Creating an online strategy to thrive in tough times

Eric Rardin
Director of Nonprofit Services
Care2.com
Agenda

- Setting the stage
- Strategy review
- Discussion of current tactics
- Tools to measure success
Direct mail returns are dropping

# Of Traditional Annual Campaign Donors 1996-2005
New opportunities are exploding

- Facebook
- Second life
- SMS
- MySpace
- Email
- Twitter
Mind the Hype!

Figure 1. Hype Cycle for Emerging Technologies, 2008

Visibility
- Green IT
- Microblogging
- 3-D Printing
- Cloud Computing
- Surface Computers
- Augmented Reality
- Mobile Robots
- Behavioral Economics
- Context Delivery Architecture
- Erasable Paper Printing Systems

Technology Trigger
- Erasable Paper Printing Systems
- Context Delivery Architecture
- Service-Oriented Business Applications
- Virtual Assistants
- RFID (Case/Pallet)
- Social Computing Platforms
- Video Telepresence
- Social Network Analysis
- Idea Management
- Corporate Blogging
- Tablet PC
- Electronic Paper
- Wikis
- Web 2.0
- Public Virtual Worlds

Peak of Inflated Expectations
- More than 10 years
- 5 to 10 years
- 2 to 5 years
- Less than 2 years

Trough of Disillusionment

Slope of Enlightenment
- Location-Aware Applications
- SOA
- Basic Web Services

Plateau of Productivity

Years to mainstream adoption:
- More than 10 years
- 5 to 10 years
- 2 to 5 years
- Less than 2 years
- Obsolete

Source: Gartner (July 2008)
Who is online and what are they doing?

- Over half of the adult internet population is between 18 and 44 years old.
- Larger percentages of older generations are online now than in the past, and they are doing more activities online.
- Internet users in their 20s do not dominate every aspect of online life – but they dominate social networks.
- Generation X is the most likely group to bank, shop, and look for health information online.
- Boomers are just as likely as Generation Y to make travel reservations online.

Sydney Jones, Susannah Fox, Generations Online in 2009, Pew Internet & American Life Project, January 28, 2009
What is a strategy?

- A strategy is a plan of action designed to achieve a particular goal.
- Strategy is different from tactics. In military terms, tactics is concerned with the conduct of an engagement while strategy is concerned with how different engagements are linked. In other words, how a battle is fought is a matter of tactics: whether it should be fought at all is a matter of strategy.

What is a strategy?

- An online strategy a plan of action for using the internet and other digital mediums to achieve a goal or set of goals.

- Facebook, Twitter, SMS, Email, SEO, Banner ads are all tactics that can be used to accomplish that end.

- First things first – the vast majority of online donations come to you through your web site. Before investing any staff time or money in online marketing or outreach make sure your web site is functionally able to capture new contacts and accept donations.

Online Marketing Strategy: Tactics

Invest in a Branded Donation Page
- Usability is the ‘donation killer’
- Treat your donors like donors, not like shopping carts

PayPal Donation Form
Online Marketing Strategy: Tactics

Invest in a Branded Donation Page

- Branding & customization
- Support for recurring & anonymous donations
- Automatic tax receipts
- Tell-a-friend, custom questions & email sign-up
- Tributes & program designations
- Thank you gifts & premiums

Network for Good Custom DonateNow →
What is a strategy?

- Defining your online strategy
  1. Define your goals
  2. Identify tactics
  3. Implement tactics
  4. Assess tactics
  5. Repeat 2-4 until 1 is met
Goals

- Fundraising
- Branding
- Traffic
- List growth
- Advocacy
- Influence
Tactics

- Search Engine Marketing, i.e. Google ad words/Google grants
  - Traffic to your website donation page
  - Branding
- Email list growth services
  - Donor leads
  - Engaged audience
  - Branding
Tactics

- Email marketing (List Purchase/Rental)
  - Traffic to your website for donations or lead capture
  - Branding
- Display Advertising (CPC/CPA)
  - Branding
  - Some traffic
- Social network outreach
  - Branding
  - Community
  - Some donations direct from site
  - Leads and traffic to your donation page
Gross oversimplification

Online strategy

Goal: Raise money

Tactics:

- Grow email list externally, ask for donations
  - Measurement: Cost of list growth/donations received
- Outreach on Facebook using Causes, ask for donations
  - Measurement: Staff time invested growing & engaging community/donations received on via FB or through your website
- Twitter campaign to get traffic to donation page on site
  - Measurement: Staff time growing and engaging followers/donations received on your site

Assess those tactics showing the greatest return, including less tangible values like engagement, branding, etc. and refine how you use them, while testing new tactics.
Online Marketing Strategy: Tactics

- Google Adwords:
  - Leading to either a donation page or advocacy page
  - Tip: Keep the advocacy ask simple (sign our pledge, etc.)

Shocking Puppy Mill Raid
Puppies Rescued In Canadian Bust. Help Stop Puppy Mills Here!
Online Marketing Strategy: Tactics

- Email marketing
  - Care2 donor acquisition – sent emails Driving donors to HSI website
Online Marketing Strategy: Tactics

• Web advertising
  ▶ Banner ads on major portal sites (Canoe, AOL)
  ▶ Tested imagery, wording, and landing pages (donation page vs. advocacy page, video vs. no video)
Online Marketing Strategy: Tactics

- Web advertising: Canoe.com
  - Results show that the Big Box Ad performs the best
  - We also see that the French performed better than English and that News and Lifestyle both worked well for this ask.
Measuring success

- Number of donor leads
- Number of actions
- Number of new email subscribers
- Clicks to site

But – at what cost?

- Cost per donor; action; subscriber; click
## Case study – National Museum

<table>
<thead>
<tr>
<th>Source</th>
<th>Subscribers Gained</th>
<th>Cost Per Subscriber</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banner: USA Today - Travel</td>
<td>103</td>
<td>$9</td>
<td>$927.00</td>
</tr>
<tr>
<td>Banner: USA Today - Books</td>
<td>24</td>
<td>$4</td>
<td>$96.00</td>
</tr>
<tr>
<td>Banner: NYTimes</td>
<td>76</td>
<td>$132</td>
<td>$10,032.00</td>
</tr>
<tr>
<td>Banner: Washingtonian</td>
<td>29</td>
<td>$9</td>
<td>$261.00</td>
</tr>
<tr>
<td>Banner: City Paper</td>
<td>6</td>
<td>$67</td>
<td>$402.00</td>
</tr>
<tr>
<td>Banner: Away.com</td>
<td>58</td>
<td>$38</td>
<td>$2,204.00</td>
</tr>
<tr>
<td>Email: Budget Travel Online (Sept 06)</td>
<td>2,500</td>
<td>$3</td>
<td>$7,500.00</td>
</tr>
<tr>
<td>Email: Budget Travel Online (Dec 07)</td>
<td>1,752</td>
<td>$5</td>
<td>$8,760.00</td>
</tr>
<tr>
<td>Email: Luxury Link (Jan 07)</td>
<td>733</td>
<td>$5</td>
<td>$3,665.00</td>
</tr>
<tr>
<td>Email: Luxury Link (Mar 08)</td>
<td>773</td>
<td>$10</td>
<td>$7,730.00</td>
</tr>
<tr>
<td>List building w/ Care2</td>
<td>4,000</td>
<td>$2.50</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Total/Average</td>
<td>10,054</td>
<td>$5.13</td>
<td>$51,577.00</td>
</tr>
</tbody>
</table>
## Case study – National Museum

<table>
<thead>
<tr>
<th>Source</th>
<th>Original # Subscribers</th>
<th>Current # Subscribers</th>
<th>Retention Rate</th>
<th>Months on File</th>
<th>Donated</th>
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<tbody>
<tr>
<td>Budget Travel (Nov 06)</td>
<td>2,500</td>
<td>1,826</td>
<td>73%</td>
<td>24</td>
<td>16</td>
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<tr>
<td>Budget Travel (Dec 07)</td>
<td>1,725</td>
<td>1,635</td>
<td>95%</td>
<td>11</td>
<td>12</td>
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<tr>
<td>Luxury Link (Jan 07)</td>
<td>733</td>
<td>584</td>
<td>80%</td>
<td>22</td>
<td>7</td>
</tr>
<tr>
<td>Luxury Link (Mar 08)</td>
<td>773</td>
<td>726</td>
<td>94%</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>USA Today – Travel</td>
<td>103</td>
<td>72</td>
<td>70%</td>
<td>27</td>
<td>1</td>
</tr>
<tr>
<td>USA Today – Books</td>
<td>24</td>
<td>21</td>
<td>87%</td>
<td>27</td>
<td>1</td>
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<tr>
<td>NYTimes</td>
<td>76</td>
<td>37</td>
<td>49%</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Washingtonian</td>
<td>29</td>
<td>28</td>
<td>97%</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>City Paper</td>
<td>9</td>
<td>9</td>
<td>100%</td>
<td>7</td>
<td>0</td>
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<tr>
<td>Away.com</td>
<td>58</td>
<td>45</td>
<td>78%</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>Care2 List building</td>
<td>4,000</td>
<td>3,587</td>
<td>90%</td>
<td>7</td>
<td>17</td>
</tr>
</tbody>
</table>
Case study – National Environmental Group

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Subscribers</th>
<th>Donors</th>
<th>Total Raised</th>
<th>Avg Gift</th>
<th>Donor Rate</th>
<th>Cost</th>
<th>Cost Per Subscriber</th>
<th>Cost Per Donor</th>
<th>Net Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Network</td>
<td>38,405</td>
<td>115</td>
<td>$5,653</td>
<td>$49.16</td>
<td>0.30%</td>
<td>$30,000.00</td>
<td>$0.78</td>
<td>$260.87</td>
<td>-$24,347.00</td>
</tr>
<tr>
<td>Niche Site</td>
<td>702</td>
<td>34</td>
<td>$714</td>
<td>$21.00</td>
<td>4.84%</td>
<td>$10,000.00</td>
<td>$14.25</td>
<td>$294.12</td>
<td>-$9,286.00</td>
</tr>
<tr>
<td>Search</td>
<td>908</td>
<td>45</td>
<td>$766</td>
<td>$17.02</td>
<td>4.96%</td>
<td>$9,000</td>
<td>$9.11</td>
<td>$200.00</td>
<td>-$8,234.00</td>
</tr>
<tr>
<td>Ad Network</td>
<td>4,033</td>
<td>12</td>
<td>$590</td>
<td>$49.17</td>
<td>0.30%</td>
<td>$7,275.00</td>
<td>$1.80</td>
<td>$606.25</td>
<td>-$6,685.00</td>
</tr>
<tr>
<td>Niche Site</td>
<td>2,540</td>
<td>12</td>
<td>$760</td>
<td>$63.33</td>
<td>0.47%</td>
<td>$4,595.00</td>
<td>$1.81</td>
<td>$382.92</td>
<td>-$3,835.00</td>
</tr>
<tr>
<td>Socially-Minded Site</td>
<td>724</td>
<td>12</td>
<td>$600</td>
<td>$50.00</td>
<td>1.66%</td>
<td>$4,379.00</td>
<td>$6.05</td>
<td>$364.92</td>
<td>-$3,779.00</td>
</tr>
<tr>
<td>Political Site</td>
<td>3,545</td>
<td>39</td>
<td>$2,797</td>
<td>$71.72</td>
<td>1.10%</td>
<td>$6,381.00</td>
<td>$1.80</td>
<td>$163.62</td>
<td>-$3,518.00</td>
</tr>
<tr>
<td>Blogs</td>
<td>173</td>
<td>20</td>
<td>$875</td>
<td>$43.75</td>
<td>11.56%</td>
<td>$2,134.00</td>
<td>$12.34</td>
<td>$106.70</td>
<td>-$1,259.00</td>
</tr>
<tr>
<td>Search</td>
<td>371</td>
<td>9</td>
<td>$315</td>
<td>$35.00</td>
<td>2.43%</td>
<td>$707.00</td>
<td>$1.91</td>
<td>$78.56</td>
<td>-$392.00</td>
</tr>
<tr>
<td>Socially-Minded Site</td>
<td>1,259</td>
<td>61</td>
<td>$2,450</td>
<td>$40.16</td>
<td>4.85%</td>
<td>$1,575.00</td>
<td>$1.25</td>
<td>$25.82</td>
<td>-$875.00</td>
</tr>
<tr>
<td>Political Site</td>
<td>932</td>
<td>48</td>
<td>$6,735</td>
<td>$140.31</td>
<td>5.15%</td>
<td>$1,800.00</td>
<td>$1.93</td>
<td>$37.50</td>
<td>-$4,935.00</td>
</tr>
<tr>
<td>Care2</td>
<td>85,267</td>
<td>3,051</td>
<td>$133,286</td>
<td>$43.69</td>
<td>3.58%</td>
<td>$121,000.00</td>
<td>$1.60</td>
<td>$39.66</td>
<td>$12,286.00</td>
</tr>
<tr>
<td>Total</td>
<td>138,859</td>
<td>3,458</td>
<td>$216,499</td>
<td>$51.34</td>
<td>2.49%</td>
<td>$198,846.00</td>
<td>$1.43</td>
<td>$57.50</td>
<td>-$6,685.00</td>
</tr>
</tbody>
</table>

Eric Rardin, Care2.com, ericr@care2team.com, (202) 785-7305
## Calculators

### Profit / Loss and ROI for Direct Fundraising from Social Networking Sites (not including email)

<table>
<thead>
<tr>
<th>Cumulative Profit/loss if direct donations from social network site only (no email fundraising)</th>
<th>$-6,656</th>
<th>$-8,237</th>
<th>$-9,812</th>
<th>$-11,382</th>
<th>$-11,382</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROI for direct donations</td>
<td>-98%</td>
<td>-97%</td>
<td>-97%</td>
<td>-96%</td>
<td>-96%</td>
</tr>
</tbody>
</table>

### Profit / Loss and ROI for Fundraising Emailings to email leads recruited from Social Networks

<table>
<thead>
<tr>
<th>Cumulative Profit/loss if only email donations</th>
<th>$-6,032</th>
<th>$-7,176</th>
<th>$-8,446</th>
<th>$-9,801</th>
<th>$-9,801</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROI for acquired (emailing) names only</td>
<td>-89%</td>
<td>-85%</td>
<td>-83%</td>
<td>-83%</td>
<td>-83%</td>
</tr>
</tbody>
</table>

http://www.frogloop.com/social-network-calculator
Measuring Value

What’s the value of an email address?


<table>
<thead>
<tr>
<th>Calculating the average value of an email</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of email addresses in your list</td>
</tr>
<tr>
<td>Average number of donations per appeal</td>
</tr>
<tr>
<td>Average dollar value of donations</td>
</tr>
<tr>
<td>Number of appeals sent per year</td>
</tr>
<tr>
<td>Percent of list that goes inactive each year</td>
</tr>
<tr>
<td>Total donations</td>
</tr>
<tr>
<td>Average annual value</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual donations</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$2.87</td>
</tr>
<tr>
<td>Year 2</td>
<td>$2.01</td>
</tr>
<tr>
<td>Year 3</td>
<td>$1.41</td>
</tr>
<tr>
<td>Year 4</td>
<td>$0.99</td>
</tr>
<tr>
<td>Average lifetime value per email</td>
<td>$7.28</td>
</tr>
</tbody>
</table>
### Measuring Value

#### How do you compare?
Here's a summary of the lifetime value per email from different issue areas, based on a recent benchmark study and assuming the 50% of the emails on each list go inactive each year.*

<table>
<thead>
<tr>
<th>Annual donations</th>
<th>All</th>
<th>Env</th>
<th>PA</th>
<th>Animals</th>
<th>Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$7.86</td>
<td>$2.59</td>
<td>$2.69</td>
<td>$6.99</td>
<td>$15.75</td>
</tr>
<tr>
<td>Year 2</td>
<td>$3.93</td>
<td>$1.30</td>
<td>$1.35</td>
<td>$3.50</td>
<td>$7.88</td>
</tr>
<tr>
<td>Year 3</td>
<td>$1.97</td>
<td>$0.65</td>
<td>$0.67</td>
<td>$1.75</td>
<td>$3.94</td>
</tr>
<tr>
<td>Year 4</td>
<td>$0.98</td>
<td>$0.32</td>
<td>$0.34</td>
<td>$0.87</td>
<td>$1.97</td>
</tr>
<tr>
<td>Avg lifetime value per email</td>
<td>$14.74</td>
<td>$4.86</td>
<td>$5.04</td>
<td>$13.11</td>
<td>$29.53</td>
</tr>
</tbody>
</table>

Note: Email me and I’ll send the calculator.
Conclusion & Discussion

Key points:

- Finding donors and raising money online is more important than ever
- A thoughtful strategy will vastly improve your success
- You don’t have to be everywhere - start with where your current donors are
- Have a plan for measuring before you start, and count staff time as a cost, nothing is free