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Direct Marketing

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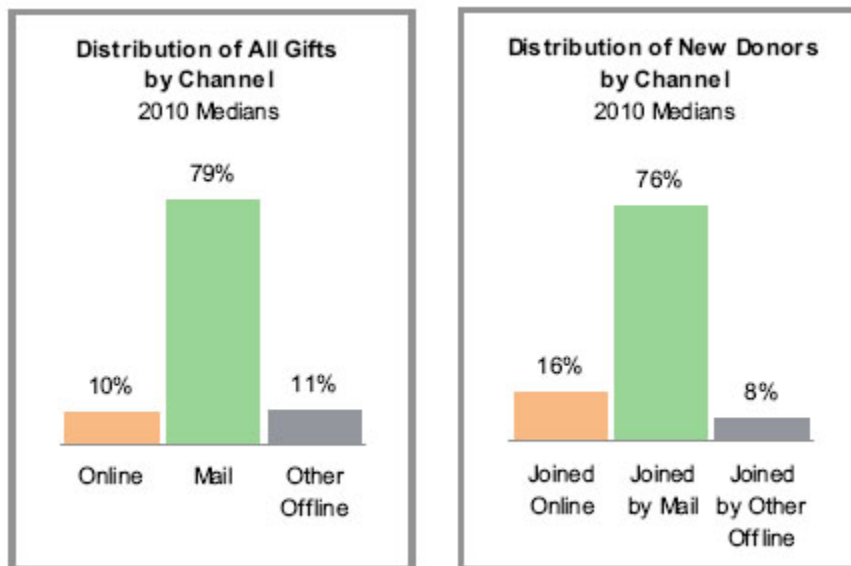
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Direct Mail Drives Charitable Donations and Retention

May 31, 2011 – A new report by Blackbaud's Target Analytics, a global provider of software and services for nonprofit organizations, shows that **direct mail remains the source of most charitable donations.**

The *2011 donorCentrics Internet and Multichannel Giving Benchmarking Report* features research on nonprofit online giving in the context of an integrated direct marketing program. This year's analysis covers 15.6 million donors and more than \$1.16 billion dollars in revenue. Select findings:

- Although multichannel giving has become a popular objective of not-for-profits as a way to build constituent support, it is not widely practiced, the study finds. **The majority of gifts are received through direct mail.**



- The typical organization receives **more than three-quarters of its total**

gifts through direct mail and only 10% of its gifts online.

- **Direct mail acquisition is also responsible for three-quarters of all new donors.** Over the past several years, the number of donors acquired online has increased though, the study notes. In 2010, 16% of new donors in the benchmark groups studied donated online. The authors note that the non-profits in this study have larger online programs than similar nonprofits. Percentages of gifts and donors coming in online are smaller for the industry as a whole.
- The report found that **large numbers of new donors acquired online switch to direct mail giving in subsequent years** (eventually, just under half of all online-acquired donors convert entirely to offline, primarily direct mail giving). **The reverse is not true**, however; only a tiny percentage of mail-acquired donors give online in later years.
- In aggregate, online-acquired donors have much higher cumulative value over the long term than traditional mail-acquired donors. However, long-term value varies depending on the donor's origin gift level, and the substantially higher gift amounts given by online-acquired donors can mask issues with retention.

"The Internet is becoming an increasingly important acquisition channel but has not proven to be as effective for retention," said Rob Harris, Target Analytics' director of analytic products and a co-author of the study. "It is the ability of online-acquired donors to use another channel – that is, to start giving through direct mail – that significantly boosts the long-term value of this group of donors."

About: The report data comes from the most recent transactional data available for the 28 organizations includes transactions for over 15 million donors and more than \$1 billion in revenue. The organizations participating are prominent national nonprofits covering a range of sectors, including animal welfare, the environment, health, human services, international relief, and societal benefit.

Source: Blackbaud, *2011 donorCentrics Internet and Multichannel Giving Benchmarking Report*, accessed June 2, 2011 and AdvisorOne, *Web Is Good at Acquiring Donors, Not Retaining Them*, June 1, 2011.

Tags:

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Rochester Institute of Technology, One Lomb Memorial Drive, Rochester, NY 14623-5603

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