



Cross-Channel Marketing for Nonprofits

Integrating your organization's marketing and fundraising efforts is key to driving substantial growth

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In today's fundraising world, many nonprofits use a variety of communication channels to reach prospects and donors. Direct mail still plays a key role, online giving continues to increase, and social media is growing in popularity. But does that mean organizations are properly integrating their fundraising efforts?

Probably not.

In fact, what many groups *think* is integrated marketing is simply multiple campaigns happening in multiple channels.

Let's explore what an integrated approach to fundraising really is.





What Is Integrated Fundraising?

Integrated fundraising is the combination and coordination of tactics to reach a certain goal, which typically includes educating, engaging, and motivating constituents to act in a desired manner.

Integrated fundraising extends beyond having a consistent brand and message across channels (although that is an important first step). True integration drives prospects and donors through a strategic acquisition and engagement process where each action in a given channel informs and reinforces what happens next in another channel.

In short, integration moves people to action. It's not simply a buzzword—integration is an essential realignment of your marketing and fundraising activities.

Integration: Coordinating or blending a group of parts into a unified system.

Multichannel Marketing: Use of multiple communication channels—direct mail, email, websites, social media, TV, etc.—to disseminate information. While the branding used may be consistent in multichannel marketing, many nonprofits employ multiple channels without coordinating their efforts across those channels.

Cross-Channel Marketing: Use of one communication channel to support or promote another, such as including a link to a campaign microsite in a direct mail piece, then using online behavior and interests to personalize a follow-up phone call. Studies show that offering donors multiple ways to connect with and give to an organization will substantially *increase their overall lifetime value*.

Strategy Versus Tactics: Terms like “strategy” or “strategies” are often misused. An example: “Our digital media strategies include active use of email, Facebook, and Twitter.” A **strategy** is a carefully crafted, overarching plan to achieve a desired result, and it presents a framework through which future decisions are made. **Tactics** are the tools and methods used to achieve the stated goals. A strategy based on strong donor data must be evaluated prior to deciding which tactics will work best.

Reaching Today's Donor

Why has proper integration become so pivotal for the nonprofit sector? Because nonprofit constituents are also marketplace consumers—and major national brands such as Amazon and Apple have set the standard.

What for-profit companies offer consumers—intense personalization, intuitive response mechanisms, convenience, and a plethora of options—are what donors now expect from their nonprofit experiences as well.

Recent research reveals that consumer preferences don't neatly organize according to age, gender, and income demographics. Those are important considerations, but



online interaction is increasingly based on personality traits and personal motivation. Being responsive to those motivations will be key to future fundraising success, and an integrated cross-channel approach will allow for the most donor personalization. *(Source: ExactTarget's Subscribers, Fans, and Followers study)*

Changes in donor communication and giving preferences are similar to current consumer trends. An integrated cross-channel strategy is critical to meeting donors' expectations while also leveraging their interests to prompt them to take a desired action.

The Benefits of an Integrated Strategy

An effective integrated approach to fundraising will engage prospects, increase donor response, and raise revenue, while strengthening your brand across relevant communication channels.

When your organization employs an integrated strategy, you can:

- **Identify your best donors and prospects.** By tracking donor behavior and preferences, you can better engage your organization's most dedicated donors and most promising prospects, while also identifying those who should be "blessed and released."
- **Cultivate deeper, more relevant relationships.** Talking to donor segments in light of what you know about them will encourage their sense of connection to your organization. Continually refining this information will help increase your ability to personalize each message.
- **Lower costs and reduce lost opportunities.** Precious resources are wasted while trying to gain or reactivate disinterested prospects and past donors. An integrated strategy increases fundraising effectiveness by allowing resources to be directed where they will have the greatest impact and provide maximum donor engagement through targeted messaging in thoughtfully chosen channels.
- **Reduce donor frustration.** Knowing when and how your donors prefer to be solicited can greatly improve their response rate to your requests. Creating an intuitive way for them to respond is also an important part of the process.
- **Increase the lifetime value of donors.** Successful integrated fundraising will provide the highest rate of return over the life cycle of most supporters. By focusing on and measuring lifetime value, you seek to develop long-term relationships with donors while removing the temptation to use flashy tactics that may contribute only short-term value and detract from the overall strategy.
- **Empower supporters to promote your cause.** Using the most current technology can give your most enthusiastic supporters a way to spread your message and mission to their networks and their friends' networks, thereby reinforcing your cross-channel strategy and maximizing your return.

So Why Aren't More Nonprofit Organizations Embracing This Approach?

Integrated marketing has been an intentional for-profit strategy for more than a decade.



Compared to the for-profit world and the rapid rate in which it adopts the latest marketing methods, many nonprofit organizations are slow to change. Even those who would like to advance more quickly are often hampered by limited resources or a lack of understanding from upper management.

Well-meaning nonprofits run into a number of internal obstacles when moving toward change, such as:

- 1) **Lack of resources.** Fundraisers often point to limited resources—people, time, and money—as a key reason for limiting their efforts. Frequently, those resource allocations are as fragmented as the fundraising strategy itself.
- 2) **Absence of solid data.** A lack of detailed, reliable data on prospects' and donors' interests and preferences will hinder an organization's ability to craft an informed strategy, as will not having an effective system to manage good data. We must validate assumptions and move past relying on intuition, because even “what worked before” may not be maximizing all of the opportunities available today.
- 3) **Resistance to new methods.** Staff members poised to embrace new techniques are often held back by those in upper management who are unclear on the possibilities or are unsure of how to parlay their years of experience into new strategies and technologies.
- 4) **Prioritizing the wrong things.** Wowed by a creative media piece or the newest app, fundraisers can be tempted to disregard the strategy behind the creative or to focus on a tactic that isn't part of a holistic plan. The result is like shooting a shiny new arrow into the dark, without having first identified the target.
- 5) **Tentativeness toward multiple asks.** Sometimes a fundraiser accepts a gift and then either stops asking, or only asks in the channel through which the donor initially responded—rather than getting to know what motivates the donor to give more readily and more often.
- 6) **Risk aversion.** Nonprofits may fear alienating current donors by changing the process, or they may avoid taking a risk on a new strategy without total confidence it will produce the expected income.

Nonprofits are pressured by real and urgent needs; therefore, tend to focus on short-term financial goals. In that environment it may seem difficult to step back and craft a proactive, strategic approach. But doing so could put your nonprofit on a fast track to growth.

The Do's and Don'ts of Effective Integration

The reasons for using an integrated fundraising approach are compelling, but getting there is no small feat. Here are a few guidelines for assessing your organization's current status and the steps to take toward realigning your efforts.

Do: Break down your silos and measure what matters.

Don't: Encourage departments to work in isolation of the strategy or one another.



Perhaps the greatest leap you will ever make toward true integration is to eliminate the barriers that keep your people (and thus your campaigns and messages) operating independently of each other.

Nonprofits tend to be internally divided according to:

- Donor pyramid levels
- Program and service areas
- Offline and online channels

The lack of a unified effort toward shared goals results in wasted investment and missed opportunities. If the measures of success are customized to each department or program unit and don't roll up into broader goals, then even well-meaning teams are unintentionally being given incentive to work against each other.

Make it a top priority to realign your internal structures and metrics before launching your next major campaign. Arrange planning meetings with key representatives from your executive, development, and program teams. Set the strategy and allow individual stakeholders to execute their own portion accordingly. One overarching goal will allow each area to move in concert.

Having a centralized strategy that each staff member supports within his or her area of responsibility will be the foundation for every other decision you make.

Do: Plan to be data-driven.

Don't: Make things unnecessarily complicated.

The first step in crafting that centralized strategy is assessing donor data. Extensive, reliable donor data that tells you who your donors are, their propensity and capacity to give, and their specific interests and preferences will inform your decisions.

Take a yearlong, holistic approach to planning your communications so that each campaign builds upon the previous one and drives the next in each relevant channel. Determine what data will be required to make those decisions and how it will be captured and updated in an ongoing fashion. You don't have to have a complicated plan, just a thorough one.

Capture key behavioral data during your campaigns, such as how your donors interact with your emails and website, so you can engage donors according to their preferences and motivations. Avoid relying too heavily on giving history. A donor's giving history is a reflection of past fundraising strategy, not necessarily his or her current motivation or preferences.

If you strategize properly and choose your tactics wisely, you can manage effective campaigns with existing resources by focusing your efforts on the best opportunities. Data will help you refine your strategy, and by bringing a diverse set of interested parties to the planning process, the team will share ownership in its successful implementation.



Do: Set up a centralized system to manage campaigns.

Don't: Worry if you can't afford major software.

As you align your internal departments to work toward shared goals, the next logical actions are to set up centralized systems and shared databases.

- Make sure your various databases—marketing, fundraising, finance, etc.—talk to each other or that you exchange reports consistently. Consider centralized software options to coordinate all the various channels and communications going in and out. Inexpensive systems are available as a place to start. You cannot truly measure the worth of an integrated strategy unless you track and prove it with data.
- Let technology do the tedious routine work. If you haven't done so already, now is the time to automate manual routine practices, such as importing spreadsheets of donor data with address changes, event attendance, and online behavior.
- Accept that no database is perfect. Many solutions exist (and within a range of costs) that are designed to pick up the slack where your current system may be lacking. These systems can provide more robust reporting, create data overlays with external source information, and warehouse data for sophisticated analytics.

Do: Allocate resources where data reveals opportunity.

Don't: Budget by channel.

Look at your core budget and consider the most effective ways to allocate dollars. When your strategy is reinforced by data, you will know where best to spend your money. Pool resources currently allocated to specific channels (e.g., telemarketing, direct mail, etc.) and then redistribute those resources based on available opportunities.

If you'd be more comfortable starting small, design a test or pilot. Focus on a mini-campaign and measure the results, then tweak and expand using past success as leverage to garner future resources that create scalability.

Do: Invest in strategy development, execution, and analysis.

Don't: Be afraid to outsource.

Too few organizations evaluate the real costs of salary, benefits, and other overhead when smart people do work that could be either managed with better technology, or outsourced with the same or less expense and a higher return on investment.

Having an outside perspective can also help create focus, offer insights into emerging trends, and provide an unbiased opinion on a strategy's effectiveness. Spend your time doing what only you can do and let systems and/or strategic partners help with the heavy lifting.

A word of caution: Vendor management can become unwieldy if you choose to work with



several channel-siloed firms on one strategy. Expect your vendors to integrate along the same lines as your strategy does and allow them a seat at the table. If they aren't interested in integrating, steer clear.

Techie Troubles

Analyzing donor data and setting up centralized systems, in many organizations, requires engaging the IT department. And many groups report that this internal process is one of their biggest hurdles. Getting your IT department to think in a donor-centric manner requires bringing them into the initial planning process. As you integrate your teams, include key tech leaders so they understand what you're trying to achieve. You may be pleasantly surprised by how flattered they are when you proactively seek their perspective and value their expertise.

Do: Use multiple channels.

Don't: Use just any channel.

Just because you *can* do something in every channel doesn't mean you *should*. By evaluating data and segmenting donors, you can identify the right channels for the right audiences and coordinate those channels to work together.

Think of your campaign as a "choose your own adventure" and consider all the possible ways a donor might engage or decide to take action. Then seek to lead donors down the most intuitive, optimal path, while understanding that each donor's experience and preferences will be unique.

Here are some examples for how to coordinate channels:

- Enclose a URL in direct mail pieces so donors can respond online. A personal URL can help you track individual online responses for particular campaigns.
- Create custom landing pages for each campaign. Feature content that carries the message through to the next action, rather than just using a generic, pre-existing page. Collect behavioral data on donors' interests and preferences once they arrive on that landing page.
- Collect email addresses through every response device available. Follow up email address submissions with a thoughtful welcome and provide ways for donors to customize their communication preferences.
- Supplement direct mail with email messages that drive the donor to action strategically. Send emails to direct mail donors and vice versa, remembering that multichannel donors have a higher lifetime value.
- Optimize communications for smartphone reading and action. Consumers are using their smartphones while watching TV, reading email newsletters while standing in grocery store lines, and responding to social media posts throughout the day. Make it easy for them to comment, give, share, or tweet in their moment of inspiration.
- Add "Share This" buttons to content in your emails and on your website to promote posts to Facebook, tweets to Twitter, and sharing via other popular



sites. Include pre-populated, sharable content on giving pages so donors can easily tweet or post that they just made a gift and others can too with the provided link.

- Feed comments from social media back into the next “traditional” communication to cross-promote, such as printing a few highlighted tweets or incorporating streaming feeds into website content.
- Send out links to your campaigns and projects via social media to reach broader audiences. Invite prospects to engage with you in these channels by posting questions, incorporating games, conducting surveys, and requesting feedback.
- Identify highly engaged prospects and donors and then prioritize them for phone calls or personal visits. Test to measure their giving results against a control audience.
- Allow constituents to opt into text message programs if this channel is relevant for you.

Measuring the effectiveness of integrated programs is key to constant improvement. From the outset of any campaign, you should record all donor touches—what message is going out in which channel—rather than simply marking which channels a donor uses to respond. Taking time to test and monitor what works will improve the rate of return on each campaign.

Valuable performance indicators include:

- Email opens and click-through rates by individuals
- Rate of response both online and through direct mail
- Length of time between message sends and recipient responses
- Website traffic and other online interaction
- Cross-channel movement, such as direct mail recipients who go online to an enclosed URL or email recipients who give through a custom landing page

Do: Plan your campaigns based on donor preferences.

Don’t: Plan your campaigns based solely on your internal calendar.

Nonprofits often build fundraising programs based on what is most convenient for them, rather than what works best for the donor. For example, you may space out several direct mail sends with a few emails in between according to timing that’s manageable for you and your team. But that might not be the sequence or combination that will drive donors to give.

Your fundraising strategy should come from a donor-centric perspective. Use your donor data to establish donors’ preferred methods and timing. Interactions should speak to specific donors, and giving options should be intuitive.

Personalization is key. How well do you know your donors? How much updated, relevant data do you have for each constituent? Gone are the days of general mass mailings: If communications aren’t highly personalized, you risk losing the attention of your prospects and donors. Exceed their expectations.



Do: Use social media to engage prospects and donors.

Don't: Use social media unless you're dedicated to it.

Social media experts advise that it is better to have no online presence than to start one and then abandon it. Your prospects and donors are using Facebook and Twitter daily, and they expect rapid, repeated posts and tweets. Real-time feedback can be key to increased donor engagement, but lack of proper attention will damage your brand.

Measuring the effectiveness of social media can be difficult, such as tracing activity back to a channel of origin. But when you include social media outreaches in an integrated plan, you can make correlations between activity and response.

Conclusion

Successful cross-channel campaigns will result in greater brand awareness, a larger donor base, and higher revenue. The overall return will prove that the whole is truly greater than the sum of its parts.

The benefits to having an integrated approach far outweigh the obstacles. Integrated fundraising will reduce your dependence on individual channels and will help you invest wisely where you see the best returns.

For more information on integrated fundraising, contact a Pursuant consultant today at 214-866-7700 or info@pursuantgroup.com.

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