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ADAPTING WITH TECHNOLOGY IN THE FACE OF RECOVERY

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Adapting With Technology
In The Face Of Recovery

Technology, in its broadest sense, has likely at one time or another both helped and hindered our efforts in the nonprofit space. As fundraising managers, we've painstakingly appointed tight budgets to embrace new forms of digital workflows, data analytics and mass communication—often required to flex funds further to adopt improvements and test new things.

At times, technology can feel like it's working against us but, once fully-utilized, it can inform conversion, optimize retention and be transformational to advancing a social mission.

Enter 2020, and a global pandemic that triggered the start of a new age of adaptation.

As face-to-face interactions have decreased due to the spread of Covid-19, our daily habits have been thrust online and into new platforms, software and media. Through this, we've exhibited resilience on the road to economic recovery, often required to do more with less - while it applies to many industries, this is especially true for those within the charitable sector.

For fundraising managers, the need for operational efficiency has been heightened even further. This is relative to the fact that 42% of charities have been forced to create new programs since the beginning of the pandemic[1]. This improv of sorts requires a considerable amount of new integration, preparation and facilitation where technology plays a central role, but at what additional cost and how?

> *"The nonprofit sector tends to operate on tight budgets, so the cost of up-to-date technology can seem prohibitive. But effective use of technology can spawn innovation, improvements in efficacy, and better delivery on mission, more than justifying the cost and the challenges of organizational change."* [2]

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[1]Lasby, David (May 2020). "Imagine Canada's Sector Monitor: Charities & the COVID-19 Pandemic". imaginecanada.ca [Retrieved 15-02-2021].

[2] Unauthored (May 2018). "Can Technology Transform the Nonprofit Sector?". insights.som.yale.edu [Retrieved 16-02-2021].

The Technicalities Of Technologies

At this juncture, it's important to distinguish the two primary pathways that technology takes in aiding a fundraising campaign's success: digital and data.

Digital is the most widely adopted mode of communication and engagement. There has been a rise of digital marketing in the last ten years by highly-accessible social platforms that offer paid-for advertising—rich in data and dispersion options. This is punctuated by nearly 21% growth in online giving in 2020[3]. That said, pre-pandemic trends reveal the importance of a diverse digital approach, specifically, acknowledging email as the postmodern mode of direct marketing that accounted for 10% of all digital recurring donor direct acquisition in 2018[4]. The modern day marketer has embraced both digital and traditional to diversify their audience appeal.

Data, on the other hand, is likely the most underappreciated technology asset a fundraiser (or marketer for that matter) has at their disposal. Until recently, it has been difficult to commandeer and comprehend the power that data serves as a modern commodity. But, as APIs, AI and cloud-based customer relationship management solutions (CRM) make data accessible, informing campaign activities with detailed conversion and retention metrics has now become an essential tool of the modern day marketer. Within the fundraising space, there exists substantial potential to further leverage data to better understand donors and inform marketing campaigns, stewardship programs and beyond.

The Down-low On Data Utilization

Douglas Kelly, Strategic Business Consultant and Senior Staff of The John Hopkins University, emphasizes that technology for nonprofits "improve operational efficiency, increase mission impact and enhance sector competitiveness."[5] However, he also alludes to the need for a calculated approach when embedding technology within a nonprofit organization.

> *"For-profit organizations use technology strategically to maintain their profit margins, increase market share, and enhance shareholder value. But, for nonprofits, the mission is to create public value. It requires a different calculus to figure out how technology heightens their effectiveness. I think it's a more difficult assessment but essential." [6]*

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[3] Ashmore, Deb (April 2020). "Key Findings from the 2020 donorCentrics® Sustainer Summit". npengage.com [Retrieved 16-02-2021].

[4] Ashmore, Deb (April 2019). "donorCentrics® Sustainer Summit Learnings". dmfa.org [Retrieved 16-02-2021].

[5] Ashmore, Deb (April 2019). "donorCentrics® Sustainer Summit Learnings". dmfa.org [Retrieved 16-02-2021].

[6] Unauthored (May 2018). "Can Technology Transform the Nonprofit Sector?". insights.som.yale.edu [Retrieved 16-02-2021].

Of course, cloud-based solutions have risen from being popular to being almost existential in a time of social distancing. This trend away from conventional datacenters to the ubiquity of the cloud is underscored by the accessibility of subscription-based CRMs for both large and small charities alike.

However, CRMs that aren't tapped by vital campaign activities and metrics might be rendered under-utilized as we take aim at deepening our use of media and mediums. Digital tools, like platform analytics, are commonplace and excellent for identifying conversion trends and that inform campaign tactics. Yet, what's often neglected is how technology can be a tool to enhance retention-based traditional fundraising methods. And, as sustainers favour a one-to-one connection with their cause, fundraising managers will depend on campaign strategy and service partners that use real-time data to identify where donors are and the type of message that works.

Using Insight To Inform Campaign Decisions

Six years ago, Globalfaces Direct (GFD), a leading North American face-to-face fundraising agency, started the development of a data management tool to provide greater transparency on the motives and actions of donors. At first, this was intended as a means to securely collect donor information, and offer their clients more insightful campaign advice but quickly evolved into a tool that fundraising managers utilized for themselves.

Today, the software—appropriately named Insight—integrates with dozens of payment processors and CRMs to seamlessly connect information acquired directly from a canvasser's tablet to a client's database, providing real-time data on acquisition rates, donor demographics and budget utilization.

This concept of donor middleware isn't novel. API is a common acronym within the Software-as-a-Services (SaaS) subscription model, acknowledging the demand users have for platforms fashioned to their digital infrastructure. However, what makes Insight Donor Analytics particularly compelling is that it's a tool offered to all Globalfaces Direct clients as an extension to the fundraising services provided.

This boost in fundraising acumen is a no-brainer for GFD's CEO, Matthew Davison, as it reaffirms the effectiveness of face-to-face—a tactic that accounted for two-thirds of direct acquisition in 2019[7]—and quantifies GFD's value-add to clients in a profound way.

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[7] Unauthored (May 2018). "Can Technology Transform the Nonprofit Sector?". insights.som.yale.edu [Retrieved 16-02-2021].

"We not only were able to find out who was canceling their monthly gift, but we were able to determine the source of the cancellations and shift gears accordingly. This was a game-changing feature of Insight, and one of the biggest reasons why we use it to enhance all of our face-to-face fundraising programs."

- Matt Davison, CEO at Globalfaces Direct.

Digital Maturation And Evolution

Digital has matured at a rapid pace and, yet, there are still just a handful of platform providers that own the prevailing piece of the pie. The importance of these platforms in high-volume conversion and donor acquisition cannot go unnoticed.

In 2018, face-to-face accounted for 61% of all direct acquisition of recurring donors, with digital (33%) growing 86% as a segment over the previous five years[8]. This is largely due to the vital role online payment plays in compelling continued contributions; however, mediums like email marketing and digital advertising stand out as the prevailing fundraising tactics that lure digital acquisition. Digital advertising present nonprofits the lure of pinpoint donor targeting and

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[8] PR Newswire (February 2021). "The Blackbaud Institute's 2020 Charitable Giving Report Finds That Online Giving Grew 21% Amidst Global Pandemic". prnewswire.com [Retrieved 12-03-2021].

seemingly cheap conversion rates, however many charities have reported these campaigns end up with costs substantially higher than conventional methods such as Face-to-Face, and often produce one-time gifts and not recurring. Not to mention, the cognitive dissonance of attempting to create social impact through multibillion dollar technology platforms such as Facebook and Google.

Ironically, digital has also rejuvenated conventional communications tactics. Take the recent transformation of mobile fundraising for example—a medium that accounted for nearly 30% of all online gifts in 2020[9]. While one-to-one methods are compromised, text-to-give initiatives have re-emerged as a popular segment within digital to fill the void. SMS fundraising avoids the risk of a cluttered inbox by offering large and small organizations the opportunity to connect with donors. Favorable click-through rates of SMS campaigns (4.2%) when compared to email (0.56%), put an emphasis on a charity's digital properties—like a website or landing page—in order to capture prospective conversions[10].

It's undeniable that digital now plays an increasing role in the fundraising landscape, however some of the biggest breakthroughs may result from innovations that compliment this technology with the personal communication that will always be at the heart of acquiring donors. Enter, virtual fundraising platforms, a marriage of digital and traditional methods aimed at creating the best of both worlds.

From Viral to Virtual: A Tale of Telecommunications

Since the onset of the pandemic, 54% of charities have transitioned in-person programs online and 42% have developed completely new programs as a mitigation measure[11]. For charities heavily reliant upon face-to-face fundraising—a mode that accounted for 61% of direct acquisition of new recurring donors in 2019[12]—this was a devastating blow to their fundraising outlook.

As the mass-migration to digital heated-up, many managers were affected by the absence of one-to-one tactics and the impact it can have on gaining highly-coveted donors.

Just like the 80% of charities sprinting to set-up new services, so too did support agencies—many offering service iterations without mass promotion. For Globalfaces Direct, whose core face-to-face fundraising service was slowed, they saw the prevailing form of virtual

[9] PR Newswire (February 2021). "The Blackbaud Institute's 2020 Charitable Giving Report Finds That Online Giving Grew 21% Amidst Global Pandemic". prnewswire.com [Retrieved 12-03-2021].
[10] Hopper, Karen (2019). "Engaging donors in the mobile age". mrss.com [Retrieved 16-02-2021].
[11] Lasby, David (May 2020). "Imagine Canada's Sector Monitor: Charities & the COVID-19 Pandemic". imaginecanada.ca [Retrieved 15-02-2021].
[12] Unauthored (May 2018). "Can Technology Transform the Nonprofit Sector?". insights.som.yale.edu [Retrieved 16-02-2021].

telecommunications as a short-term fix and a long-term solution.

Today, client charities that depend on a humanized approach, can navigate the complexities of COVID by utilizing a blend of GFD's conventional call center, SMS services and Virtual Fundraiser. The latter, a telecommunications platform with modern API technologies, allows for live text and video chats with virtual fundraisers to decrease bounce rates and secure monthly gifts.

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Globalfaces Direct is proud to deliver, through API technology, a first of it's kind - Virtual Fundraiser. Text or video chat with our Virtual Fundraiser to decrease bounce rates & secure monthly gifts.

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Local: 647-313-3284   Toll Free: 1-877-688-3384

"API technology allows for an easy and flexible solution that links our GFD Fundraiser and a charity's donation landing page. We are excited to bring this service to life through a tag-on to our enhanced call centre capabilities, and with the sizable fundraising team we have in our organization we are easily able to support it."

- Carolyn Soro, VP of Marketing and Donor Engagement at GFD; the lead innovator on launching this initiative.

We didn't need a global pandemic to remind us of the role that technology plays in enhancing effectiveness and efficiency. However, while being isolated to our own devices, our urge for human connection acknowledges the importance for a diverse mix of tactics and tools that advance our mission further.

Globalfaces Direct is a resilient and adaptable face-to-face fundraising vendor with partner charities across North America. Our progressive approach toward direct donor acquisition has helped charities of all sizes remain relevant and resilient in uncertain times.