we put on every year. Uh, it is September 20th through 23rd, and there is a price deadline coming up at the end of the day tomorrow. So if you wanna save 300 bucks on your ticket to Neo summit, make sure you use the code flying monkey, save 300 bucks before the end of the day tomorrow. Let me show you 30 seconds of what this conference is gonna be like. Cause it's pretty different than most, any other nonprofit conference that you have ever been to. And I say that with a lot of confidence, here's why

Nathan: There's a whole lot more in those 30 seconds that you're gonna experience over the course of two full days at the Neo summit. And if you attend one of the, uh, workshops before or after, there's a whole, uh, bunch more content too, to dive into. Um, but check out all the details ni summit.com. You can go watch a, uh, a video of the scarecrow and learn how the scarecrow lost his brain. That's on the site right now. And then you can actually go get your ticket right now as well. So make sure you do that before the end of the day tomorrow, jot that down, put on your calendar, uh, make sure to get that done, cuz I would love to see you in person and see you there a couple housekeeping things about the webinar today. The most popular question we ever get is this, is there going to be a recording?

Nathan: And the answer is always, yes, we are recording this webinar right now. Uh, later this evening, we will send you a link or an email with a link to get access to the recording, a link to access the slides, link, to access any featured resources that we mentioned throughout the day or the session today. Uh, and we should, should, should, should keyword. There should have time for Q and a at the end. So if you have questions, uh, as we're going through the content today, please drop them in the Q and a tool. That's the best way for me to keep track of those and make sure we get you answers at the end of our session. But if you have comments and thoughts and ideas along the way, please drop those in the chat. I have the up the whole time as we're talking so I can see those come in.

Nathan: Just curious what you're thinking as we're going through, um, the, the, the strategy about how to grow online donor acquisition, which leads me to actually a poll that I'd like to turn on for you. Um, I have two questions I would love to get your thoughts on. Uh, so I'll hit launch on this poll. Uh, the questions are really about how much are you currently investing in online donor acquisition in terms of budgets? Uh, and secondly, are you happy with the results you're getting just a simple yes or no on that one. So, uh, go ahead, fill out that poll. If you, if you wouldn't mind, I'm just curious to see, just to kind of take the pulse and get a benchmark of where people are at today. It looks like, uh, at least half the group is not investing in online donor acquisition, uh, at all at the moment, we've got a good amount in this, like one to a thousand dollar range.

Nathan: So like some small level budgets trying to figure out what's working. Uh, and then we've got a handful kind of in these, the upper echelon here spending a lot more, uh, every month on acquisition. And then this question about, are you happy with your results as these are coming in? It looks <laugh>, we've got about 10% of people saying yes, the vast majority saying either no, or just what results, like I'm not seeing anything or maybe not, not doing anything. Um, so hopefully we can help get you some answers today. Uh, no matter where you're at, we're gonna walk through a strategy that we use every single day, uh, to try and help organizations acquire new donors online, to go find, uh, people that have a high, uh, potential of becoming a new donor, engage them with content and then move them into an instant donor acquisition opportunity.

Nathan: Thanks for sharing that. It's always really helpful to see just kinda where you're at. I'm gonna hit end poll here. I think you might be able to see the results I'll hit share results. Is this, share it with you. There you go. Here's the overall results, final scores, 41% not, uh, investing in donor acquisition at the moment, 38% in this up to a thousand bucks a month. And then we kind of trickle down from there and you can see down below, are you happy with the results about 10% saying yes, most people say no or what results. So there you go. That's where we're all at. Thank you for sharing that. And I appreciate it. Let's jump in and let's talk about, you know, just kind of a simple high level question that I think we need to answer, which is why do we need more acquisition or do we need more acquisition is probably the better question here.

Nathan: I wanna look at a little bit of data, a little bit of research around this topic. Um, here's what MNR has to say. MNR produces some great benchmark reports every single year. Um, always check those out specifically for like donation page conversion rates to see, you know, what's the industry average. They do some great benchmarking there, uh, but they also have this published in their benchmark this year, which is just what does online donor retention look like? And I'll highlight a few things for you here. Overall online donor retention, according Tor, it's 36%. If you're a new donor, who's just this year come in or just last year came in online. Uh, the retention rate is a little worse. It's 23%, but even for prior donors, uh, it's the retention rate is 60% for online donors who have basically given to you multiple years or multiple times in the past couple of years.

Nathan: But I wanted to compare this to offline as well, not just online. And, and what's interesting is, you know, MNR and Blackboard, their benchmark reports seem to agree, even though one's looking at online, one's looking at offline about this sort of multi-year donor retention rates are at, at about 60%. And so it's easy to look at numbers like this and be encouraged by the positives 60% retention. That's great. We're retaining six outta 10 people, maybe there's room for improvement, but you know, we're next after we're big believers. That good is the enemy of great. And so if we're just content with where we're at, well, then, then what's the point. We wanna figure out how to optimize, how to improve, how to take incremental steps forward to figure out how do we get that 60% to a 61, or maybe do a 65 or to a 70 and beyond.

Nathan: And so we like to look at these metrics in sort of the inverse. So in the best case scenario, it seems that nonprofits are gonna lose at least 40% of their donors every year. So just to have a little bit of fun with, with a chart here, let's pretend that you have 10,000 multi-year donors. Maybe you only have a hundred, maybe you have a hundred thousand. I don't know where you are at specifically, but let's pretend you have 10,000 multi-year donors in one year's time. Next year you'll only have 6,000. It's pretty easy, easy math, but let's see how this plays out. You fast forward to year five and five years, you'll only have just under 1300 of these donors left. And then by year 10, you virtually have no multi-year donors left that you had in year one. So the question we have to answer is how do you make sure you still have donors left in 10 years, but probably more importantly, how do you not just maintain, but how do you build a, a strategy and a, a process in order to grow?

Nathan: Because you want to impact your cause, uh, more so next year than you did this year and continue to take steps forward. So how do we get more new donors in the door? How do we retain more donors? How do we continue to increase, uh, donors, generosity, and revenue, so you can have greater impact. And this really leads us to kind of a split decision. You can fix retention rates and try to invest your time and effort there. And you can also figure out how do you invest more in acquisition and how do you figure out better strategies there? And there's a lot that we could dive into on the retention side of things. There's a lot of things we wanna test and we wanna figure out in that world still. Uh, but today we're taking the blue pill, we're focusing on acquisition. And, and how do we dive into acquisition and build a scalable model that's going to lead to better results specifically when talking about online, there tends to be a lot of questions about who isn't online, donor worth investing in.

Nathan: Uh, are they, are they as valuable as an offline donor? Maybe, maybe not, or they're kind of fleeting, like they donate here and then they never donate again. Can we trust in the lifetime value of one of these donors? Is it really worth the investment in figuring out online and digital acquisition? And my answer is obviously yes, cuz that's what we're talking about today, but I wanna show you some of the data behind why I think it's valuable and important for us as fundraisers to focus on online donor acquisition. And it really starts in understanding like who are your most valuable donors and at the end of the day, your most valuable donor is a multi multichannel donor. If you divide out your donor across these four different cohorts, well, you find that multichannel donor up in worth more than three times, as much as an offline, only donor and an online only donor.

Nathan: And some of them makes sense just simply off the top, because if you're a multichannel donor, that means you've given at least twice. So your value's gonna be that much higher, but how do we move someone towards that relationship? Um, on top of that, multichannel donors actually retain better too. Uh, they retain 24% points more than offline, only donors and online only donors as well. So they're more valuable. They retain better. And what's really interesting is when we look at what's the likelihood of these different types of donors to become a multi-channel donor, as we look at some of the organizations we work with, we looked at a small nonprofit, a big nonprofit, a few different verticals. Here's what we found is that in every single case online acquired donors are far more likely to convert to a multi-channel donor, meaning they would be more valuable to you in their lifetime.

Nathan: In fact, let's jump here online acquired donors are 463% and maybe as high as 11000% more likely to become multichannel donors compared to offline acquired donors, you may wonder like how can that be? Or why is that? And, and the, the answer is actually pretty, pretty simple. If you think about the experience of like sending a check in, in the mail or, or donating offline, there's no requirement for you to provide an email address or any sort of information that would allow, you know, you as a fundraiser to go talk to that offline donor via an online channel. Now there's lots of strategies to go use mailing addresses and things like that to go find, you know, where they live in the, the, the digital world through Facebook ads and different things like that. But, uh, it's not as easy as just reaching out to them via email.

Nathan: You don't have to have, you don't have to give an email address in order to make an offline gift, but the opposite is true with an online donor. If you're making an online donation, you obviously have their email address as part of that transaction. And you often have to give your mailing address in order to make the transaction as well. And so you have the ability as a fundraiser to actually go cultivate an online donor in offline channels, which makes it that much easier to lead them towards multi-channel relationship. Here's our key question. How do you both effectively and efficiently acquire quality donors online? Now I'll submit to you today that I believe the answer lies in the power of free. Uh, there's a guy named Dan Arielli, who's run this experiment and outlines it in his book, predictably irrational. Maybe you've seen it. Maybe you've read it.

Nathan: Um, I'm probably not gonna do a justice here as well as he does it in the book. Um, but here goes, he starts with this experiment where, you know, set up in a, a college campus, like a hallway on a college campus. He runs this experiment where you can walk by this, you know, this stand and you can pick up a Hershey's kiss for one penny, or you can pick up a Lin truffle for 26 cents. And he wants to see what's the likelihood of one of someone picking up a Hershey's kiss versus the lint truffle one. You might argue like the Lynn truffle is like the superior chocolate, which is why it costs a little bit more. So are people more inclined to get the better one or the cheaper one? And what happens? Ultimately, what he found was that there was really no difference in the amount of consumption of these two different chocolates.

Nathan: About half of people picked up the, the 1 cent Hershey's kiss. The other half of people picked up the Lynn truffle, no major difference. And then he made one change, which was each chocolate decreased in price by 1 cent, which does something more significant to the Hershey's kiss where now it's free. The Lin truffle is now just a quarter, but the Hershey's kiss is free. And does that change things? What he found running this iteration to the experiment was that now 90% of people took the Hershey's kiss. And there are a lot of different, uh, variables he controlled for, with different iterations of this experiment. But ultimately he concluded what you and I probably both know intuitively, which is that people want free stuff. And you may wonder what unearth does it have to do with donations? So I wanna tell you a quick story about the T S H a Texas state historical association.

Nathan: Now the ideal donor for the Ts a is somebody who likely lives in Texas, or at least grew up in Texas has Texas roots. They're proud of their state. They're proud of their culture, their avid readers. They wanna learn more and dive deeper into Texas history. And so they developed this offer called the Texas Almanac. You can see the dates on it, 2014 to 2015. It was actually available on what is a Relic at this point, a CD go figure. You can get the Texas Almanac on CD for 1995. Sounds like the infomercial for that just writes itself. Uh, but here's what they saw bringing this product to the market. They saw 15 total units sold for a total of $299 and 95 cents in revenue. Now you don't have to be in the inner workings of the Ts a to pretty safely assume that 300 bucks is not enough to even really cover the cost of producing the resource.

Nathan: Even just the physical cost of like pressing CDs cost way more than that. On top of that 300 bucks is not helping them do more work and impact their cause in a more meaningful way. It's just, it's just not enough. And so we suggested, well, what if you actually gave it away for free, which is a tough idea. If, when you've, when you've put a lot of time and effort and money into producing a product, you typically don't wanna give it away for free. Like, I, I sunk a bunch of time and investment in this. You should have to pay for it, but they went with this idea and here's what happened. So instead of getting it on a CD, you could now get it on a PDF, get the text Salman for free. You'd go to a landing page, which they had 61,000 people visit this landing page.

Nathan: And on that page, you could read about the offer, the Almanac, and you could fill out a form to download it. They had 16,800 people, um, download this offer. So almost 17,000 emails acquired from this offer, which actually led them to 258 new members, which are donors to their organization and a $53 average gift size. And in total, this led to $13,000 in new member revenue. And so if you punch that into your calculator real quick, you can figure out that $13,000 is a heck of a lot more money than 2 99. And it's from this and from many other stories like this and campaigns like this. So we've concluded that a free offer might actually be far greater in value than a paid product for you as you're trying to raise more funds for your cause and for your organization. Uh, and it's from this at the free content, the valuable donor model was born.

Nathan: And here's what it looks like. Uh, there's four simple ingredients, uh, that have to be put in the right order here, but you start with any kind of traffic source, primarily advertising, but it really could be an email to your house file an email to existing donors to try to reactivate them. It could be ads on Facebook or Instagram, or it could be on TikTok it any, and it could be search ads, any sort of traffic source. That's leading people to a landing page to read about this free offer, like the Texas Almanac or some other form of ebook or email offer. You read about on the page, you fill out the form and then the offer gets sent to you in your inbox. And then you land on a confirmation page, but it's not a typical confirmation page that just says like, Hey, thanks so much for getting this Texas Somac.

Nathan: Uh, would you share it on Facebook? Would you share it on Twitter? Would you share it on LinkedIn? Instead it moves towards the donation appeal right away. We call this the instant donation page where you say, thanks upfront, and you move immediately into a donation appeal, why someone should should give. And it includes a donation form right there on the page. Most people that are investing in online donor acquisition in any sort have tried something like this, where you run some sort of advertisement, whether it's in search or it's on Facebook or it's on Instagram or whatever your platform of choice is, you run some sort of ad and you lead them straight to a donation page. And the ad typically has some sort of great like story in it or a video testimonial of someone who's been really impacted by the work your organization.

Nathan: Does you tell this compelling story, you lead someone to click through and consider giving, and then the common experience for 99% of fundraisers is that you see nothing at worse. You maybe see like, oh, you might see like one donation come in and then you spend more money cuz you're saying, oh, Hey, they're coming in, it's working. And then you still don't see more than just the one donation. You never make enough money back on that for it to really be worth the cost of investing in at next, after we really do one thing primarily, which is we help nonprofits grow their digital fundraising. And we do that in three ways. One is we're a research lab, conducting experimentation to research, to decode what works to grow giving. Uh, we do a lot of that work through our digital first agency, helping organizations like yours, try to grow their digital fundraising programs, uh, running acquisition programs like what we're talking about today.

Nathan: Uh, and then we're a training Institute where we produce resources for you like this webinar and courses and otherwise to go equip the nonprofit space with what we're learning. And I wanna zero in on the research lab piece with this for just a moment, uh, to date, this slide is actually out of date, even though I took this screenshot like last week, uh, we have over 3,700 online fundraising experiments that we've conducted over the years. Uh, we run anywhere from 10 to 15 experiments every week that are getting logged in our library. And we're constantly trying to decode what actually works to grow giving. And so when you compare these two different models side by side, we can put this in the form of a test know version a here going from an ad to straight to a donation page compared to, uh, this ad to a landing page with a free offer to a donation page, put those side by side, this free content model typically leads to what I would say is an infinite percent increase in donations, which sounds silly, but it makes sense if version a doesn't ever really lead to any significant donations at all.

Nathan: If you go from zero to anything, it's an infinite percent increase, but this free content model is a sustainable, scalable, effective model to acquire people's attention, acquire their email address and then move them into a donor relationship. I wanna look at a little bit at why this model actually works. Cause I think it's really important as we, as we get into sort of the details of how do you build it to understand why to do that. I want to step back for a moment and look at a couple different pathways that someone might come into giving a donation. We outline some of this in our course on value proposition, but I'll just give you sort of a peak into it right here. If you think about how someone might come to your main donation page, your main donation page is you land on your homepage.

Nathan: You hit the donate button in the corner, you land on a donation page. That's your main primary general donation page. Most people coming there come from sources like direct traffic, where they type in your, uh, URL directly and hit, enter and go. Or they might type in the name of your organization, uh, in like an organic search through Google, Google search and they land on your homepage and then they find their way to, um, making a donation. Typically in this case, the motivation for someone to give is really strong. Something organically has prompted them to either get more information about giving or to go make a donation right now, the problem is you don't really know what motivated them or what triggered them to say, oh, I'm I need to go make that donation and type in your, your URL. So the motivation is really strong, but you don't always know what it is.

Nathan: And so on your main donation page, you have to be pretty, uh, all encompassing in your copy, uh, so that you don't alienate someone. Cause again, you don't know their motivation. You don't wanna focus too much on a singular program, cuz maybe that's not what I'm interested in giving to. We have to be all inclusive of our ideal donors in our copy on those pages. Compare that to this type of a funnel that we're looking at. If someone is on say Facebook or Instagram or scrolling through some form of social media, most people aren't getting on will stick with Facebook. Aren't getting on Facebook with the intention of donating. That's not to say that people don't give, when they're on Facebook, sometimes you see a birthday fundraiser or, or some other like peer-to-peer campaign you wanna give to, but most people don't pull out their phone to open Facebook to figure out where to give most of the time someone that's scrolling through Facebook is trying to fill time and looking at pictures and photos and sometimes news and they're they're consuming content.

Nathan: They're not focused on giving they're focused on getting. And so the motivation for someone in this channel is, is pretty weak. The motivation to give is pretty weak. However, we know what their motivation is when we put some sort of ad in front of them. So it's really hard to get someone to go from an ad on Facebook, to actually giving. We need some other way to kind of get our foot in the door and to bridge the gap between them looking to get content and then moving towards a, a relationship of trust to actually give. So how do we get our foot in the door? Uh, we are gonna use something called foot in the door technique, just like this. Look at stickiness, look cute, pause through the door. Like wait for me. That's what we wanna do, uh, with our campaign. And so foot in the door technique, uh, to define this, according to our friends at creative science, they say this, according to this theory, a person will be more likely to agree, to do a larger request if they first agree to do a smaller request.

Nathan: So if we get them to say yes to something small, they might be more likely to say yes to a larger thing and then a larger thing. And then a larger thing, which is why we build this model in this way, you see an ad you're looking to consume content and you say, yeah, I want that thing. You take a step forward. You say yes to a smaller decision to then get this free offer. And then you might be more likely to say yes when you land on the instant donation page to give, so the little email offer here, that's your, that's your little paw under the door. That's your foot in the door. And let's outline it here kind of every step and try to understand the motivation and every step again on Facebook, most people are there to fill time and to see content, uh, and they might see or ad because it provides value to them.

Nathan: They may stop and read it because it's something that they can get. And that's what they're looking for. Consuming content. They come to a landing page where they fill out the phone to get that piece of valuable content. And then on this incident donation page, you have a moment to, um, move them from this feeling of gratitude for the free offer that they just got and turn that into an act of generosity. The strategy is really nuanced and it only works if every piece is working together. So let's zoom out and kind of see a real world example. This is from the Hoover Institute, uh, and you can see the whole pathway here. They were running this ad, uh, for an ebook, exploring some different like economic theories. It's called trickle down theory and tax cuts for the rich seeing what works and what doesn't about different economic, um, philosophies and, and theories where they're promoting this ebook, uh, through an online ad, highlight the title.

Nathan: Therefore you click learn more. You come to the landing page and on the landing page, you see the headline matches the title of the book that they just saw. The image on the page matches the book, creative that they just saw in the ad. You know, you're in the right place. The headline matches the call to action. Get the trickle down theory and texts for the rich, the call to action button says, get your free copy now. And then after you fill out that form, you come to the instant donation page that continues this congruent experience all along the way, same colors, same type of design look and feel. It says, thank you, friend, trickle down theory and tax cuts for the riches headed to your inbox right now. And they move into the donation form and the donation appeal. So all these pieces are clearly aligned in a continuous experience and congruent.

Nathan: And if one of them isn't working, it might actually hurt the whole campaign, which leads us to, uh, an understanding of how do people actually make decisions about giving online. Maybe you've seen this before. Uh, it's been in a lot of different webinars and different trainings that, that we've put on here next after, but I wanna walk through it. Cause I think it's a helpful exercise to think about how does someone give online and at every, uh, you know, at every single donor starts all the way down at the bottom of this chart, which is at the status quo, they're all the way down here. And to get the retention, we have to have some sort of interrupter like an ad. So you're just mindlessly scrolling through Facebook, not even reading anything, you're just staring at a screen half the time. And then you're interrupted by some sort of ad.

Nathan: And it's from that. You start to move into this interest phase. And when you're interested, then you have an engagement point where you would choose to actually read this ad or maybe click through and consider what it's offering. And then you start to move into this involvement phase. Uh, and at a certain point you have to make a decision. You have a moment of decision of, do I want this offer or not, or specifically in a donation world, do I want to make this type of an impact? Do I want to make this make a donation to this organization and impact this cause yes or no. If you say no, well then you leave and you fall all the way back down to the status quo. But if you say yes, then you move into what we would call the emotional climax of this, this giving experience.

Nathan: And this is a key difference between making a donation online versus purchasing a product online. If you think about your experience of ordering something on Amazon, I think that's probably something we all have done. You're on Amazon. You're searching for whatever you wanna buy. You add it to your card. You go through the checkout process. None of that stuff is really all that exciting. You get to the end of the transaction. You put in your credit card info, you put in your shipping info, bam, you still haven't experienced the excitement. It doesn't happen until the thing you ordered shows up at your door. And then at least in our house, it's always a big, exciting thing. When there's a package at the door and my little kids wanna run to the door and get the package and then they fight about who's gonna open it and who's gonna see what's in the box and all that stuff.

Nathan: That's the excitement of buying something online is when it actually shows up the whole unboxing experience, that's the climax. But when you're making a donation that that doesn't happen, the climax happens when you have read the copy and understood the value proposition and why you might give to support this cause and make a true impact. That's when the climax happens is when you say yes, I want to make this kind of an impact. And it's at that moment that you have this, what we call the conversion horizon, this opportunity when they're at this peak ride in the wave to get them to complete the transaction. But friction may stand in their way in any sort of like, um, you know, bump in the road or roadblock or piece of friction or anxiety that may come up in the process can cause someone to fall all the way back down and actually abandon the process altogether.

Nathan: So we have this limited moment of time to move someone towards saying yes to giving and completing the transaction. Now, if you kind of squint at this chart, it looks actually a lot like a mountain. And so we typically compare this experience to climbing a mountain, which we call the donor mountain, where every donor starts all the way down here at the bottom. They're warming their hands by the fire. They're getting ready to climb the mountain. And at the very top is the goal where we want them to go, which is making a donation. And they have to say yes at every single step along the way. And they could choose to turn back at every single step. You send them or show them some type of a, should I pause and read the ad? Yes or no. Should I click your ad and continue onto the landing page?

Nathan: Yes, I keep going up. No, I go back down to the bottom of the mountain. Should I fill out the form on the landing page? Yes. Then I keep going up the mountain or no, I could totally abandon go back to Facebook or go back to do something better with my life. Then stare at my phone. Should I actually donate? Yes or no? And at every single point, if someone says, no, they return to the bottom, we've lost them. Typically when someone says no, it's because the value of saying yes is not as heavy as the cost of saying yes. So we want to make sure that we position every single step where there's significant value for me, the potential donor to say yes. And the cost of doing so is light. We need to remove friction from the process, make it easy, but also provide enough value and context to help someone understand why they should say yes.

Nathan: Now one common question that comes up when we talk about this type of a strategy is, well, do you really need to put them through this process to get their email address? Can't we just go send them the free piece of content or the free offer without going through this sort of transaction thing where you, you fill out a form to go get the offer or sign up for the course or whatever the offer is. And I wanna talk about the value of an email address for a moment. What, what really is the value of getting someone's email address? Now we won't explore this much today, but asking for an email address creates a value exchange or someone has felt like they've given you something in exchange for something of greater value. It's a more or less a transaction that takes place. Even though there's no money exchange, there is a value exchange.

Nathan: I've given you an email address, which is valuable to me in exchange for an ebook or a course, or signing a petition or taking a survey, which has valuable value to me, the potential donor. We can unpack that more at another time, but, but that helps activate some of this instant donor revenue, but emails also help you activate downstream revenue. Cause it's not all about just getting a new donor right away in the moment. How do we activate potential downstream revenue as well? When we compare different online channels and look at how much revenue do they typically bring in, we conducted this study a couple of years ago, we had access to 73 different organizations and their Google analytics. And what we found averaging everything out was that email was the most effective channel in terms of average revenue. Now I know that direct is a little bit bigger, but that's cuz most of the time in most of these cases, direct traffic was really misattributed.

Nathan: It was actually a lot of traffic that was already on a donation page and some things happened with new page loads and going off the domain, a lot of, of complicated stuff we don't need to get into today. But email on average is the, the highest performing channel in terms of revenue. The reason is that email has a 4.67% average conversion rate, which is 4.6, 7% of people that come from email end up donating. It's incredibly effective at moving someone into a donation relationship. In fact, it's 160% better than the next highest channel, which in this case was referral. And when we look at this kind of cohort breakdown that we looked at earlier, an offline donor, who you have an email address for actually tends to be 84% more valuable to you than an offline donor, that you can't cultivate through an email address.

Nathan: So just having it gives you another channel and another opportunity to cultivate the relationship. Now, how does this impact downstream revenue? I wanna look at two real world examples of organizations that are running this type of online donor acquisition strategy and look at the instant donors and instant revenue versus downstream donors and downstream revenue, cuz they're both critically important. This organization over, uh, the course of 2021, uh, running these types of online acquisition offers using this advertising to content offer to instant donation page model. They saw 1,050 instant donors come in. Uh, and the instant revenue from that first initial gift was 28,000 bucks. And over the course of the total 12 month period, they actually saw the lifetime revenue of these instant donors being $51,000, which means many of them gave again or maybe even gave more. But on top of that, there's a whole subset of people who never gave, uh, upfront.

Nathan: Maybe they signed up for the ebook or for whatever the offer was, but they didn't give right away. But they gave some time in the next 12 months, 1,179 of them did this. And in total that led to an additional $61,000 in revenue just during that 12 month period. So just to put it on some pie charts, you can see basically half of donors and half of revenue came in right away. And another, uh, half of that revenue and donors came in over the next 12 months through downstream, uh, communication. If you didn't capture the email address up front, you can't really go activate these donors to the same level that they did by having the email address. Let's look at one more organization spending a lot more money on online donor acquisition, but similar types of results. So over a 12 month period, they saw 25,000 new donors come in instantly through this type of a campaign over the lifetime.

Nathan: It actually was 4.4 million in revenue. So they're giving multiple times as they come in during the first 12 months. But downstream donors was a really critical, uh, subset of this audience as well. An additional 11,000 came in downstream over the next 12 months for an additional 3 million in revenue. And so again, you can throw this on a pie chart. You can see, see how it breakdowns breaks down. There's a really significant amount of revenue that's lost if you aren't acquiring the email address and cultivated that relationship over time. So we're trying to acquire instant revenue and instant donors, but we're also trying to activate downstream donors as well. We're playing the long game with online donor acquisition and with any form of acquisition, you've gotta spend money up front to acquire new donors, knowing that the lifetime value is gonna be so much more than what you might bring in today, but that instant revenue really helps pay for the advertising costs that you're sinking into your acquisition efforts.

Nathan: In the best of cases, you might actually find that you make more money right away than you're spending on advertising. If that's your case, you should probably be spending more. Cuz again, we're playing the long game here. Let's review a couple of things before we begin to wrap up. Number one, donor retention is a problem. There's a couple of things we can probably do about it. There's strategies we should test into. There's lots of different tools and techniques and things we should try to figure out how do we improve retention rates, uh, for our industry at large, but donor retention is a problem. We've gotta do something to offset the amount of donors that we're losing. Secondly, online acquisition has tremendous potential again, uh, online acquired donor is almost is at least 463% more likely to become a multichannel donor than an offline donor. So there's tremendous potential in online acquisition and third free content is that key that you need to grab someone's attention and start to move them into a donor relationship.

Nathan: It's really, really hard to talk to somebody brand new and get them to give right away. But using content is a means of acquiring their attention. First, building trust, sharing something of value and then moving them into a potential new donor relationship. So content is the key. And again, just to review how this process works, you need some sort of traffic source like advertising leads to a landing page that can learn about the offer, the ebook, the online course, the survey, the petition, whatever that that offer is they can fill out the form to get it. And they land on this instant donation page where they have the opportunity to turn that feeling of gratitude for the free free offer into an active generosity. Now this is how much we've covered. We've talked about the strategy, which is just sort of like the tip of the iceberg, but this is one of those campaigns.

Nathan: And one of those strategies where, uh, the effectiveness really lies in the details of the execution. There's a lot of moving pieces in this type of a campaign. Uh, and if one thing is broken, it can really hurt the whole campaign. And so, uh, what's gonna happen in this, this full course that you're gonna get first access to here in two weeks, uh, is gonna dive into all the different components to help you figure out all the details of executing this type of a campaign. Well, so you can build the same sort of scalable model to acquire new donors, um, online. So again, this is coming August 9th. You'll be the first to know when it's live. Here's what you're gonna learn in that course. You've actually already completed session one. So congratulations. You've already done it. This is that's. What we just talked through today is session one of this brand new course.

Nathan: Uh, next, once you get access to this course in a couple of weeks, uh, we'll go through some basic essentials of value proposition and then we'll get into the details. How do you figure out what kind of an offer is gonna be effective for your ideal donors? And then how do you go create it? What's the, like the actual tactical process to go create something like an ebook and do so effectively from there. How do you go implement an email acquisition page? What are all the things you have to keep in mind in order to lead someone to say yes, to getting the offer in the first place? And then how on earth do you move someone from downloading something for free and then moving towards this act of generosity on an instant donation page, we'll go over that. And then this sort of like super session session six is actually gonna be divided into two parts or we'll talk about some basic ideas of how to get people, to see your offer using your existing website, using your existing email subscribers, even reactivating existing donors.

Nathan: And then we'll spend a good chunk of time using Facebook as the lens to talk about how do you use advertising to go put your offer in front of your, uh, of potential new donors, ideal donors, people that look like or behave like people who currently give to you, how do you go target them? How do you put an offer in front of them effectively and lead them through this strategy to become a new donor? Uh, and one of the best things is this is taught in the order that you would actually build one of these campaigns. You have to have your offer first, or you build a landing page before you build a donation page and before you start sending traffic to it. So that's the intention. That's the goal is to walk you through exactly how to build this for you and for your organization.

Nathan: So you can acquire new donors as well. I'm gonna pause here for a moment, um, and see if we have any questions. If you have questions from what we've gone through today, feel free to drop them in the Q and a, uh, I'll go through those and we'll answer them in just a couple of, of minutes here. So get your questions in. And then one more reminder before we, we dive into our Q and a time again, I would love so much to see you at the ni summit, the Neo summit, uh, coming up at the end of September, you can save 300 bucks on your ticket if you use the code flying monkey before the end of the day, uh, tomorrow. So check that out@ni.com and please don't break the tin man's heart by not coming. I would love to see you there and also be on the lookout next week for a little Tinman video. So you'll see that, uh, very soon. All right, I'm gonna close this down and then we'll open up the questions.

Nathan: It looks like we've got five questions so far and we will, we'll do our best to get through all of them. Um, right off the top question from anonymous, I would love for you to put your name on these, just so I can know who you are and, and, uh, kinda where you're coming from. But in this webinar, what makes a donor an online donor, for example, email is an online channel. So it is an email donor, an online donor. Um, yes, an email donor is an online donor. We're defining an online donor as anyone who has made a transaction, basically through your website, through your donation form on your website and done so online, they could have come through email. They could have come through a paid search campaign. They could have come organically to your website through a Google search or typed in your URL directly, but anyone that's making a donation through your donation form on your website were considering an online donor, an offline donor is basically everything else. Maybe they called on the phone and they made a gift that way. Maybe they sent you a check in the mail. Maybe they gave that an event or something like that. Um, but that's how we're kind of classifying those online transactions. And there's, uh, offline transactions is kind of everything else to catch off.

Nathan: See a question from Carlene. Hopefully I pronounced that correctly. Are these donors who are giving after receiving the free gift? Are they retaining at a higher rate? I've seen times where those that give after getting a free gift tend to be lower dollar donors and their retention tends to be lower. What do you see in your tests? It's a really good question. And there's actually a few different layers in here. Excuse me. Number one, we did look at, at the very end here, we looked at some of those metrics around, um, not exactly retention metrics, but looking at lifetime value, even just in the 12 month period where we're seeing a lot of these donors come back and give again. And then we're seeing, uh, people that, you know, obviously don't give up front, but give downstream. And so these are high quality people that are coming in the door and we're also watching retention metrics long term.

Nathan: One of the, one of the keys here though, is, is really comes in what is the offer that you're giving them? And we'll unpack this in one of those sessions, in the course, uh, if you're giving away a free gift, that's really just something unrelated to your cause. Maybe you're giving away, you know, tickets to an event. Maybe you're giving away some sort of like, uh, getaway trip or something like that. Uh, when you're giving away these more like just purely promotional items, those tend to be sort of like one sided transactions. Oftentimes if I'm signing up for something like that, more like a contest giveaway, I'm gonna give like my junk email address. So it's not even a good email address for you to communicate with me, but that type of offer, isn't helping me build a relationship with you. It's not helping me understand the work that you do.

Nathan: It's not helping me understand your value proposition and why I might trust you with my gift. So we have to be intentional about our offers. Um, that's why we typically rely on things like eBooks, where you can provide some sort of valuable educational, informational content that's valuable for your donor, but also helps them understand more about you and about your cause and about the work that they could impact with their gift. So again, we'll unpack that more in the course, uh, but we've gotta keep that in mind in our offer selection. If we're more like promotional transactional, typically that's not gonna lead to someone that's a high quality, uh, donor long term. Great question.

Nathan: All right, we've got another anonymous question here. It says, what do you recommend for measuring ROI for the short game and for the long game? So I can monitor whether things are working effectively. Great question. Um, there's a whole segment at the end of the course where we're kind, we kind of talk about how do you optimize these campaigns and, uh, what, when things are broken, how do you fix it and how do you figure out what's broken? Uh, and one of the benchmarks I wanna give you, uh, that we use even internally, if you're getting a one ROI, meaning you're making as much money back on these instant donations as you're spending on acquisition up front, there's, there's more to come here. We typically look at like a 0.7 ROI. So basically we're making back 70 cents for every dollar that we're spending on acquisition, keeping in mind, again, that we're, we're playing the long game here, knowing that these donors coming in are gonna be that much more valuable over their lifetime than they are in just the single donation. So that's sort of the benchmark. I would give you for these type of acquisition campaigns, as you're looking at ROI is like a 0.7. So 70 cents on the dollar.

Nathan: Uh, let's see, we've got another anonymous question. What is a reasonable cost for a giveaway? I'm thinking t-shirts and swag. I would, uh, say see my early response to earlier response to Carlene here. Uh t-shirts and swag, although, you know, they can be great, especially at like events and that sort of thing for building the brand and building awareness. They aren't always the best type of offer to lead someone closer to giving. Uh, we wanna lean into content offers that really focus on providing value to the donor. That's aligned with the work that you are doing. We're trying to build a bridge between, um, someone who maybe doesn't know you at all, and what the actual work is that you do so that they trust you with their gift. That's the intention of the offer? How do we build value and build trust as we build this bridge between the donor and your organization?

Nathan: Um, I guess I'll, I'll dive one layer deeper on that. Um, and again, we have some of these benchmarks in the course too, but typically offers like a petition offer or like a survey offer tend to cost a little bit less in order to get someone to complete the offer. It might cost you a buck to two bucks to get someone to sign a petition or take a survey. Uh, but typically those kind of like lower tier offers don't have as high of an instant conversion rate. So fewer people, um, in total are often moving towards giving, but these more higher quality higher value offers like an ebook or maybe even like a full video series, like online course tend to cost a little bit more anywhere from three bucks to six bucks, maybe even beyond that to acquire an email, but they have higher instant donor conversion rates.

Nathan: So more likely to actually give. So you gotta kind of keep those two things in mind. Some offers might lead to more volume of people coming in the door. Others might lead to a higher percentage of people actually giving question from Jacob, uh, would the efficacy of pre valuable content to encourage giving for existing donors be somewhat comparable when compared to acquiring brand new donors. That is actually one thing that we talk about in that like super session six, uh, where we talk about some of the, sort of the low hanging fruit opportunities. And then we talk about how to use more advertising, um, to grow your, uh, the amount of people seeing your offer. We often will use these types of ebook offers and things like that with existing donors as well, uh, to get them to go activate or reactivate, give a second gift to give like a, maybe a third gift, or maybe they they're a Lapstone and we're trying to reactivate them, uh, this type of an offer.

Nathan: Isn't just for new donor acquisition. It can be for reactivation. In fact, there's a really interesting experiment in our, our library where we've, we basically tested two different welcome series where version a was sort of the standard, like new subscriber series, where you sign up, you get a couple emails about the organization and what they do and, and all that stuff. I think you can take a survey. Now there's a few emails that talk about stories of impact, and they make some soft donation asks, and then it ends with a direct donation appeal. That's kind of version a version B took a totally different approach, or basically every email that you get in the welcome series uses one of these types of content offers. Then on the back end of it has this instant donation, uh, opportunity. And we found that to lead. I think the number is about a 42% increase in revenue.

Nathan: Uh, and maybe even more than that, I don't have it in front of me, but it's a significant increase in revenue by just showing these offers to people already on our email file. So it can both serve as like net new, uh, donor acquisition and email acquisition. It can also serve to activate new subscribers. It can also serve to reactivate existing donors. Great question, Jacob. Uh, then the last one I have here in my Q and a, I see a couple things popping up in the chat too. Um, but I, the last one I have here in my Q and A's from Dale, so what's a good offer for a nonprofit. We don't have eBooks, we have fantastic photos and animal stories. We can package together. We have education on the website. We could put together in a PDF with photos that, that last sentence that's, that's probably where your offer content lies.

Nathan: Um, one thing that we unpack in the course, um, I can, I can unpack some for you here. I have never come across a nonprofit that doesn't have some sort of content that they could go repurpose into something like an ebook. Uh, I, it, theoretically it could happen that maybe someone doesn't have anything to offer, but I've never seen that actually happen. Typically all the great content is living on your website somewhere, or it might be living on the program side of your organization, where you're actually doing hands on work with people or, you know, out in the field. But almost certainly there is content somewhere that you can take and you can repurpose into ebook. It might be curriculum that you're using in a program. It might be, um, a podcast recording from different interviews. You might be doing that. You can go transcribe.

Nathan: Maybe you've got videos that you can transcribe and turn it to copy for an ebook. Uh, in your case, you've got education on the website that you could take that stuff and go chunk it out into some like 10 page eBooks, add some photos, add a little bit of design. It doesn't have to be crazy. You can do it it in Microsoft word and put a nice cover on the front, export that thing as a PDF. And you've got an ebook, so you don't have to overthink it. This doesn't have to be like a full three month process of brainstorming and branding and design and all this stuff. Uh, typically what's gonna be most effective is if you can generate a few different types of offers and do it quickly, so you can test a few different things to see what's really going to align with the values and behaviors of my ideal donors and actually lead to greater response. So most everyone has something, whether on their website buried in a Dropbox folder or in a Google drive or on the program side of your organization, that you can repurpose into something like an ebook. Again, we'll unpack some of the more details of that in the course as well.

Nathan: Uh, anonymous asked, do you have any examples from higher ed? Um, yes. One of those, I showed you those two different organization, examples of their instant donors in their downstream donors. And one of those was a higher ed organization that has seen tremendous impact, um, from using this type, uh, of a model. And they're actually, you know, taking, uh, content that exists in courses that they have, you know, for their students and actually repackaging some of that, you know, into online courses, uh, that anybody can take. And so we've actually seen several different higher ed organizations used that same sort of approach, like existing content that you have four students having a professor or, or, or, or maybe multiple professors shoot a series of videos that you can stitch together as an online course unpacking a particular topic that might be relevant to, um, you know, target donors and ideal donors. That can be a really impactful way to help someone understand, you know, why you exist, the work that you do, the students that you serve and then lead them towards, towards giving. So online courses is a great, um, area to potentially dive into for you.

Nathan: New question, every time I hit, uh, hit done another one pops up, let's see question from Adam. Can you give a clear definition between a donor and a customer if we're exchanging value or a product for a donation or a price is the same kind of thing with just different language? Um, on the one hand I'm tempted to say yes, cuz, but it's kind of an oversimplification. We looked at that sort of spark line of a donation, uh, and kind of breaking down this difference of, of where the, the excitement comes between a product and a donation. And I think that understanding that there's no package to open that lands at your front door after ups delivers it or whatever, when you make a donation, the excitement and the, the climax of, of giving happens before the transaction is made, which is why we have to lean so much into the value proposition and unpacking that in a really significant way on our donation pages to help someone understand the impact that they can make and get excited about it and have this, the emotional feeling about it for them to say yes.

Nathan: And so that's one really clear difference between the donation and the product transaction product is about features and benefits and all that stuff it's solving like an immediate need for you, which is different than, than unpacking why I might give to solve a need for someone else. So that's kind, it's, it's nuanced, it's subtle, but it, it has a significant difference and how you might write your copy and unpack your copy. Hopefully that's helpful, Adam, uh, you might actually benefit from jumping into our value proposition course, um, to kind of unpack, what does it look like to craft a value proposition specifically for leading someone to give and to donate question from Becky, have you seen a difference in results from offering a physical item, like a free sticker versus a virtual download, et cetera. I'm curious if there's higher conversion rate for people who get the download immediately versus having to wait for the snail mail gift.

Nathan: I know we've done some of this testing. I don't have the specific examples like right in the front of my brain or in front of me to look at, um, the, the one thing I would, I mean, you, you raise a great point here is it might become similar to this like donation versus product, uh, difference, which is where you have to wait to get the thing. Um, but also one thing I would keep in mind is if you're looking at costs, it's, it's way more expensive to produce a physical thing that you're gonna go ship out in the mail to someone. But if you have a virtual offer again, whether it's a video series or it's a petition, or it's a survey, or it's a course, or it's an e-book, these things can be delivered instantly. So it's sort of the instant gratification, but also it costs you nearly nothing to go deliver a PDF through an email. It costs tremendously more to go deliver something physical to a mailbox. So if, if you're, if you're wanting to use some sort of physical resource and have a really good idea why it's gonna work, I would put it to the test to really know what's the impact that it makes on conversion and ultimately the, um, the donation value as well. Cause even if it's a wash, you know, why would you focus on the physical product if you can get the same result or a, a virtual one or a digital one.

Nathan: Cool. All right. That's everything that's in my Q and a, I do see one at the top of my chat here from Cynthia. Um, and so I'll answer this and then we'll wrap up. She says, here you offer a free webinar to try to get people to sign up for your paid course. Similarly, the nonprofit space. What about giving away some info, like a short article or video to get them to take the first step, then charge for a larger offer. Again, I'll kind of reiterate here, like when you're charging for a product, you typically don't see the same results and you just ask for a donation. Uh, Tim, who's actually on this side of the side of this wall, I found it next after. And I hear him often talk about this concept of price elastic elasticity, uh, where basically, if you have a set cost for a product, that's what someone's gonna pay.

Nathan: But by opening it up to allow someone to actually donate you, you, you have an elastic price. If you will, where someone can pay what they want, they can give above and beyond. And so you might actually see greater value. Even if you saw the same number of conversions, you might actually see greater value in revenue by not giving them a clear price, but allowing them to donate what they will to impact the cause. So that's something you have to keep in mind here as well. Uh, what about using a suggested donation amount? Absolutely. I would suggest donation amounts, um, specifically for new donors coming in on that instant donation page. They might not have the full context as to what level of giving is impactful and valuable. They haven't given before they might be new to your organization completely. And so you have to give 'em that context through your gift array and with suggested gift amounts. Uh, you gotta be careful with those pages cuz sometimes like the motivations on them are very different than your main donation page. Adding like premiums that you can only get for a certain amount. Like you've gotta give 75 bucks to get this free gift sometimes that can really hurt your conversion rates, even if it drives up average gift size. So you gotta be careful there, uh, and test into it.

Nathan: All right. Y'all great questions. Great questions. Um, again, in two weeks we'll be releasing this full course. You will be the first ones to know when it's ready and available for you to dive into during the month of August, we're gonna run, um, a cohort course that you can sign up for and get actually 30 day access to this course for free. Uh, and then kind of walk through with a cohort group over the course of a few weeks, uh, checking in once a week, having some discussion time, watching the videos on your own time and then coming back together to discuss problems and challenges and ideas. So we'll send you more information about that here in a couple weeks. So you can sign up for that. Um, in the meantime, if you have questions, feel free to shoot me an email, uh, nathan@nextafter.com. I'll do my best to get back to you as soon as I can, but I appreciate you. I'm grateful for you. I appreciate all of your time and uh, spending an hour of it with us. Hopefully this has been helpful and valuable and impactful for you, rooting for you every single day and next after. And we wish you the best all season. Bye.