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Rapid Donor Cultivation™

**A Unique New Program for Raising
More Money Via the Internet**

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Online strategy, web
communities, and
integrated campaigns
for nonprofits.

COMMON
KNOWLEDGE

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Introduction

Common Knowledge presents a new concept in online fundraising—Rapid Donor Cultivation™ (RDC). The motivation for this service is the maximization of the return on investment (ROI) of a nonprofit's email subscriber acquisition efforts.

In order to increase revenue from email direct marketing programs, a nonprofit fundraising online needs to grow their online subscriber base. Therefore, nonprofits find themselves with increasingly larger expenditures to acquire new email subscribers. It quickly becomes apparent that it is crucial to focus on both the long-term ROI and the elapsed time to the first gift—both crucial components of their increasing acquisition costs.

Common Knowledge's solution is a targeted, automated cultivation via email of new electronic subscribers over the first 45 days, starting immediately following the e-subscriber opt-in. This program ensures consistent delivery of high quality, pertinent content while minimizing the strain on a nonprofit's human resources. To date, the RDC program has demonstrated a 15% increase in average gift size, and an 83% increase in donor conversion.

conversion rate – The rate at which email recipients take desired actions, usually measured as either donor conversion rate or advocacy conversion rate. Both are calculated as actions taken divided by emails delivered.

honeymoon period –

The first 30 days after the visitor opts-in to a retailer's email list. In online retail, this period is typically characterized by the subscriber having a strong positive opinion of the company and a higher propensity to engage with and buy from the company.

open rate – The number of people that opened your email in their email browser, to read it. Open rate is a percentage calculated by dividing the number of opens divided by the number of emails.

Objectives of Rapid Donor Cultivation

Common Knowledge's RDC program was inspired by best practices in the online retail industry. In this sector, the best online retailers noticed that online customer (or prospect) affinity is typically highest for the first 30 days after the visitor opts-in to a retailer's email list. During this 'honeymoon' period, the visitor demonstrates a strong and favorable opinion of the company, and a stronger propensity to engage with and buy from the company. In particular, this high-affinity phase is characterized by new subscribers demonstrating higher email open rates, higher click rates, and higher conversion rates. It turns out that this same behavior is demonstrated by nonprofit e-supporters as well.

Common Knowledge's goal is to capitalize on this period of highest affinity. To do this, we provide subscribers with valuable content over the course of 30 days and then make a targeted fundraising ask. More specifically, the fundraising objectives are as follows:



- Decrease the time to the first gift,
- Increase immediate revenue by maximizing the size of the first gift,
- Maximize the lifetime value of a new subscriber, and
- Reduce cost of fundraising by using an automated email queue.

Ultimately, the goal of the RDC program is to optimize an organization's investment in email list acquisition and to produce a reliable, cost-effective revenue stream from individual giving.

In addition to the fundraising objectives, RDC also provides a unique opportunity to achieve several 'soft' objectives:

Reduce List Churn: The RDC program reduces the number of email unsubscribes by providing high value, targeted content delivered during a period of high receptivity.

Increase Brand Awareness: The new subscriber is presented with a carefully crafted view of the organization highlighting the key aspects of the mission, while engaging the reader with compelling interactive media and activities. The net result is a positive, informed and accurate view of the organization and its mission.

Build Affinity and Engagement: Education and engagement leads to a more informed, aware and connected constituent with deeper affinity for the issues, programs and mission. This deepened affinity helps translate constituent interest to other active constituent roles within the organization—board membership, volunteering, advocacy, positive word-of-mouth referrals, etc.

lifetime value –

The revenue a subscriber brings to the organization over the duration of their relationship.

list churn –

A measure of the constant transition of people requesting to be removed from your list (in the form of unsubscribes) plus email addresses no longer in use (hard bounces).



Project Description

The International Fund for Animal Welfare (IFAW) was the first organization to explore this innovative concept of Rapid Donor Cultivation with Common Knowledge. IFAW is an international animal welfare and environmental organization with operations in 17 countries (including Asia, Europe, Australia, China, and South Africa). Common Knowledge assists IFAW with all aspects of their online program—market research; strategy; campaigning (fundraising, advocacy); email list building; website design and development; and Web 2.0 and social networking.

The RDC program engages IFAW's new opt-in e-supporters with frequent, targeted, high quality e-communications designed to rapidly cultivate these prospects during the honeymoon period. The RDC program consists of a series of 10 emails sent over 5 weeks. These emails are sent to a subscriber starting shortly after opt-in and aim to give each subscriber a sequenced, in-depth introduction to the organization and the key issues that IFAW works on.

The IFAW RDC email series starts with a welcome message from Fred O'Regan, Executive Director of IFAW.) In this email, Fred thanks new subscribers for joining the online community, and gives subscribers a summary of forthcoming emails. The first email includes a link to IFAW's animal rescue blog ensuring this first contact is informative and interactive.

The RDC email series looks to educate and to engage new subscribers. For IFAW, the emails educate readers about each of the major animal issue campaigns important to the organization. To engage subscribers, the email series incorporates advocacy actions, surveys, photo gallery tours, and other 'active' calls-to-action. The Internet, while virtual, offers a host of interactive and transactional opportunities—extensive use of these engagement tools is a central theme of the RDC program.

evergreen content –
Copy that remains pertinent
and accurate over time,
usually relevant for at least
two months.

Selecting IFAW's largest, most important, on-going issues also assists in producing evergreen content—e.g. copy that remains pertinent and accurate over time. As an automated program, RDC produces the best results when it runs without intervention for an extended period of time. Carefully selecting email topics and crafting copy that feels compelling, engaging and timely is balanced with the low- or no-maintenance content requirement. The result should produce long 'shelf life' emails developed at the outset and tuned every two to three months. (See diagram 2 on the next page.)

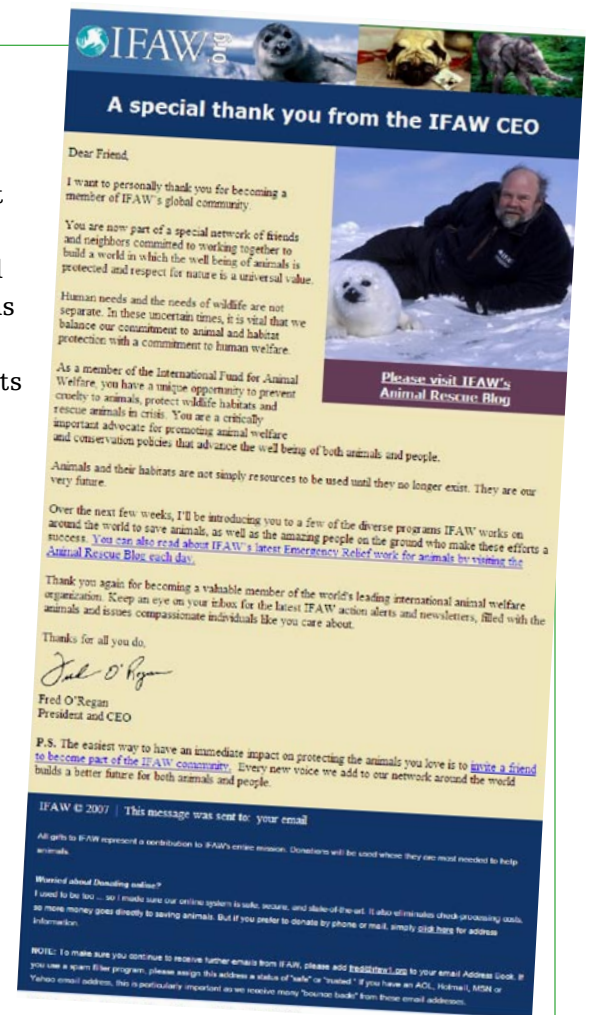


Diagram 1: Screen Shot of Welcome Email

The current generation of the RDC program culminates with a fundraising appeal sent 45 days after the initial communication; previous versions tested asks at 90 days, then at 60 days. A second follow-on fundraising appeal goes to subscribers in quick succession, shortly after the first appeal. For IFAW the fundraising appeal centered on support for a Russian bear sanctuary—historically, a high-performing fundraising issue. Conversely, the Russian bear sanctuary issue is not a primary focus of the organization. As such, we are able to avoid scheduling conflicts around their top annual fundraising initiatives.

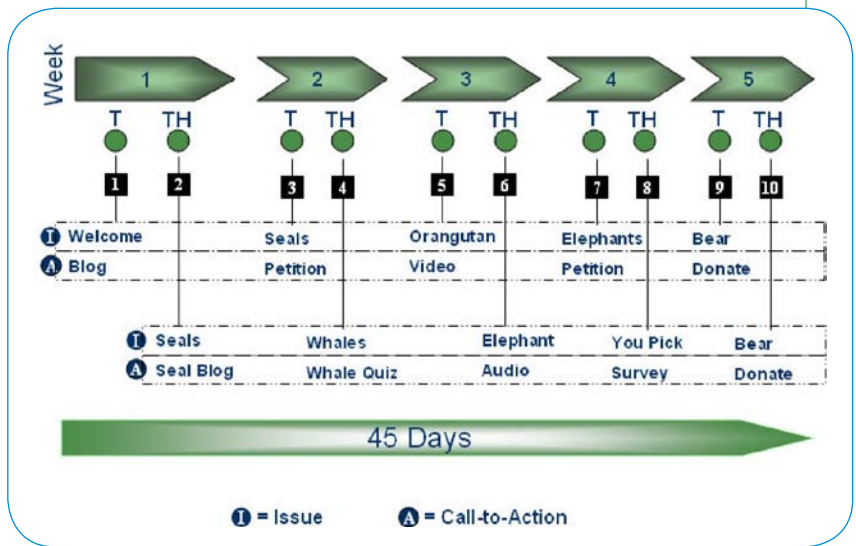
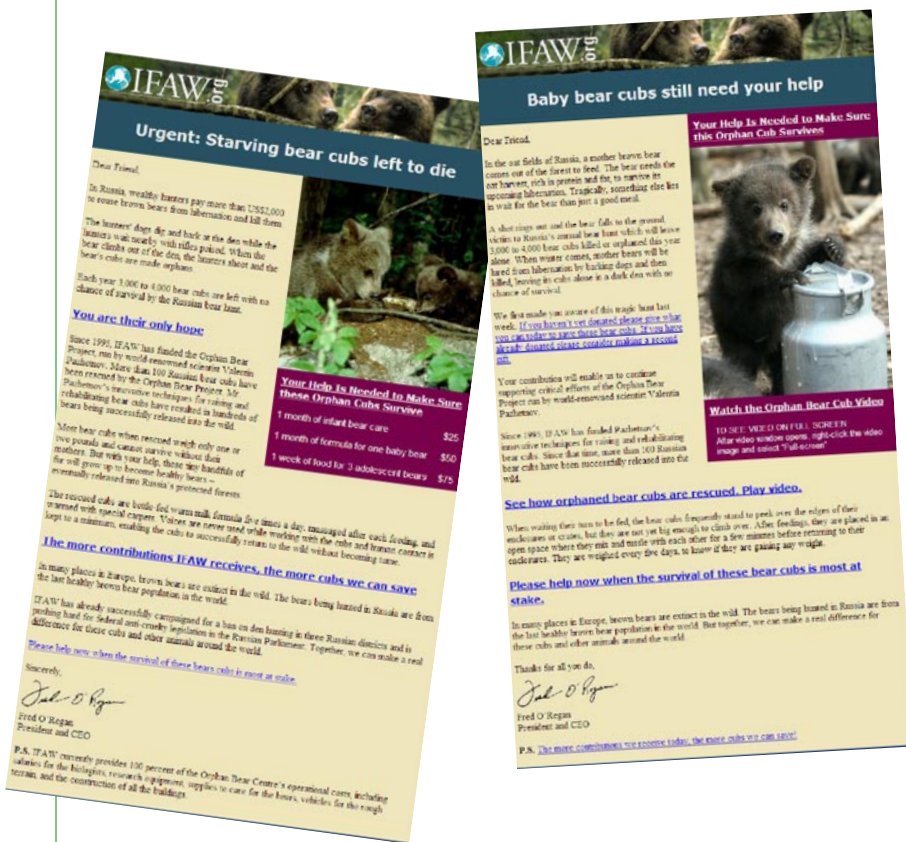


Diagram 2: Schedule of IFAW RDC Emails



Diagrams 3: Screen Shots of Bear Appeals

One of the intriguing aspects of RDC is the frequency of volume of communication with supporters—two emails per week for five weeks or a total of eleven emails over 45 days. This frequency and volume of focused communication is absolutely cost-preventative via direct mail, and even online if attempted manually. In order to dramatically reduce the program cost, an automated email sequence is implemented using Kintera's standard email scheduling tools. (Note: this same functionality is available in Convio.) Twice-a-week automated emails from the email scheduler send the next-in-the-sequence email to each supporter. The email system keeps track of which email goes to each supporter each week, throughout the 5-week cycle. Once established, these emails are sent automatically with no additional work on behalf of IFAW or Common Knowledge.

Results

The results of the RDC program since its initial launch with IFAW have far exceeded IFAW's expectations. Overall the program has reduced the time to the first gift, increased the number of subscribers who give, and—in initial estimates—increased the lifetime value of new subscribers.

In addition to the overall results we also track the results for individuals in the series. Interest remained high throughout the email series with an average open rate of 21.3%. Particularly interesting is the highest open rate, at 26.3%, for the first fundraising appeal. The click-through rate (CTR), or clicks over emails delivered, for the email in the RDC emails was also high. Averaging 7.5% across all emails, the CTR ranged from 4.2% on the second fundraising appeal to 16.9% on a petition to stop the seal hunt.

click-through rate

(CTR) – The number of times anyone has clicked on any link within the email. Calculated by dividing the number of clicks by the emails delivered.

Open Rate

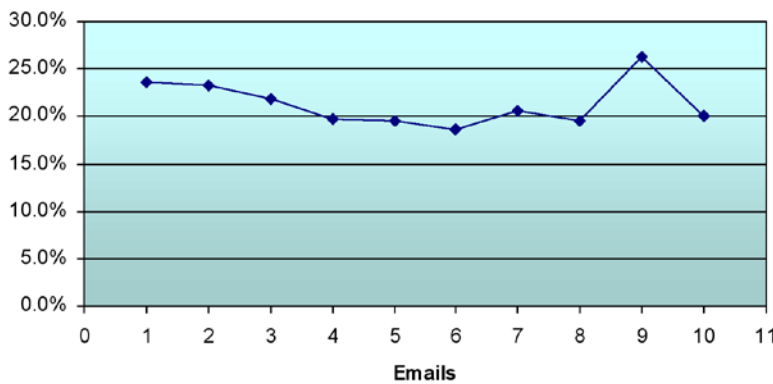


Diagram 4: Graph of Open Rates

One of the most notable results of the RDC program is **the donor conversion rate at six times higher** than for a comparable group of subscribers not participating in the RDC program. The donor conversion rate of the subscribers not participating in the RDC program was 0.19% in comparison with the RDC average donor conversion rate of 1.2%. Additionally, compared to other fundraising campaigns the donation conversion rate was substantially lower than any for RDC—all comparisons within the same six-month window.

Campaign	Average Gift	Conversion
IFAW US Holiday Campaign	\$69.27	.06%
Care2 Holiday Bear Cub	\$45.38	.19%
Emergency Appeal- Russian Oil Spill	\$40.56	.27%
End of Year Campaign	\$51.69	.05%
IFAW Rapid Donor Cultivation	\$40.37	1.2%

Diagram 5: Table Comparison to Other IFAW Campaigns

In order to get a better idea of how the RDC program compared to receiving no specialized email communications we compared the donation activity of new supporters who subscribed during 3 months in 2006 before we launched the RDC program with those who subscribed during the same months in 2007 who did participate in the full RDC program. For this analysis we looked at all financial transactions made by supporters over the course the first six months they were subscribed to the list. What we found was that for subscribers who received the RDC emails:

- The time to first gift decreased by 17 days
- Rate of conversion of subscribers to donors increased by 83%
- Rate of conversion of subscribers to activists increased by 110%
- Average value of first gift increased by 15%

These initial results give us a good indication of the extent to which RDC improves donor cultivation and suggests that in addition to improving the results for the first gift the RDC program is also increasing the lifetime value of new subscribers.

Who Can Benefit from Rapid Donor Cultivation?

RDC is adaptable—copy, calls-to-action, and engagement tools can be customized for individual organizations. For smaller organizations that lack robust email programs and struggle with staffing constraints, RDC is a cost-effective strategy to ensure that new subscribers consistently receive effective stewardship, and a high quality, timely fundraising ask. The RDC automated program produces a steady stream of online income independent of the state and quality of the broader online communications program.

Large organizations with sophisticated electronic marketing programs will also benefit from RDC as this program enables them to produce a consistent and controlled message to each new subscriber. Often, larger organizations produce a wide array of e-messaging, with exact mix, frequency and messaging highly variable. As such, it is nearly impossible to predict what a new e-subscriber will receive after opt-in. RDC avoids any messaging incongruity and guarantees new subscribers receive a clear, accurate, controlled introduction to an organization, and its mission and key issues and campaigns. RDC also certifies that an appropriate and timely fundraising appeal happens at the optimal point in this sensitive early stage of the relationship.

In the end RDC produces a highly tuned, focused ‘welcome’ that each of your supporters desires and deserves. The RDC program is an effective tool to elevate your online marketing and fundraising to world-class levels and communicate to your constituents that you are willing to take the time to welcome and get to know each of them. Used in conjunction with a compelling and comprehensive retention program, RDC lays the groundwork for a successful plan to elevate the life-time value of your donors and increase the gross revenue and ROI for your online giving program. 📞

	2006	2007
Donor Conversion	1.20%	2.20%
Average Gift	\$35.57	\$40.86
Gifts/Donor	1.2	1.5
Days to First Gift	60	43
Activist Conversion	18.50%	39.80%
Actions/Activist	1.9	1.6
Days to First Action	35	4

Diagram 6: Table Comparing RDC Participants to New Subscribers from 2006



Jenny L. Feinberg
Senior Consultant. Fundraising

Jenny provides marketing and fundraising analysis and web campaign strategy for nonprofit clients at Common Knowledge. She enjoys using her experience to help clients explore successful growth and retention in emerging online environments. Jenny is proud of her work on the 2007 IFAW Seal Campaign which resulted in 30% growth in revenue. She has assisted the Sierra Club in the strategic integration of advocacy and fundraising efforts and is in the process of helping the Partnership for Drug Free America launch its first online fundraising program.

Jeff Patrick
President & Founder

Over the past decade, Jeff has assisted more than 100 nonprofits with their Internet initiatives. Working with large national and regional organizations, Jeff pioneered the tools and software for online fundraising, email communication, advocacy, and outreach. Tapping over 22 years of broader national and international professional experience in the commercial software and consulting sectors, Jeff approaches each client and project with both business and analytical skills. In addition to general company management responsibilities, Jeff focuses on assisting clients with strategic planning, web development and online campaigns.

About **Common Knowledge**

Common Knowledge, a consulting agency founded in 2002 and based in San Francisco provides comprehensive consulting services for online fundraising, advocacy, marketing and communications to nonprofit organizations that need to leverage the Internet more effectively to further their mission.

Broadly, Common Knowledge offers assistance to our clients in five service areas:

- Online Strategy (including interactive media),
- Web Site Design and Development,
- Online Community Development (including social networking websites),
- Online Campaigns (including email), and
- Related Support Services.

Our team of 11 employees includes service area experts with 70 years of combined experience—account managers, consultants, marketers, public and media relations, designers, developers and analysts, and general and administrative functions—finance, HR, and general management. Our growing team is based in downtown San Francisco and has offices in Atlanta, Chicago and Los Angeles.

Our agency brings extensive nonprofit experience. In addition, core executives at CK offer over 40 years of commercial sector experience in marketing/communications, eCRM, technology, management consulting, gourmet food, software, and automotive industries. This integrated nonprofit and commercial experience ensures CK clients benefit from the most innovative ideas and best practices in and out of the philanthropic sector.

Our current base of 30+ nonprofit clients includes Arthritis Foundation, Sierra Club, International Fund for Animal Welfare, Partnership for a Drug Free America, Northern Arizona University Alumni Association, Seva Foundation, Community Gatepath, Wounded Warrior Project, Equality California and others.

