STATE OF THE FUND RAISING NATION

THINK DIFFERENT

THE PAST 12 MONTHS HAVEN'T BEEN TOO BAD FOR THE STALWART OF FUNDRAISING, DIRECT MAIL, BUT LONG-TERM TRENDS ARE CHALLENGING. THAT'S FORCING FORWARD-THINKING FUNDRAISERS TO CONSIDER HOW THEY USE THE MEDIUM, SAYS IVE NOT-FOR-PROFIT HEAD OF STRATEGY KERREN MORRIS.

Direct mail

Mark Twain once quipped, after an American newspaper mistakenly printed his obituary: "The reports of my death are greatly exaggerated."

A close look at the figures, says Kerren, reveals a similar story for direct mail right now.

Pareto Benchmarking figures show that, viewed over 10 years, the long-term trend for income attributable to the medium is for slow growth. In 2018, for instance, income grew by 0.6%, taking the annual figure generated by direct mail to $228 million, which was higher than in all but two other years in the past decade.

This increase means that over the past decade, fundraising income from DM has almost doubled, growing by $96 million – from $132 million in 2008 to $228 million in 2018.

DM is far from dead. But taking income in isolation will create a false sense of security, says Kerren. Other trends are emerging.

FEWER PEOPLE GIVING MORE

Reflecting a broad trend across fundraising, the value of direct mail gifts is rising, but the number of gifts is falling, along with the number of donors.

There were around 844,000 unique DM donors in 2018, down about 12% from 963,000 in 2017. The average gift across all gift types attributable to these donors though was around $103 in 2018 – significantly higher than online at $84, face to face at $35 and phone at $30 – an increase of $6 on the 2017 average of $97.

Not surprisingly, given that most fundraisers still use direct mail exclusively for this purpose, single gifts continued to drive DM giving. In 2018, $149 million in single gifts (or 42% of all single gifts) were solicited in DM, while the huge majority of gifts sourced in DM were single gifts.

As is also to be expected, DM single-gift donors continued to be significantly older than other channel donors in 2018, at an average age of 71 years.

Pareto Benchmarking shows there were around 165,000 fewer single-gift donors overall in 2018, around 55,000 of whom were retained single-gift donors. The remaining donors though were also giving more. Income per retained single-gift donor in 2018 reached $257, continuing an eight-year upward trend.

"The numbers are clear," says Kerren. "There may be fewer DM donors, but their value increases steadily over time."

THE ELEPHANT IN THE FIGURES

Despite its moderate income growth and increasingly valuable donor profile, direct mail has continued to be dogged by rising costs. According to Kerren, "ROI is the challenge of the day. And of the future."

IVE Not-for-Profit research shows that over the three years from 2016-2018, the average ROI from warm campaigns has decreased from 3.6% to 2.3%. Average ROI from acquisition campaigns has decreased from 0.52% to 0.37%.

There's little doubt that in this environment, charities and not-for-profits face new challenges, new threats, and new opportunities. "The short-term answer is to contain costs," says Kerren. "For forward-thinking DM fundraisers, though, the future will need to be built around three priorities."

1 LTV OVER ROI

"When short-term targets aren't being met, fundraisers come under increasing pressure from boards to fill the gap – to ask more, to do more appeals," Kerren warns.

She urges caution in this situation and recommends fundraisers manage their board's expectations, as the short-term fix often doesn't pay long-term dividends. According to Kerren, IVE Not-for-Profit figures suggest that increasing the number of appeals drives down response rates over time, further decreasing ROI.

"The real watchout – the big picture – is lifetime value," she says. "If all you're doing is asking more and more, not thinking about the supporter experience, there's every chance you'll soon start seeing a corresponding drop-off in LTV. It's just not worth it."

2 DIVERSIFY THE ASK

The future for DM isn't in mailing more, says Kerren, but in mailing better. Rather than focusing so heavily on single gifts, there is a real opportunity to diversify the ask.

Pareto Benchmarking showed a total of $285 million in bequest income in 2018, showing modest growth – continuing a generally upward trend over the past 10 years – and making bequest acquisition a high-potential target for direct mail.

Regular giving is another area with strong potential, says Kerren. "Not many charities are currently using DM for regular giving because response rates tend to be low. But it's worth investigating," she argues, "because DM regular giving donors tend to be super-high value."

3 FRESHEN THE WATER

One of the major challenges facing direct mail as a channel, according to Kerren, is the absence of new donors. With DM acquisition falling out of favour, the strong use of swaps and co-ops, and increasing contact frequency for existing DM donors, the donor pool has stagnated. The opportunity here is to freshen the water.

Charities like St Vincent's and Fred Hollows are already using different DM acquisition techniques to great effect, says Kerren, contradicting the conventional wisdom that it doesn't work.

"Mass media inserts, letterbox drops, and 'Dear Resident' unaddressed mail are all worth testing," says Kerren. "Response rates are without question low, but donors acquired in these ways are incredibly loyal, so again super-high value. Direct mail works if the ratio of cost to revenue is right. But it needs testing. And again, look at the lifetime value, not just the return on investment." F&P

Telephone fundraising

ASHLEY ROSE CEO, MonDial Fundraising Communications

Anticipating the future trends in fundraising is not an easy task. The variables which impact fundraising channels are as numerous as the causes we seek to support. But nevertheless, let's look at the state of the telephone fundraising nation.

More than ever, charities rely on the telephone as a means of building relationships and engaging with existing and potential supporters. Today's integrated world has opened new opportunities and communication channels, but still the telephone remains a valuable way of connecting with supporters, delivering a unique and personal experience.

IS THE TELEPHONE STILL RELEVANT?

We are nothing as fundraisers for our causes without the trust of our donors. The ACNC *Public Trust and Confidence in Australian Charities Report 2017* indicated a decline in trust and confidence. Coupled with >

media interest and speculation over further regulation, when using highly visible fundraising methods we must be aware of the need to uphold and work to improve trust and confidence.

Complying with the FIA Code and a best practice approach is vital to strengthen public trust. This means having clarity over the standards and policies you commit to uphold; that you inform, train and support your fundraisers and any third parties in meeting those standards; and you monitor campaigns to ensure that everything is working as it should.

The telephone remains a great way to create rapport, to inspire people and provide a great experience which connects supporters with a cause. Like any tool in a fundraiser's bag of tricks it should neither be over-relied on or taken for granted. As a communication channel it's instant, enabling direct and targeted conversation. It offers a wide range of opportunities to raise funds, develop long-term committed supporters, and to maximise donor satisfaction and lifetime value. Of course, the telephone is also widely used to further the charity's work beyond fundraising, providing information and support for beneficiaries, carers, volunteers and more.

"The use of the phone must be evaluated by a wider range of metrics other than year one ROI."

WHAT WILL TELEPHONE FUNDRAISING NEED TO DELIVER IN THE COMING 12 TO 18 MONTHS?

A telephone call may be the only chance some donors get to directly ask questions or find out more about the cause they support. The future of telephone fundraising is therefore all about engagement. Providing freedom within the scope and training of telephone fundraisers to truly engage with donors. To empower the donor to steer the conversation to meet their needs and interests. In this way, charity phone calls can leave donors feeling inspired, nurtured and valued, regardless of whether they are able to donate.

Public and donors' trust has never been more critical. Numerous reports have indicated Australians have shown declining levels of trust in government, banks and the media. And trust and confidence in charities is following that same trend. Charities now have to 'earn' trust instead of people accepting them on face value.

WHAT DOES 2020 HAVE IN STORE FOR TELEPHONE FUNDRAISING?

2020 has to be about getting the metrics right. The use of the phone must be evaluated by a wider range of metrics other than year one return on investment. A core strength of the phone is delivering long-term income via regular gifts. For long-term giving, a one-year metric is rarely appropriate for measuring its success and can lead to poor decision making. Donor satisfaction, quality of conversations, first debit rate, and six or 12-month retention can and should also be used to measure success.

Connectivity and integration with the phone to make and receive calls within the context of your wider fundraising communications is gaining prevalence. 2020 will see many charities upgrading and developing tools to achieve this. A host of new opportunities live within CRMs and integration tools which serve to connect data points and processes. This direct connectivity will replace work-arounds or the need to bypass systems. This promises to speed up the delivery and receipt of data as well as reporting.

Perhaps more than ever, in 2020 the telephone will play an integral part within the regular giving life cycle. The telephone will be critical to curbing attrition and in the retention of donors. To achieve this a call must: be engaging – it must involve a dialogue not a monologue; lead donors to value not fear; increase lifetime value of donors; and support the sector's efforts to safeguard donors' trust and confidence. F&P

Peer-to-peer fundraising

MEREDITH DWYER DIRECTOR, HomeMade Digital Australia

2019 has been a dynamic year for peer-to-peer fundraising. While some events have lost traction, other longstanding events have grown significantly, and some new arrivals have made a splash (literally!) to generate fantastic results for charities and their causes.

Here are some of the key factors we see impacting campaign success right now and into 2020.

TECHNOLOGY

Australia is blessed with multiple, solid and optimised peer-to-peer fundraising platforms for you to choose for your event – but choose wisely! Large scale and low cost peer-to-peer fundraising relies on online technology – but many charities make their choice based on cost, or on integration with their CRM or back of house systems.

User experience is key here – we have seen differences in conversion rates for registration on platforms differ by up to 50%. That can double your event registrations and halve your marketing costs. We've seen changes to optimise donation forms lift the average donation by $10 and conversion by 40%. That's more money for your cause for the same amount of effort.

If you are tied to an existing platform, look to optimise your existing registration and donation form to lift conversion and average donation, and design all of your digital assets and platforms to be mobile first.

Critically, make sure you have Google Analytics and conversion tracking set up on your event and your forms so you can measure your conversion rates and find friction points to address.

SUPPORTER JOURNEYS

Supporter journey planning is rightly a major focus for charities right now – but it applies to peer-to-peer fundraising just as much.

Peer-to-peer revenue is driven by a simple formula: *number of participants x fundraising activation x average fundraising*. Nudge any of these up and you will lift your bottom line.

We've seen increases in active fundraisers in peer-to-peer events lift by 10-25% on previous campaigns with simple tactics, driven by optimised technology and marketing automation:

- Adding (and featuring) an incentive to donate in registration.
- Reinforcing the offer by using pop-up messaging at the end of the registration process to give/get a donation in the first 48 hours to win. We've used Autopilot marketing automation's Heads Up messaging for this and seen fundraising activation lift by 7% in just one week.

Most peer-to-peer platforms will offer a range of triggered email communications, but connecting to a true marketing automation platform, which allows you to create integrated journeys using SMS and email, will increase your overall contact rate with participants as much as 80-90%.

Don't forget snail mail – a beautiful, personalised mailed welcome kit gets close to 100% cut-through. One of our hospital clients this year sent cards handwritten by volunteers that generated a hugely positive reaction.

Social media content that is engaging and interesting will also help drive your event forward. Consider creating a Facebook group rather than just a page, and inviting participants to join as part of the welcome journey.

From 30 Mo Bros in 2003 to over 5 million Mo Bros and Mo Sistas to date, Movember has been a hugely successful fundraising campaign.

Giving days are increasingly being leveraged to great effect – we find that for every $1 you put up for matching, you'll raise another $2.

DISRUPTION

We are now a year into the launch of Facebook's donate and fundraiser tools, which made an immediate impact. Some charities are earning thousands of dollars passively through these tools, while others have had to deal with the unintended impact on existing peer-to-peer events.

Sometimes when a supporter shares their personal fundraising page on Facebook, they are prompted to set up another Facebook fundraising page, leading to confusion. FIA is working with Facebook to whitelist major peer-to-peer events and fundraising platforms to avoid this in the future.

The major drawback with these tools is that you will receive no donor data. Our best advice for charities is to enrol with the PayPal Giving Fund and check your charity is listed on the platform by your best-known public name. You'll receive payment faster and increase the likelihood of donations coming to you correctly.

Also, test your event's Facebook sharing tools and your sharing content. If they are triggering pop-up ads for Facebook fundraising, test to find content that will avoid it, or include tips for your supporters on how to avoid confusion.

Finally, consider ways you could positively leverage the technology. Birthday fundraisers are a key driver of Facebook fundraising globally, or live video events – as long as you don't mind not receiving donor data. F&P

Face-to-face fundraising

PAUL TAVATGIS PARTNER, Fundraising Partners

TIMES THEY ARE A CHANGING

Face-to-face fundraising is in a state of transition as both charities and agencies try to find ways to adapt to change:

- Donor retention rates for most organisations across traditional regular giving acquisition channels are static or declining.
- Most face-to-face fundraisers are now employed and paid the minimum wage – increasing costs and challenging agencies and charities to adapt their training, management and motivation practices.
- Sub-contracting is now the dominant model for agencies – very few operate without a long supply chain. This reduces charity control, adds profit layers, and increases costs and the volatility of the supplier market.
- Compliance standards and expectations have increased – decreasing media and regulatory scrutiny of face-to-face fundraising, which is good news, but increasing requirements on agencies and adding additional costs, which is bad news.

Decreasing or static donor retention from face to face also leads to poorer results from upgrade and reactivation telemarketing programs. With costs increasing, retention decreasing and the average gift standing still, net income from face-to-face fundraisers is decreasing. The challenge facing charities is how can this be fixed?

HOW IS THE SECTOR RESPONDING?

In or out of house? Fundraising Partners are receiving more requests than ever on the feasibility of running F2F in-house. Charities are looking for ways to increase control and bring face to face closer to their values. Australia for UNHCR, The Wilderness Society and Oxfam have led in this approach.

Making ripples Rippling has designed a model where charities share resources to increase their face-to-face capacity without taking the whole risk and cost of an in-house program. This is a major development and there is a lot of goodwill for the charities involved (CanTeen, Starlight Children's Foundation, National Breast Cancer Foundation and UNICEF Australia) and interest in whether this model will be successful as it is rolled out in 2020.

Throwing out the cookie cutter? F2F is not a 'fire and forget' standard sized piece in an 'everyone does this' fundraising strategy. The channel doesn't work for everyone and needs proper planning and implementation – for charities new to the market, a bespoke approach produces better results.

Sharing the financial risk Agencies and charities are in a constant negotiation to work out how the financial risk of face to face should be shared. Agencies are starting to offer innovative fee structures that reward higher retention rates, and some charities are not just looking at the blunt instrument that is cost per acquisition.

Global conference The first ever global conference on face-to-face fundraising is happening in Vienna in November 2020 – hopefully Australians will use some of their cash and carbon budgets to contribute and learn from what is happening globally.

WHAT ELSE COULD HAPPEN IN 2020?

Looking beyond what is already happening there are other ideas which might move from 'pub talk' to 'coffee talk' or even as far as 'office talk' in 2020:

> ***"We know how our super fund performed last year – wouldn't it be helpful to know how fundraising agencies compare too?"***

Must attrition always rise? Increasing donor attrition is not a law of physics – it is rising for a reason, and instead of relying on assumptions and guesswork can we collectively identify the causes and work to fix them?

Better benchmarking? Our sector benchmarks pretty much everything, but not supplier performance – which is where the greatest risk lies. We know how our super fund performed last year – wouldn't it be helpful to know how fundraising agencies compare too?

More shared services? As well as the Rippling model, there may be a lot of other opportunities for charities to cooperate in ways that increase effectiveness and decrease costs and eliminate some of that supply chain.

Pooling best practice No one is perfect, so if we can pool best practice in key areas – training; donor welcome; bank processing; 'save' calls; and dozens more – then everyone can benefit. Another possible collective project?

Back to basics Innovation is great, but face-to-face fundraising is not complicated. Some fundraisers have always been able to produce amazing donor retention – if some can, then why can't the rest?

Regulators gonna regulate? Standards have improved but regulators are still looking at face to face. The question of "what agency fees are reasonable?" has come from governments in Qld, Victoria and now NSW. Is this even the right question? And how can we show regulators that we are acting in everyone's best interests? And we are still (at the time of writing) waiting for the Fair Work Ombudsman's report into F2F from an inquiry that started in 2016…

Amazing F2Fers…

Face-to-face fundraisers are amazing, but are we using their skills properly? If you can inspire someone to give $35 a month, then why not a major gift, bequest or workplace donation too? We focus on donor attrition, but we also have a huge fundraiser attrition problem too. Is fixing the 'skills shortage' another project for 2020? F&P

Corporate Partnerships

SAM TRATTLES FOUNDER, Other Side of the Table

There's something about round numbers, like the year 2020, that invite us to take a step back to see where we are relative to where we thought we'd be, prior to looking ahead to the next milestone.

Over the past few years we have seen some exciting shifts in our industry. Here are five trends that are gaining traction and can positively influence how you approach partnerships into 2020 and beyond.

1 MORE THAN A BOTTOM-LINE FOCUS

Historically, brands have approached relationships with charity partners via their CSR program as a way of giving back, which makes perfect sense – until it doesn't.

Today, more brands are adopting the 'shared value' construct, as defined by Michael Porter and Mark Kramer. This approach calls for brands to seek authentic partnerships with a deep problem-solving focus. The goal is for everyone to 'win' by creating programs that have a positive effect on the communities they operate in, while advancing the competitiveness of their organisations.

These deals can be extremely complicated to land. If you are keen to pursue one ensure you are clear on your purpose and start identifying brands likely to have the problem you solve.

2 PARTNERSHIPS WITH (MORE) PURPOSE

We've finally turned a corner from the days when businesses simply identified their mission statements. There is now a solid shift towards brands wanting to identify their (true) purpose. Many brands are taking a step back to identify what they are all about at their core – what value do they offer in exchange for the revenue they generate?

For many years there has been talk of this, but now it feels authentic and brands are starting to see the impact knowing their purpose can have on their people, their customers and their bottom line.

Brands that successfully identify their purpose take a very different approach to partnerships. They are looking to build enduring and meaningful relationships – programs that everyone can look back on with pride and say, "I was part of creating that", or "That partnership created [this] impact on our [environment]".

These deals are personal, significant and measurable. They are about coming together and creating solutions that take the best of both brands, deliver on each brand's goals, and positively impact our world. How can you not love them? This is the definition of true partnership.

3 STREAMLINING FOR GROWTH

With so many registered charities in this country and cut-through one of the most common challenges when talking partnerships, there is a great deal to be gained from exploring the opportunity to collaborate with those who share your purpose.

If your organisation is at a tipping point of growth and you'd like to go after some 'bigger fish' brand partners, it would serve you well to initiate open dialogue with a number of like-minded nonprofits with a view to coming together to land a bigger deal. If a corporate has an interest in your core focus, then collaborating will mean you are able to offer them scale and/or greater geographic reach, which could be a win for everyone.

4 SHIFTING MEASUREMENT INDICATORS

Having a ton of logos on your partner page may look pretty, but if the deals lack true value for your organisation are they worth the effort?

One way to bring rigour to this process is to include a 'working money ratio' (WMR) measurement as part of your go-to-market strategy. This means you measure the health of your partnership by comparing every dollar you receive from a brand to how much you invest servicing that deal. Obviously, not all deals are cash-based, but calculating the WMR against contra deals will also be a good indicator if they are worth the effort.

Once you determine your current and your ideal WMR (based on the hard costs of marketing, event costs, tickets, the opportunity cost of brand association, your team's time invested per week, etc), then you can focus on realigning your deals to a healthier revenue margin.

5 WHO IS KING?

Is cash or content the king? We all want cash deals and need some element of cash to cover our costs.

However, if your audience is craving authentic opportunities to positively impact their community and you have a foothold in that community, doesn't it make sense to have strong storytelling (content) as part of your partnership offering?

Take a look at your partnership prospectus and consider the inclusions that brands could share via their socials or wider marketing channels. What opportunities could you create to jointly tell stories of the impact of your partnership? With the right partner, you may get more value from a content-led partnership that integrates your organisation into a large-scale marketing campaign. F&P

Major gifts

MARK QUIGLEY DIRECTOR, Social Venture Consultants

I believe there are plenty of reasons to be optimistic about major gift fundraising in Australia in the coming years.

Consider the big picture. Australia is ranked 10th in the world for the number of millionaires (CapGemini's *2019 World Wealth Report*). The *2018 World Giving Index* ranked us the second most generous country on earth. Underpinning this is close to 30 years of sustained economic growth, and we all know that when a donor feels financially secure there's every opportunity for a gift.

And then there's the little matter of the biggest intergenerational transfer of wealth in history. According to *Money Management* magazine (June 2018), some $2.4 trillion is already flowing from baby boomers to the next generation. Need more convincing? Then consider ACPNS Emeritus Professor Myles McGregor-Lowndes, who said recently that there continues to be a pattern of those who are earning more (major donors) giving more (major gifts).

So the future offers plenty of major gift opportunities, particularly if you are a not-for-profit CEO who is comfortable with 'making the ask'. However, you do need certain things at the ready if you're going to capitalise on these opportunities. I see four particular challenges ahead:

1 PLANNING SMART MEANS A STEP-BY-STEP STRATEGY NOT JUST A GOAL

Every year I work with dozens of fundraising professionals from iconic charities to lesser known organisations, and I see plenty of goals being set, usually financial goals for major donors and major donor prospects. But I see very little strategy that supports achieving those goals. It's the steps in between the ask that matter most. With a documented step-by-step strategy to both guide you and hold you to account, you're likely to get to your ask and more likely to get to your goal. The result will be opportunity after opportunity to ask for a truly transformational gift.

2 WORKING CLEVER

Major gift work can be very time consuming. A challenge for fundraisers is to be constantly ruthless with your time and effort spent on any one major donor or major donor prospect given the financial yield that is likely to occur from your effort. Having effective donor engagement activities that can be measured monthly or quarterly is one way to keep working clever. When you consider January is often a month when little occurs in major giving and major donors can be unavailable to meet you for months at a time, working clever has never been more important. Major gifts is also a numbers game. The more major donors or major donor prospects you engage on a weekly or monthly basis the more opportunities you'll generate to ask for a major gift. And perhaps just as importantly, those who don't wish to meet or speak to you can be ruled out thereby freeing up your time to focus on those truly transformational gift opportunities.

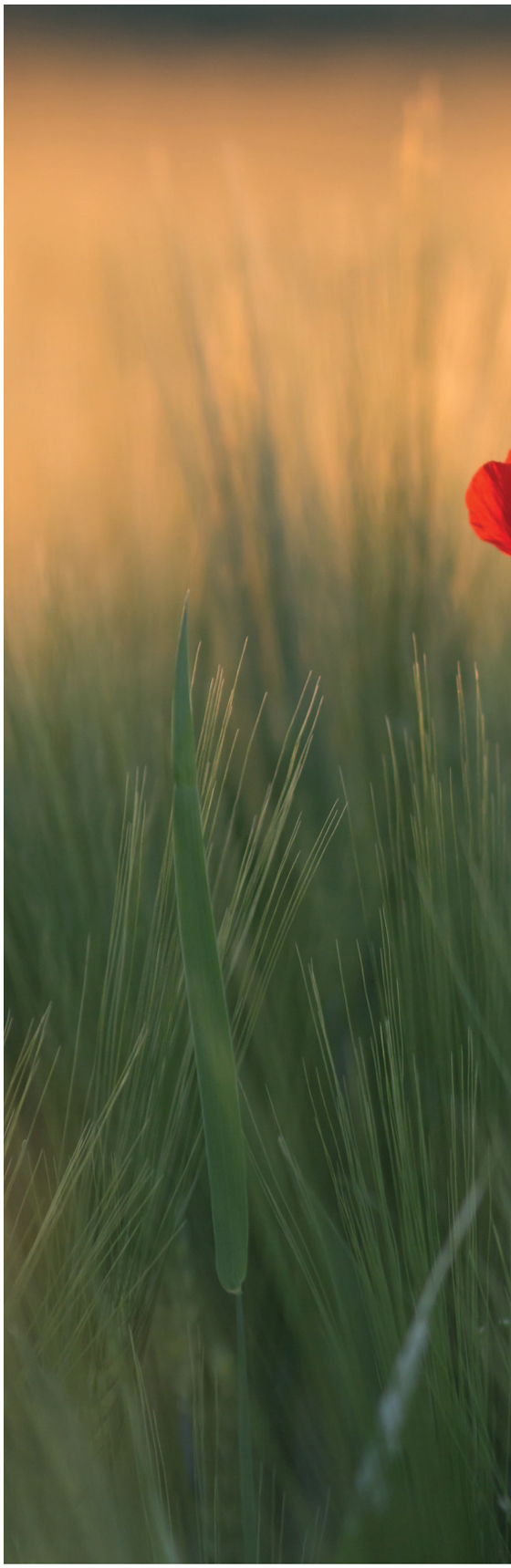
3 THE RIGHT STUFF

I read the following quote recently (in *F&P* no less) from the CEO of Heart Foundation NSW, Kerry Doyle, about the challenges of major gift fundraising: "A combination of formal qualifications, strong interpersonal skills, good judgment and the ability to understand and explain the business of the organisation, and in particular the significance and impact of funded activities, is essential." I couldn't say it better myself. If you're a fundraiser with that skill set you'll not only be successful in major gift fundraising, but much sought after by many a not-for-profit organisation.

4 THE RISE OF THE MID-VALUE TO MAJOR GIFT DONOR

Remember my comment about the number of millionaires in Australia? Right now there's a lot of mid-value donors to your organisation who could be major donors – you just have to spend time analysing who! I know quite a few charities who are diving really deep into their database; looking at loyalty, location and other attributes to determine which mid-value donor could be their next major donor. So the years ahead will see more blending between the semi-automated activities of a mid-value donor program and the face-to-face engagement focus of major gift programs.

Addressing these challenges won't be easy, I know. Many not-for-profits will be stretched to dedicate the time or resources to best practice in major gift fundraising. But in my opinion, major gifts are going to occur with increasing frequency as we continue through what many, including me, see as the golden age of philanthropy. F&P



"Generally, only 20% of people will ever tell you that they are leaving a gift in their will to your charity."

Gifts in wills

HELEN MERRICK CAMPAIGN DIRECTOR, Include a Charity

Gifts in wills are a vital source of income to Australian not-for-profits. According to Pareto Benchmarking, gifts in wills accounted for 20% of fundraising income in 2018, and over the past 10 years has grown by an impressive 10% per year. However, we still have a long way to go in encouraging Australians to leave a gift. The last two pieces of research on this subject (Baker, 2012 and *Giving Australia* 2016) found that of those who have a will, only around 7% have included a charity. This percentage suggests the scale of both the challenge and the opportunity we are facing in this space.

It is also an area that is often under-resourced or misunderstood by nonprofit leaders due to the length of time it takes to realise a gift – and the difficulty in showing a direct return on investment. According to recent analysis by More Strategic, gifts in wills fundraising investment represents less than 3% of total fundraising budgets.

In September, Include a Charity released its first *Australian Legacy Foresights* report looking into the long-term forecast for this under-valued source of fundraising income. Despite expecting some small declines over the next couple of years (mainly due to a fall in house prices), over the next 20 years we expect strong growth, although slower than the past 10 years. It will be the numbers of bequests, driven by rising death rates (the boomer generation) and an increase in the number of child-free people dying, that will underpin this growth.

SO, WHAT DO YOU NEED TO BE DOING?

Build a case for support and have a strategy How many charities just expect large bequests to appear like magic? You need to have a plan and build a case for support to management about why your organisation needs to invest in gifts in wills fundraising. And remember it is for the long term – the average gift takes between seven and 10 years to be realised (Baker, 2012).

Tell everyone! Generally, only 20% of people will ever tell you that they are leaving a gift in their will to your charity. To be honest, they think it is none of our business! Therefore, you need to ensure that you are talking about gifts in wills to everyone – your supporters, volunteers, beneficiaries – who encounters your organisation. Don't just focus on your pipeline.

Start focusing on those baby boomers Our audience is changing and a new generation of gifts in wills donors is here. With an increase in child-free households and rising death rates over the next 20 years, we need to broaden our targeting. Understanding the motivations and attitudes of the large and affluent baby boomer generation (now in their 50s and 60s) will be key to ensuring that our channels and messaging have the maximum impact.

Integrate your messaging

Gifts-in-wills donors do use digital, so you need to be talking to your prospects through all your channels, not just face to face or via mail. Make sure your website has easy-to-find, clear, downloadable information – for both donors and solicitors.

It's not just about the fundraising With more gifts comes more estate administration – and this will be an area that needs to be considered and managed as the expected growth occurs. Expect to see more activity in this area, which in the UK is becoming a business on its own.

So, the future is bright for gifts in wills. We just need to focus, invest and tell everyone how amazing this form of giving can be! F&P

Digital fundraising

SHANELLE NEWTON CLAPHAM
CEO & FOUNDER, Parachute Digital

Can you believe 2019 is nearly over? We've all done so much work, but what have you done that is new (for your organisation)? There are a few organisations running big digital projects that use buzz words such as 'digital transformation' (which can mean literally a thousand things) and 'human-centred design' (which is true donor-centricity, and every fundraising campaign, appeal and strategy should be built this way) or are putting 'marketing automation' on their 18-month roadmap.

While I'm thrilled this is happening, I'm not seeing much change in digital communications or tactics. And apart from a few exceptions, I've not seen enough growth in digital fundraising results.

So, instead of talking to you about the tiny amount of digital innovation I've seen in the charity space, I'm going to tell you about the three things every corporate does that your charity should do too.

(CORPORATE) DIGITAL TACTICS THAT NONPROFITS NEED TO BE DOING (AS WELL)

These three things are levelling tactics. It doesn't matter if you're a small charity or a big one, these digital tactics don't cost a lot to implement in-house. You just need someone prepared to watch the tutorials online and give it a go.

1 REMARKETING

Remarketing is a way to put a targeted ad message in front of a person who has already visited your website or engaged with your content online. You know the marketing adage KISS – Keep It Simple Stupid – well that's what remarketing is. It's so simple and obvious, and it works.

You've all been remarketed to. If you've looked at a dress on The Iconic or headphones from JB Hi-Fi. If you've compared car insurance online. If you've been reading about the best solar panels (as I have), you'll then see ads for these exact things or similar on Facebook, Instagram and banner ads on articles you're reading.

How to set up remarketing

All you need is Google Analytics on your website. Find 'Audience

Definitions' in the settings and then set up a remarketing audience. You can remarket to all website visitors, or perhaps only to people who visit specific sections or pages, such as your services or your donation page.

Then link your remarketing audience with Facebook or Google Ads and create an ad message that is relevant to the audience based on what they've looked at. If you want to outsource this, it would take around 30 minutes for a digital consultant to set up your remarketing audience, one or two days to set up the ad message and remarketing campaign, and then time running the actual campaign. But I strongly suggest that you give it a go yourselves, as that's how you'll learn and see that it really is simple.

2 CONVERSION RATE OPTIMISATION

Conversion rate optimisation (CRO) is the practice of making small, incremental changes to your webpage in an effort to improve the rate that people who visit the page or site convert from a user into a customer, supporter or donor.

For digital fundraising, CRO should be part of your appeal test plan. There are software tools to optimise the pages where you capture data or donations (such as Google Optimise or Optimizely or VWO, which we use at Parachute Digital). But you can also do simple tests yourselves with content and colours and images.

For lead generation petitions, quizzes and PDF downloads, you can use CRO to increase the number of leads you get. For website donation pages, if you use a third-party platform it can be difficult to optimise the form for better conversions (because it is outside of your control). That said, there are still things you can do to the copy, content and buttons that may improve your conversion by a percentage point or two.

Nike's recent brand ads featuring Serena Williams.

How to do conversion rate optimisation

Assuming you won't be using CRO software, let's talk about optimising and testing the content elements you can control. Start with a test plan. Make sure you have a control element with data to refer back to – such as a lead gen campaign that has been live for a period of time, or your generic website donation page. Then plan to test only one thing at a time, such as: headline; hero image; ask or dollar descriptions; dollar amounts; and call to action or button text.

3 INVEST IN BRAND MARKETING

Brand marketing is what differentiates a product from other products. Your brand helps you connect with a group of people and can give you a competitive edge.

Strong brand awareness often means more trust in your organisation. Trust (and recognition) is what you need to more efficiently build your supporter and donor base. I am not pretending that digital is the best place to build brand – it's not. But in the corporate sector, digital is the world's most effective direct response channel. We see something that interests us, and we Google it if we want to know more. If we like what we see, we join, subscribe or buy.

As nonprofits whose focus is rightly on achieving your mission, you allocate the bulk of your budgets into services and conservation and advocacy that improve the lives of your clients and beneficiaries. Or to protect peoples or animals or environments and create lasting social change. Not to build up your brand, just for the purpose of brand recognition. But I think charities need to invest in building their brand – and I'll tell you why.

Why organisations should invest in brand marketing

Stephen George, one of the world's leading legacy/bequest fundraisers, told me on a Skype call in March 2019 that he is certain that if charities invest more in building awareness of their brand that it would absolutely lead to an increase in bequests. George said, "Fifty percent of legacy gifts in wills are not known to the organisation. Brand awareness and understanding absolutely leads to increases in legacy gifts as many bequests are made from people who will never reveal any intent. Investment must be balanced between directly asking people to engage and recognising that awareness and consideration of the charity affect legacy income so must be invested in."

When WWF-UK uncovered something surprising in their annual supporter survey, brand awareness was at the heart of that discovery. When they asked their monthly donors why they chose to support WWF, a huge percentage said, "I remember WWF from my days at school". They were shocked because their school program had been suspended some 30 years before.

Brand marketing is how a company or organisation tells the world what they stand for. Nike's recent brand ads, featuring Serena Williams and NFL player Colin Kaepernick, tell the world that they believe in gender equality and that racism is wrong. Gillette's #ToxicMasculinity ad in the wake of the #MeToo movement told its male customers that men need to set a better example for the next generation of boys.

Nonprofit organisations need to do this too – because let's be honest, most people don't know what your organisation actually does or stands for. In each sector, there are half a dozen organisations doing the same or similar work – just as in the corporate sector. It is our values and our brand that set us apart and allow people to choose who to support.

When these brand ads go viral in the digital space, people click on them. Then you have the chance to convert these people and remarket to them. So even if you work for a small organisation and your brand marketing is just a bit of local press media or some videos on your website and social media, tell the world what you stand for.

YOUR DIGITAL FUNDRAISING IN 2020

Start planning how you're going to kick off 2020. If digital is one of your priorities, get your remarketing in place and choose three things you want to optimise to improve the conversion rate. F&P