Ready
Set
Go

2016 DIGITAL
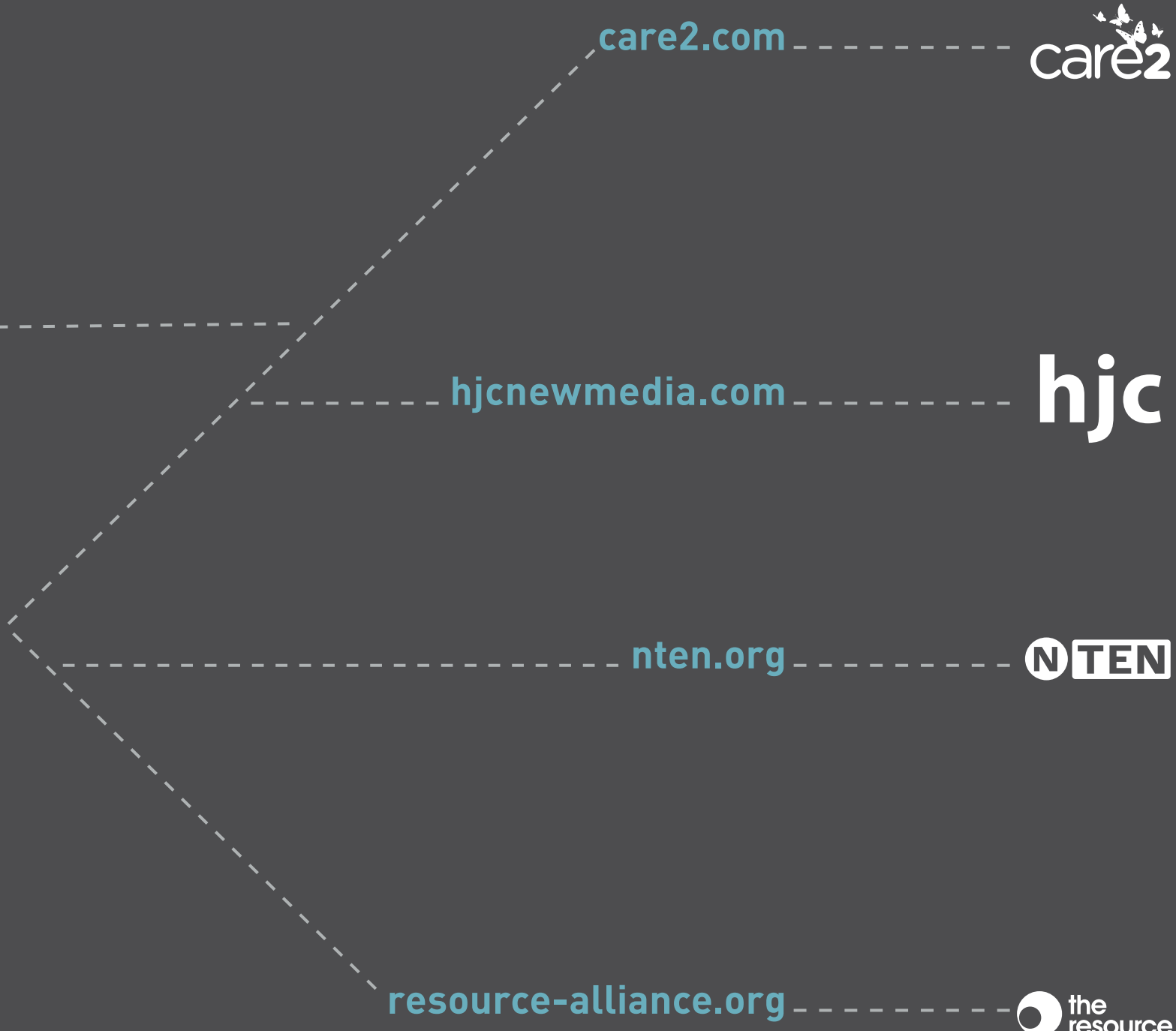## OUTLOOK REPORT

nonprofit trends & strategy

Table of Contents

Written by: Heather McLean, Emma Nguyen, and Zach Zimmel
with an introduction by Mike Johnston

care2.com

Care2 is the largest progressive online community empowering individuals to make a difference. Care2 is nearly 40 million members receiving inspiration, information, action opportunities and participating in a vibrant online community seeking to make the world a better place. Care2's primary audience is well-educated women, with strong social values and a desire to support social justice, animal rights, save the environment, and live healthier, more sustainable lives. For thousands of leading nonprofit organizations worldwide, Care2 has become a preferred source for recruiting new members, supporters and donors online.

hjcnewmedia.com

hjc has been helping charities and nonprofits maximize their fundraising potential for over 20 years. Founded in 1993 by Michael Johnston, hjc has worked with hundreds of nonprofit organizations in Canada, the U.S., Europe, Latin America, and Asia Pacific, and raising more than two billion dollars. Michael is an expert in direct response fundraising innovation and integrated campaigning – most especially in the use of technology and their integration with traditional direct response methods.

nten.org

NTEN is a community of over 70,000 nonprofit professionals that transforms technology into social change. We aspire to a world where all nonprofit organizations skillfully and confidently use technology to meet community needs and fulfill their missions.

We connect our members to each other, provide professional development opportunities, educate our constituency on issues of technology use in nonprofits, and spearhead groundbreaking research, advocacy, and education on technology issues affecting our entire community.

resource-alliance.org

The Resource Alliance inspires sharing and collaboration to create powerful change in the social impact sector. Through our global network we bring together the very best thinking – harnessing the financial, human and intellectual resources most vital to helping individuals and social impact organisations build a better world. Find out more about the Resource Alliance at resource-alliance.org.

Partners

STRATEGY

STRUCTURE

SKILLS

CULTURE
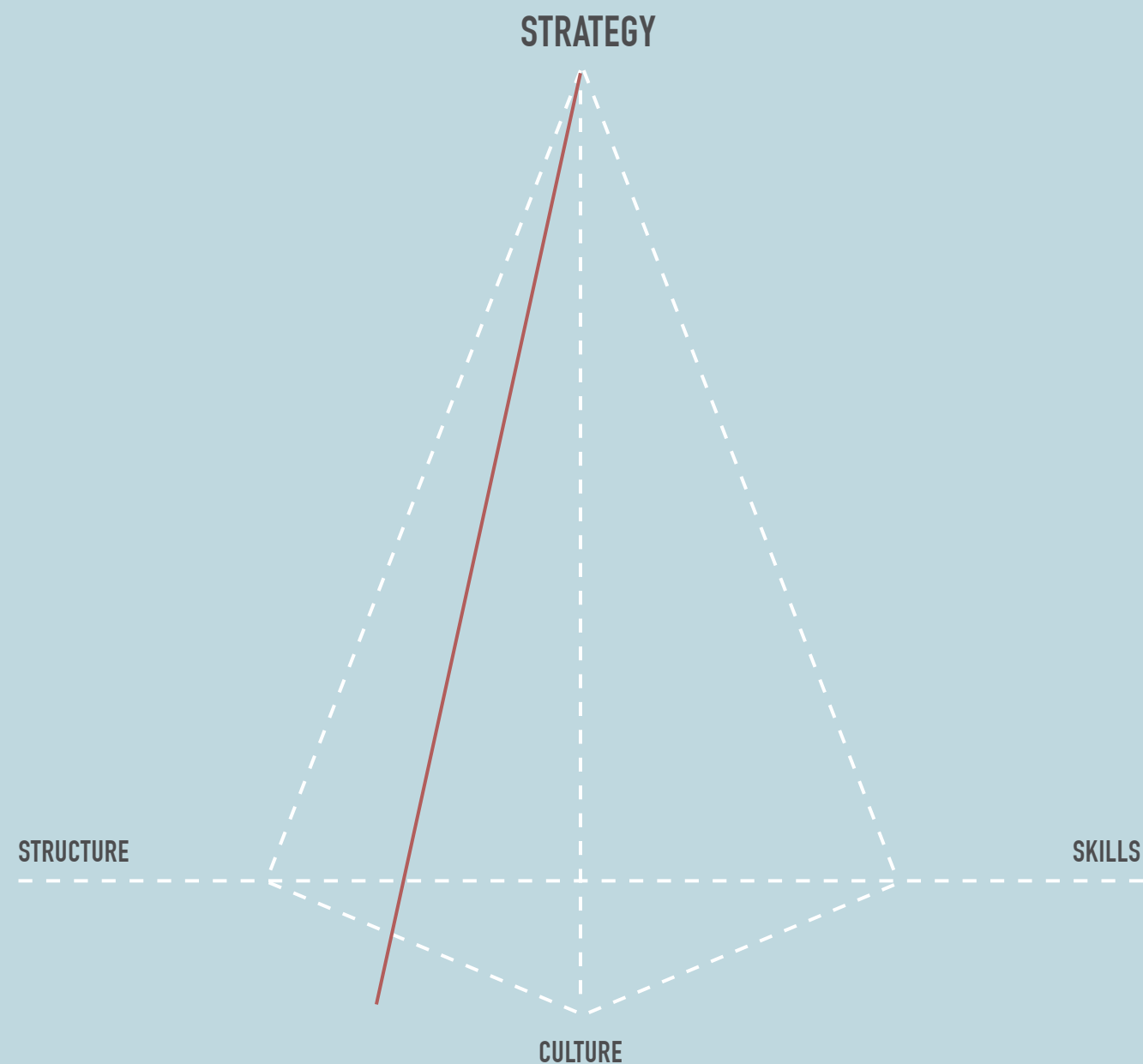
Executive Summary

By Mike Johnston
President and Founder, hjc

The digital environment is key to the success of all nonprofit organizations in the 21st century. Digital is expected to find and engage supporters cheaply; nurture them more efficiently; and deliver mission more effectively. Digital has transformed the commercial world and it's no different for the nonprofit sector.

However, the key question for our sector is slightly different: "With limited resources, how do we best leverage the power of the digital environment to make the world a better place?"

The answer in this report, on a strategic level, is 'alignment'. What that means is that for nonprofit organizations to truly harness the power of the digital age, we need to make sure that each of our organizations are aligned with the systems, structure, culture, and performance management architecture to fully take digital into account. The best plans for digital marketing, brand building, advocacy or fundraising will fail if the staffing, skill sets, and structure of our organizations are misaligned. For example, this report shows that some organizations do not have dedicated staff to run digital programs, while other organizations have departmental silos that make it difficult for digital staff across the organizations to integrate their efforts for success.

Leadership is key to change in any nonprofit organization, and it's no different in this report. It is hoped that senior leadership will read this report and ensure that their organization is given clear direction and investment that provides necessary staffing; integration between departments and within departments; and a culture of shared goals and cooperation to make digital successful.

Finally, this report is a clarion call for having the proper skills and staffing as well as the ability to track digital performance. First, having the resources (whether budgetary or human) set aside will mean that we are **Ready** to implement a digital campaign. Once you are Ready, then you need to get **Set** by having your content organized to send out with thoroughly planned content and inbound marketing strategies, as well as robust data management and analysis systems. Without tracking, no amount of staffing, structure or cultural shifts to digital will matter, and you won't be able to **Go** anywhere. If it can't be measured, tested and improved, digital marketing, brand-building, engagement and fundraising will fail. This report proves that you need to plan thoroughly in order to be able to say: **Ready, Set, Go!**

Read this report, see where you sit within the digital world for the nonprofits and begin to make the decisions, changes, and investments to properly align your organization to your digital strategy. If any part of your 'digital pyramid' is out of alignment, then you'll be stymied in your work to make digital a complimentary, and central fundraising channel, especially as you strive to be a civil society contributor in the 21st century.

If we do this right, then we can all securely say: **Ready, Set, Go!**

Ready:

Staff shortages, budget restraints and lack of training for digital strategies and tactics plague nonprofits. Only 60% of respondents have staff dedicated to online / digital strategy.

Across the board, organizations are spending about 10-20% of their overall fundraising budget for digital strategy next year. There was not a significant difference between organizations.

Digital budgets continue to be a small portion of total marketing budget, but this is growing. The portion of digital budget allocated beyond pure engagement is even smaller. This needs to shift further, as nonprofits are starting to turn their attention to proprietary media (websites, landing pages, conversion optimization, SEO etc.) more so than paid media.

Environmental and Health / Disease organizations are more likely to have digital strategy staff than social service / community or hospital / hospital foundations. This is because social service / community organizations are more likely to be smaller, and therefore there is a higher likelihood that development, marketing and communications departments are part of the same team.

Nonprofits are finding new ways to collaborate: hiring hybrid digital positions, building cross-functional teams, and better defining digital strategy.

Set:

Faster access to the internet, a saturated text-based content market, and constituent demand for instant communication are continuing to drive a focus to more visual forms of media. Nonprofits must learn to rely on curating content from their passionate network of supporters to keep up with content demand. People want to see pictures, especially moving pictures!

Nonprofits are starting to understand the need to build content marketing strategies better aligned to the constituent lifecycle, rather than blasting out content based on organizational priorities. Persona building and journey mapping is a tool that nonprofits are adopting to understand how to tell stories across multiple channels. The average time between first and second gift is more likely to be under 2 months for organizations who have invested in creating personas / profiles of their constituents.

The organizations that have invested in creating personas / profiles of their constituents are more likely to invest in online lead generation / acquisition strategies.

Of these strategies, content marketing, inbound marketing and CRO are more likely to be tested in 2016.

Still, technology and data investments will need to increase to keep up with this trend. Marketing automation, robust data integrity / governance practices and a focus on constituent relationship management are required to fully scale such initiatives.

Go:

As a sector, we still don't do a good job at defining success or impact. The lack of measurement and insight into our programs is hindering innovation and growth for digital marketing.

Internally proving ROI and demanding a bigger piece of the marketing pie isn't going to work unless we professionalize this aspect of our practice.

Important Notes before Reading This Report

Data was collected through a survey sent out by hjc, Care2, NTEN, Resource Alliance, and Xtraordinary Integrated Fundraising. The survey was emailed and posted to social media in order to collect responses from organizations around the globe.

The majority of responses came in from North America, which we will detail later in our demographics review.

The survey ran from October 26, 2015 until December 4, 2015, and collected 538 responses in total.

Upon the closing of the survey, a detailed analysis was conducted. Due to the overwhelming response from North America vs. the rest of the world, we decided to focus on the report looking at North American data as a whole. We hope to encourage our European and world counterparts to continue thinking about the digital landscape and participate in next year's survey.

Comparing Differences in Responses

The survey analysis looked at cross-tabulated responses in order to understand the correlation between particular responses. All data was looked at in aggregate.

Throughout the report you will see references to different comparison points. We found the most interesting differences was either by vertical or by size. You'll see this called out in sections titled 'Vertical Differences' and 'Organizational Size Differences.'

Here is how we identified those differences:

Vertical Differences

Within the survey, we asked what vertical best described your organization and gave the options below:

- Poverty Relief/Food Bank (domestic)
- Social Service / Community
- Animal Welfare
- Environmental
- Faith Based
- International Relief and Development
- Education, primary
- Education, secondary

- Health/Disease
- Hospital/Hospital Foundation
- Social Justice/Human Rights
- Military/Veterans
- Arts/Cultural
- Sports Foundation
- Mutual/Membership Benefit
- Unknown, Unclassified

We will highlight key distinctions between these groups throughout the report.

Organizational Size Differences

We wanted to do a deep dive to compare organizations by size and their practices with digital strategy. In order to do this, we grouped together organizations into small, medium and large.

We hypothesized that the larger the organization, the more they would be working collaboratively and effectively on all types of digital strategies. The data, however, told a more interesting picture as outlined in our report.

We looked at three data points to create our group:

- Staff size
- Annual budget
- Digital team size

With the information for each data point, we created an algorithm to rank responses into three distinct groups: small, medium and large. The groups were not equal in size, so we ensured that analysis was done based on the percentage of responses from the entire group.

Demographics

Looking at survey responders as a whole, the majority of responders were from the US (49.27%), followed by Canada (33.82%). There were a number of respondents from the United Kingdom and the rest of Europe; however, the numbers were not statically significant enough from which to pull a large amount of analysis.

Within the North American responses, we found the following information about the respondents and their organizations:

- The majority of respondents work either at an organization with 1-5 staff members (24.43%) or 76+ staff (23.92%)
- 29.29% of respondents work at organizations with an annual operating budget of $1m - $5m
- Respondents were fairly evenly split between job locations with 27.71% in fundraising / development, 23.43% with executive / management teams, and 23.17% with marketing/communications

Looking at our groupings by size of organizations (which was done for North American responses only) we saw:

- 177 organizations fell into 'Small'
- 156 organizations fell into 'Medium'
- 63 organizations fell into 'Large'

Ready: Digital Strategy & Staffing Trends

In the corporate sector, digital strategy is a commonly used tool for increasing revenue. As the digital channel further raises awareness and funds in the nonprofit sector, we wanted to know if organizations are ready to keep up with the corporate sector.

In order to maximize digital efforts, proper staffing needs to be in place. And we continue to see a commitment to have staff dedicated to a digital strategy. Out of all respondents to the survey:

- **61.06% of organizations had at least one staff member dedicated solely to online digital strategy.**
- **52.09% of respondents have a team of at least 2-5 people focused on digital strategy.**

However, this trend is more common in larger organizations, with smaller organizations being further away from the finish line.

It is clear that organizations are ready to get going on digital channels, but is the structure in place to allow that to happen? To answer that question, we wanted to understand more about how different teams work together, since we know that internal alignment on common goals and strategies helps get you to the finish line faster!

We looked at interdepartmental relationships from three different departmental perspectives:

1. **Development and Communications Departments**
2. **Development and Marketing Departments**
3. **Marketing and Communications Departments**

Overall, most respondents indicated that for all three departmental relationships, staff were not divided into two departments, but often part of the same department, working together on most projects.

This result was followed by respondents identifying that they are two departments which operated cross-functionally. Looking at the survey results without any comparisons — it painted a very pretty picture of all departments working well together.

A deeper look, however, proved more interesting, and discounted a few assumptions we had when developing this study. Looking at the differences between a variety of organizations of all sizes started to show a very interesting and unexpected story.

We assumed that larger organizations with more resources and bigger budgets would be the most likely to be working cross-functionally on integrated departmental teams. The data, however, showed a different story.

Take a look at the Organizational Size Differences highlight in this chapter to see what we mean.

Keeping up with the pack, when it comes to digital trends and best practices, is not always easy. We wanted to understand the common challenges that organizations face when planning a digital strategy. We narrowed the challenges down to:

- **Staff shortage**
- **Budget restraints**
- **Coming up with new engaging content**
- **Lack of training on new digital strategies and tactics**
- **Providing ROI internally**
- **Other (varied responses)**

All of the above subjects proved to be real challenges for organizations. Lack of resources (staff and budget) is the most common challenge.

As a sector, we have to be better at knowledge sharing in order to get more organizations across the finish line of successful digital fundraising. We hope that this study helps to bridge that knowledge gap.

Which are your biggest challenges with regards to planning new and concentrated digital strategy? (check all that apply)

STAFF SHORTAGE

BUDGET RESTRAINTS

COMING UP WITH NEW ENGAGING CONTENT

LACK OF TRAINING ON NEW DIGITAL STRATEGIES & TACTICS

PROVING ROI INTERNALLY

OTHER

0%   50%   100%

PANCREATIC CANCER ACTION NETWORK

Jenny Isaacson
Vice President
Marketing & Communications
Pancreatic Cancer Action Network

We spent a great deal of time rethinking how our entire marketing department was organized in 2015, and are starting to realign across our constituent's lifecycle rather than by events, fundraising, program and advocacy. We are hiring new hybrid roles focused specifically on outreach and lead generation.

What is most surprising here is that **37.03%** of respondents identified 'Proving ROI Internally' as a challenge. This could be for a number of reasons, such as those approving budget not having an understanding of the benefits digital can bring to an organization.

What we see in this study is that there is a large lack of measurement for success and common key performance indicators.

Very few respondents were able to tell us website conversion rates — many of those who were not able to answer responded that they do not know how to measure this data point. This is the biggest gap that we all need to address. We will not be able to understand the success of digital fundraising without measurement.

Vertical Differences

- **Social service and community** organizations are far less likely to have someone solely dedicated to digital strategy.
- **Environmental and health / disease** organizations are more likely to have a digital strategy staff member.
- **Social service / community** organizations are more likely to have development and communications working together and development and marketing working together as part of the same department, or working jointly on most projects.
- **31.25%** of **education** organizations do not collaborate between development and communications.
- **Health/disease** organizations have the largest split in term of their development and marketing departments working together — with **26.32%** working together, **34.21%** working cross-functionally on most projects, and **18.42%** not working together due to limitations.
- Across all verticals, organizations found that **proving ROI internally**, **budget restraints**, and **staff shortage** are their biggest challenges.
- **Faith based, health care, animal welfare,** and **arts** all voiced that lack of training on new digital strategies and techniques also are a challenge (each vertical had **50%** or over response rate for that option).
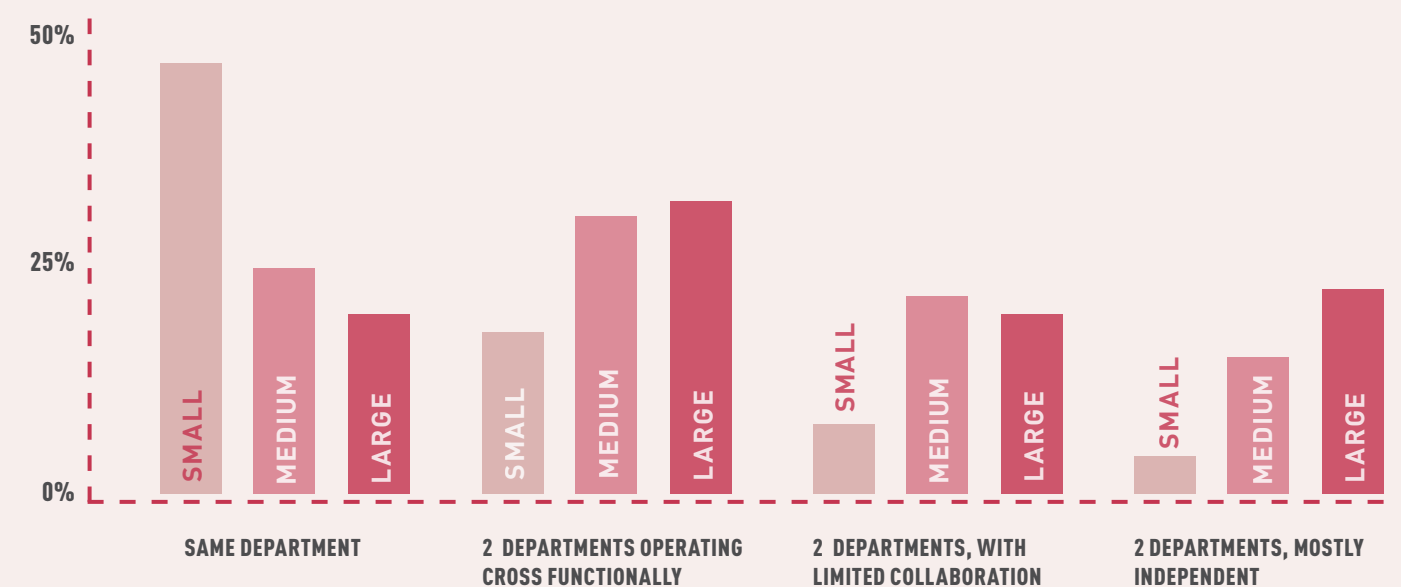
WORLD
ANIMAL
PROTECTION

Kay Marks
Director of Development
World Animal Protection

Our communications and fundraising teams didn't integrate our campaigns until 3 years ago. It's been a slow process, but one that is definitely paying off. We integrate all of our campaigns now and collaborate regularly. And the Director of Development, Director of Communications and Executive Director meet every Monday to ensure we are taking every opportunity to better integrate.

Audubon
CALIFORNIA

Daniela Ogden
**Associate Director of Marketing
and Communications
Audubon California**

Trying to get everyone to see the impact of digital and how everything is connected is hard. We've been trying to share campaign successes more regularly — even just quick bullet points or an Excel graph.
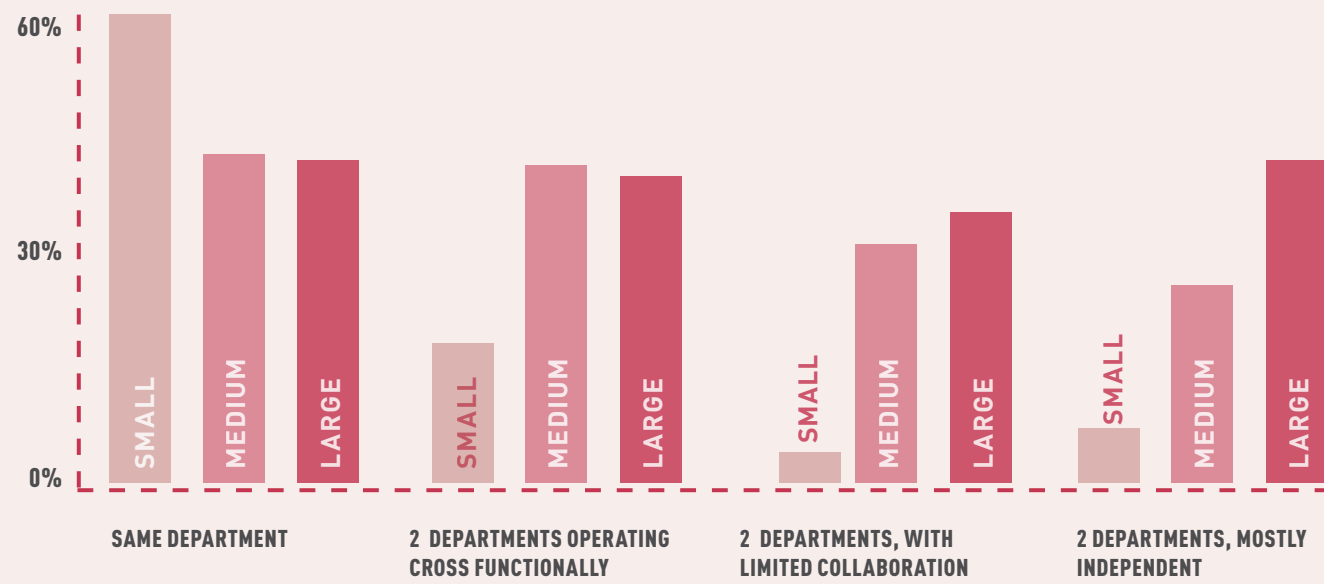
Organizational Size Differences

- Organizations with 36-40 or 70+ staff members are most likely to have staff solely dedicated to digital strategy.
- Smaller organizations are more likely to have their development and communications departments as either one and the same, or working together under one budget on the same projects.
- The larger the organization, the more likely it is that development and communications departments **do not work together**. **24%** of large organizations had development and communications working together independently and **17%** are limited in collaboration due to organizational factors.
- There is **slightly more collaboration between development and marketing** compared to development and communications.
- **Across the board** between various sizes of organizations, **marketing and communications are more likely to work together** either under one department, or two departments working cross-functionally.
- The biggest challenges for smaller organizations are staff shortage (**59%**) and budget restraints (**55%**).
- Larger organizations see more of a challenge proving ROI internally — a larger team may mean more red tape to get through. While smaller organizations may not have a lot of people power and budget, they may be nimble, allowing them to test new digital ideas.

Relationship between Development & Communications

Bar chart with y-axis labeled 50%, 25%, 0%. Grouped bars (SMALL, MEDIUM, LARGE) for categories:
SAME DEPARTMENT | 2 DEPARTMENTS OPERATING CROSS FUNCTIONALLY | 2 DEPARTMENTS, WITH LIMITED COLLABORATION | 2 DEPARTMENTS, MOSTLY INDEPENDENT

Relationship between Development & Marketing

Relationship between Marketing & Communications
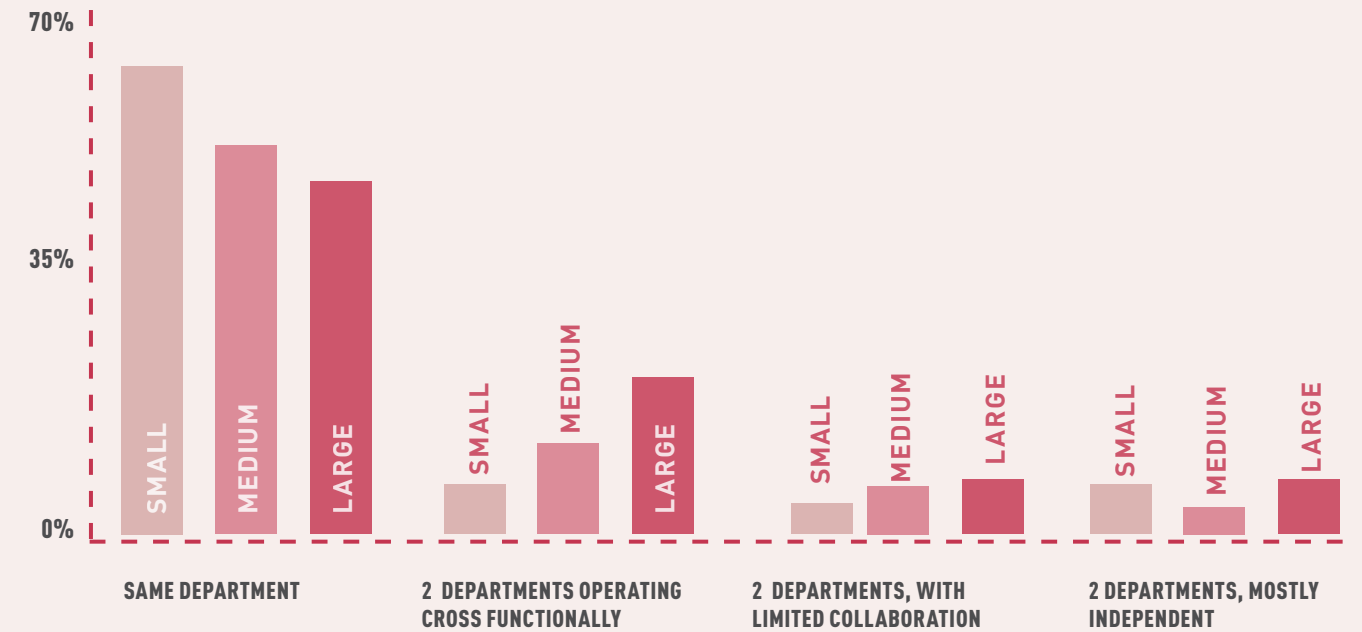
BEST PRACTICES

Measure results! Start to track common Key Performance Indicators (KPI's) in order to understand if your strategies are effective. This is the only way to understand what success looks like.

Collaboration between departments helps everyone get to the same finish line faster. Start by creating an editorial calendar with monthly or quarterly themes.

Set:
Marketing &
Engagement
Tactics

Set: Marketing & Engagement Tactics

Content is increasingly digital. With audio, video, and interactive content consumed across multiple channels, not only mobile, social and the web, but also at events or in the field — practically anyone can publish content!

Paid, owned and earned media channels have converged with over $135 billion being spent on digital content creation according to a 2014 statistic.

With so much competition, it's hard to know where to focus your content creation and engagement efforts. Planning a constituent's journey can help to inform these decisions. Digital engagement is about creating a consistent, compelling and contextualized way of personalizing and delivering content.

Communities
In Schools

> We used survey and insights and realized that about 82% of the visitors to our website are patients or caregivers. With a goal to increase our patient leads by 36% this year, we were too heavily focused on external media instead of shoring up our own resources first. This was a huge wake-up call for us, and we're spending 2016 overhauling our website to better connect our programs to this audience.

**Jenny Isaacson
Vice President
Marketing &
Communications**

PANCREATIC CANCER ACTION NETWORK

Priority Tactics in 2016

It should come as no surprise that visual content to drive engagement continues to be a focus for nonprofits in 2016. Visual content continues to outperform other content across a broad spectrum on engagement indicators. Here's why:

- **Wireless connections and speeds continue to increase, giving people more access to your images and videos anytime, anywhere.**
- **The text-based content market continues to become more saturated, leaving constituents with a higher demand for more visual forms of content.**
- **Constituents are becoming increasingly impatient, wanting faster, complex and instantly delivered forms of communication.**
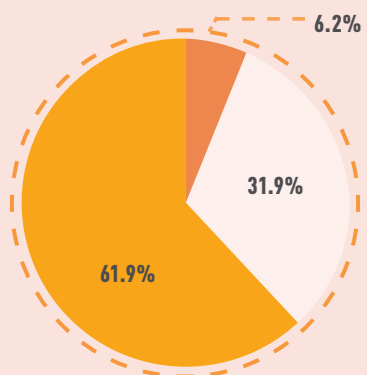
Interestingly, we also see more focus on proprietary media, such as your organizational website, in 2016. The value placed on your websites as an information resource, and for engagement and lead generation, is growing (more on this later!)

Because of budget constraints and a need to be more targeted in finding new constituents, nonprofits are realizing that engagement on proprietary media is less costly and can result in more qualified leads.
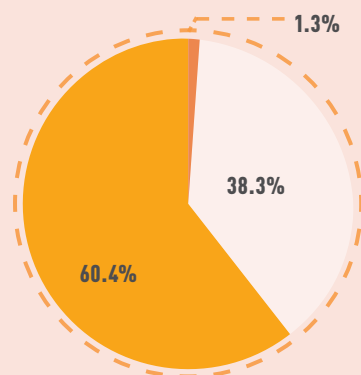
**Amy Labenski
Director, Digital Strategy
Communities In Schools**

We redesigned our website and consolidated our Google Analytics accounts in 2015, and now are turning our attention to our forms. We are better connecting the data we collect through all our forms — sign-ups, donations, and advocacy. We are also customizing our forms based on where the visitor is linking from on our site in order to drive more conversions.

Where you are focusing your efforts in 2016 over 2015:
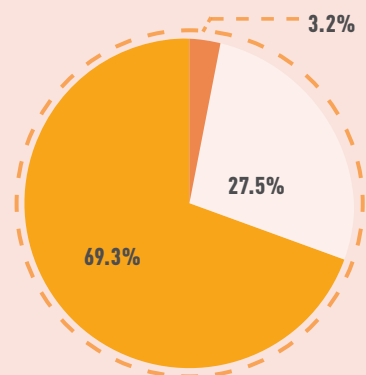
VIDEOS
- 3.2%
- 27.5%
- 69.3%

WEBSITE CONVERSION OPTIMIZATION
- 6.2%
- 31.9%
- 61.9%
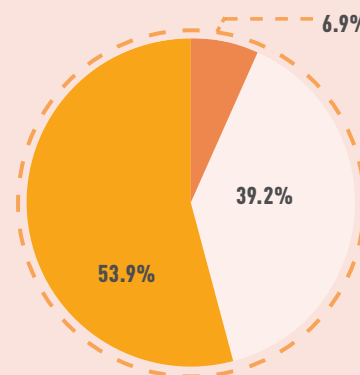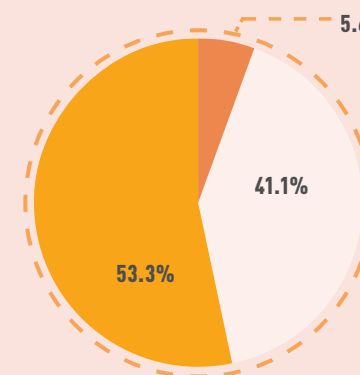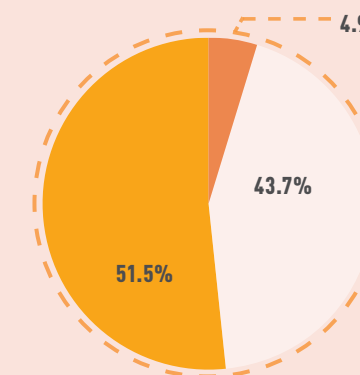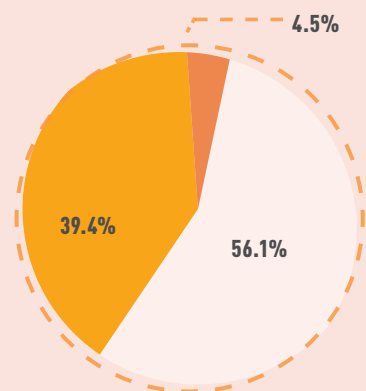
IMAGES
- 1.3%
- 38.3%
- 60.4%

TESTIMONIALS
- 6.9%
- 39.2%
- 53.9%

DATA DRIVEN MARKETING
- 5.6%
- 41.1%
- 53.3%

INFOGRAPHICS
- 4.9%
- 43.7%
- 51.5%

E-NEWSLETTERS
- 4.5%
- 39.4%
- 56.1%

BLOGS
- 14.7%
- 33.7%
- 51.6%

GUEST BLOG POSTS
- 20%
- 25.7%
- 54.3%
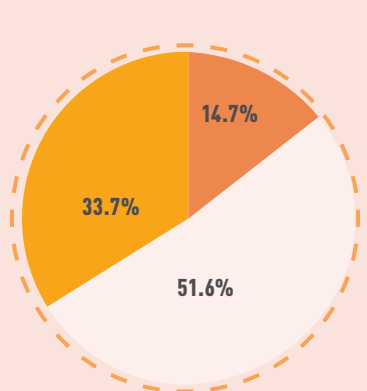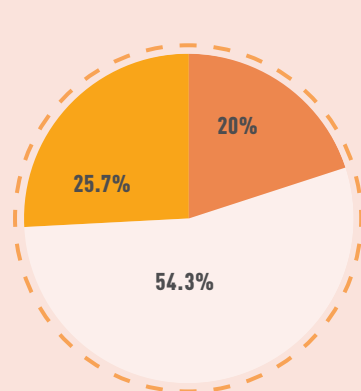
MARKETING AUTOMATION
- 17.6%
- 26%
- 56.4%
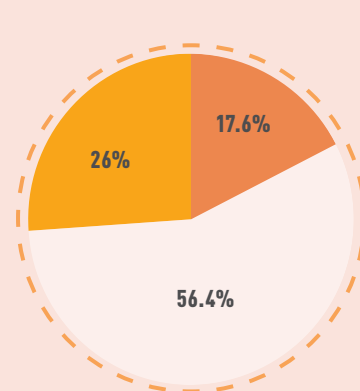
TWITTER CHATS
- 16.2%
- 24.1%
- 59.7%
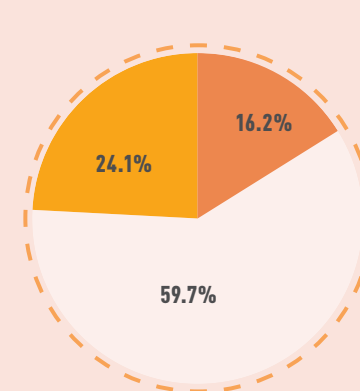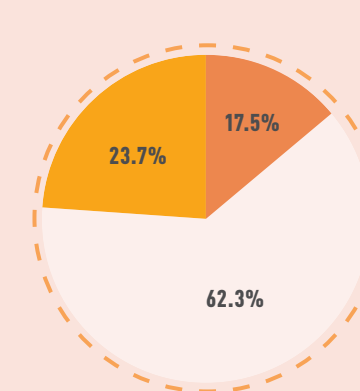
CASE STUDIES
- 17.5%
- 23.7%
- 62.3%
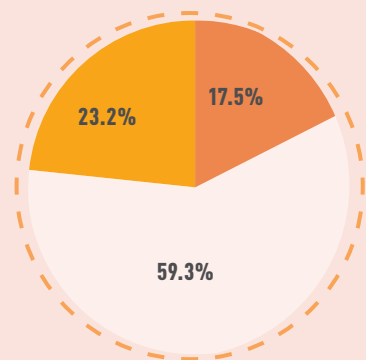
HOW-TO-GUIDES / TIP-SHEETS
- 17.5%
- 23.2%
- 59.3%
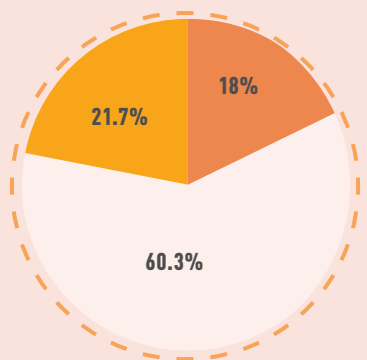
PETITIONS/ADVOCACY ACTIONS
- 18%
- 21.7%
- 60.3%

PODCASTS
- 13.2%
- 25.4%
- 61.4%

ADVERTORIALS
- 10.7%
- 30.9%
- 58.4%

MEMES
- 7.6%
- 31.6%
- 60.8%
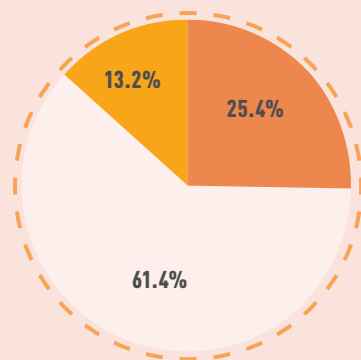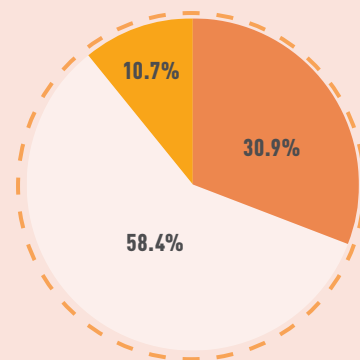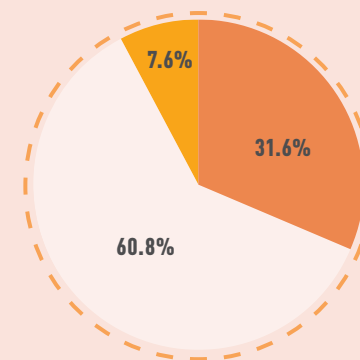
Legend:
- = MORE FOCUS
- = SAME FOCUS
- = LESS FOCUS

Channels & Integration

Connecting content and storytelling across multiple channels requires the art of integration. In order to successfully build, optimize and integrate cross-channel strategies, it's essential that we understand what channels have high impact and which content is driving that impact. We must plan with performance and optimization in mind.

Although we are using more channels, many of us are still not running well-integrated campaigns. This is because many marketers plan their integrated marketing campaigns without first understanding which channels perform effectively and what drives ROI. That's like getting behind the wheel without knowing where you're driving!

In 2016, nonprofits are still just revving the engines of their fully integrated campaigns, continuing to focus mostly on mail, email, Facebook and Twitter. It's hard to say whether the decision to focus on these channels and not others is based on performance considerations, or, as we suspect, that these are becoming the baseline channels for nonprofits with little optimization or experimentation. Again, this is likely due to time and budget constraints, as well as skill gaps in analytics and digital marketing.

> " We built an editorial calendar in 2015, and are really going to operationalize it in 2016 ensuring everyone's role is super clear. We are starting with our goals and how we are going to measure those goals for each campaign, everything should flow from that.

Jenny Isaacson
Vice President
Marketing &
Communications

PANCREATIC CANCER ACTION NETWORK

Which of the following communication channels will your organization have an organized strategy or integrated plan for in 2016?

FACEBOOK

EMAIL MARKETING

TWITTER

DIRECT MAIL

ONLINE PAID ADVERTISING

INSTAGRAM

TELEMARKETING

PINTEREST

OTHER

0%   10%   20%   30%   40%   50%   60%   70%   80%   90%   100%
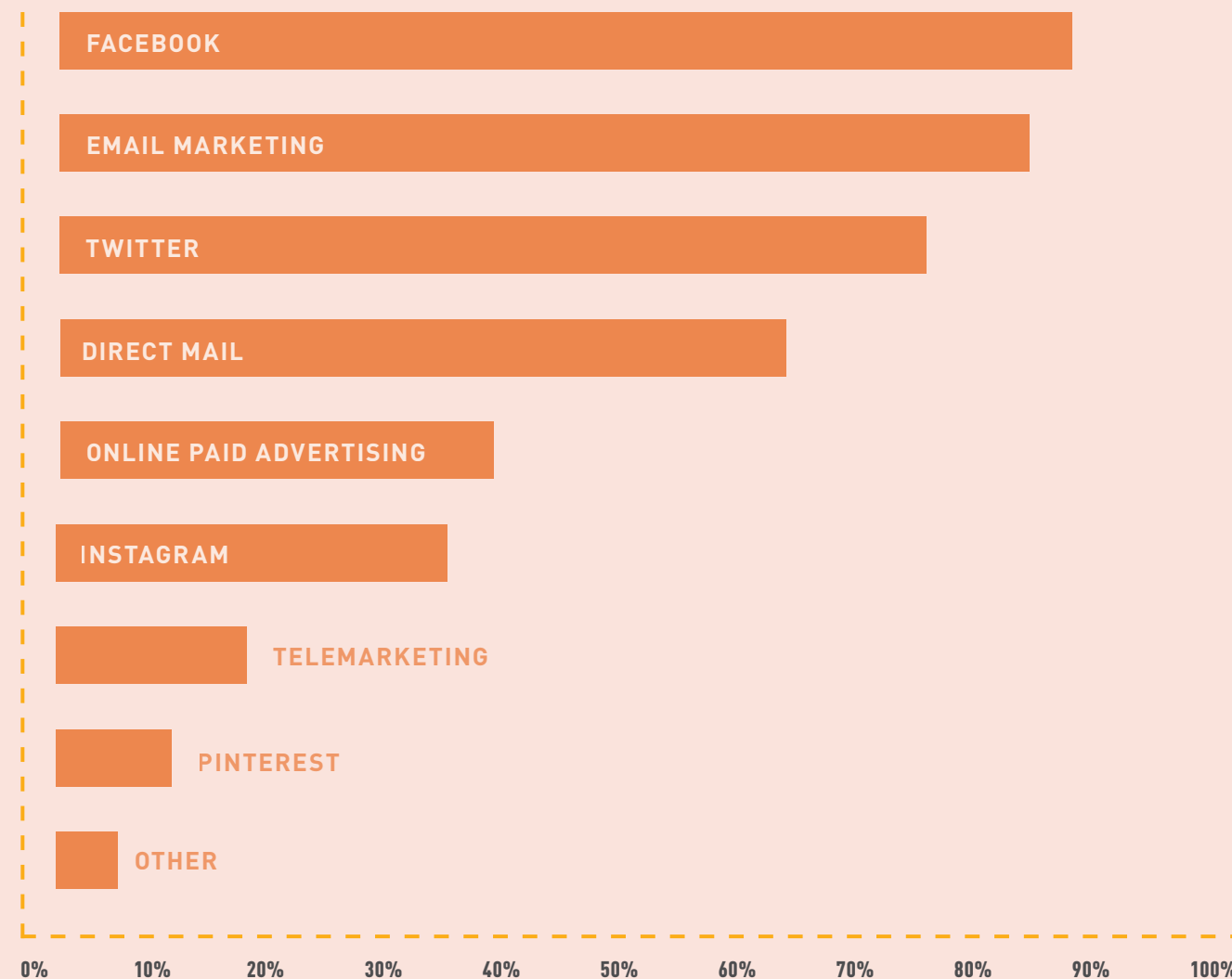
Organizational Size Differences

- Between different size organizations there was not a huge discrepancy between organizations that used Facebook, Pinterest, Direct Mail, Twitter and Email Marketing. Where we saw a difference was in Telemarketing and Instagram.

- We were not surprised to see a difference in telemarketing: often it's the bigger organizations that have bigger budgets to invest in telemarketing. What we weren't expecting is the over 20% difference between small and large organizations who use Instagram. It seems that Instagram takes the additional investment of staff time, which smaller organizations are lacking.

BEST PRACTICES

Engagement marketing is about connecting with your constituents:

- As individuals (not as segments or cohorts)

- Based on how they behave/interact with you

- Continuously over time

- Directed towards a goal

- On the channel they consume

There has never been a better time for nonprofits to take advantage of technology, analytical integrations and data to help measure the value of digital marketing. Measuring content performance is a key part of this process, which will allow you to produce smarter content and justify future investment in content and digital marketing.

The old mantra of 'quality over quantity' doesn't necessarily apply to engagement tactics anymore, and this is good news for nonprofits. It's more important to have a mix of a few high-quality, branded assets and also 'from the field / hot off the press' content to engage your constituents.

Analyze your forms to be sure you are using them to track key insights about your constituents. How are they connected to your cause? What types of content are they interested in receiving? These simple insights can make a big impact.

Before you build your integrated digital marketing plan, ensure that you understand what channels are driving performance and impact. Utilize technology and cross-channel attribution modeling to help identify where, how and when different channels impact each other. How to get started? Check out your Assisted Conversions report in Google Analytics.

Build an integrated digital marketing plan that takes into account the creation, repurposing, amplification and syndication of content that will work across all your channels. The most successful cross-channel marketing campaigns deliver content and message through a variety of channels and media.

How long has it been since you upgraded your enewsletter? Don't just keep producing this content in the same format and frequency because that's the way you've always done it. Rather, focus on delivering relevant email content based on your constituents' interests and behavior.

Go:
Lead
Generation
& Donor
Acquisition

Go: Lead Generation & Donor Acquisition

We're ready, we're set, and now it's time to GO….but wait, where are we going?

Based on our research, it's obvious that organizations know digital is important. Respondents are allocating resources to digital and are planning to test new digital endeavors for a variety of purposes, including lead generation.

As a sector, we are not good at knowing whether or not we are effective.

The results prove we are eager to invest, but we aren't committed (either due to limited resources or human capacity) to defining and tracking our success in the digital sphere. In chapter one, we learned that proving the ROI of our digital programs is a very real internal challenge for nearly 40% of respondents. **Despite this challenge, nearly all respondents noted a failure to track online conversion rates.** Proving ROI internally and making a case for bigger pieces of the marketing pie will not work unless we professionalize this aspect of our practice.

Despite this limitation, organizations continue to invest portions of their budgets into digital tactics and channels to acquire leads. This chapter explores what this looks like for respondents in 2016.

Priority Tactics in 2016

Organizations have plans (large or small) to get going in the digital realm. The following represent the priority lead generation tactics that respondent organizations are looking to test in 2016:

- **56% will test Content Marketing Strategy**
- **39% will test Conversion Rate Optimization and Search Engine Optimization**
- **34% will test Self-Hosted Pledges and Petitions**
- **33% will test Blogging**
- **27% will test Third Party Pledges and Petitions**
- **22% will test Inbound Marketing Strategy**
- **21% will test Search Engine Marketing**
- **14% will test Contests and Sweepstakes**

Once developed, many digital tactics can become low-cost revenue or lead generators for your organizations. In order to be successful and sustainable, they must live within a larger digital strategy. We know that the importance of the digital space becomes increasingly obvious as time progresses. However, 72% of respondents stated that of overall fundraising / acquisition budgets, less than 20% will be earmarked for digital strategy in 2016.
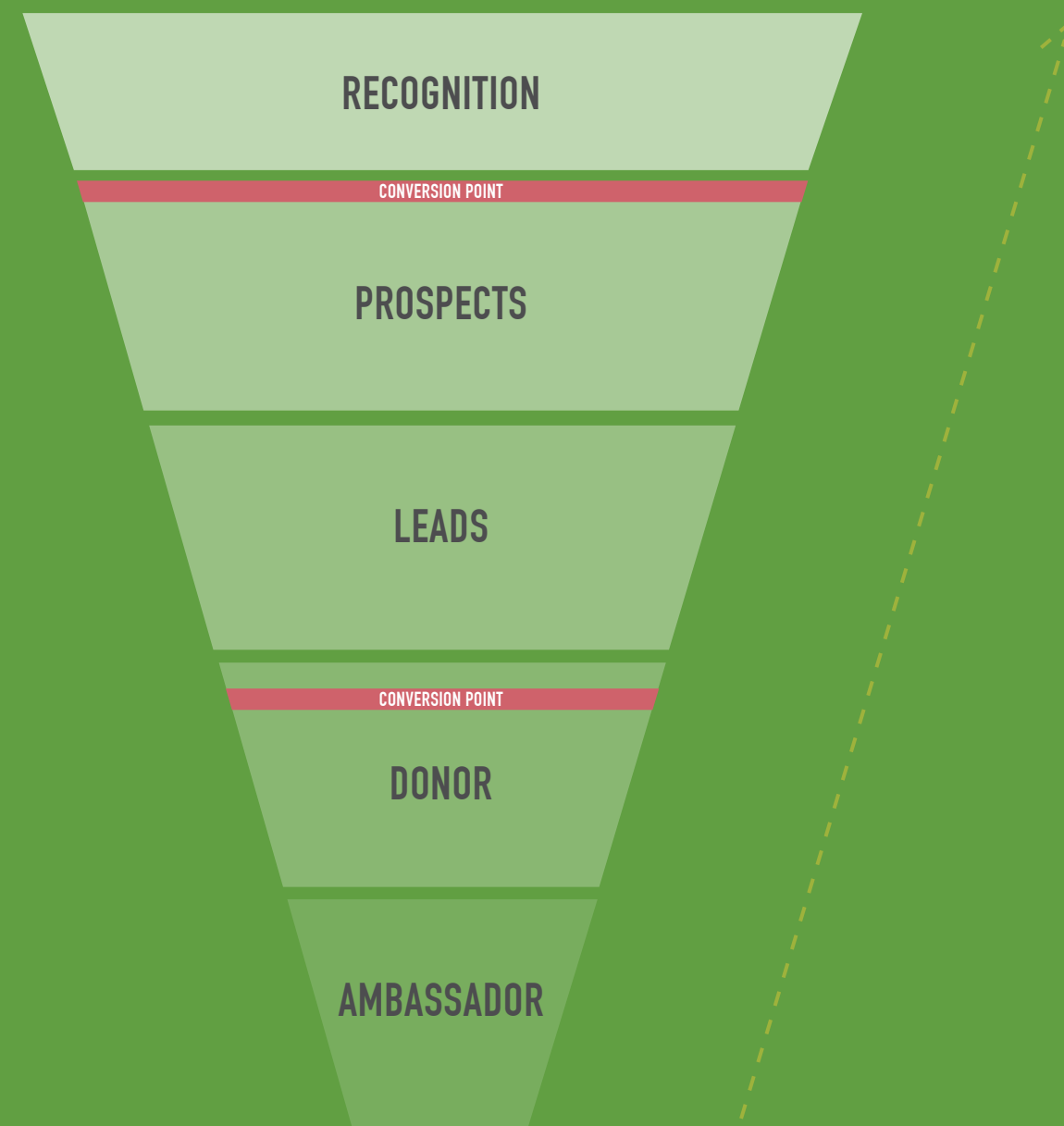
As leading organizations begin to depart from a model of mass marketing and place more import on multi-channel, personalized communications, the digital space becomes more significant. An organization's end goal is often to convert prospects and leads into donors, advocates or supporters — but our strategy cannot be solely focused on the end goal. What do the top of our conversion funnels look like? In 2016, it is not only important to 'find' our prospects and leads; we must also be setting our organizations up to 'be found.'

Regardless of interest, vertical or demographics, we know that prospects and leads inhabit numerous spaces — both online and offline. We also know that in order to 'be found,' we must meet these same prospects where they live. Despite this knowledge, more than half of respondents (55%) noted that 20% or less of their overall digital strategy will be focused on supporter acquistion and lead generation this year.

To recap: For most organizations, less than 20% of the budget will be directed toward digital strategy. And of that budget, less than 20% will be focused on lead generation tactics such as growing email files and finding supporters online.

LEAD GENERATION FUNNEL

This graphic shows how constituents move from the 'recognition' stage to becoming 'ambassadors' spreading the word and generating their own recognition leads. There are important conversion points along the way which represent action (email capture, donation, etc.) and strategy should exist to address movement to each conversion point within the funnel.

RECOGNITION

CONVERSION POINT

PROSPECTS

LEADS

CONVERSION POINT

DONOR

AMBASSADOR

The problem with this strategy is not that organizations are making negligible investments in online lead generation; it's that these same organizations don't know whether this is the correct decision. Best practice would indicate that decisions for 2016 should be based on learnings from 2015, but an overwhelming majority of respondents stated that their organizations did not know their website conversion rate. Without this information, these respondents could not report what percentage of their online traffic (prospects) converted into leads last year. The survey sought to establish a benchmark for online lead to donor conversion rates as well, but since respondents did not have this data, it was not possible.

Despite the comprehensive inability to track online conversion rates, respondents still noted which channels would see an increased budget in 2016. Notably, online channels saw the highest increase:

- **49% of respondents will be investing more budget in Social Media Promotion / Communication in 2016.**
- **21% of respondents will be investing more budget in Email Marketing in 2016.**
- **17% of respondents will be investing more budget in Online Advertising in 2016.**
- **11% of respondents will be investing more budget in Direct Mail in 2016.**
- **2% of respondents will be investing more budget in Telemarketing in 2016.**

While there is no hesitation to invest, we are investing blindly without knowing the KPI's and potential ROI's of our various channel investments.

Kay Marks
Director of Development
World Animal Protection

We are divesting from direct dialog and investing more in lead generation this year. We leverage paid channels, like Care2, along with social channels to drive leads. A premium, like a dog tag, can really boost conversions. We then use email, telephone and direct mail to make the donation ask. We spent a lot of time in our post analysis and measuring our ROI to understand where we should invest our money for this coming year.

Persona Development

Personas are data-driven but fictionalized representations of core constituent segments. As our sector seeks to evolve into one that is much more supporter-centric, it becomes increasingly important to know who our supporters are and what makes them tick.

Last year, in our first annual report, we saw a correlation between organizations investing in personas and citing shorter average conversion times between a constituent's first interaction with an organization and their first donation. Furthermore, these organizations cited shorter times between a constituent's first gift and their second gift. We know that persona development improves both acquisition rates and has a positive impact on retention.

According to this year's results:

- **23% of respondent organizations have now created supporter personas to help guide digital strategy.**

- **16% of respondent organizations have done demographic analysis, but have not created the more sophisticated personas, which pull in additional behavioral and psycho-demographic data.**

- **61% of respondent organizations have not invested in this work.**

While persona work has begun and has clearly brought success to organizations, it is not a technique that is widely embraced. This may be because organizations are not taking the time required to thoughtfully plan out the journey for these personas and carefully measure the results once implemented.

We see this as an important area for development in 2016 and beyond.

PANCREATIC CANCER ACTION NETWORK

Jenny Isaacson
Vice President
Marketing & Communications
Pancreatic Cancer Action Network

Journey mapping has become a critical planning strategy across our programs. We are more focused on delivering the right content to the right audience at the right time in their experience with us. To do that, we are building in surveys across all of our forms to learn more about our constituents and to segment them based on persona.

BEST PRACTICES

Design conversion funnels that have more than one objective. As soon as your prospects find you, you want to be able to convert them. You do this by knowing what they're looking for and positioning your organization as having the most credible response to their questions. Provide them with a tailored Call to Action and ask them for their email address. Now that they're a prospect, learn about them. Use this knowledge to build more personalized relationships with your leads. When you have a personalized middle-of-funnel relationship with your leads, you'll be better poised to ask them to convert as a supporter (donor or otherwise).

Don't stop at one conversion funnel. Develop multiple personas that typify core segments and design your content marketing strategies around the needs of each persona. A thorough Content Marketing Strategy will serve personalized content tailored to your personas as they move from prospect, to lead, to donor — and it will integrate appropriate Calls to Action along the way to ensure each funnel is satisfying your organization's business objectives.

Conversion Rate Optimization (CRO) is an incredibly important endeavor for any organization in the online space. Once you know your online conversion rates, you have an internal benchmark against which you can begin to test. Test different copy, design and CTA placement — keep track of the impact each of these have on metrics such as average gift, conversion rates, bounce rates, Cost Per Acquisition, etc.

Online pledges and petitions are effective tools that can be used to generate leads and engage supporters. Find a story, create a mini case-for-support, and give users an affirmation statement with which to agree. Once the pledge is signed, you have a powerful reason to continue the conversation with them.

care2   hjc   N TEN   the resource alliance

#NPOutlook16