

## Thank You Letters: The “Secret Sauce” for Cultivating Online Donors

Direct mail is still the workhorse of fundraising, but online giving is increasing every year, and the trend is clearly with us to stay. Many new donors will make their first gift online. There’s plenty of good news in that, but also a challenge. The challenge is that, statistically, a high percentage of new online donors don’t return to give to the same cause again. But on the other hand, if they do give a second gift, the chances increase exponentially that they will become loyal donors.<sup>1</sup>

So there is a great opportunity to be seized in cultivating these online donors. It’s a mistake, however, to think of them only in terms of their online acquisition, as though they were digital entities who live only in cyberspace. Online donors are ... donors. Real people who can be engaged *offline* as well as on.

In this “multichannel” approach lies a powerful strategy: the simple “thank you” letter.

### More Than a Receipt

IRS regulations require donors to have a bank record or a written communication from a charitable non-profit documenting their contribution. So donors expect to receive a gift acknowledgment from you, and, of course, you will want to say “thank you” at the time you provide that. But the kind of thank you letter we’re talking about here is something else -- something additional.

A receipt for tax purposes is perceived as “obligatory”. The dedicated thank you letter conveys thoughtfulness and appreciation, and particularly (as we’ll see) when it arrives as physical mail.

### The Tortoise and the Hare

Just a few years ago the very mention of using “snail mail” would elicit a combination of scorn and pity for anyone who suggested it. *“Envelopes and stamps went out with button-up shoes. This is the digital age and email rules.”*

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## 7 Tips for Meaningful Thank You Phone Calls

One way to really “Wow!” your donors is to have a board member or volunteer phone them for no other reason than to say a heartfelt “thanks!”

Could you have your staff do it? Yes, but it’s even more effective when it comes from someone who isn’t on the payroll. You might consider having a phone-a-thon event when you bring some of your most passionate volunteers together to make as many calls as possible in a day or evening.

Fundraising Expert, Lori Jacobwith, offers these 7 great tips for when you get a donor on the line:

- 1. Use the person’s name.** *I know, really we have to tell our callers that? Don’t they already know? You’d be surprised what happens when your callers do this at home, alone. I often suggest doing calls like these in a group at a board meeting, development committee meeting or at a special “thank-a-thon” event.*
- 2. Identify the callers’ relationship to your organization:** *board member, former board, long-time volunteer.*
- 3. Say something about the recent gift:** *size, frequency, etc. Have this caller KNOW something REAL about the donor such as when they started giving, how long they’ve given, etc.*

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# 10 Keys to Retaining First Time Donors

Any marketing professional, whether they be employed in for-profit or nonprofit organizations, will tell you that it is far more expensive to find a new customer than it is to keep an existing one. But listen to this well-reported statistic: **in the nonprofit realm, a full 70% of first time donors never make a second gift.**

Obviously a lot of extra time, energy and money is being wasted on having to continually find new donors because of not managing to retain a high percentage of the ones who've already given.

Here's a checklist of 10 keys to improve on that sad statistic:

## 1. Say Thank You

Do it thoughtfully, and do it often. You simply cannot "over-thank" donors; there's many ways to do so, and all should be employed.

We've dedicated 2 other articles in this same issue of *Donor Centric* to this vital matter of saying thank you. Don't forget the power of mailing out letters and making phone calls (see page 1).

## 2. Don't Assume

When communicating with donors (especially new donors), be very careful to always speak and write in plain language that they will readily understand. *Watch the jargon.*

Every new social enterprise soon becomes the specialized field of a group of experts, and as it does it tends to spin off its own set of terminology and concepts. This is natural, and even necessary, but it represents a danger when it comes to communication.

You know very well all the complexities that your work involves, but don't assume that your donors do. Over time you want to educate your donor base about the specific issues that you're dealing with, and the solutions you're working toward, but the more simply you can convey these things the better ... always. And with new donors, it is absolutely critical.

## 3. Track All Your Communications

You must have a system of recording and analyzing every point of contact that you have with donors. It's important to be able to plan your communications so that you are building donor engagement over time.

You also need a way to ensure that you are striking the right balance of communications. On the one hand, many make the mistake of *under*-communicating. They're afraid of wearing out their welcome, although this is not nearly as big a concern as they imagine. Studies show that an important ingredient in retaining new donors is, in fact, multiple "touches" in the first 90 days.

On the other hand, a real pitfall that you must be careful to avoid is that you ...

## 4. Don't Over-ASK

You can connect very regularly with your donors, and send lots of information that will keep the communication lines open and build the relationship, without producing the dreaded "donor fatigue" that is so feared. But what *will* wear donors out is if you deluge them with continuous requests for contributions.

Adopt this rule: never solicit a donation before you've properly thanked them for a previous gift.

A proven system of tracking will enable you to effectively monitor both the frequency and type of communications you're having with donors.

## 5. Prioritize Customer Service

Every time a donor contacts your organization, it provides you with an opportunity. Even an angry complaint can be used to explain and clarify a situation, or to offer an appropriate apology.

The key is to create a culture of customer service that runs throughout your organization. Make sure everyone feels responsible to look after your donors and volunteers. Maybe some staff members don't have much contact with donors, but they should be prepared to anyway. Make it a team effort.

Another key that goes hand in hand with this is:

## 6. Find Ways to Listen

Your donors may not call you to express their questions or concerns, so you need to create ways to solicit their input. You can use surveys or focus groups. You might host a webinar to provide an important update to your donors, and include an open Q and A session at the end. Listen for what your donors are asking about.

## 7. Add Communication Channels

Keeping in mind the goal of always building the level of engagement you have with each donor, don't rely on just one method of communication. The more channels you can open the better.

Ideally you want every donor to be in touch with you by mail, e-mail and on multiple social media platforms. If they miss an email, they can still be exposed to the content in the form of a Facebook status or blog post. Multiple channels build in a very positive redundancy. And don't be afraid of it being repetitive; repetition is a fundamental principle of good education.

## 8. Tell Stories

Whenever you receive a report of something good that's happened as a result of your organization's work, you need to stop everything -- no matter where you are and what you're doing -- and preserve it. You might write it down, or make a video, or record an interview, but do not lose it. Stories are simply that important.

Storytelling guru Robert McKee calls stories “*the creative conversation of life*”. They are what allow people to make sense of their lives and share that meaning with others.

Stories captivate the hearts and minds of donors, and are often the sparks that motivate them to take action. They are also the fresh kindling that reignite lagging passion, especially when the stories reflect how the donor’s gift has made a difference.

### 9. Value More Than Dollars

Here’s a key that many fundraisers don’t pay enough attention to. You need to recognize and value your donor’s non-financial kinds of engagement. It may be in the form of events that they attend, or time they volunteer, or conversations they have with friends about your cause. A donor who is also an “evangelist” for you is a priceless commodity.

Show your appreciation and excitement about every way that your new donor gets engaged.

### 10. Build Trust

You can have state-of-the-art systems and a great strategic plan, if you don’t have your donor’s trust nothing else will matter.

Building trust may not always be an easy thing, but it is always simple. *To build trust, be trustworthy.* That means always being honest, authentic, and voluntarily transparent.

For example, consider the perennial issue of “overhead”. It’s the question so often asked by potential donors when they are evaluating nonprofits: “*What percentage of the budget is spent on administrative overheads?*”

There will always be ways to report financial information so as to minimize the overhead number, and it may be tempting to do so. But people won’t be fooled for long. Building trust means being scrupulously honest and transparent, even if it means reporting a number that sounds higher than other organizations.

Instead of shying away from the truth, open up the conversation and educate your donors about the real cost of doing worthwhile things and effecting positive change. Demonstrate how there are ways of measuring effectiveness and impact that give a truer picture than just what percentage was spent on salaries, fundraising and infrastructure.

Such candid honesty is respectful, and it most often brings respect in return.

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## Supporting Donor Entrepreneurialism

The *ALS Ice Bucket Challenge* took the internet by storm in 2014. We’ve become used to seeing a story or video “go viral” online, spreading like wildfire across social media. Creating a campaign that achieves this has become the holy grail of marketing departments.

Nothing quite prepared us, however, for the *Ice Bucket* phenomenon. By the time it finally wound down, more than 2.4 million tagged videos were posted to Facebook alone, and the ALS Foundation reported that more than \$100 million had been donated to their organization. That figure didn’t include other ALS related charities that also benefited.

In the aftermath, a lot of nonprofits searched feverishly for the next big challenge that might take off in the same way. So far it hasn’t happened, and many online marketing analysts predict that we’re unlikely to see a repeat.

### So, what can be learned from the *Ice Bucket Challenge*?

One lesson that deserves careful reflection is that the challenge was essentially a grass roots movement. It didn’t begin as a stroke of genius in a planning meeting of the ALS Foundation marketing executives. There’s been some debate about how the ball actually got rolling, but it all seems to have originated with 2 friends in Boston, both diagnosed with ALS, who posted the first videos to social media and challenged others to do the same. It took off from there.

The question, then, that needs to be examined is how nonprofit leaders can support the entrepreneurial spirit of passionate and engaged donors who might spark such grassroots movements.

There may never be another single phenomenon like the *Ice Bucket Challenge*, but imagine the combined potential of *many* volunteers being inspired and empowered to dream of ways they might harness their own social networks for your cause.

# USPS Fun Facts

- 222.2 million dollars revenue received
- 180 million dollars paid to postal employees in salaries and benefits
- 523 million number of mailpieces processed and delivered
- 22 million average number of mailpieces processed each hour
- 363,300 average number of mailpieces processed each minute
- 6,050 average number of mailpieces processed each second
- 217.3 million pieces of First-Class Mail processed and delivered
- 267 million pieces of Advertising Mail processed and delivered
- 727,167 number of packages picked up through Package Pickup
- 4 million number of miles driven by letter carriers and truck drivers
- 7,559 number of letter carriers who deliver mail entirely on foot — The USPS Fleet of Feet
- 128,000 number of address changes processed
- 2,554 number of addresses added to our delivery network
- 3.6 million number of people who visit usps.com
- 2.9 million dollar amount of online stamp and retail sales at usps.com
- 1.7 million amount of money spent on postage for Click-N-Ship labels
- 157,095 number of Click-N-Ship labels printed
- 17,492 number of passport applications accepted
- 313,201 number of money orders issued
- 1.5 million dollars spent at self-service kiosks in Post Office lobbies
- 0 tax dollars received for operating the Postal Service

For more fun facts please visit:

<http://about.usps.com/who-we-are/postal-facts/welcome.htm>

## Book Review: “Mobile for Good” by Heather Mansfield

*“Even if you can only invest 5 staff hours and a mobile and social media budget of \$1000 annually, your nonprofit must invest in mobile and social media.”*  
– Author, Heather Mansfield.

This book is a must read for all who work in the nonprofit world.

Social media has changed everything, and holds amazing potential, but it is a challenging landscape. “Mobile for Good” offers a roadmap that you will return to again and again. Whether you are just trying to get a first basic understanding, or if you’re ready for more advanced help, this book assumes nothing and covers everything.



Publisher: McGraw-Hill  
Date: March 2014  
Hardcover: 256 pages  
Available for Kindle and Nook

Mansfield starts in the right place. She leads you back to your own organization’s mission and objectives, so that you can identify those social channels and strategies that will best align with your unique goals.

Each chapter includes examples of nonprofits that are using social media very successfully, with step-by-step guides to get you up and running and implementing best practices yourself.

The information in this resource is up to date, and thoroughly supported by current research.

*Highly recommended!*

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Wait a while, however, and the vogue always comes full-circle. Today, it’s physical correspondence that is making something of a comeback; the printed letter now stands out in the flood of electronic communications and crowded inboxes.

The label “snail” was applied to printed mail because it wasn’t instant enough for the pace of the 21st century. Not everything, however, needs to be so immediate. Can we dare suggest that a sincere “thank you” should feel more like an unhurried stroll with a friend than an urgent message dropped off by a courier. Snail mail is a wonderful medium for this.

Do keep in your mind that other slowpoke, the tortoise. In the end he came from behind to win the race.

## **A Strategic Move**

The well-planned thank you letter expresses more than just gratitude; it is an affirmation that is designed to encourage the donor further along the relationship pathway that they’re now on with you. So the thank you letter shouldn’t be hanging out there on its own, but rather seen as part of a larger campaign.

To achieve this, tie the letter in with whatever specific appeal or event that the donor has responded to. Carry over any branding, and use references that relate to the cause they’ve given to. Then let the next communication that is sent to the donor follow on naturally from the thank you letter, and continue the dialog.

## **Doing It Right**

Here are several important tips to consider when you are preparing your thank you letter templates:

### **1. Customize and Personalize**

Anything that you can do with reasonable efficiency to differentiate this from seeming anything like a “form letter”, you should. If you are sending only a few thank you letters each week, you might even consider handwritten cards. In most cases, the job will be too large for that to be feasible, but you still might think about having each one personally signed. At the very least, your thank you letters should be personalized with the donor’s name and details.

### **2. Tell a Success Story**

The most powerful motivator for repeat giving is the donor’s own sense that their contribution has made a real difference. When you tell the stories of the work you’re doing, and the lives who’ve been impacted by it, you transpose the “thank you” so that it’s not heard as

merely coming from you, the fundraiser; but actually from the lips of the child who’s been fed ... the teen who’s receiving an education ... the homeless person who now has shelter ... the entrepreneur who’s been funded.

Stories capture our imaginations and our hearts. Make the donor feel how they are a vital part of the story, and they will want to keep the story going. That’s powerful.

### **3. Work to Increase Engagement**

The thank you letter should not be a thinly disguised advertorial. But having said that, providing information on how the donor can connect further with you is not only appropriate, it shows you care. If someone doesn’t offer you their phone number after a first date, you assume that they’re not too interested.

Include your social media ID’s, so they can friend and follow you. Point them to where they can go on the internet to opt in for special updates. List all your office contact details and, if it’s appropriate, you might even invite them to drop by sometime.

Remember, you’re not asking for anything. You’re offering more attention and partnership. That’s something they’ll appreciate, and the thank you letter is a great time to do it.

### **4. Include a Reply Envelope**

Again, we want to underscore that the thank you letter should not be a request for anything, and certainly not a solicitation for further donations. However, simply including a reply envelope provides an opportunity that some will take up to give again in the future.

## **The Power of a Timely Response**

When should your thank you letter go out? As soon as possible, for several reasons: (1) receiving it promptly will communicate to your donor that their gift was important; (2) you want to affirm their action while it is still fresh in their mind; and (3) it will also demonstrate that your organization is efficient, and that’s important in building trust.

For online donations you should automate your system to immediately deliver their gift acknowledgment by email. This satisfies their need of a record for the IRS. Now aim to follow this up by getting the thank you letter in the mail within a 48 hour window if at all possible.

# 7 Tips for Meaningful Thank You Phone Calls

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**4. Keep voice mail messages warm and short.**

**5. If it's a voice to voice call, indicate early in the call that this is a call to say thank you. Nothing more.**

**6. If there is a willingness to talk for a moment have the caller tell something about a real person who has received services and how their life is different or better because of the work your organization does. One or two sentences is all.**

**7. OR if there is a willingness to talk for a moment ask a question about why the donor made their gift?**

*An open-ended question that allows the caller to learn something new about this donor is invaluable.*

Used by Kind Permission

(For more great ideas, check out Lori's blog at [ignitedfundraising.com](http://ignitedfundraising.com))

## Our Services & Products Include:

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