

# Finish Strong – Focusing on Your Donor Retention and the Plan for Next Year

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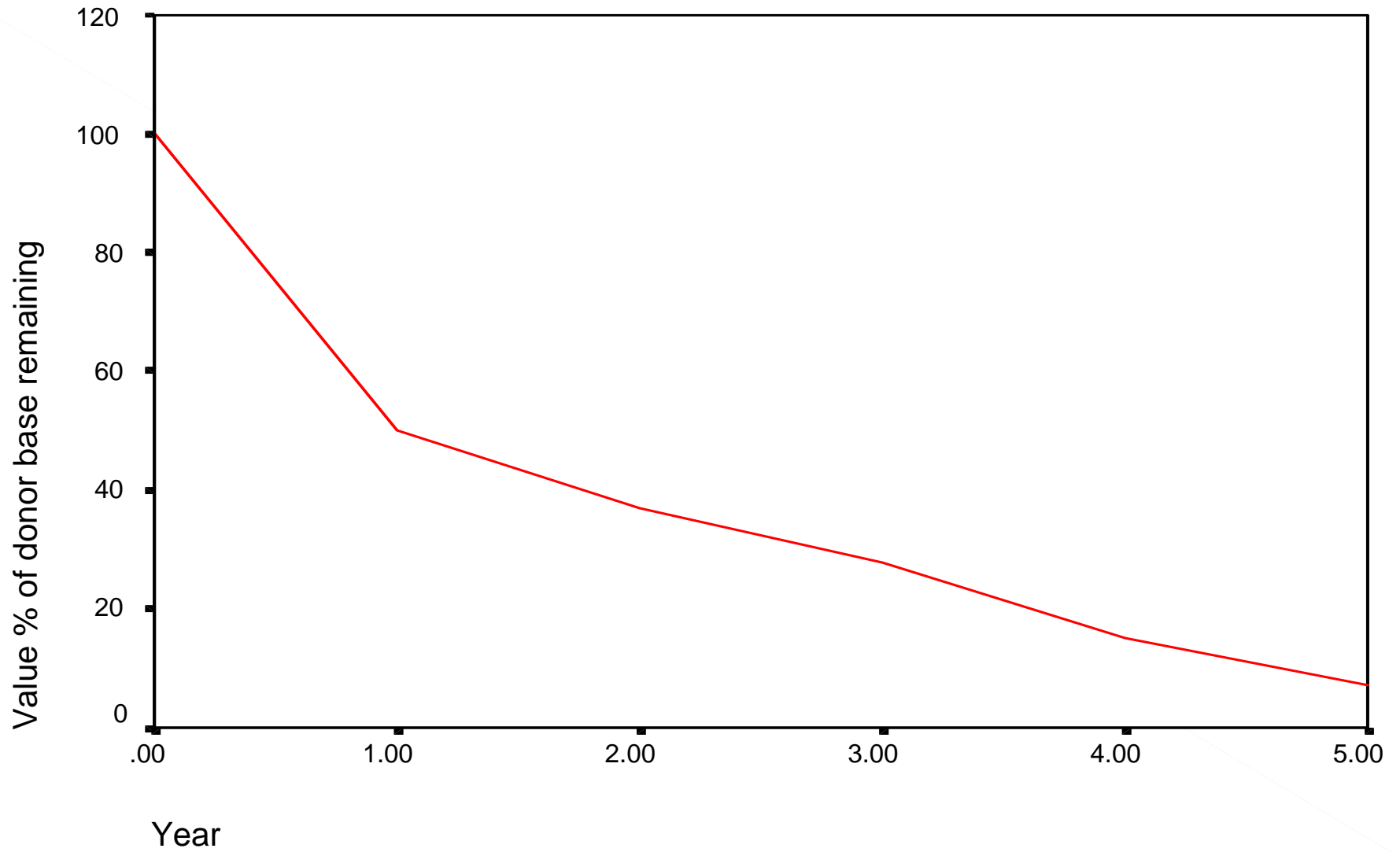
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# Is Retention An Issue?

Improving attrition rates by 10% can improve revenue generated by

- 50%
- 100%
- 150-200%

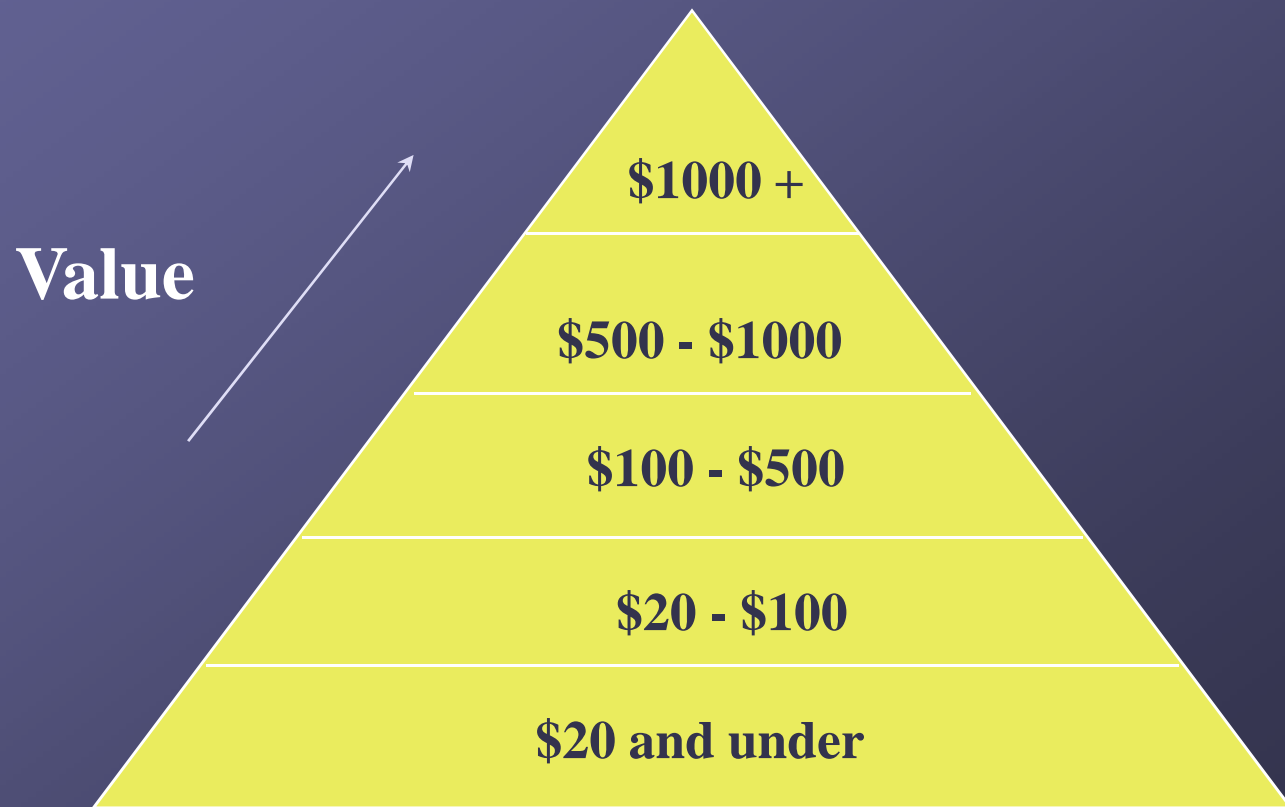
# Defection Curve



# What Is Lifetime Value?

“the total net contribution that a customer generates during his/her lifetime on a house list”

# Value Segments



# Perspectives on Value

	Historic	Future
Segment		
Individual		

# LTV

$$LTV = \sum_{i=1}^n C_i (1 + d)^{-i}$$

Where

c = net contribution from each year's fundraising activity

d = discount rate

i = expected duration of each relationship in years

# Key Decisions

- Costs/revenues
- Duration of lifetime
- Discount Rates



# What can it do for you?

- Assigning Acquisition Allowances
- Choosing media for initial donor acquisition
- Setting criteria for donor marketing
- Investing in the reactivation of donors

So.....

What Drives Donor  
Value....???

# Socio Economic Groups



# Why Do Customers Defect?

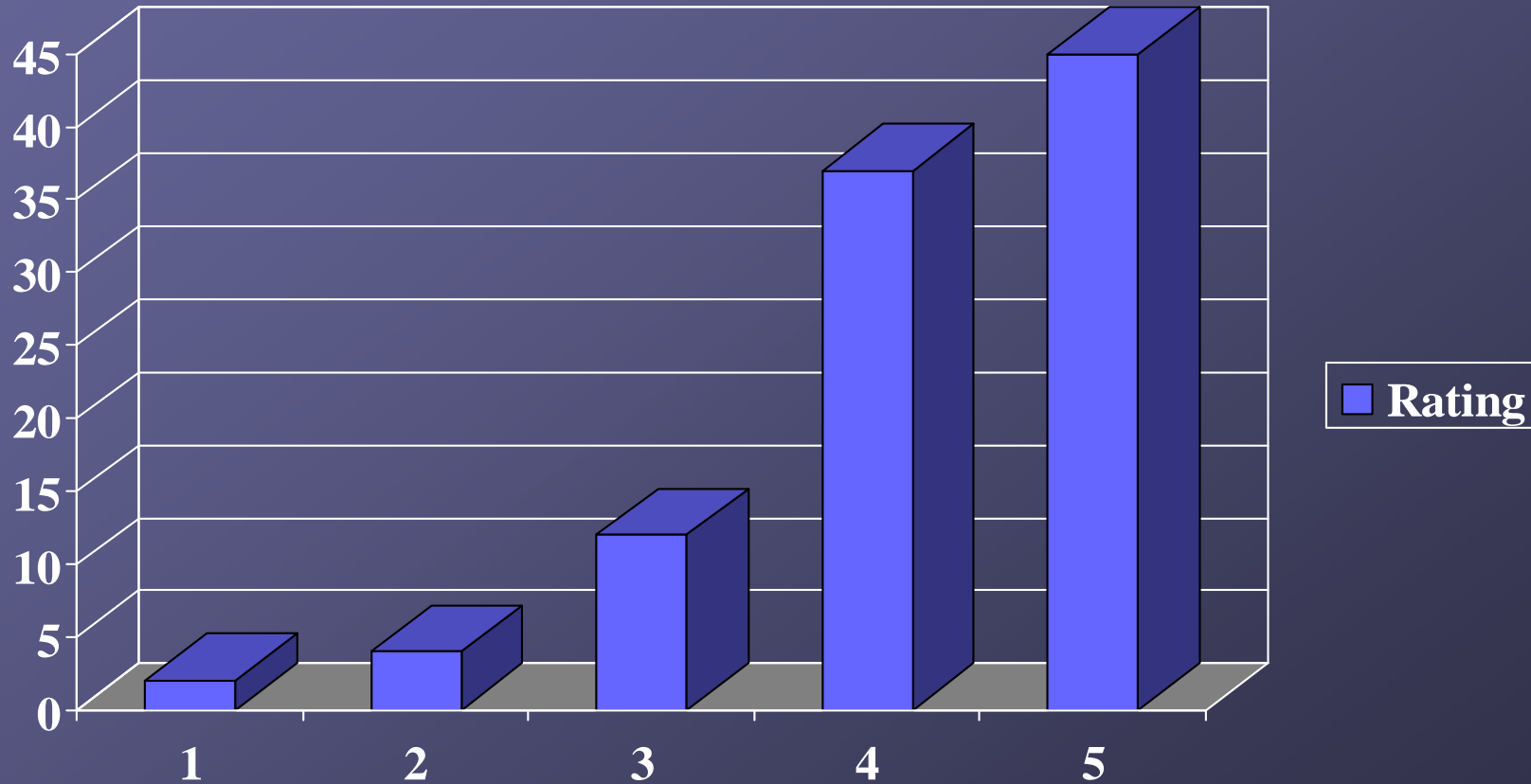
Death	1%
Relocation	3%
Won By Competitor	5%
Lower Price Elsewhere	9%
Unsatisfactory Complaint Handling	14%
Lack Of Interest From Supplier	68%

# 50 Ways To Lose Your Lover?

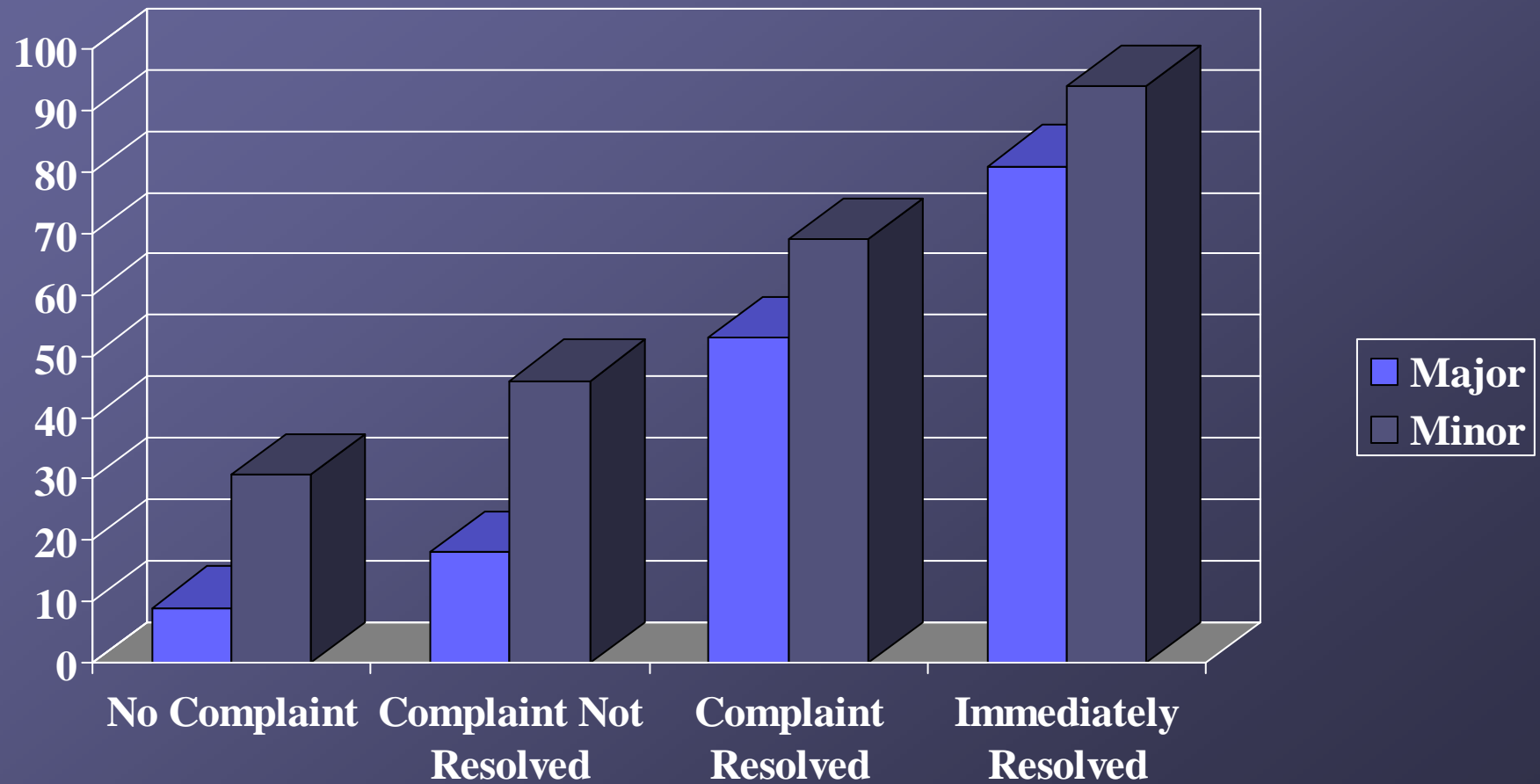
# 50 Way To Lose Your Lover

- Ignore Them
- Lie To Them
- Fail To Return Calls or Answer Letters
- Fail To Deliver On Promises
- Be Uncivil
- Increase Prices
- Don't Turn Up On Time
- Etc.

# Customer Satisfaction



# Will Customers Buy From You Again





# Service Quality

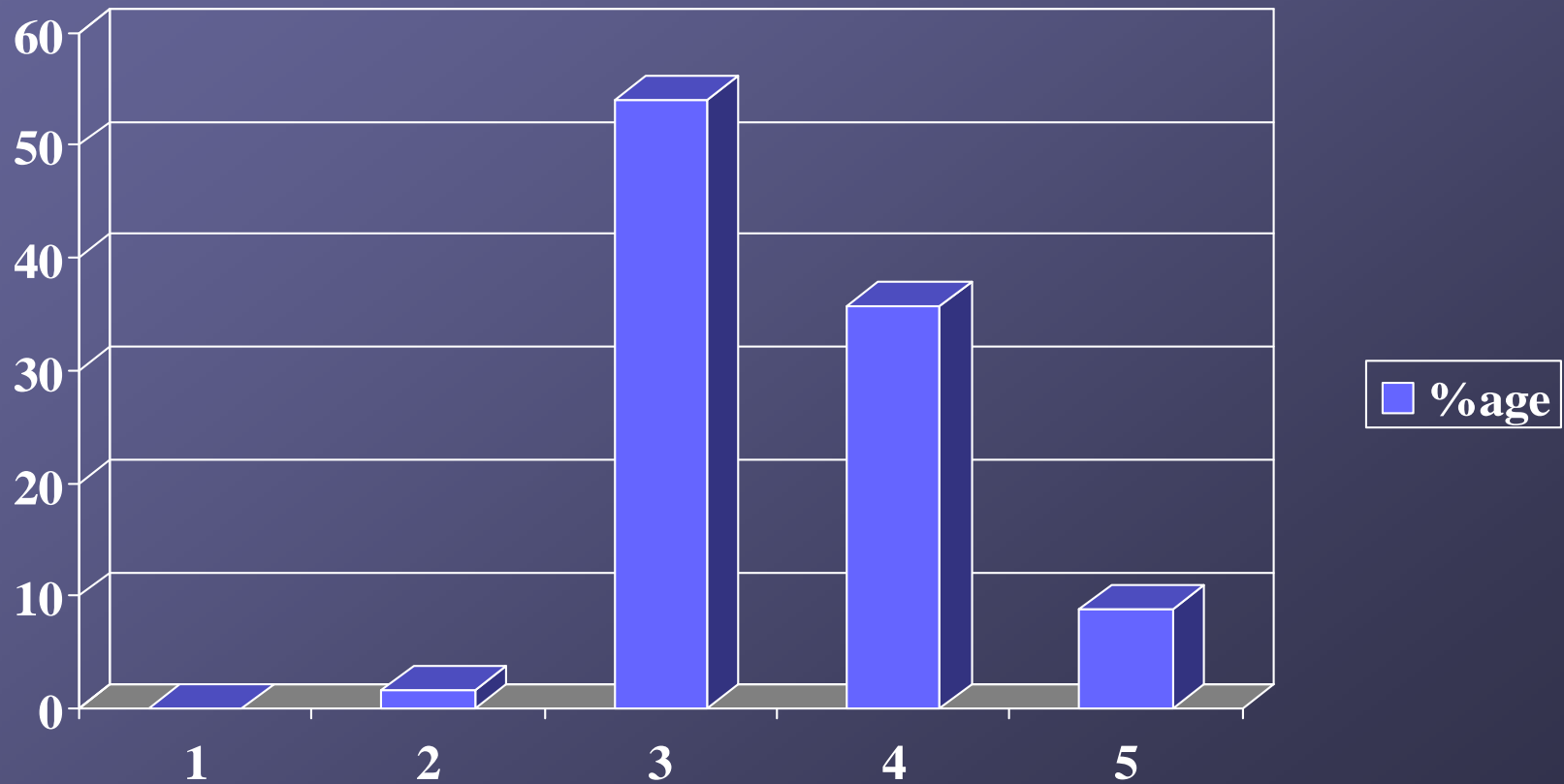
- Perception
- Expectation
- Importance

So what's likely to drive  
donor loyalty?

# Reasons For Quitting

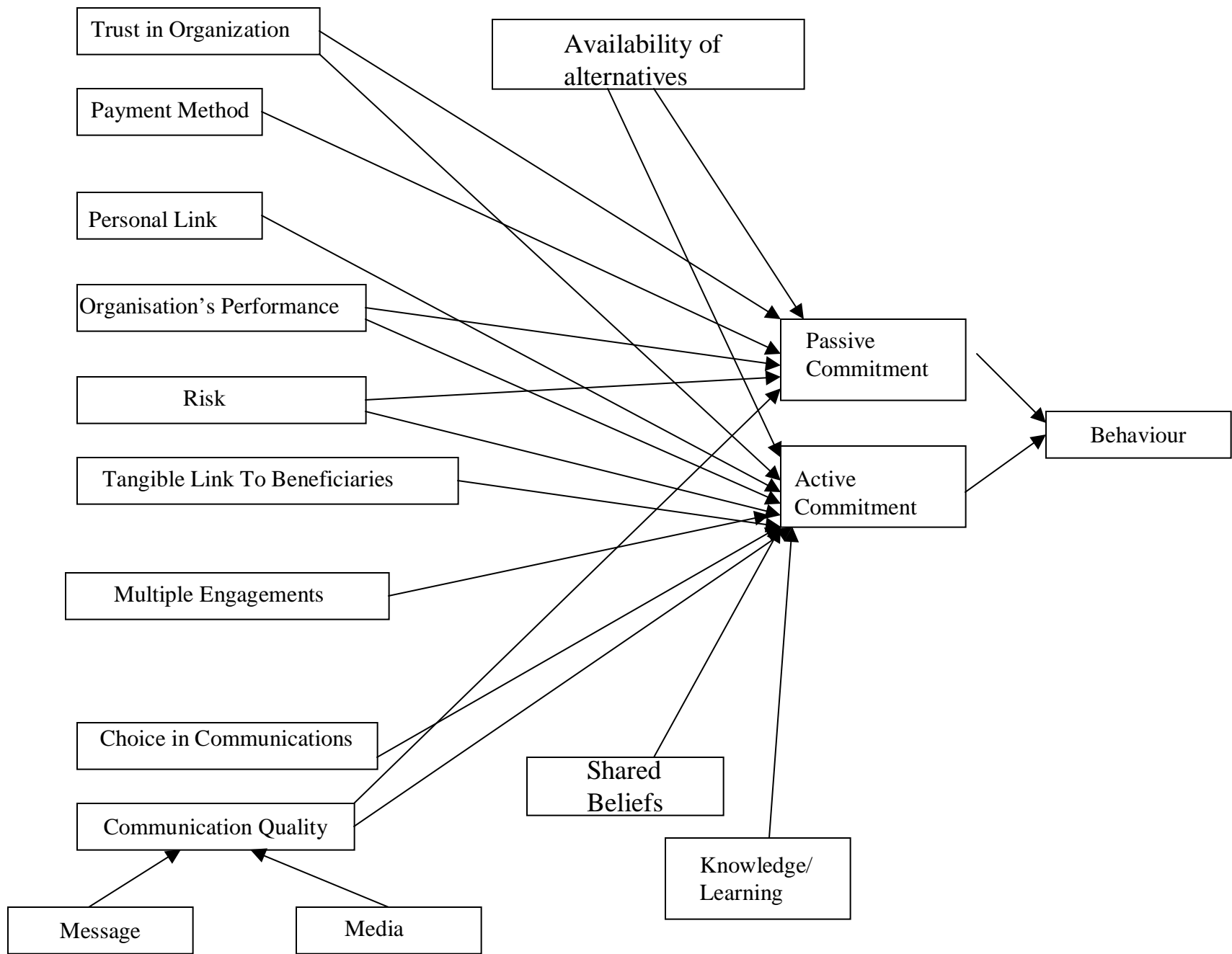
- No longer able to afford support
- No memory of ever supporting!!
- Still supporting by other means
- Feeling that other causes are more deserving
- X no longer needs my support
- Relocated
- Not reminded to give again
- X did not inform me how my monies were used
- Xs communications were inappropriate
- X asked for inappropriate sums

# Donor Satisfaction



But what about  
commitment?

# Qualitative Phase



# Quantitative Phase

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# And Trust

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# Drivers

- Drip feed performance data
- Demonstrate role competence
- Demonstrate good judgement
- Be honest when things go wrong
- Develop and promote complaints procedure

# So

- Satisfaction
- Commitment
- Trust

# Developing a Donor Retention Plan

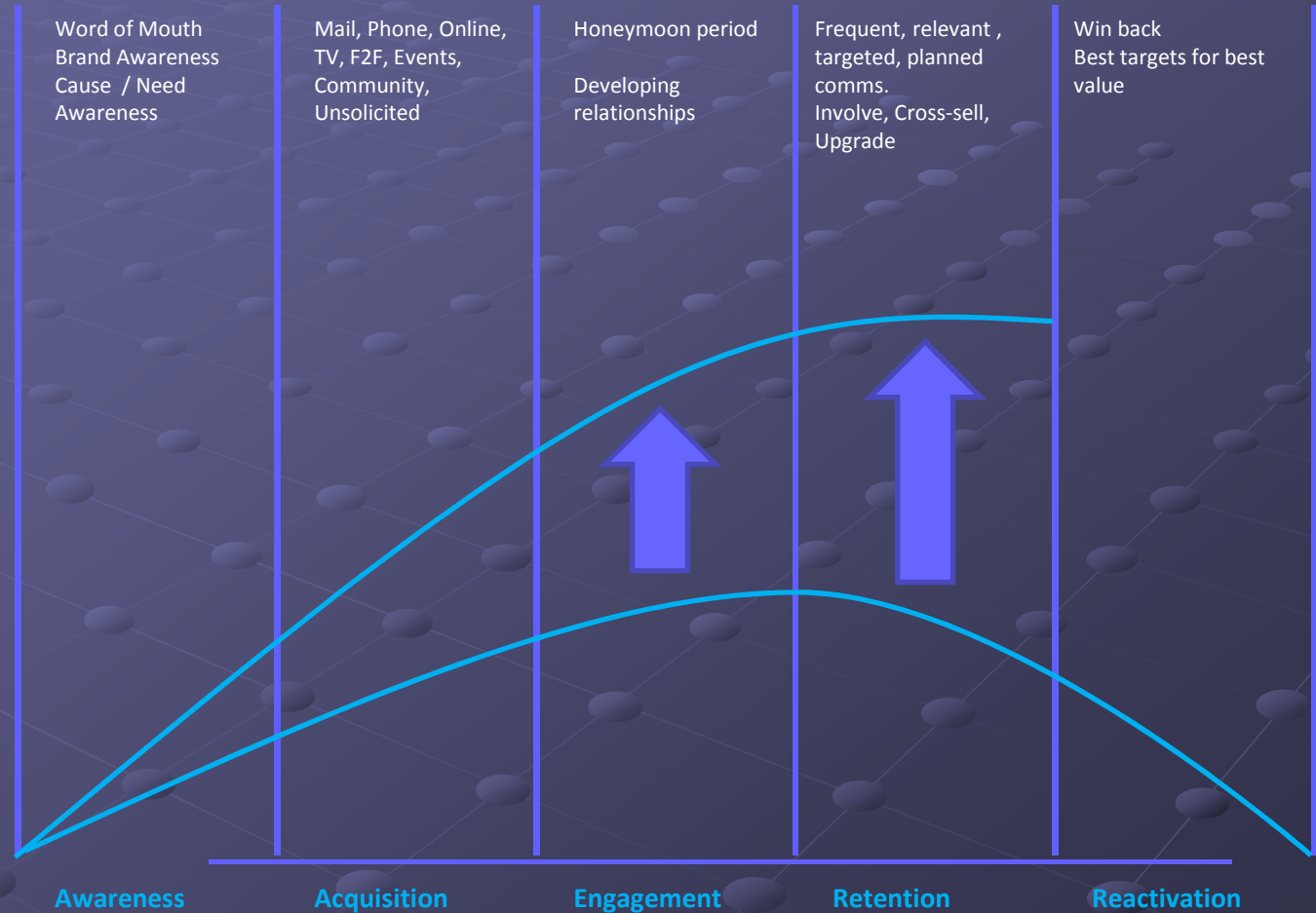
- Mission
- Organizational objectives
- Retention audit
- SWOT analysis
- Retention objectives
- Retention strategy
- Relationship mix
- Budget
- Schedule
- Monitoring plan

# Plan for cash, AND regular giving

- Honeymoon periods
- Communication cycles
- Engagement devices

# Donor relationships build over time

● Recruitment strategies don't stop with the first gift



# Critical Timings - RG

- Post sign up
- Pre first debit
- Post first debit
- Second & third months

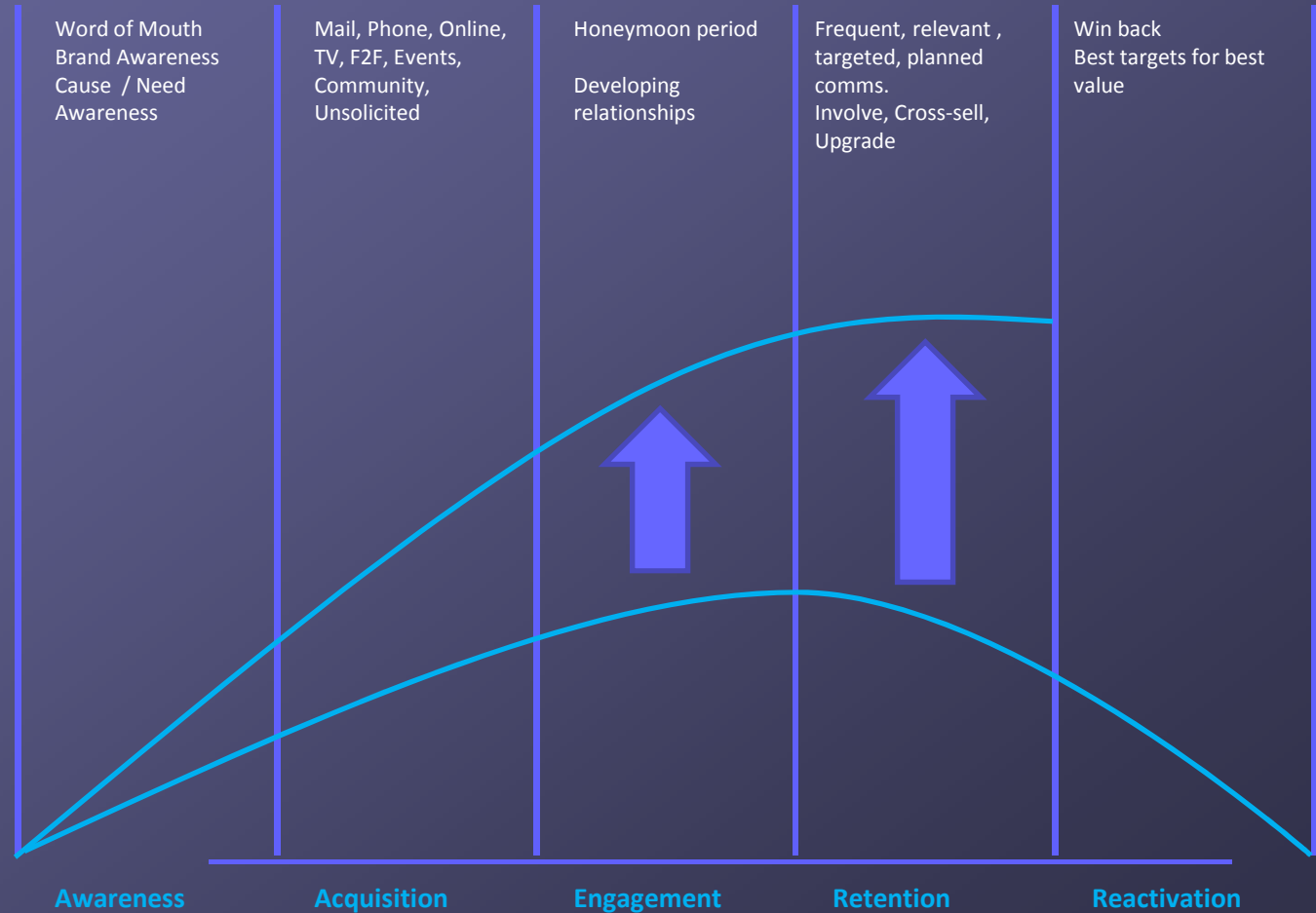


# Critical Timings - Cash

- Post sign up
- First 4 – 6 weeks
- First 12 months

# Donor relationships build over time

- Recruitment strategies don't stop with the first gift



# Honeymoon Period

## The first 30 days for RGs

Honeymoon Period  
The first 30 days for Cash Donors

# Helpful Blackbaud Resources



**Blackbaud Internet Solution**  
Online Giving & Websites  
[Found Here](#)

**Friends Asking Friends**  
Online Event Fundraising  
[Found Here](#)



**2011 DonorCentrics Report**  
Internet & Multichannel Giving Benchmarking  
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# Thank You!

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