Innovative Digital Tactics
Flood the Landscape and are Likely to Overtake “Best Practices” in Development Work

There’s always a tipping point—a point in time when the arrival of innovative tactics flood the landscape and overtake the previous “best practices” and technology. According to the BWF/Groundwork Digital “2020 Digital Fundraising Survey,” 2020 might be that year for digital in development work.

For years now, we’ve heard that phone programs are underperforming. Some institutions have reduced their spend on phone, while a handful have dropped calling entirely (at least for solicitation). Nearly 9 in 10 survey respondents say giving days and crowdfunding are driving new donor participation, while only one in three say that’s true of phone. And since a giving day is more affordable than most phone programs, how long will institutions accept overpriced and underperforming phone programs when they could be more successful in every metric with a more robust digital investment?

Major gift fundraising is critical and increasing in importance. Already, nonprofit investment in major gift work is high, but that doesn’t mean there isn’t room for growth. Only 27 percent of respondents are merging wealth and social media data to drive new prospect identification work. But two thirds of those who have tried this are finding success. Could 2020 be the year when development officers recognize major gift donors and prospects get nearly all of their news and information online? Is 2020 the year fundraisers retool their operations to engage, warm, cultivate, steward, and even solicit major donors online?
More than 8 in 10 survey respondents report experience and a relatively high level of comfort in executing online giving days. Thanks, in part, to events like #GivingTuesday, the “tipping point” for online giving day adoption is past. Perhaps 2020 will be the year when experimentation within the online giving day will expand? For example, we believe more organizations will use a giving day as a cultivation focal point for major gift work and experience the same thing a recent Groundwork Digital/BWF client experienced when that client secured four separate seven-figure gifts during their online giving day.

The phrase “tipping point” can seem scary, as though you’re teetering on the edge of uncertainty, ready (or not) to plunge into the unknown. The good news is, thanks to surveys like this one and a growing number of case studies, there is a mountain of strong evidence suggesting that the landing zone on the other side of this digital tipping point is soft and bountiful. We hope you’ll use this survey to embrace the excitement of taking the leap in 2020 and investing in strategies and tools that will make your program a leader in modern fundraising.

Summary of Key Findings

**Digital tactics dramatically outperform phone in donor acquisition and retention.** Many organizations are shifting resources away from phone programs and toward increasingly sophisticated digital strategies.

The vast majority of fundraising comes from major donors. Major donors overwhelmingly get news and information from online sources. Thus, digital is key for cultivating and stewarding our most capable supporters.

There is tremendous potential for finding, warming, and engaging new major gift prospects via sophisticated, content-driven, digital advertising campaigns. Few are enjoying the benefits of this tactic, but adoption of this strategy is increasing and will likely be a leading “Next Practice” in 2020 and beyond.
Digital is increasing as a fundraising revenue generator and new donor acquisition strategy.

We keep hearing it from our clients — “the phone program is just not worth the same investment it was 10 years ago.” Fundraising shops shifting away from calling programs is supported by the data in this Digital Fundraising Survey. Nearly nine in ten say digital channels are increasing new donor acquisition and overall revenue; only one-third say the same about the phone.

Development programs are responding by pouring more resources and sophistication into digital. For example, we are seeing “Digital Development Officers” and “Student Gift Officers” claim budget that once supported massive phone programs. Those who have made the shift away from phone and toward digital are already reaping the rewards. Sophistication in digital targeting and ad campaigns, investment in powerful content, and retraining your team to engage your constituents where they are—online—will likely amplify this trend toward higher performing digital channels in 2020 and beyond, and will dramatically alter how we use the phone...if we choose to use it at all.
Digital is a powerful & growing channel for new donor acquisition. Digital donor participation increases far out-perform mail and phone:

- SOCIAL/CROWDFUNDING/ GIVING DAY 90%
- WEBSITE 81%
- EMAIL 80%
- DIRECT MAIL 57%
- PHONE 33%

Overwhelmingly, our supporters turn to online channels as a first source for news and information —yet we continue investing more in phone programs than we do digital. We are starting to see a shift of investment from phone to digital among our client partners.

Content is critical—but don’t rely solely on content. Use sophisticated, targeted marketing coupled with Digital Development Officers or Student Gift Officers (a real person!) to drive actual fundraising outcomes.
Major gift fundraising dominates in “dollars raised” for nearly all nonprofits.

It’s not even close – the vast majority of nonprofit fundraising comes from major donors. Communicating with these high capacity supporters should be a top priority. Since we know that 85 percent of millionaires use social media (Fidelity Investments), it’s critical that we tell our stories where our major gift prospects gather their news and information – online.

Whether you’re running Facebook Ads campaigns to surface new major gift prospects or hiring digitally-fluent gift officers who are skilled at cultivating, stewarding, and yes, even asking for big gifts online, digital investments for major gifts will pay immediate returns and solidify your mission as a favorite cause for your most capable supporters.

This is why we have to activate using digital to engage leadership, major and principal gift donors.
Digital campaigns surpass phone in overall participation.

Perhaps the most staggering year-over-year trend is the statistics that show digital campaigns blowing past phone in terms of overall donor participation. In 2018, Digital Fundraising Survey respondents said that 5 percent of their donor participation came from giving days, crowdfunding, or social campaigns. In 2019, that number jumped to 20 percent. For the phone, both years were below 10 percent (3 percent in ’18 and 7 percent in ’19).

The debate is over—the phone is no longer the acquisition channel it once was. Our clients’ giving days now raise, in about two days, what the phone program can’t raise over several months with dozens of callers. And furthermore, giving days are inspiring, celebratory, opt-in campaigns while the phone annoys our constituents with uninvited calls during the evening hours. If you’re spending too much on a bloated phone solicitation program, one of your top priorities for the new year should be reallocating that phone spend to an aggressive, sophisticated, data-backed digital program.
Sophisticated digital data management leads to new major gift prospects.

Imagine a single Facebook Ads campaign generating 281 new, warm major gift prospects who cumulatively possess more than $25 million in capacity. Those are exactly the results from a recent BWF client campaign.

Now imagine having an experienced Digital Development Officer cultivating, soliciting, and stewarding these newfound prospects. And having a robust, video-driven content machine keeping those prospects engaged and inspired. This is what we mean by a “sophisticated” digital strategy.

According to survey respondents, very few organizations are thinking of digital in this way. A small, but increasing number are exploring digital for big gifts and more have had success in 2019 than in 2018. We see this as an area of phenomenal growth in 2020 and beyond as more organizations get smart about digital for engaging their most capable donors.
The large majority of respondents expect an increase in digital investment, but most are unsure of how to spend that investment or from where they will find the funding.

Most fundraising leaders now understand the need to do digital well. However, where and how to increase that spend is somewhat vague with two of the top three areas for investment being “Multi-channel integration” (20 percent) and “Strategy” (14 percent).

Make no mistake, a multi-channel strategy is absolutely critical to modern fundraising, but we can be far more precise in exactly how to spend an increase in digital fundraising resources. Starting with an audience analysis, improving our digital fluency by hiring or retraining for Digital Development Officers who can engage donors en masse or individually, using targeted online advertising, and spending the necessary amount to guarantee a high volume of inspirational content—all require resources and will deliver immediate and long-term positive results.

If we’re clear about what we’re going to do with more digital investment and show the potential that investment can deliver, then overcoming the number one obstacle (budget) to improve your organization’s digital strategy should be no issue.

And remember, you’ll likely waste hundreds of thousands on an underperforming phone program. If your budget is holding you back from a transformational, comprehensive digital effort, then start by asking yourself, “What should go on the chopping block?”

### Over the next two years

87% of nonprofits surveyed say they expect to see an INCREASE IN INVESTMENT for digital donor engagement—an increase from the year prior.

#### SIGNIFICANT INCREASE

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#### MARGINAL INCREASE

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### Anticipated Future Digital Investment

- **Significant increase**: 2018 - 27%, 2019 - 37%
- **Marginal increase**: 2018 - 46%, 2019 - 50%
- **Budget held constant**: 2018 - 11%, 2019 - 16%
- **Decreasing budget allocation**: 2018 - 0%, 2019 - 3%
- **No budget allocation**: 2018 - 8%, 2019 - 3%
While more investment in digital is great to see, the areas of need still seem to be somewhat vague with multi-channel integration (20%) and strategy (14%) as two of the top three answers.

**BWF suggests...**

- Investing in learning more about your audience—where, how, when, and with what to reach them?
- Being sure you have the resources to produce unique, donor-engaging content. Content is crucial and powers everything—especially video.
- While much can be done through automation, real fundraising happens when actual people manage donors and prospects. Investments in Digital Development Officers or Student Gift Officers can help drive new fundraising and replace outdated, poorly-performing channels.
- Increasing the fundraising budget is not an option for many organizations. 2020 will require some hard decisions and reallocations. What are you holding on to that you should be reconsidering? Does it really help you long term to break even (or worse) so you can call your constituents until they finally pick up or block you? Most of us have the budget—if we’re willing to break up with outdated practices.
Digital Choices

Different platforms are right for different nonprofits. When vetting platforms, be sure you start by creating a list of your “must haves” or platform requirements. Don’t allow a vendor to promise “we’re working on it.” Only select a giving day, crowdfunding, or social media management platform if it satisfies (not a future version, but the current version) what you absolutely need.

Email is increasingly complicated and must offer a few basic features:

- Your email provider must offer (at a minimum) simple automation and journey capabilities (MailChimp, for example on the low end; Marketo and SalesForce Marketing Cloud on the top end).

- An email platform must offer tracking individual subscriber activity.
  - You should be able to drill down on an individual record and see if that person is opening and clicking emails.
  - If you can’t see this info, replacing your email vendor should be the top priority for 2020.

57% of everyone who watches a video will eventually give to the nonprofit featured in that video. *(Source: Google)*

Many nonprofits will say they have video covered...and be producing less than 10 unique videos per year. We recommend a new video every week to power digital ads campaigns, events, major donor engagement, and more.
Emerging Trends

We saw some interesting trends in how respondents view themselves in terms of digital sophistication as well as the tools they are using.

**Digital Sophistication**
Many respondents indicate they understand online giving days with 47% claiming they are “market leaders.” This is terrific as online giving days, especially in higher education, have become a top tactic for activating annual giving.

**Digital Programs and Targeting**
Most respondents are just now “exploring” emerging trends such as digital development officer programs and digital targeting (60%). As we watch our client partners such as the University of Minnesota, University of South Dakota, and University of Wisconsin grow their digital development officer programs in 2020, we expect more case studies like the [University of Minnesota Marching Band campaign](#) to create a groundswell of interest in digital for large gifts which have the potential to redefine modern fundraising shops.

**Digital Tools**
A low number of respondents use sophisticated, automated email platforms such as those from vendors like Marketo or SalesForce. This change will likely be forced on nonprofits as lesser email platforms will continue to drive down email performance. Coupled with the downward trends in phone, and even direct mail, nonprofits will be forced to ditch outdated email tools (even if those tools play well with an existing CRM) or risk losing donors and prospects – from the annual fund to major gifts program—to nonprofits who have embraced personalized, automated donor communications.

Learn how digital is igniting opportunities in mid-level and major giving.
Contact Justin Ware at [jware@bwf.com](mailto:jware@bwf.com) or 1-800-921-0111.