THE FUNDRAISER'S GUIDE TO LAPSERS

bluefrog

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PREFACE

***Adrian Sargeant** is the Robert F. Hartsook Professor of Fundraising at Indiana University – Purdue University, Indianapolis. He is also Professor of Nonprofit Marketing and Fundraising at Bristol Business School in the U.K. and Adjunct Professor of Philanthropy at the Centre for Philanthropy and Nonprofit Studies, Queensland University of Technology, Brisbane, Australia. He is also the managing editor of the International Journal of Nonprofit and Voluntary Sector Marketing.*

Building donor loyalty is the single biggest challenge facing the sector today. Finding new donors is generally a tough enough occupation, but in times of recession it is tougher still. The size of the donor pool is contracting and individuals are less than keen to take on new demands on their income. This is not a good time to be losing supporters. If changing patterns of giving in the US are reflected here we can expect to see the donor pool contract by around 2% this year and individual giving by circa 3%. These figures don't make for happy reading particularly at a time when many nonprofits are facing increased demand for their services.

Given all this we would expect the sector to focus on easy fixes to improve their financial position. This is sadly not the case. We continue to waste large sums of money on unnecessary acquisition and neglect that fact that were we to achieve even minute increases in donor retention the impact on performance would be profound. Picking an easy number to illustrate, I estimated back in 2004 that a 10% increase in retention could lead to a whopping 200% increase in the lifetime value of the fundraising donorbase. Putting aside the savings in acquisition, if donors hang around for longer they do sexy things such as upgrading their giving, giving in multiple ways, buying from the trading catalogue, recommending the organisation to others and ultimately perhaps, pledging a legacy gift to the organisation. The single biggest indicator of whether a legacy will happen (demographics aside) is the longevity of the preceding donor relationship. People who give for extended periods of time are significantly more likely to remember a charity in their will.

Sometimes at sector conferences I've been challenged by fundraisers on these numbers. After all, the increases do seem rather on the large side. Well here's the rub. Smart fundraisers need to calculate for themselves what difference a 1%, a 2% or a 5% improvement in loyalty would make to their organisation. Really smart fundraisers then ensure that everyone in a donor or customer facing role understands these figures, so that the next time they're in a position to assist a donor, provide additional information, or to ensure that the communications choices they specify are met, that they do their bit to make these figures a reality.

Putting aside practical issues such a shortage of cash, previous quantitative research has shown that there are actually three key drivers of loyalty. Donor satisfaction with the quality of service provided by the nonprofit, how committed a donor feels to the organisation, (its mission and values) and the extent to which the organisation is trusted by its donors to spend its money wisely, act in a manner consistent with its values and deliver on its promises. There are thus a wealth of actions that a charity can take to build loyalty by focusing on these issues.

In the current report the team from Bluefrog build on this knowledge by exploring how donors feel about their relationships with the organisations they support. They paint a rich qualitative picture of why individuals stop giving, how they feel about terminating their support and the role that the charity and its fundraising team may have played in precipitating this action. The paper offers a number of fascinating insights and crucially, innumerable practical steps that organisations can take to build loyalty. It is therefore a must read for anyone serious about donor retention, improving the performance of their fundraising and most significantly of all, enhancing the quality of the giving experience for their supporters. Donors have the right to feel good about their giving and we should be doing everything we can to facilitate that goal.

Adrian Sargeant
March 2009

PART I: WHAT WE DID AND WHY WE DID IT

WHY DEDICATE A STUDY TO LAPSING?

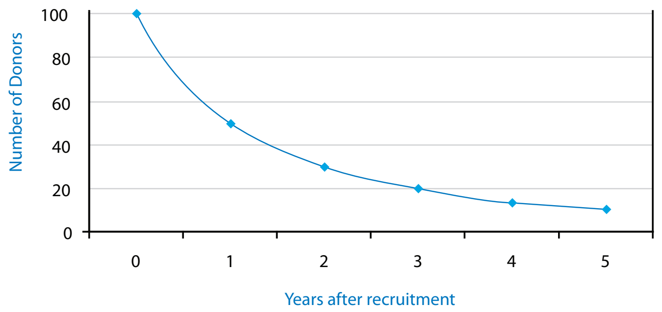
Because attrition is costing the sector a fortune

The benefits of customer loyalty are well understood in the commercial sector. Relationship Marketing has evolved to become the rule as opposed to the exception since Leonard Berry (1983) and Theodore Levitt (1983) began to use the term in the eighties. Since then, numerous studies have demonstrated how relatively small increases in retention rates can result in far larger effects on profitability.

Ken Burnett's work into donor relationship development (1992) should be noted here. For over fifteen years he has been imploring charities to stop treating donors as numbers, but instead to treat them as individuals with different reasons for giving, and different requirements of their donor-charity relationships.

He is right. If charities were better at retaining supporters, they would make more money.

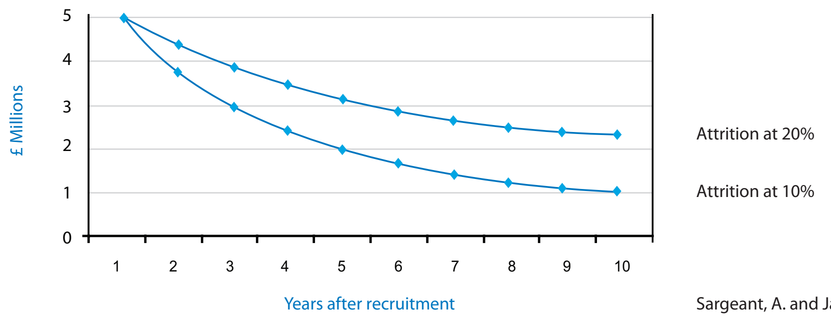
In 1998, Sargeant and MacKenzie published the results of a study into attrition amongst cash donors. Their findings were astounding. Approximately half of all people who gave one gift to a charity never gave that charity another penny. After tracking giving behaviour, only 8% of donors were still actively responding to cash appeals after five years. The implications for charities are stark; the development of long-term relationships between charities and donors is rare.



Sargeant, A. and Jay, E (2004)

Measuring success by the number of donors that are recruited seems a pretty straightforward idea. After all, more donors means more money, right? The answer is yes and no. Yes, you will bring in more money, but unless your donors stay, you are using your recruitment budget to pour water into a bucket full of holes.

In terms of money wasted, this equates to losses that are far worse than you would intuitively imagine. Sargeant and Jay (2004) used these benchmark attrition figures to calculate the income that the charity could have saved if it had reduced attrition by only 10% over a ten year period. The result was *50% more income.*



Sargeant, A. and Jay, E (2004)

Donor recruitment is working. It is what follows that causes the problem

CHARITIES ARE NOT MEETING THE EXPECTATIONS THAT THEY SET UP DURING RECRUITMENT. THEY PROMISE THE WORLD, THEN SEND OUT GENERIC NEWSLETTERS

Donors have different values, and those values can often be estimated by which route they were recruited through. Respondents to press ads can be worth over two and a half times the value of supporters recruited by other means.

After years of recruiting a particular type of donor who broadly fitted a demographic profile of being female, aged 50+, and often church going, charities branched out into new methods of recruitment that were more effective at engaging younger people. Rather than traditional press advertisements, direct mail appeals and door drops, charities now appeal for new supporters on TV, online, on the telephone and on the street.

These new approaches have radically changed the type of donor that charities are recruiting. Younger donors are increasingly joining their older counterparts in regularly supporting good causes.

Increasingly, charities are offering people the opportunity to do more than just send a donation. They are getting more political. Charities now openly talk about changing government policy on a national and international level. Rather than funding the digging of a well or offering someone a safe place to sleep, donors now have an opportunity to change the world. As a result, expectations of the charity-donor relationship are increasing.

But then these same donors are often dropped into generic warm cycles that are all too often designed for donors aged 50+ with different needs and interests. An exhilarating introduction to a charity is replaced with inappropriate newsletters and appeals for more money.

This is neatly exemplified by Sargeant and Hudson's 2007 study of retention in door-to-door recruits. Results indicated no evidence that levels of satisfaction with the recruitment process were related to levels of retention thereafter. In their conclusions they explain that, "Lapsed supporters feel equally happy with the overall process [of recruitment], it is only the perceived quality of subsequent communications that seems to influence retention."

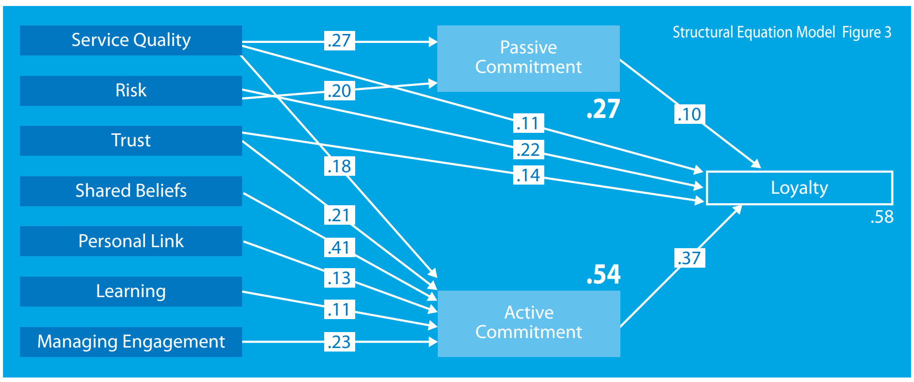
Put simply, post-recruitment donor experiences are (more often than not) nowhere near as engaging or rewarding as the recruitment experience itself.

Engagement enables loyalty, and engagement is something we can improve

DONOR LOYALTY IS BETTER PREDICTED BY ACTIVE COMMITMENT THAN PASSIVE COMMITMENT. ITS DETERMINANTS ARE CLOSELY CONNECTED TO LEVELS OF DONOR ENGAGEMENT

CHARITIES SHOULD NOT UNDERESTIMATE THE IMPORTANCE OF MATERIALS THAT KEEP DONORS ENGAGED

Sargeant and Jay (2004) described how active commitment is more predictive of loyalty than passive commitment. Passive commitment is described as, 'where a donor is happy for the relationship to continue but feels no strong desire for it to do so and so no sense of 'bond' to the organisation'. They describe active commitment as, 'the genuine desire on the part of a donor to maintain a favoured relationship'. The main determinants of active commitment were shown to be six-fold: service quality, trust in the organisation, shared beliefs, having a personal link, learning and multiple engagement.



Sargeant, A. and Jay, E (2004)

Repeatedly, Bluefrog donor research confirms these qualities as present when donors are engaged. And when they are not, these are the qualities more likely missing.

We cannot change the fact that loyalties can come from years of habitual giving. We cannot magically alter the preference of those who want no more than to give and forget about it. Nor can we control donors' financial circumstances or the personal situations affecting their closeness to a cause. But we can control the communication materials that encourage engagement.

We wanted to further unpack the donor journey experience

In 2001 Sargeant used eight focus groups and then a postal survey to 10,000 donors and lapsers. He summarised by saying, "although approximately one in five donors might lapse because of a change in financial circumstances, a similar number simply elect to switch their support to other organisations. The role of the quality of service offered to the donor in enhancing retention is also highlighted, as are donor perceptions of the feedback they receive and the impact they believe their gift might have made on the cause."

In 2003 Sargeant and Jay quantitatively surveyed 4,800 face-to-face (street) recruits to investigate reasons for lapse. This was a time when charities had begun to experience worrying levels of attrition for these recruits. In parallel, the method was getting a lot of negative press. It claimed that the public were coming to loathe the presence of these fundraisers on the street, and that they were using overly pushy tactics. Charities were concerned that donors' resentment of their recruitment experience was leading them to cancel their direct debits. But Sargeant and Jay concluded that attrition was in most cases due to donors' financial circumstances – not negative feelings about their recruitment.

Our starting point has been a luxurious one. Sargeant and his colleagues have paved the way not only in terms of antecedents to loyalty, but also for reasons for lapse.

WE WANTED TO GET BEYOND PEOPLE'S POST-RATIONAL JUSTIFICATIONS FOR DROPPING CHARITIES

WE WANTED TO UNDERSTAND THE LAPSING EXPERIENCE, AND HOW WE COULD USE IT TO INFORM RETENTION STRATEGIES

But we did not set out to re-evaluate this work. Instead, we set out to qualitatively unpack the donor journey experience for its build-ups and tipping points to lapse. When we considered the various antecedents to loyalty we had no intention of re-examining their relative importance. Instead we wanted to understand how lapsers had personally experienced charities' failures on these measures. How had the respective (or lack of) relevant communications made them feel? How did this contribute to a decision to lapse, or the situation whereby the charity had fallen so far off their radar that they had stopped making cash gifts?

How could charities have done better to reduce the likelihood that people would leave them?

Lapsing is the least understood leg of the donor journey

Most of what we have talked about so far has been to do with donor reports (and lapser memories) of their on-going donor-charity relationship experiences. To the best of our knowledge, no one has documented an exploration of the lapsing experience itself.

We wanted to explore the moments when the relationship finally starts to break down. What could we learn from those first thoughts of cancelling a direct debit arrangement, or the first time a cash donor decides to ignore a direct mail communication? What were lapsers' internal dialogues? What were they feeling? And what about the period between those first thoughts and the eventual decision to stop giving? How long does this period last? How do people's thoughts and feelings evolve throughout? Most importantly, in what ways does any of this contribute to the final decision to lapse? And could this teach us anything new about how a charity needs to behave if it hopes to win donors back?

RESEARCH METHODOLOGY

BLUEFROG WOULD LIKE TO SAY THANK YOU TO THE ELEVEN CHARITIES THAT MADE THIS RESEARCH POSSIBLE BY ALLOWING US TO SPEAK WITH THEIR CURRENT AND LAPSED SUPPORTERS

We conducted twelve three-hour workshops. Half were with 25-50 year-olds; the other half with 50+ year olds.

Participants came from our clients' charity lists. We used a mixture of cash and committed givers – although many who were listed as giving to one charity as a cash donor were often giving via committed means to another charity.

Six of the workshops were with participants that we defined as lapsers and six of the workshops were with participants we defined as donors.

We defined donors in the following ways:

- Committed giving donors were people with live direct debits.
- Lapsed committed givers were people who had cancelled their direct debits within the last 24 months.
- Cash donors were people who had given two or more cash gifts to that charity, one of which had been during the past 24 months.
- Cash lapsers were people who had given two or more cash gifts, but not in the past 24 months.

The eleven charities that provided us with their files were:

ActionAid
Barnardo's
The British Heart Foundation
The British Red Cross
Care International UK
Centrepoint
Great Ormond Street Children's Hospital
Marie Curie Cancer Care
RNIB
Sense
SPANA

We began the workshops – not by asking participants to tell us their stories – but by sharing the lapsing problem with them, and asking them to think of themselves as fundraisers.

We asked them to brainstorm the 'perfect' stewardship programmes for different charities and causes. They shared the thoughts and feelings that they imagined would come from receiving these communications. All of this was of course juxtaposed against the reality of their past and present experiences of their relationships with charities.

We engaged them in role-play conversations between the charity and donor at the different stages of the donor-charity relationship. For those that had lapsed in their support for individual charities, we got them to replay for us their internal dialogues in the stages leading up to and immediately post-lapsing, including the charity re-activation phone call. The result of all this was the most frank and unapologetic descriptions of donor and lapsing experiences that we had seen to date.

We drew on our findings to inform the content of 110 telephone interviews – each lasting approximately 20 minutes.

We also had hundreds of conversations with lapsers and donors that we had invited but were unable to come to the workshops.

PART II: THE LAPSING EXPERIENCE

WHAT MAKES A LAPSER?

Lapsers are donors and donors are lapsers

The first thing to say here is that lapsers are not a type of person. Lapsing is a behavioural response. Like many (or most) behaviours, it is driven by a variety of attitudes and beliefs. The vast majority of respondents that came from charity lapser files were still giving to other charities. And many that we sourced from active donor files had withdrawn their support from other charities.

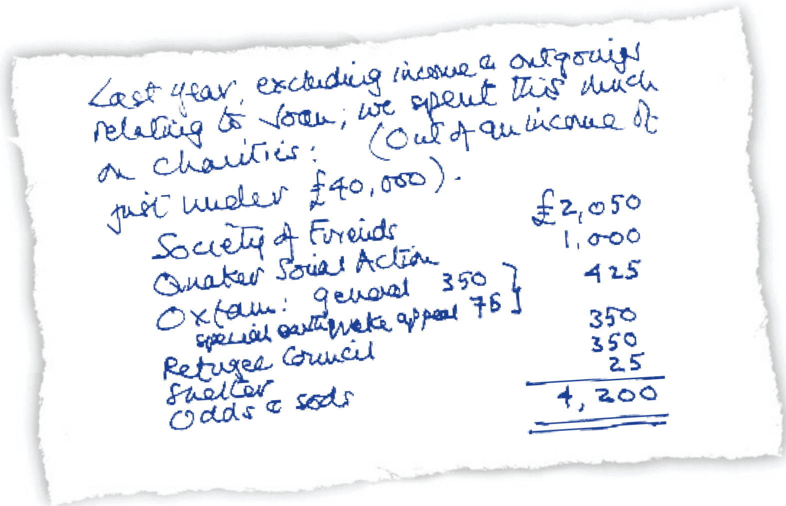
We discovered a minority of 'butterflies' that deliberately flit between charities. But they are a small minority, with specific agendas. We did not discover some discrete character type that made up the bulk of charities' lapsed files. Lapsing is the result of something about the charity, cause or a change in individual circumstances. There are few individuals with an inherent predisposition to lapse.

Lapsers drop their least favoured charities first

In many cases, financial circumstances are just a tipping point. People have a theoretical (or in some cases actual) league table of charities. Charities are ranked in accordance with donors' closeness to the cause and their level of engagement with the organisation.

The image below is a real league table prepared by a donor for some previous research. It is not hard to speculate which charities would be dropped if this person were to further consolidate their giving.

PEOPLE HAVE A LEAGUE TABLE OF CHARITIES. THEY ARE ORDERED ACCORDING TO CAUSE PRIORITY AND ENGAGEMENT


Last year, excluding income & outgoings relating to Joan; we spent this much on charities: (Out of an income of just under £40,000).

Society of Friends		£2,050
Quaker Social Action		1,000
Oxfam: general	350	425
special earthquake appeal	75	
Refugee Council		350
Shelter		350
Odds & sods		25
		4,200

We asked people to name the charities that they would find the most difficult to stop supporting. Almost without exception, donors that sponsored a child in a developing country said that that those direct debit arrangements would be the last to go. Not because of the charity in question, but because of the child.

Donors that supported small charities (or charities that they perceived to be small) said that it would be difficult to withdraw that support. For some this was because they imagined that in comparison to a larger charity, their donations were relatively important. For others it was because it was the smaller charities with which they had the most personal relationships.

The next most difficult to drop were the ones with children as beneficiaries.

Then came the ones that funded medical research that related to the health of a friend or family member, or a charity that they had been supporting for a very long (10+ years) time.

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They say they blame themselves. Because they are too nice to blame charities.

If you ask people a direct question about why they lapse, they most typically cite *their* personal circumstances – such as a change in finances or a realignment of cause prioritisation. But when you get people to unpack their relationships with the charities that they have dropped, the role of the charity becomes apparent.

When our respondents were asked to think around the topic and talk freely about their lapsing experiences, they revealed themselves to have various issues with the charities that they had dropped.

"They didn't do anything wrong – it's just, uhm, I needed to stop [direct debits for] some of them and they hadn't written for a while and I think I thought maybe they'd forgotten about me – I don't know." (Female, 40s)

People do not like to admit to having had higher expectations of charities. We are brought up to believe that it is better to give than receive. Our internal parent can think us churlish to want thanks. We are most certainly not supposed to ask for it.

Blaming oneself is also the easiest type of answer to give, dependent on who is asking the question. If it is not a deliberate lie, it is very often a sign that people are using their change in circumstances to convince themselves that they have not done anything wrong – to alleviate any guilt. No one wants to think of themselves as a lesser person. Few of the people in our sample spontaneously recognised that had the charity done better to engage them, their change of circumstances would not have been enough of a tipping point to lapse.

Only occasionally do lapsers spontaneously tell you that they stopped giving because of something that the charity did to disappoint them. And in these cases, it is almost always something relatively extreme that has angered them.

Sargeant and Hudson (2007) asked this question as part of their study of door-to-door recruits. Respondents selected from options provided. The answer most commonly concurred with (by 39.2% of the sample) was, 'There were too many demands on me financially'. The second and third most common choices referenced changes in personal (32.4%) and work (31.4%) circumstances respectively. The fourth described switching support to a 'charity that works in a different field'. Less than 5% of people agreed with any one reason that placed responsibility with the charity.

But the same study also addressed numerous areas of donor-charity relationships. They concluded that lapsers were less happy with the quality of communications. This supports our own view – that direct questions alone are unlikely to unearth people's true reasons for lapse.

WORRYING NUMBERS OF DONORS ARE DISENGAGED. THE CHARITIES RELYING ON THIS DONOR INERTIA ARE THE CHARITIES AT THE GREATEST RISK OF BEING DROPPED OFF THE BOTTOM OF DONOR CHARITY LEAGUE TABLES

A lot of them maintain their giving out of a sense of inertia

Many donors are relatively disengaged. Quite often they do not know much about the charities they gave to. Their direct debits hum along in the background. Or they are cash donors that, robotically almost, give to the same Christmas appeals year in, year out. There are donors giving to 10+ charities who have them 'on rotation'. The time comes, the chequebook comes out, and they give to the ones that they did not give to last time. You might even see it as a sort of regular giving – except that it is not yearly or monthly, it just depends on that person's rotations. Charities far too often rely on this sort of donor inertia.

Put simply, if these 'relationships' were friendships, business partnerships or romances, the majority of them would have broken down *fast*. Relationships are successful when they are reciprocal. And the more we heard people talk about it, the more it became apparent that when lapsers had cancelled their direct debits or ignored enough cash appeals so that they no longer heard from their charities, in the vast majority of cases, the donor felt they had lost nothing.

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Their way in is reflected in their way out

In street recruitment, it was those that had previously contemplated giving to that charity or stopping for a street fundraiser who were less likely to have lapsed. Similarly, it was the door-to-door and telephone recruits who had previously heard of or already given some thought (even at a very low level) to that charity who were less likely to have lapsed.

For press recruits it was the people that recalled seeing the ad more than once beforehand who were less likely to lapse. The pattern is a simple one: *people who think about something before acting are more likely to stay on board.*

Psychological decision-making theories that address the distinction between high and low involvement decisions are powerful reaffirmations of why none of this is surprising. High-involvement decisions involve research and consideration before action – buying a computer is a frequently cited example. Low-involvement decisions involve acting first and thinking later – such as making an impulse purchase of a chocolate bar.

Intuitively we would hope that decisions to give to a charity are more high involvement. But face-to-face, door-to-door and telephone methods of recruitment are making impulsive giving easier, so donors are increasingly doing the balance of their thinking after the event. If there are any thoughts or feelings of doubt, then people find themselves needing to address this discomfort. One way (and one of the easiest) is to challenge the decision itself. And this often results in cancelling their direct debits.

But again, the problem is not recruitment. The problem is that charities are not doing a good enough job at following through and re-affirming people's decisions to give. Doubts are not alleviated or positive feelings are not reinforced, so the charity-donor relationship does not even get the opportunity to begin. In the case of street and door-to-door recruitment, we repeatedly saw evidence that it was the failure to carry over the relationship between the donor and recruiter that caused the donor to lapse.

A new consumer age has created a new type of donor

"How does that make me one of their supporters? Dear supporter?! I'm almost positive it was just once I did it – at Christmas. And anyway, they all have these databases now and they should have record of it. It's not the local hospice or a small charity."
(Female, 60s)

Consumer society says that it is okay to be fickle; if you are not happy with your telecoms or utilities provider, you switch. Our research revealed that this isn't limited to commercial consumer-brand relationships. *It is increasingly being projected onto charity brands.*

Cash donors were often bemused that after more than one gift, a charity might consider them as one of their donors. Direct debit donors comfortably acknowledged how electronic payment mechanisms meant it was very easy to get out of any direct debit 'relationship.'

A minority of donors *plan* to switch between charities. They start a relationship with a view to ending it after a predetermined timeframe. Some of them do it because they feel unsure how much they can trust any given organisation. Others are doing it in order to be 'fair'.

There were also signs of neophilia. People reported a rush of good feeling when newly deciding to give to a charity, but experienced relatively fewer feelings of reward thereafter. Many of the same people reported a repeat of this feeling when a new charity option came along.

So we have a new definition of a lapsed donor

They are not merely those that haven't given for 24 months. Most likely, they are the ones that might claim that they no longer give because of personal circumstances, when in truth this is usually just an excuse or the tipping point to lapsing. In many cases they will not have felt there was any charity-donor relationship; they would have been largely disengaged. Many feel that they were let down by the respective charity in some way. Many will still be giving to other organisations. So lapsers are not a typology we can identify and weed out of our files. One charity's lapser is another's loyal committed giver.

POOR COMMUNICATIONS PUSH CHARITIES AWAY FROM DONORS

Charities lose donors when giving stops feeling good. Our lapsers described issues that indicated some very specific failures by charities in this respect. This section highlights the most common examples.

By making changes that donors dislike

"All of a sudden they're going to change the world and take on the governments. It's entirely impractical and I don't feel it's their job in these situations. Not a sensible use of resources if you ask me." (Male, 50s)

"When we started it was this little sanctuary and we took the kids. And now they have these wonderful facilities and I thought let's do something else." (Female, 60s)

"I stopped giving to charity twelve years ago because they made the Sunday papers where one of the directors was living in Hampstead with a six bedroom house and three bathrooms." (Female, 70s)

People described changes in the way the charity worked – which could be anything from changes in the type of people helped, to the type of work that the charity concentrated on. Some people talked about being uncomfortable with mergers. One of the most common complaints was that a charity was becoming too political.

Growth of the size of the charity was often seen in a negative light. Growth was interpreted as meaning their donation was less needed and by implication, that their importance to the organisation was reduced.

Others were unimpressed by media reports that charities (who purported need) were in fact sitting on very large financial reserves. Donors were often offended by spending that they saw as unnecessary, such as on highly paid staff. Their desire was that staff should do the job out of commitment to the cause as this reflected their relationship to the charity.

Changes often impact most strongly on the donor's sense of pride. A policy change or a news story that shows the charity in a poor light directly reflects on the supporter. A change can reduce a positive sense of self. It is doing the opposite of meeting someone's need to grow as a person. At best the donor will actively try to ignore this issue. At worst they will demote the charity to the point where their gifts are stopped.

By taking donors for granted

"It seems just so kind of impersonal, and just about the money. There's no interaction. It's customer satisfaction really because you're still a customer although you're donating to charity, you're feeling like a customer." (Male, 30s)

This came up in various forms. The key issues were 1) not being thanked appropriately, 2) asking for money too often, 3) receiving unwanted or inappropriate communications, and 4) not receiving recognition for long term support.

When a donor decided to stop giving, they were not necessarily walking away from a charity. They wanted continued recognition of what they had done. For a donor who has given and believes in the work, a poor reaction on behalf of the charity can only be interpreted in one way – ingratitude.

Again, this will have a negative impact on the donor's sense of status in relation to that charity.

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"So you don't get all that bumph all the time. I asked for the report leaflets – the ones telling you about what they're doing, and they still ask for money sometimes, which is fine. It's not a problem, so long as they listen. They had no respect for our request. I think we wrote to them at least twice. So my husband said enough's enough."
(Female, 60s)

"I signed up to something that I thought was different. But it was just more junk mail and phone calls asking for more money."
(Male, 20s)

By breaking promises

Broken promises left people feeling betrayed, or with the feeling of disrespect by the charity. There were tales of donors ticking a box to request a communications preference, or writing to or speaking to someone at the charity to make a request that was subsequently ignored. A generic extreme was the assumption that the charity had sold their details, because another charity or organisation had newly contacted them. These are all examples of affronts to donor status.

Promises are broken by way of failing to meet donor expectations. This was quite marked amongst new face-to-face, door-to-door and telephone recruits. Many described an interesting recruitment experience that was followed by communication materials that did not meet their expectations. Not only did this preclude any motivation to open subsequent materials, but it also left people feeling let down, or even duped.

For face-to-face recruits the disparity between what they expected and what they received was by far the greatest.

These recruits are typically younger – as are their recruiters. They are more likely to be heavy users of a whole array of communication and entertainment media. It can require exceptionally entertaining and engaging materials to both capture and hold their attention. In parallel, on the street the interactions between prospect and recruiter are very much two way. The prospect will ask a lot of questions, and the banter can become quite lively. Recruiters are quite typically armed with a stimulating range of charity materials that they'll use to demonstrate both the need of the charity and the donor benefits of giving. Famously, in male-female pairings, all this can become quite playful, if not flirty.

The point here is that this new type of donor has required a new type of recruitment technique, and requires a new type of communication follow up. They have the same needs as all donors, but different communication vehicles are required to meet them. In the case of face-to-face recruitment, they start their charity relationships with the recruiters. And it is the social skills and personality of the recruiters that are making this possible. It would seem that charities are not sufficiently taking this into account and building on this. Instead, they are letting their recruiters heighten new donors' expectations, but not following up appropriately.

"If they don't organise themselves properly, like, I've never responded to one of those [appeals]. Why haven't they figured that out? Why are they wasting money on postage? … So I'm not sure if I can see them organising a piss-up in a brewery, and I wonder what the hell are they doing in India or wherever?"
(Male, 40s)

By not paying attention

Some people were infuriated by the sense that the charity wasn't listening. Donor attempts at correspondence that were seemingly ignored were a big affront – and these most certainly have a negative impact on donor status.

The perception that the charity had no sense of the donor's giving preferences served to raise doubts about the charities' proficiencies in other areas of their work. No one wants to be associated with ineptitude. And if the charity is seen as inept, then it is by definition unlikely to be meeting the donor's need to help. The classic example was the repeated request for a committed gift when over and over it had been refused in parallel with a continued trend to give cash.

"Because of my age I'm not prepared to do a direct debit with any of them. They need to appreciate that. It doesn't mean I don't care."
(Female, 70s)

By asking for money at the wrong time

This was the most common tipping point to lapsing. It was also the most likely to anger donors. The issue was almost never about the fact they were asked. It was the donor perception that it was an inappropriate amount, or inappropriately timed.

Each request for help is received in the context of past communications. Asking is about needing something. It is the part of the relationship where the donor does *their* bit.

"It's not that I begrudge the requests… they're just doing their job… but I've just given, like, a month ago, and they've banked the cheque so I know they know."
(Female, 40s)

"Some keep you well informed. <Charity> sends me an e-mail once a month, and <charity> sends a newsletter on a regular basis. One that gets up my nose is <charity>. They just want money and that's it, and they tend to have an aggressive way about them, and it gets up my nose."
(Male, 70s)

"I signed up to put a proportion of my will to charity and I still keep getting, 'Will you donate?', and I think, 'Hang on, I've already done this!' so somewhere along the line somebody's not doing their job. How many millions must be getting that?"
(Male, 70s)

"I stopped and then they actually phoned me up and made me feel so guilty on the phone that I actually set it back up again. But because I know that I can't afford it, two days later I phoned up my bank and cancelled it again. I literally set it back up just because they made me feel so guilty."
(Female, 50s)

If charities ask when they are out of favour, they become more out of favour. And the more out of favour they are, the worse the perception of the appeal.

If this continues, the donor can feel like the charity only wants them for their money. And this sets the tone for becoming continually out of favour. This leads to lapsing.

Pair this with any of the mistakes listed in the section above, and you have the perfect recipe for relationship disaster.

If it feels like the requests for specific amounts are set too high, they arrive too often or too soon after a recent gift, it can make the charity look ungrateful. Those who *can* afford to give might get annoyed, and those who cannot will resent the feeling of guilt or inadequacy. So that is yet another affront to donor status.

It can also reduce the perception of the worth of previous gifts, and this can provoke doubts about the difference made by gifts so far. This can encourage feelings of helplessness as a donor.

By not knowing when to stop

Unfortunately, some charities push people even further away after they have lapsed.

We heard some horror stories from people who'd cancelled direct debits, or cash donors who did not consider themselves lapsed at all, but simply hadn't made a cash gift in the last couple of years. People had received phone calls asking them to give again – some of which were described as "very pushy". Others received fresh rounds of appeals that appeared very much like recruitment appeals, thus completely negating any of the relationship that might have gone before.

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DIFFERENT DONORS LAPSE FOR DIFFERENT REASONS

All complaints were universal. By which we mean that we heard all of the above complaints from all the demographics in our sample. But we also spotted a handful of interesting trends – most notably between age groups.

Equally interesting were the differences between how donor types rationalised their decisions to lapse. This is further discussed in our section on the lapsing decision-making process.

Age makes a difference

Very generally speaking, the younger the donor, the more fickle their attitude to charity relationships. This was seemingly a product of their relationships with consumer brands. In parallel, when it came to committed giving, younger people were more at ease with going online to cancel a direct debit.

Elderly people were more likely to have lower expectations of treatment by charities. They were also more likely to be in positions of loyalty from giving to the same charity for a long time.

In terms of complaints, the older the donor, the more likely they were to be troubled by the idea of paid charity workers, expensive campaigns or street fundraisers. But in turn, they were less likely to have looked into the internal workings or fundraising activities of their charities.

The Baby Boomer element of our sample bucked this trend. Many were happily using the internet. They were relatively knowledgeable when it came to their charities' fundraising activities. They seemed to have taken more time to research what they were giving to. This was especially the case for retirees with more time on their hands. While younger people expressed high expectations, they were less shocked when they were not met. In contrast, people in their 60s were relatively affronted when they felt let down.

There were no major gender differences

There was a small trend for more women than men to complain about the invasion of their personal space. But the majority of these anecdotes came from that infamous six o'clock slot when people are preparing the dinner, so they were faster to feel inconvenienced when the phone rang.

Committed givers seemed slightly less engaged

More of our sample's committed donors seemed less engaged than our cash donors. They opened fewer appeals, and they didn't seem to know as much about their charities. If engagement is an antecedent to loyalty, then committed giving could by definition be said to contribute to propensity to lapse. But we of course know that this is offset by the inertia giving that comes of direct debit arrangements.

In terms of the types of complaints that lapsers might make, there were no pronounced differences between cash and committed givers. For example, for any cash donors who complained that they resented being asked for a direct debit, there were committed givers who complained about being asked to increase their monthly donations, or to make extra cash gifts. The upshot, which was the feeling that the charity was not respecting their wishes and/or was ungrateful for what they gave, was the same.

The main differences between cash and committed givers were more about the lapsing experience, not the reasons behind it.

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WHAT IS THE COMMON THREAD?

Donors lapse because there is no mutual understanding or respect for each other's needs

This is the common thread. This is why new donors are not sticking around to build relationships with their charities. This is why longer-term donors are lapsing.

When the spark leaves a romantic relationship, it can survive on the mutual respect and companionship that remains. The couple understand each other; they continue to meet some of each other's needs. When customer-commercial brand relationships break down, the consumer moves on, or demands compensation, or takes solace in the knowledge that they'll temporarily continue to use the product or service in question. Sometimes it is inconvenient to 'switch' suppliers too quickly; the consumer *needs* that product or service. Or sometimes the supplier finds new ways to entice them to stay; it *needs* their business. There is a mutual understanding of the other's agenda.

Charity relationships are different. Charities should heed caution when using commercial brand marketing models, because in practice, some of them do not fit. As a donor, there are few tangible benefits to giving. Donors rarely need that charity. Unless charity communications meet their needs as donors, there is nothing to lose or inconvenience them if they walk away. Charities are too often ignoring the importance of meeting their donors' needs and keeping them happy.

Sadly, this failure by charities in turn results in donors that are less understanding and respectful of the needs of charities. The less engaged the donor, the less likely they are to open communication materials, and they become even less in tune with the charity. This makes them less open to hearing messages about ways the charity might be changing, or how it operates. The further away from the charity they become, the less empathetic they are able to be. The donor becomes less understanding and forgiving of actions by the charity that the donor might not approve of – or worse, they can even begin to negatively misinterpret them.

THE FAILURE BY CHARITIES TO RECOGNISE AND MEET PEOPLE'S NEEDS AS DONORS IS PREVENTING THE DEVELOPMENT OF THE LOYAL RELATIONSHIPS REQUIRED TO KEEP DONORS ON BOARD

Charities do not recognise	Donors do not recognise
What a donor has done for them The circumstance the donor is giving under Donors want to enjoy the relationship Donors want to be part of something Donors have needs	That charities might want to change That charities have a large number of supporters to communicate with That charities concentrate almost entirely on beneficiary needs

The best chance for the survival of charity-donor relationships will be if charities start to behave in a way that makes donors *want* to be in a relationship with them. It does not have to be a close relationship – but it needs to be a mutually beneficial one. If not, when the donor's giving inertia wears off, or a better offer comes along, there is a far greater chance that they will lapse.

WHAT ABOUT THE LAPSING EXPERIENCE ITSELF?

Why is this relevant?

For many, the lapsing experience will be the most recent time that the charity was front-of-mind. For some, it could remain their strongest memory of it. This will affect reactions to subsequent communications, including charity attempts at reactivation.

Generally, it is less of a big deal for cash donors

Cash donors can passively lapse. They do not need to *do* anything in order to terminate their charity relationships, except stop responding to appeals. Some cash givers had not even noticed that they had stopped giving; the respective charities had merely fallen off the radar for them. Others did not consider themselves lapsed, or wrongly believed that they had given far more recently than was the case.

Many of our cash donors had given no more than two cash gifts, and had never considered themselves 'donors' to that charity in the first place. Some did not even recall giving a second gift, while the charity database indicated otherwise. In their minds, they had given once or twice and did not necessarily plan to give again. They imagined that the reason for the continued appeal sending was some administrative error, or that this was how it worked: you give once, they mail you forever.

If there was a conscious decision to withdraw support, then the lack of pro-active action required meant that the decision felt less final for cash donors. Some described how they had told themselves it was no big deal, because if they ever changed their minds, they could quite simply give again. They had not promised the charity another gift, so they were not doing anything wrong.

In contrast, a committed giver needs to cancel their direct debit arrangement in order to lapse. Many of the thoughts and feelings that result in lapsing are identical to those experienced by cash donors. But the need to take action makes it a more front of mind (and usually more intense) lapsing experience.

Cancelling a direct debit is similar to a purchase decision

We already suspected that there might be some learning to come from this part of the donor decision–making process. But we had not foreseen how emotive the decision might be – especially for donors who had otherwise indicated themselves to be relatively disengaged from the charities in question.

The following describes lapsers' thoughts and feelings throughout their decision-making process.

Those very first thoughts of cancelling…

At this early stage, the same three reasons came up again and again. These were:

- My financial situation – I need to make cut-backs.
- I've just re-remembered that I'm supporting this charity, I don't really know why I'm doing this, perhaps I should stop.
- This charity has been annoying me for some time now, perhaps I should withdraw my support.

It was far less common for anyone to describe either the invitation to support another charity (or) their first experience of feeling affronted by the charity as promoting thoughts of lapse.

Absolutely everyone described feeling discomfort at the thought of cancelling. Most people did not dwell on it for too long; they put it out of their minds.

The period of deliberation…

It was this part of the donor decision-making process that surprised us the most. In many cases, donors spend as *much time* on the decision to cancel as they do on the decision to give in the first place. In many cases, people spend *much more* time on the decision to cancel than they spend on the decision to give in the first place.

The more people we spoke to and the further that they took us backwards through their donor journeys, the more parallels we saw between the process of lapsing and the process of making a consumer purchase or refund decision.

As fundraisers we talk about numbers of donors on a file. We might cite how we have 'X' people on the file one year, then 'Y' people on it the next. It would seem that this approach has distracted us from consideration of the donors during that crucial thinking-about-leaving-us stage. The implications are huge. What if we could take action during this period? What if we could find a way to communicate with donors at this point? How many of them would stay?

"It depends how bad it is I suppose. It wasn't a snap decision. You'd be cold to do that. People make mistakes. You can't expect them to get it right all the time." (Female, 30s)

On average, the lapsers in our sample were taking approximately two to three months to finalise their decisions and cancel. Some people thought about it for as little as a few days. But this was a minority. Most typically these were the sort of people who spoke as if they had a very no-nonsense attitude to life. For some of them we imagine that this was just a front or a coping mechanism. There was a minority who deliberated for up to six months.

"You feel awful because it's such a good cause and they are supposed to be the most advanced in the field. You think, 'I'm so angry, but then, what if someone I know gets it [the disease] or if I get it?" (Female, 40s)

The lapsers who experienced unforeseen and sudden changes in their financial circumstances were the fastest to take action. We met nobody who was so angered by their first real negative experience of a charity that they there and then made the decision to cancel their direct debit.

Many people described tormenting themselves over the decision. People described feeling very torn. There was guilt. There was anger.

There was determination to put it off for a bit – just in case they changed their minds.

"I put it on my 'to do' list and it just sat there because I couldn't bring myself to do it. I knew it was the right thing to do but at the same time I didn't want to." (Male, 30s)

Some people described talking to their partners about it. One described how she'd asked a friend for a second opinion.

During one of our workshops a female donor said that she'd dreaded cancelling because she knew that she'd get a phone call asking her to start again. This fear was enough to make her put it off for a while. The other respondents nodded in agreement. Sadly, this was both an amusing and bonding moment for the group. It was as if they had united behind her against the charity.

Of the donors who said that their finances were the reason for their first thoughts of cancelling and/or their tipping point to action, some said that they had decided to reduce their direct debit amounts instead of cancelling the arrangement altogether. Some of them went on to do this. This should be seen as a success of sorts for the charities in question. Charities should consider these people's longer-term value, because these are people for whom it was physically just as easy to stop giving to them altogether, but they wanted to stay.

Far more concerning are the numbers of people who wanted to reduce their donation amounts, but who could not find an easy way to do this. We heard descriptions of donors looking for clues on their charities' websites and donation forms – but there were no obvious instructions. It was easier to contact the bank and cancel it in full instead.

For many donors, as soon as they started to have negative thoughts about the charity, these thoughts would affect perceptions of its subsequent actions.

"You don't think about it in a positive or negative way particularly, or very much at all. Then they sort of make you think about it because you wonder about who is organising this – and it can't be all volunteers, and then the postage on top of that." (Male, 50s)

For example, there was one donor who explained how he had not previously been aggravated by what he perceived as too many direct mail appeals, but after the charity in question had kept calling, and left numerous messages on his answer phone, he began to have thoughts about just how much of a waste of money these mailings must be. Another donor said she had not minded the raffle tickets at the beginning; nor did she mind being asked to go street collecting. She went street collecting, she never received a thank you, and suddenly she found herself increasingly irritated by any subsequent requests. A third donor said that before her charity had begun to call her at home she had not really noticed their television advertising. When the calling began to annoy her, she found herself irritated by the television advertising. She began to ask herself questions about what this was costing, and whether she thought it sensible.

These are schemata that people create in order to organise and simplify perceptions of their environment. Negative thoughts like these will have a negative knock-on effect, until the object of thought (in this case, the charity) can do no right.

For committed givers the financial tie to the charity can also reduce their sense of control over the situation, which further perpetuates negative, often resentful, thoughts. This in turn intensifies any need to redress the situation. This is when they call the bank or go online to cancel their direct debits.

We heard stories of donors looking online to see what the charity was actually doing with their money. People were 'Googling' the charity to see what they might find. It was as if people were actively searching out reasons that it was okay to withdraw their support. Like elaborate get-out plans, almost.

It is at this stage that external forces can more easily draw donors away from their charities. These could be any of the aforementioned reasons that people withdraw their support: a change in finances, a re-prioritisation of the importance of the cause. In many cases our donors found themselves focusing on these in order to convince themselves that it was the right decision to stop giving to that charity.

Once the decision had been made…

Most people reported a sense of relief at arriving at a decision.

Some described how they had contacted the bank or gone online to cancel within a few hours. For others it was a few days. Even though they recalled a feeling of relief, the cancellation process was still viewed as something of a chore to complete. More so than the physical equivalent of cancelling another type of direct debit, or making an electronic bank payment.

For some it was a case of needing to remind themselves that they were content with their decision. One donor said that it did not feel dissimilar to when she had finally decided to cancel her gym membership. She knew that she wanted to do it, but kept finding excuses to prevent her from getting around to it. She forced herself through the motions.

The physical act...

Most do it via their bank – online or on the telephone. The preference is to avoid direct communication with the charity. This is easier because there is no confrontation. People do not want to have that conversation. They are worried that the charity will talk them out of it. It makes them feel guilty. It makes them feel bad about themselves.

For those that cancel while they have upheld support for another charity – they do not want to experience the guilt of knowing that they have inadvertently chosen one over another. For those that have decided to cancel all their direct debits for financial issues, they do not want another unnecessarily prolonged reminder of their situation by way of needing to explain it to someone else.

When the deed has been done…

Again, people experienced a sense of relief. Finally, it was over. They could stop thinking about it.

"Not too long I must admit. I'm sorry – but that was what I needed to do and you can't dwell on these things forever. Life goes on I'm afraid." (Female, 60s)

Some people said they felt a little bit guilty after the event. But then they reminded themselves why it was the right decision. They would take themselves back through their list of reasons. Of those who had been affronted by the charity, some found themselves re-living those moments of anger. It made them feel better. People reminded themselves that they were a good person. If they were still supporting other charities, they found solace in this.

We asked people about the amount of time that they recalled reflecting on all this. Almost everyone said that it was almost no time at all. People moved very quickly to put it out of their minds.

Some people recalled telling themselves that they shouldn't give this too much thought, because if they changed their minds, they could easily begin to support the charity again. This was the perfect get-out clause.

There were emotional differences between men and women

More of the women described a sense of guilt, and they seemed to spend a longer period deciding whether to cancel their direct debits. They were also more likely to reflect on their decision afterwards, or feel a sense of loss.

There were more cases of men than women who told themselves that they had reason to be angry with the charity. Men were also the quickest to push the decision to the back of their minds when it was over.

Subsequent communications from the charity caused mixed responses

Those that were used to receiving telephone calls from the charity said that they expected to receive another call at some point. Those that did not get a call said that they did not think about it at the time, but on reflection this was a bit odd.

Some people confessed to avoiding the call. They passed on the message that they were out. Or they told the caller that they were too busy to speak. People that spoke to the fundraiser described extremely varied experiences.

There were anecdotes of very pleasant conversations whereby the caller politely asked for the reason for lapse, and seemed content with the response. The majority of lapsers did not mind being asked for their reasons for lapse. Most of them said that they expected to be asked. Further, they thought it correct to ask, in order that the charity should want to know about the possibility that it had done something wrong. A small minority felt that it was none of the charity's business and that this was an impolite or inappropriate question.

The majority agreed that if during this conversation the charity were to ask permission to get back in touch at some point in the future, that this was far more polite than to pre-suppose the right to do so. They said that it would leave them feeling more positive about the prospect of receiving another call.

It was interesting to note that of the lapsers who claimed that an affront by the charity was their reason for lapse, almost none of them took the time to explain this to the caller. We found this peculiar in light of their willingness to be interviewed on the topic.

"I was more made to feel guilty for stopping… Rather than them saying well thanks we noticed that you've donated to us for the last three years, and thanks we really appreciated that."
(Male, 30s)

A minority claimed to have received a call whereby the emphasis was not to enquire the reason for lapse, but instead the caller was intent on persuading them to sign up again. This made people angry. This was especially upsetting for the people who'd lapsed on account of their financial circumstances. It made them feel inadequate. It made them feel like the charity hadn't been grateful for their previous gifts. For some it meant that whereas they most probably would have been open to supporting that charity again in the future, this likelihood was reduced.

It should be noted that during the workshop sessions, people seemed more wound up by this issue than anything else. They were very eager to vent about it during the sessions. What does this say about how they might speak about the charity to their friends and family? Word-of-mouth can impact on a product or brand's success. It makes no sense to leave donors with a bad taste in their mouths. Apparently, people are six times more likely to share a complaint than a positive experience of a product or brand. Negative word of mouth is repeatedly demonstrated to make more of an impact on brand usage than positive word of mouth.

Post cancellation appeals and/or e-mails that did not reference the donor's cancellation were often seen as indicators that the donor was just 'a number' to the charity. It felt impersonal. This was especially the case if the donor had received a why-did-you-cancel? or reactivation telephone call from the charity. This was because in the donor's mind, they had recently had a personal conversation with the charity. The implication is that the conversation was meaningless to the charity, or that the charity was administratively incompetent. Lapsers said that any ideal post-cancellation communication would both acknowledge the situation, and say thank you for their gifts to date.

We need to do more research into this area

We have a lot more to learn about the lapsing experience. We now know that the last few months of any donor-charity experience are far more complicated than previously given credit.

We should use this insight to guide further research into the types of experiences that our lapsers have described. Our research method was designed to explore, not to measure. It would be useful to investigate the possibility of meaningful patterns in all this – in terms of donor types, or specific stages of the lapsing decision, for example. Then we could explore the types of communications that alleviate versus compound these experiences. Which messages and in what formats could be used to intervene and prevent donors from lapsing?

PART III: HOW TO STEM ATTRITION

WHY DO DONORS STAY LOYAL TO CERTAIN CHARITIES?

For the same reasons that people do most things. Because of how it makes them feel.

Maslow (1943, 1954) described a hierarchy of human needs. His model is widely accepted as an explanation of motivations for human behaviour. The basic premise is that we start by meeting the needs at the bottom of the pyramid, and when these are met we are in a position to strive to meet the needs in the layer above, and then the next one, and so on. Its very few detractors only ever complained about the hierarchy, or its relevance to some extreme cultures – not its contents. Others have debated the worth of versions with additional layers, totalling seven or eight.

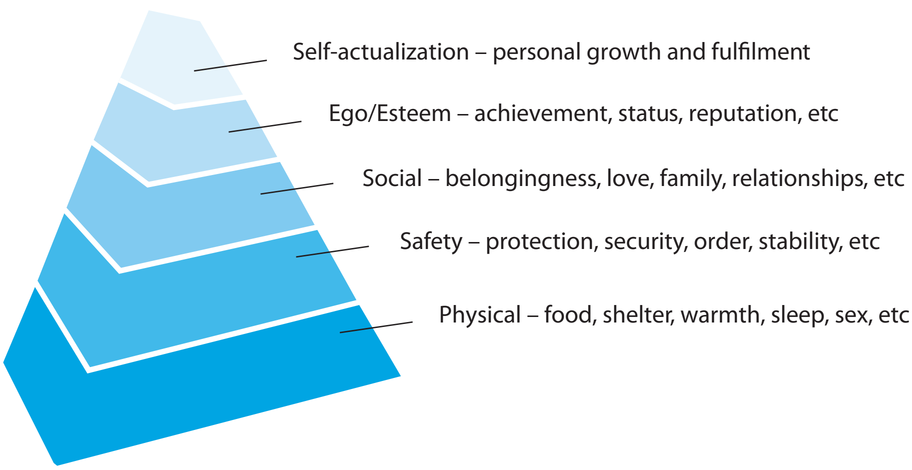
For our purposes, the precise model is irrelevant. The point is that it is widely accepted that human behaviours are driven by the requirement to fulfil needs. For example, if we are hungry, we'll try to eat. If we feel threatened, we'll search out protection or security. We have social needs, such as to belong or to be loved – so we search out relationships.

Our ego and esteem needs are driven by our perceptions of ourselves – for example, our levels of contentedness with what we have achieved, or what other people think of us. This in turn is reflected in our behaviour. Our brand choices often reflect these perceptions of ourselves, as might our expectations of and responses to our treatment by other people or service providers.

There are different definitions of self actualisation – the expression pre-dated Maslow. But it is sufficient (and far more relevant) here to use Maslow's interpretation: the desire to fulfil our potential, or to actualise our capabilities.

MASLOW'S THEORY OF MOTIVATION HAS BEEN BANDIED AROUND FOR DECADES. BUT THIS IS FOR GOOD REASON. IT IS YET TO BE SUPERSEDED IN ITS ELEGANTLY SIMPLISTIC EXPLANATION OF HUMAN BEHAVIOUR

IT FOLLOWS THAT THE FURTHER THAT CHARITIES GO TOWARDS MEETING DONORS' NEEDS, THE MORE MOTIVATED THEY WILL BE AS DONORS



The healthiest relationships – and so those most likely to successfully weather their storms – are the ones that are mutually beneficial, where both parties have their needs met. Yes, fundraising is a data game, and bottom lines dictate ongoing appreciation of response rates and ROIs. But those response rates are underpinned by donor relationships with charities.

There are exceptions and there is overlap – but most motivations for giving to charity come from needs in the top two sections of the pyramid. Crudely speaking, doing a good deed makes us feel good about ourselves – or it makes us feel less bad about ourselves. It is all about maintaining a sense of emotional well-being. If we feel discomfort at seeing someone else suffer, we'll try and remove this discomfort by looking away, or we'll tell ourselves that we cannot (or should not) help, or we'll actively attempt to alleviate their suffering.

Put simply, in terms of our interactions with organisations, it is the ones that are the most successful at fulfilling our personal needs that are the most successful at keeping us loyal. And it follows that for charities, it is those that are the most successful at fulfilling our needs as donors that are the most successful at keeping them giving.

HOW CAN CHARITIES MAKE DONORS FEEL GOOD ABOUT GIVING?

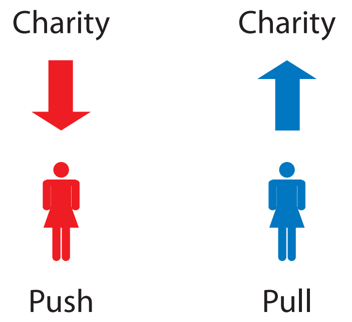
With materials that pull, not push

'Pull' communications are the ones that engage donors. They talk about the donor and what they have done. They happen in intervals and via the communication vehicles that suit the donor. This pulls donors towards the charity.

In contrast, there are 'push' communications. These are more focussed on the needs of the charity. We need to avoid the natural temptation to use these sorts of messages too often. It is less engaging and so it more commonly pushes the donor away from the charity.

THE CLASSIC CHALLENGE FOR CHARITY COMMUNICATIONS IS TO STRIKE THE RIGHT BALANCE BETWEEN DISPLAYING THEIR NEED AND MAKING THE DONOR FEEL GOOD ABOUT WHAT THEY ARE ACHIEVING

CHARITIES NEED TO ENSURE THAT THIS BALANCE RESULTS IN PULLING THEIR DONORS TOWARDS THEM



By meeting donor needs

Both Bluefrog's experience of the communications that get the results required and our ongoing programmes of research have cumulatively lead us to conclude that by meeting certain donor need states we can make donors feel good about giving to their charities.

No one communication is expected to meet all donor needs; different executions will press different buttons. But overall, the more of these needs met by a charity, the more that donors will enjoy giving to it, the better its chances of building a relationship with them, and the better the chances they'll keep giving.

More emotional		More rational	
Engage me	**Help me grow**	**Overcome my helplessness**	**I want to help**
Entertain Novelty Enjoyable	Self-definition Educate Status	Guilt is gone Empowering Calming	Do something Safer world Better world

The following provides an overview of donor needs, and examples of the types of charity communications that can meet them.

"I think you're just taught at school – or my mother gave us the idea that it's just what you do… and I think I'd feel most dreadful if I didn't."
(Female, 80s)

"You have a sense that you can't not do it, in a strange sort of way."
(Female, 60s)

"When they began to send those packages I thought, 'Isn't that wonderful? Why has nobody thought of that before?"
(Male, 60s)

"I had no idea about the research side of it. It makes you think. I quite enjoy to read it."
(Male, 50s)

"I love the bulb. I don't like it from other charities, and the pens, oh my word, and charity with their silly stickers all the time. But the bulb is different. You can see it grow and it reminds you…"
(Female, 30s)

"The Tsunami. What a waste. So angry I was. I'm not doing that again. I want to know, that it's going to the right place."
(Make, 30s)

The need to help

This is a reference to how we all have a need to help; we are hardwired for it. It is strongest with family, but we experience similar sensations when helping others. We are hard-wired to feel good in the knowledge that we are helping. In a world where opportunities to help are reduced, charities provide an ideal vehicle for this.

This feeling is reinforced when we rationalise that by doing this, we are contributing to a safer and better world.

The need to be engaged

This is to do with the need to have our attention captured, and to be sufficiently amused for our attention to be held. If something isn't interesting, attention wanes. Just saying thank you and sending unwanted newsletters isn't good enough; even though it would seem that a large number of charities do this.

Charities can entertain with good ideas, with novelty, and by enabling interactions that are enjoyable.

Some people say they do not want to be engaged – they want to give and be done with it. For those that say it but are unaware that they do not mean it, we have nothing to lose from sending them communications that meet this need. For those that truly have no inclination to pay any attention to us, you could hypothesise that we need not concern ourselves with entertaining these people; this element of our communications was never going to affect their predisposition to lapse in the first place.

Sadly, what we found in our research was that many of the people who claimed that they had no desire to be entertained simply hadn't taken the time to look at the materials that charities were sending them. Most often this was the result of receiving not-very-interesting communications from one or some of their charities, which in turn prevented them from paying attention to the materials from their other charities. When we gave them examples of the sorts of interesting feedback that some charities were providing, they could admit that it might be of interest to them, but that their expectations were so low that they had previously struggled to imagine it were possible.

The need to feel less helpless

Donor reflections on the magnitude of a charity's wider cause can result in the thought that it is too large a problem to solve. It can become difficult to imagine how personal contributions are doing anything more than knocking a tiny dent in the problem. This in turn places doubt in the decision to give.

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"They can't solve that one in a jiffy now can they? Tell me about something else. Who have they actually made a difference with, is better. I can get my head around that." (Female, 70s)

"Stop telling me that this one and that one need saving! What about the fiver a month and from Christmas? What about the money they get from the government? Where's it all gone?" (Female, 60s)

"With them you see what it's doing in the streets and the stories from the people there. I like that, because I can show my daughter and she understands and I can show my husband that it is worth it after all, because he says that I'm a soft touch." (Female, 40s)

"I like learning about the different countries they go to." (Female, 40s)

"I'm not saying it's something to talk about at a dinner party or something like that, but you know when you're in the office and it comes up [in conversation] and you know a bit about it." (Female, 30s)

"The kids loved those wrist bands, I tell you. And now she wants a t-shirt. You don't say, 'no' because for you, you understand, to show you care. Or maybe she just wants to fit in with the other girls, I don't know. But I'd wear it!" (Female, 40s)

"It's marvellous to see everyone else that's doing it. If others are then perhaps all in, it's really, it must be making a difference, when you add it together, the donations." (Male, 50s)

This is a sociological example of psychologist Seligman's (1967) theory of 'Learned Helplessness'. It is possible for someone to learn to feel helpless in a situation, even when there is evidence to the contrary. Its relevance here is its role as a justification of inaction.

Some obvious examples are charities trying solve world poverty, or finding a cure for cancer. This is typified by the growing trend to prefer supporting smaller charities or focus on specific conditions.

It is absolutely essential that charities address feelings of helplessness. The most obvious way is to show donors what they are achieving with donations. Donors want evidence that you are making a difference. They want to be reassured that they have made the right decision to give. The more you ask for money without demonstrating any sort of success with what you've already spent, the more you will make your donors feel that the situation is helpless.

Feeling helpless can also come from concerns about how charities manage their money. The more transparent and accountable you are, the more the donors can feel re-assured that they are making the right decision to give to you.

One of the most powerful ways to alleviate any sense of helplessness is to provide feedback on individual donations. If a charity can demonstrate success that came of a particular appeal that the donor gave to, they should without question make a point of talking about it. The more personal the sense that the donor is making a difference, the more real and the more motivating it will be.

The need to grow

As human beings we enjoy the knowledge that we are improving and/or achieving in life. Giving to charity enables this feeling of growth, because we feel a better person for doing it.

People like to be in the know. If the donor feels that they are learning something from you, you will have killed multiple birds with one stone. Not only does the donor enjoy the experience of feeling that they have learnt something new, you are keeping them entertained. People also like for others to see them as in the know. If the information is topical, you could be providing them with dinner table conversation. This in turn can serve as word of mouth marketing for you.

For some donors, overt recognition for their giving can strengthen this. This can be achieved in many ways. It might be via a particularly warm or sincere thank you, or communications that make the donor feel like they are getting special treatment – with inside track information, for example.

The same objective can be reached with the provision of choice for donors. We regularly hear donors talk about how much they like the materials they receive from the Camphill Village Trust – because they repeatedly ask the donor about their communication preferences. The charity does this via a questionnaire within its newsletter mailings. Their average response rates over a five year period for their autumn appeal is 31%. Their 'Christmas only' segment never performed at less than 50%. (www.sofi.org).

Giving the donor a way to display their affiliation can achieve this. And there are lots of ways this can work – from pin badges and wrist bands, to highly personalised and overt recognition on something like a display plaque. It of course depends on the type of audience and brand fit.

For other donors, the option for involvement can achieve the same objective. Some people enjoy being invited to events – even if they have no intention of going. Others like the idea of being a part of something, to have that sense of we're-in-this-together. We have seen a sharp growth in this type of thing – for example, with participation in national running events, charity wrist bands, or modern takes on coffee mornings. Not only does others' participation make it enjoyable, and re-affirm your own decision to participate, but it provides that sense of community that people so frequently complain is lacking these days. We see it as the modern day revival of community fundraising.

All these forms of growth can provide donors with a strong sense of worth and status. And this in turn means that they are more likely to enjoy giving to the charity that provides it.

SEVEN STEPS TO BUILDING A PROGRAMME TO STEM ATTRITION

1. Start a relationship in the first place

The welcome process is absolutely paramount. We very quickly need to re-affirm donors' decisions to give. And this is especially true for face-to-face, telephone and door-to-door recruitment where firstly, decisions have been made on the spot and negative reflections are more likely afterwards, and secondly, where we need to transfer donors' relationships with the recruiters to a relationship with the charity.

If necessary, we need to re-recruit these people. By this we mean a welcoming process that is very donor focussed and re-presses the buttons behind the donor's original decision to give.

It is also important that you do not count your chickens too early. This means avoiding prematurely dropping new donors into a generic appeals cycle. Bluefrog's experience of its clients' files lead us to believe that you should not even begin to think of donors as on-board until they have given at least three cash gifts (or) entered into their thirteenth month of Direct Debit.

2. Manage your donors' expectations

Post-recruitment communications must deliver exactly what recruitment promised. Unfulfilled expectations are the worst possible start to any donor-charity relationship. Charities need to be as clear as possible about what the donor will receive.

3. Communicate in a way that pulls, not pushes

Bluefrog's experience of appeals that succeed is so consistent with adherence to a donor-centric approach that we now categorise all communication materials as either failing or succeeding on this 'pull' versus 'push' measure.

Do not send too many 'push' communications. Keep a reign on the proportion of materials that talk about the things that you want to talk about, but that are not so relevant to *their* support. You should also avoid sending generic newsletters or raffle tickets to the type of donors who will not appreciate them. For each segment of your database, resist the temptation to send them materials that do not fit with the type of recruit they are.

It follows that your communication materials should be as personal as appropriately possible. Use letter variants that reference previous gifts, or an event that they attended for example.

4. Think about the four donor needs

As human beings, in order to stay in any given relationship, we must have our individual needs met, whatever they may be. If you want to keep your donors, their needs, not yours, should be at the heart of your communication programmes.

To recap, people give because of their hardwired need to help. It is not because they like the idea of your organisation doing its job. Your communications should be geared towards showing them that they are doing this – not reminding them of all the problems that your organisation would like to solve.

Donors are people, and people have a need to grow. Your communications should provide opportunities for them to do this. This means positively contributing to their self definition, which comes from giving them a sense of status and value as donors. So you need to thank them appropriately, and if possible find other ways to show them that you are grateful – such as offering opportunities for involvement such as non-financial support alternatives, or invitations to events. You can use educational materials that will enable a sense of self-improvement, and thus growth. Being treated as an insider makes people feel special, which is something that inside track communications are particularly good at achieving.

BLUEFROG HAS CREATED A MULTI-STEP PROGRAMME FOR DONOR RETENTION FROM THE POINT OF RECRUITMENT. FOR MORE DETAILS ON THIS PROTECT THE DONOR PROGRAMME, PLEASE CONTACT CHRIS GREENWOOD AT chris.greenwood@bluefroglondon.com

Prevent any feelings of helplessness by telling them about your successes, and by providing feedback on their donations that demonstrates how they are making a difference.

Different people require different levels of engagement – and there are extremes. But as a general rule, your donors need to be engaged. People's neophilia needs to be managed. A charity relationship needn't be analogous to a loveless marriage. Stop your donors' wandering eyes by keeping the relationships alive, by keeping it interesting. This means sharing novel ideas and innovations. It means sending communications that are engaging because they are relevant to *their* support. Do not keep sending them the same things year in year out; donors will stop paying attention to it.

5. Provide choice

Today's consumer wants to feel empowered by their brand choices. The provision of choice and a sense of ownership of the donor-charity relationship is motivating. So ask them how often they want to hear from you. Ask them what sorts of communications they want. On a practical level this is massively appreciated by donors. On a deeper level this makes them feel valued and is another example of how you can meet the donor need to grow.

6. Know your donors. Look, listen and remember

Charities need to treat people as people, not data. As far as possible, think of them as friends on a mailing list. Who are they? How were they recruited and on what messages? What does this say about why they are supporting you?

Remember what they like. What appeal messages are they responding to? And remember to show them that you remember. Use your database to tag and code them for the type of messages that they are responding to. Do they respond better to offers to get involved, or things that they can use as reflections of their support for you? Do some testing! Which people want status from involvement versus recognition for their gifts? Categorise your appeals as more likely to deliver involvement or recognition, then see who responds to which. If there is a pattern, use it to guide letter variants when you write to the same people again.

It is time to start valuing donors as people in relationships with organisations – not for the amount they have given. So you need to start looking at your files a bit differently. Pay more attention to recency and frequency. What does a donor's gift recency reveal about their relationship with you? What does it mean in the context of their previous gift frequencies and values?

For example, if a donor has given the same amount twice a year for two years, but nothing for 12 months, or a smaller amount 18 months later, what might this say about their relationship with you? Patterns like these should be monitored. It is all there for the taking on charity databases. Instead of obsessing about moving segments up in value, we should obsess about manipulating segments for their recency.

7. Part as friends

Let go with dignity. Beware of how you make any more asks. Begging and crawling can evoke contempt. If someone stops giving cash or cancels a direct debit, and if initial efforts to get them back do not work, then the primary objective is to ensure that these people remember you fondly. Talk about the good times and how grateful you are for what they have contributed so far. Depending on why they have lapsed, an acknowledgement of the situation and their reasons for lapsing can go a long way. The best chance you have of winning these people back in the future is if you leave a positive trace that could flourish over time.

Be sure to find out why they have left you. This should be recorded and used to determine if, how and when you might get in touch at a later date.

If appropriate, you could re-offer them non-financial support options – so if they really have hit hard times financially, they can lapse without truly lapsing. The mere offer will demonstrate an appreciation of their situation – i.e. a pull, not a push. At worst it will increase the chance that they'll consider giving again.

If you've not heard from them for a really long time, do not just ask for money again. Instead, pair this with asking them what they want to hear from you. The more you make this about them, the better the chance that the relationship can be salvaged.

CONCLUSION

If you take only one thing from this paper, then it should be the message implicit in the following statement from one of our respondents.

> *"You keep saying this thing lapsed. Lapsed from what? I never felt I was giving anything up."*

This donor did not feel they were losing anything. Clearly the charity was not meeting their needs.

It does not just typify the lack of donor-charity relationships. It points to the most important yet overlooked element of donor development, which is that *people give to charity in order to fulfil their own needs, not the needs of the charity in question.*

There might be deeply complicated and emotional reasons for choosing one cause over another. But giving per se is to do with the good feeling that comes from it, or the bad feeling that it alleviates. It is all about the donor. If a donor has nothing to lose from withdrawing their support, then why would they stay in the relationship in the first place?

If charities want to keep hold of their donors they need to remember this. And they need to steward their donors accordingly.

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