



THOUGHT LEADERSHIP



# You Might Be Undervaluing Donor Experience in Your Fundraising Program

BY JOSH BIRKHZOLZ

One of the most trending topics in fundraising in recent years is the rise of Donor Experience

offices. Programs are realizing that sales without service is not only bad for business, but it is also bad for giving. The relationship journey is not simply about warming up someone to give you money; it is about building a lasting exchange of mutual benefit. Many charities are realizing they need to up their game when it comes to benefits for the donors.

Some would argue whether a mutual exchange is counter to the principles of altruism. Others would argue there is no true altruism and that giving always has some personal benefit. In reality, giving takes on many shades from selflessness to self-benefit.

## Benefits of Giving

It is clear that companies realize a public relations benefit in their giving. They may also hire many students from a school they donate to or benefit from research done by a charity.

With individuals, the benefits might be more nuanced. Authors like Seth Godin point to the significance a person feels when they do something good for others. Recognition might motivate some donors to reach higher levels in their giving. Other donors benefit from identification with a community that cares about the same things they do. We have the old adage, "It is better to give than to receive." This speaks to the personal feelings of satisfaction a person experiences when helping others. Giving absolutely has benefits for the donor.

## Development Team's Focus

About a decade ago, BWF sent its first survey to donors and fundraisers at a university knocking on the door of this question. We asked them to rank four primary responsibilities of the development team by their order of importance. While donors ranked how money was used and invested higher than they ranked fundraising, the development team did the opposite. We started to realize a separation in perceptions.

RANK THE FOLLOWING BY IMPORTANCE	DONOR RANKING	DEVELOPMENT TEAM RANKING
Ensuring gifts are disbursed to the university as donors have directed.	#1	#3
Managing & investing donations to the university.	#2	#4
Assisting donors in making gifts to the university.	#3	#2
Raising private support for the university.	#4	#1

A few years later, we added some questions to campaign planning studies related to the donor experience. One question was simply, "What is it like to be a donor here?" We heard plenty of positive responses such as, "It's great!" and "I love this organization." But we also heard things like, "It is actually kind of lonely. I am not sure where I fit in." and "I only hear from them when they want my money."

### Donor Experience Management

Stewardship and donor relations are hardly new concepts. For years organizations have made a point to thank their constituents when they give, send impact reports, and host events to celebrate giving. However, we and others are starting to question if the investment in

*being a donor* is sufficient in comparison to the investment in *becoming a donor*. This has given way to holistic programs committed to the entire journey of the donor experience. Many programs are bringing together membership/alumni/patron relations with broad-based giving, stewardship, donor relations, communications, and events into integrated models devoted to the entire donor lifecycle.

The reasons people stop giving, outside of economic conditions or end of life, are generally related to poor donor experience management. The top five reasons (as shown below), according to a paper titled "*Donor Retention: What Do We Know and What Can We Do About It?*" by Adrian Sargeant, are:

## The Top Five Reasons People Stop Giving

- 1** *I feel that others are more deserving.* Demonstrates the relative value of the giving experience.
- 2** *[Organization] did not acknowledge my support.* Shows the benefit of immediacy in responses to giving.
- 3** *No memory of having supported.* Why communications matter so much.
- 4** *[They] did not inform me how my money had been used.* Similar to the university ranking study above.
- 5** *[Charity] no longer needs my support.* Reveals the benefit of ongoing mission-related communication.

## Factors Influencing Donor Retention

In a paper titled "Donor Retention: What Do We Know and What Can We Do About It?" author Adrian Sargent explored donor retention. As shown in the table below, he identified key reasons donors stop giving to an organization.

REASON PEOPLE STOP GIVING	USA	SUMMARY REASON
I feel that other causes are more deserving	36.2%	<b>Donor Experience Management</b>
X did not acknowledge my support	13.2%	<b>Donor Experience Management</b>
No memory of having supported	11.2%	<b>Donor Experience Management</b>
X did not inform me how my money had been used	8.1%	<b>Donor Experience Management</b>
X no longer needs my support	5.6%	<b>Donor Experience Management</b>
The quality of support provided by X was poor	5.1%	<b>Donor Experience Management</b>
X asked for inappropriate sums	4.3%	Fundraising
I found X's communications inappropriate	3.8%	<b>Donor Experience Management</b>
Am still supporting by other means	3.4%	Fundraising
X did not take account of my wishes	2.6%	<b>Donor Experience Management</b>
The staff at X were unhelpful	2.1%	<b>Donor Experience Management</b>
Not reminded to give again	0.0%	<b>Donor Experience Management</b>

When we look at the other side of the equation—why do people keep giving—we see that the factors are also about donor experience management. In his book *"Retention Fundraising: The New Art and*

*Science of Keeping Your Donors for Life,"* author Roger Craver revealed the top seven reasons why people keep giving, as shown in the table below. The theme should be readily apparent.

### The Top Seven Reasons People Keep Giving

- 1 Donor perceives organization to be **effective in trying to achieve its mission.**
- 2 Donor **knows what to expect** from the organization with each interaction.
- 3 Donor receives timely **thank yous.**
- 4 Donor receives **opportunities to make their views known.**
- 5 Donor is given the feeling that they are **part of an important cause.**
- 6 Donor feels their involvement is **appreciated.**
- 7 Donor **receives information** showing **who is being helped.**





## Donor Experience Programs

To balance the benefit equation, nonprofits are investing in comprehensive programs to make sure it feels really good to be a donor, to encourage repeat giving, and to build a sustainable community of supporters. The focus of these programs should be on building donor loyalty (in consumer terms, to reduce shopping around), satisfaction (how my last gift made me feel), engagement (feeling that results from consistently delivered satisfaction), and confidence (I know my gift will be used well). To meet these goals, I dug into the world of customer experience management. Here are some of the key principles and ways they might apply to your donor experience program.

### 1 REDUCTION IN FRICTION

*Because of my relationship with this company, it is easier for me to do x.* Small and large organizations can think about ways to make giving and giving again easier. This might include a special phone number or chatline for donors. Make it easier to access reports and gift opportunities. Focus on minimizing clicks and typing in online forms. Make it easier to search for or connect directly to donor advised fund, crypto, or asset transfer giving.

### 2 INCREASED ACCESS

*Because I am a customer of this company, I have something that others do not.* Provide opportunities to hear leadership, faculty, researchers, etc., speak.

Even better, provide personalized interactions with students through donor engagement centers. You can provide early access to events or communication. Maybe you can provide unique communications that others do not get. You could also provide access to facilities, arts spaces, or areas on campus.

### 3 PREMIUMS/REWARDS

*My frequent participation with this company makes my experience better.*

This might be more common in some sectors already and maybe overdone at times, but strategies for premiums and rewards should be reviewed. I would suggest evaluation might include your approaches to naming, seats, thank-you gifts, recognition in press, special events, priority lines for food and drinks at events, diamond service phone number, opportunities to interact one-on-one with leaders, faculty, researchers, etc.

### 4 COMMUNITY

*I benefit from knowing others who are also customers of this company.* We've seen in client-level research studies that when donors are friends with other donors, lifetime giving value can increase by more than four times and donors are more resilient during times of economic uncertainty. Be mindful of potential peers for donors and be proactive in building relationships between donors. When people are friends and you help bring them together, their bond with you is strengthened.



## 5 AFFILIATION

*It is cool to say I am a person who buys stuff/engages with this company.* We see this in products all the time. A person goes from buying their first iPhone from Apple to buying another and then an iPad, a computer, AirPods, etc. Eventually they put the Apple sticker on their Yeti bottle and car window. The customer moved from liking products to being an *Apple person*. Remember, you are not just asking for gifts; you are defining a group identity for donors who support your mission. Leading drivers of this affiliation are connections to people at your organization, connections to others in the community of donors, and purposeful identity-based

communications (for example: We are the people who do things like this. You are going to fit in here.).

## In Closing

At BWF, we are investing in the donor experience. It is part of our commitment to turning the tide of declining donor counts in the charitable sector. It also connects to our mission focus of nonprofits reaching new aspirations. If your donors are leaving or it's just not as cool to be a donor as you think it should be, let us know. Together we can design a practical path so that every person can experience the joy of giving. •

---

## ABOUT THE AUTHOR



**Josh Birkholz** is the CEO of BWF, a fundraising consulting and services company known for its innovations in elevating philanthropy around the world. Josh is a leader in big philanthropy and an architect of the business of fundraising. He is the author of the books *"Fundraising Analytics"* (Wiley, 2008) and *"BeneFactors: Why Some Fundraising Professionals Always Succeed"* (Wiley, 2022). Josh is the chair of the board of the Giving USA Foundation and an instructor at the Rice University Center for Philanthropy and Nonprofit Leadership.

**ABOUT BWF** BWF is a mission-driven for-profit company serving the nonprofit sector, offering a comprehensive suite of solutions that ensures all nonprofit strategic, technical, and functional needs are met. Our mission is empowering nonprofits to achieve impact and imagine new possibilities. Structured yet agile services in the core areas of campaign and fundraising strategy, operations and technology, fundraising marketing and engagement, and enterprise strategic planning allow BWF to deliver on its mission. Clients include universities, health systems, arts & culture organizations, faith-based organizations, and NGOs throughout North America, Europe, Africa, Australia, and the Pacific Rim. As a truly comprehensive solutions provider, BWF has a team of consultants with extensive background and experience in every facet of philanthropy. **800.921.0111 [bwf.com](http://bwf.com)**