

ONLINE LEADS: why they're a *community*, not a commodity

Bush Heritage's two-step campaign revealed the real value of taking a long-term approach to unconverted leads.



As fundraisers, we fixate on revenue, return on investment (ROI) and results we can prove. The problem is that this can work against us, resulting in short-term thinking and restricted, conservative planning.

At Pareto, we've seen this mindset in chats with charities around 'two-step campaigning': a donor acquisition strategy that involves (1) acquiring 'leads' through an online, non-financial action, and then (2) converting them to regular givers (RGs). The online action in step 1 may be a survey, poll, petition, pledge, quiz or other, and most charities are converting RGs (step 2) via phone calls.

If done well and followed through properly, two-step campaigns are a fantastic way to build community around your cause and acquire new donors. How many donors you ask? A solid campaign result would see around 44 RGs immediately converted via phone for every 1,000 leads acquired. Not bad – and they're likely to be quality donors in terms of retention.

But what happens to the other 956 leads that don't convert straight away? The truth is, many time-strapped fundraisers invest little in the ongoing journey of those unconverted leads (let's call them non-financial supporters); at worst, totally ignoring them from that point on.

At Pareto, we felt that charities needed

more insight around the potential lifetime value of these supporters. So we partnered with Bush Heritage Australia, a charity engaged in two-step campaigning since March 2016, to analyse their longer-term financial value and the impact of this on ROI.

While this is just a single case study, the results have clear implications for fundraising strategy, acquisition investment, online community and supporter experience.

THE BUSH HERITAGE CAMPAIGNS

Bush Heritage has run a rolling two-step campaign since March 2016. The first step of this campaign involves social media promotion of two online actions: The Wildlife Survey, which has run since the beginning; and the Which Aussie Animal (WAA) Quiz, which was added to the mix in July 2017.

When a supporter submits their details on either action, they receive a series of engagement and fundraising emails and enter the phone calling program. Whether our supporter converts as a donor or not, both of these activities are finished within eight weeks of the date they took the survey or quiz. At this

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point, non-financial supporters proceed to the Bush Heritage e-newsletter list.

Our regular reports to Bush Heritage provide whole-of-campaign ROI and cost-per-RG incorporating results and costs for all campaign elements. Crucially, however, only fundraising conversions that happen within that eight-week period from lead acquisition (primary conversions) are captured in these reports.

Our study aimed to quantify donor conversion of non-financial supporters *after* that eight week period (secondary donor conversion) from their online action, to see what impact this would have on ROI.

THE RESULTS

The results – based on the period March 2016 to September 2018 – impressed even those of us who suspected that secondary conversion would be strong. Focusing just on supporters previously unknown to Bush Heritage, secondary RG conversions increase total conversions by 58% to 2,762, and boost cumulative RG income by 42% to \$837,620. Significant indeed.

As the graph on the following page shows, there's a very long tail of conversions from date of lead acquisition – new RGs are still coming on board over two years after they first took the survey or quiz. Single giving (SG) from previously unknown leads presents a similar trend as RG. Secondary SG conversions increase total conversions by 62% to 1,107 and boost first single gift income by 48% to \$116,510 – and that's excluding any further gifts from these first-time donors.

Logically, these proportional boosts in income and acquisition will continue to increase as time goes on and more non-financial supporters convert to become either RGs or SGs. We're only 2.5 years out from campaign launch after all...

GREAT RESULTS – BUT FROM WHAT EFFORT AND EXPENSE?

These results are great, but you may be wondering what Bush Heritage actually *did* – and how much it invested – to achieve them.

The summary: Bush Heritage kept speaking to these non-financial supporters by sending them existing communications and appeals, and ran an additional dedicated phone campaign in 2017. To expand, firstly as part of the lead generation campaign, new survey/quiz-takers receive a personalised email journey over four weeks aiming to reinforce their impact, build the relationship with them and convert them to financial support.

This is a solid onboarding experience tailored to the action the supporter has taken. After this, supporters go into the general email stream for

The Results

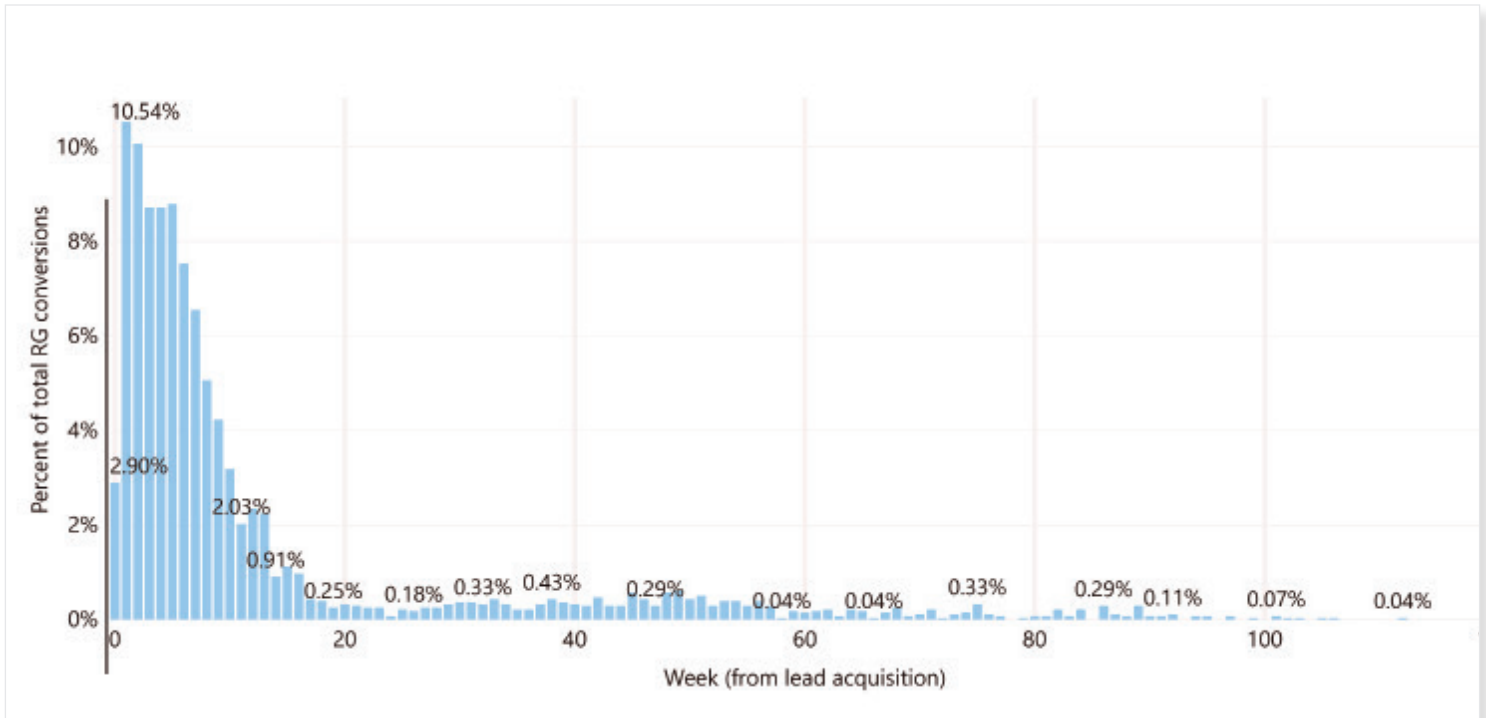
RGS CONVERTED			
Primary conversions (occurring within 8 weeks of lead acquisition)*	Secondary conversions (occurring after 8 weeks of lead acquisition)	Total RG conversions (primary + secondary)	% increase delivered by secondary conversions
1,753*	1,009	2,762	58%

CUMULATIVE RG INCOME			
From primary conversions	From secondary conversions	Total RG income	% increase delivered by secondary conversions
\$588,210	\$249,410	\$837,620	42%

SINGLE GIVERS (SGS) CONVERTED			
Primary conversions*	Secondary conversions	Total SG conversions	% increase delivered by secondary conversions
686*	421	1,107	61%

FIRST SINGLE GIFT INCOME			
From primary conversions	From secondary conversions	Total SG income	% increase delivered by secondary conversions
\$60,370	\$56,140	\$116,510	93%

* Counting only leads previously unknown to Bush Heritage, ie not in the CRM or on any email list. There were additional RGs and SGs converted from leads already known to Bush Heritage.



GRAPH: Proportion of total RG conversions per week relative to date of lead acquisition

newsletters and field updates. No extra work there. In terms of email, Bush Heritage has also selected some of these supporters in existing warm online appeals and virtual gift campaigns. No extra work there either.

Aside from this, the charity ran one 'recycled leads' phone campaign from August 2017 to

January 2018, aiming to convert supporters they were previously unable to reach.

This was successful, converting 245 RGs (24% of the secondary conversions) at a solid conversion rate of 6.6%.

This recycled leads campaign really shows the ongoing value of these supporters – and effectively increases the RG conversion rate of the original campaign by 6.6%. The remaining 76% of secondary conversions not converted through the recycled leads phone campaign came in response to online appeals, soft newsletter asks, or were unsolicited or unattributable.

Bush Heritage just kept speaking to them, sharing quality content and updates, and periodically inviting financial support; in summary, treating them like a community, not a commodity.

TAKE-AWAYS FOR FUNDRAISERS

This case study quantifies the long-term financial potential of online community, and proves the value of engagement and supporter experience. Non-financial supporters should not be treated as 'leads' or marketing

collateral, to be ignored or just emailed twice a year when you want money. Rather they are members of a committed community that can deliver you value in different ways into the future, provided you keep engaging them.

Strategically, fundraisers should consider this when deciding how to spend their acquisition budgets. Will you dedicate budget to an activity like two-step, which generates online community that continues to convert financially over time, or another channel that provides for no secondary conversion?

Fundraisers should also consider budget allocation to supporter experience strategy, retention, and integrating digital channels into your appeals. The better the job you do in these areas, the closer you will come to fulfilling the potential lifetime value of this wonderful online community. **F&P**

Right: Bush Heritage's two-step campaign involves a survey and a quiz. Supporters who submit details receive fundraising and engagement emails and enter the phone calling program. Even if they don't convert, they enter the e-newsletter list and become part of Bush Heritage's community.

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James Herlihy

James is the Digital Strategist at Pareto Fundraising. His focus is to work with charities to build ambitious fundraising programs that drive sustained growth for their cause. He has a passion for social impact, fundraising, advocacy and tech for good. He previously held senior fundraising positions for some of our biggest INGOs.