How to build your fundraising strategy in 2023

CHARITY DIGITAL

PIR.org is the non-profit organisation that powers the .ORG domain name, with more than 10.5 million names registered worldwide.

PIR supports and educates all non-profits and charities about their online presence covering various aspects such as data, digital fundraising and marketing, and cyber security.

Building the right fundraising strategy

The benefits

Improving efficiency

- Helps you identify the key areas where you should focus your efforts in order to achieve maximum effect
- Small charities with limited resources can be just as effective as their larger counterparts by concentrating only on the fundraising tactics that suit their audiences
- Tailoring your fundraising strategy directly to the audiences you want to reach allows you to be more efficient,

Maintaining a reliable stream of income

- Recent years have brought their own fundraising challenges for charities with COVID-19 and now the cost-of-living crisis.
- Creating a fundraising strategy helps charities to keep track of their fundraising activity, double down on what is working, and maintain a steady and reliable stream of income in times of economic uncertainty.

The benefits

Motivating employees

- A good fundraising strategy helps to motivate employees by giving them clear goals and the resources to be able to achieve them.
- Your strategy should be achievable and realistic, with goals determined by previous fundraising data
- A fundraising strategy helps your organisation to become goal-oriented, increases buy-in as your team collaborates together, and boosts morale as they monitor their progress.

Understanding your donor base

- The donor experience is becoming one of the most important elements of marketing and fundraising

- Many donors give to more than one charity, but charities must meet their donors halfway, making it convenient for them to donate whenever possible.

- Building a fundraising strategy demands that charities get to know their donors in order to understand what will make it easier for them to give.

How to get started

What KPIs should you measure?

Volume - supporter volume, including how many active supporters you have, how many have lapsed, and how many you've recruited.

Value - net income, gross income, cost per donor and average gift size.

Journey - how quickly donors return (second gift rates) and how many people stop donating or engaging with you per month (monthly attrition rates)

Contactability - email opt-in rates, bounce rates, and open rates

Wildcards - metrics that are specific to some organisations but not to others e.g grants or legacy giving

How to measure your charity's fundraising activity

Website data

- Looking at how your supporters behave on your website can help you discover areas of friction in your fundraising

- E.g is your donate page clearly signposted? Is it easy to discover other fundraising sources, such as events or merchandise? What is preventing supporters from donating through your website?

- Looking at your website data through tools like Google Analytics and HotJar, can help you discover more about a donor's journey through your site before donation

How to measure your charity's fundraising activity

Financial data

- Fundraising professionals should work closely with their charity's finance team to have access to the income data they need

- "In this new climate, finance and fundraising teams need to agree the level of investment that is necessary to enable charities to remain on top of the latest developments and ensure that relationships with donors remain strong." - Andrew O'Brien, Former Head of Policy and Engagement, Charity Finance Group

Sector data

- Looking at how the rest of the sector is faring can be helpful to determine whether you are in relation to other organisations in a similar field.

- Sector data also help charities find trends that they can capitalise on when building a new fundraising strategy

- E.g if research shows that digital donations are rising, charities can ensure they think about the digital fundraising options when developing their strategies

Learn the latest fundraising trends

Fundraising in 2023

Charity Pulse report from Enthuse

- 64% of charities either maintained or increased fundraising income in 2022. However, 29% said their income was lower than in 2021
- 39% charities expect growth in corporate fundraising, but 18% remain concerned there will be a drop in income
- 31% of charities say individual giving will grow while 22% expect a decline
- 25% of charities forecast a rise in legacies, but 19% think there will be a decline in income

2023

Fundraising challenges

- 47% of charities are worried that donors have less money to give
- In 2022, 57% of people said they had donated or sponsored someone in the previous 12 months, compared to 65% in 2019.
- 13% of donors are currently considering cutting back on donations to charity
- The cost-of-living came out as the biggest concern, overtaking COVID-19
- However, 75% of general public have made a donation

Donor motivation

- 93% of people support charities by donating money
- The biggest motivation to give (across all groups) is to help those in need
- age of 55 prefer to give to the same charity, whereas 18–34-year-olds are more likely to give to what appeals to them at the time
- 3 biggest motivators
  - 48% current events or cause
  - 45% posts from friends and family on social media
  - 28% post from charities on social media
- 26% expect a thank you and 43% know the difference their donation has made

Online fundraising

- 55% of charities see making more use of their digital channels as a reason to be optimistic
- 35% of donors like to donate using cash, while 33% like to give online.
- Donors under the age of 35 were more likely to prefer donating online
- 59% of donors prefer to donate on an ad-hoc basis
- 62% have given to between 1-3 charities in the last 12 months
- 66% of donors give under £20 per donation
- 7% of people remember the charity they donated to 48% blame this on unclear branding

Fundraising events
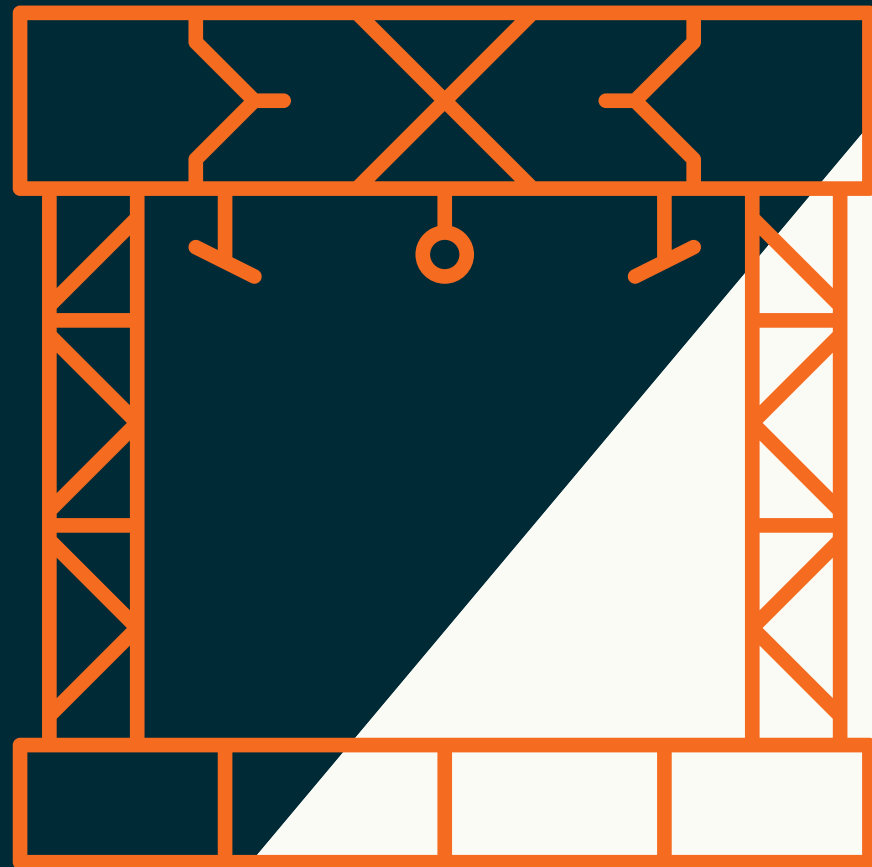
- 25% of donors take part in events or volunteering
- 53% of charities expect a rise in fundraising events and activities
- 81% of charities are planning to hold mass fundraising events either with partners or on their own
- 88% of charities think challenge events will either stay the same or grow this year
- The top 3 things to help event participants raise more money:
  - 49% - information on how the money will be used
  - 48% - offering fundraising ideas
  - 39% - taking part in a big name mass event

Fundraising innovation

- 69% of charities are looking into using AI to personalise user journeys
- 34%) are already using TikTok and a further 22% are trialling it
- 30% of charities are using podcasts for digital fundraising, and a further 26% trialling them
- 15% charities are using or trialling fundraising with cryptocurrency, while 11% are using or trialling VR, augmented reality, and the metaverse.
- 64% of people who make regular donations to a charity would welcome the flexibility to change the amount they donated and when

Consider the best fundraising platforms and channels

Platforms & channels

.org

Make the most of email
- Email remains a great channel for fundraising and results in <u>one-third of online fundraising</u> revenue.
- Organisations are <u>six times more likely</u> to get a click-through from an email than they are from Twitter
- 56% of organisations rated themselves as fair at email marketing
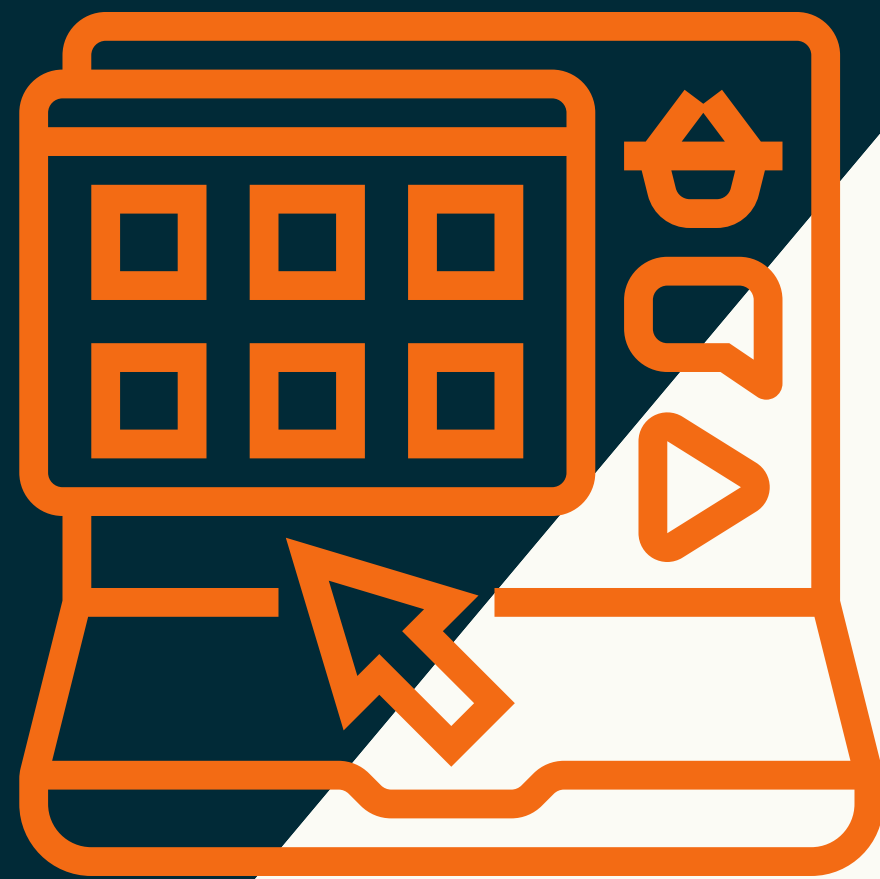- Lots of room for growth!

Evaluate social media

- Focus on where your donors – or your prospective donors – are
- TikTok is an excellent channel for engaging younger donors (the vast majority of users are aged between 16 and 25)
- Twitter is one of the few text-based platforms remaining and holds value for charities in sharing information online
- More than 50 million people in the UK are active on Facebook making it an excellent place to build a community.

Platforms & channels

Prioritise supporter needs

- The easier it is for people to donate, and the more personalised the experience, the more funds you are likely to raise.
- Personalisation is about respecting your donors as individuals and putting their needs first in your fundraising strategy.
- User personas can help you develop supporter journeys that are tailored to your audiences and their various needs.
- There are lots of persona templates online, including these from **Miro** and **Hootsuite.**

Start with your welcome journey

- **Welcome journey:** are the steps you take after a supporter makes their first donation. The quicker you are able to welcome them on board, the more engaged your supporters will be.

- **Thank you journey:** are what happens after supporters donate. One in six donors did not recall receiving a meaningful thank you message for their support.

- **Website journey:** Encouraging donations through your website improves brand recall, meaning donors are more likely to return to support you in the future.

Platforms & channels
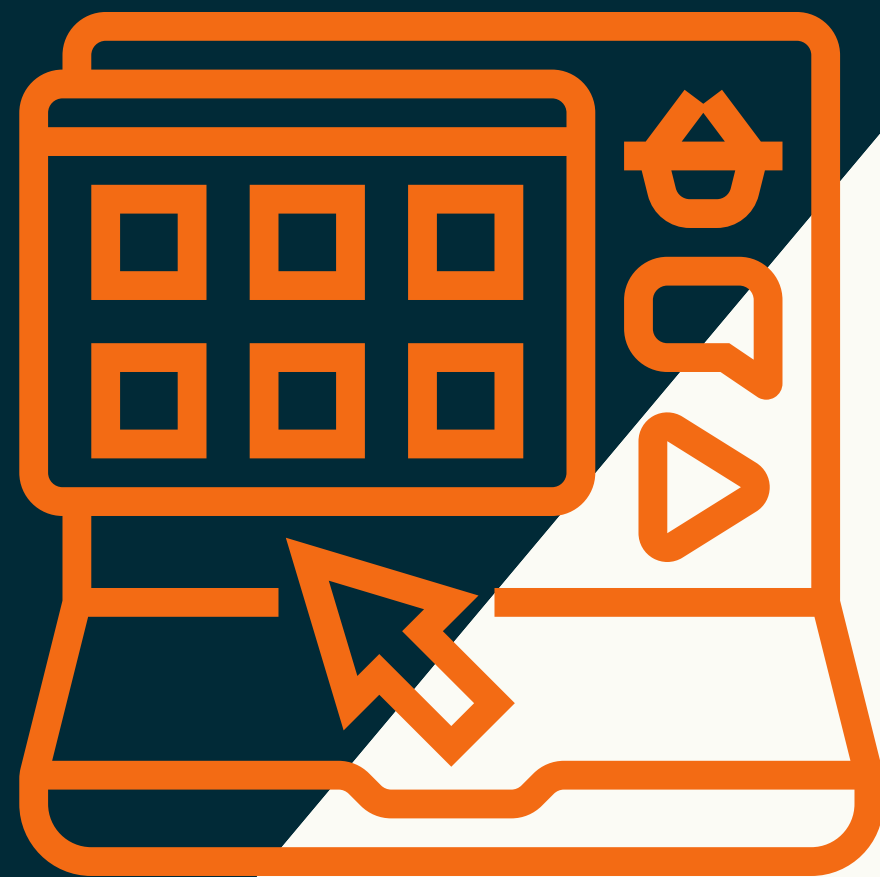
Fundraising platforms

- Each platform comes with a different combination of features and a whole spectrum of price points so it is important to keep to budget and keep its purpose in mind
- Here is our list of some of the best fundraising platforms out there.
  - Good for fundraising and events: Enthuse
  - Good for large charities: iRaiser
  - Good for cashless donations: BOPP
  - Good for text-to-donate and lotteries: Donr
  - Good for small to medium charities: CAF Donate

**Address skill gaps affecting digital fundraising**

- Charities lack confidence in digital fundraising, despite online giving doubling during the pandemic.

- 20% of charities rate themselves as poor when it comes to using website and analytics data to learn about their users. 40% rate themselves only as fair.

- 29% of charities say they are poor at making the most of their website.

- 20% say they are poor at Search Engine Optimisation (SEO) and ads, an increase on 36% and 39% respectively last year.
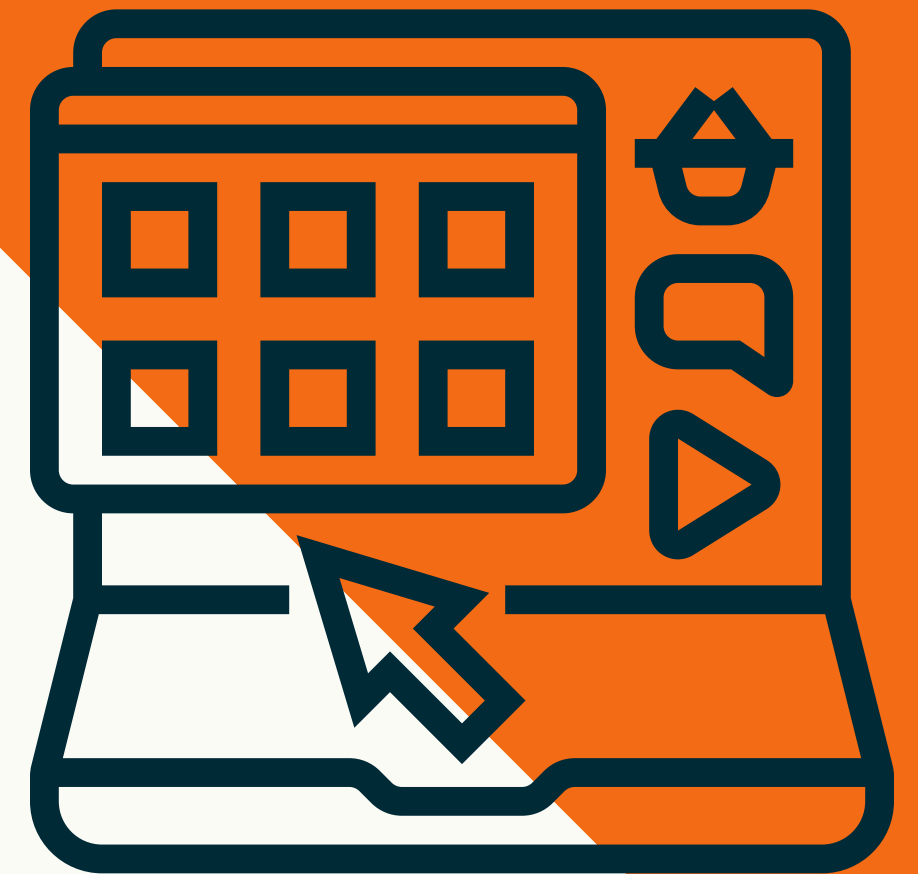
Writing your own fundraising strategy

What to include:
- How much you raised last year overall
- How many donors you currently have and their demographics
- Where your fundraising income comes from
  - Including website donations, merchandise, fundraising events, corporate fundraising, and grants
- Fundraising opportunities
- Fundraising challenges
- Goals and objectives for coming year
- Resources you will need, including budget
- A timeline of what you hope to achieve
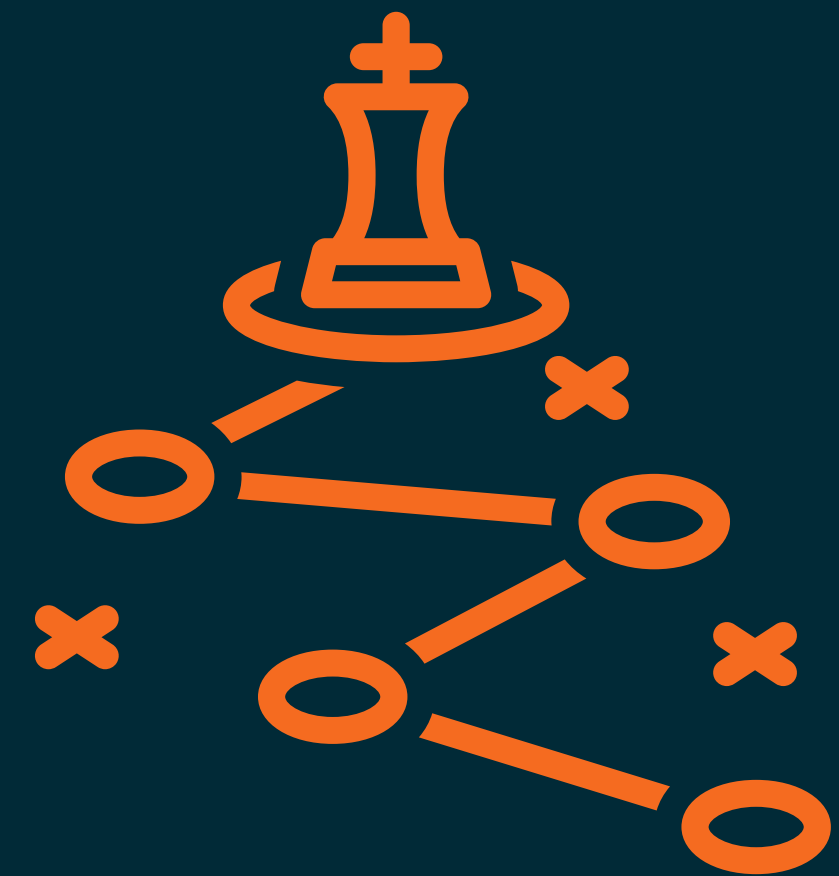
Great examples from the sector

- **Cornwall Museums Partnership** – structure, setting out their challenges and their objectives,
- **Manchester Community Central** – small organisations, helping them to keep track of their funding sources and develop a fundraising action plan
- **Yorkshire Ambulance Service** – It shows their mission, what they are doing to help that mission, and their plans for funding that work
- **Chartered Institute of Fundraising** – This guide shows small charities how to develop a fit-for-purpose fundraising strategy, including how to map income and risk vs reward.
- **Charity Excellence Framework** – This is an excellent template for charities, helping them to make sense of their fundraising strengths, weaknesses, opportunities, and threats
- **Directory of Social Change** – This step-by-step guide shows you how to build a fundraising strategy, from the questions you need to ask and the research required before you start
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Thank you!
Any questions?

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