



# Donor Loyalty

## What Every Non-Profit Needs

Aspire Consulting, Ltd.

Non-Profit organizations are facing greater challenges today than ever before:

- Economic down-turn affecting available philanthropic dollars
- Potential losses in local, state and federal funding as a result of budget cuts
- Increased competition with so many non-profit organizations seeking funding.

To assure continuous success, non-profits must develop a strategy focused on creating donor loyalty.

A donor is someone that gives of their time, talent or treasure. To be successful, non-profit organizations need all three. Loyal volunteers (donating their time and talents) are just as important as financial donors. All of the concepts addressed in this white paper can be applied to all types of donors.

The function of non-profit organization is *to best serve their community*. To effectively serve their community, non-profits must be financially viable. Most non-profits today rely on donors as a significant part of both their funding and their workforce (volunteers). Therefore, if the reason for non-profit organizations to be in business centers on the community they serve, as your organization's leadership team, managing and measuring your donor interface becomes one of your most

important functions. Making certain that your donors get what they want is of critical importance to the long-term success of any organization. All factors that impact negatively on the donor, must be identified and corrected if you wish to compete effectively now and in the future.

There are two measurements that will help you understand and manage your donor relationships: donor satisfaction and donor loyalty. Currently, it seems that the majority of leadership teams are focusing on donor satisfaction to determine their service measurements, therefore their level of success. This measurement is flawed and often falls short of actionable expectations. Many organizations assume that high levels of satisfaction translate into donor loyalty when, in fact, donor satisfaction ratings are more closely linked to your donors' perceptions of your service attributes rather than to the value gained by those services.

Satisfaction is a measurement of, "I expected it and I got it; therefore, I'm satisfied." If this were translated into a grading system, satisfaction could easily translate into a grade of "C" on any report card. The desired score is obviously an "A" and "A's" always equate to loyal donors. "A's" imply that donors got more than they expected and their expectations were exceeded in



some way. Based on what is truly important to donors, they received more value from you than from your competitors.

To create and sustain loyal donors, it is necessary to consider every contact with each donor as an opportunity for you to provide value—every time! Every service point is critical, and every service point has a level of expectation from the donor that must be understood and managed. We call these contact points, “Points of Connection.”

Every Point of Connection gives your organization the opportunity to emotionally connect with your donors. Your donors will judge your value and their emotional tie at every point. Developing and implementing a strategy of creating a consistent emotional connection with your donors creates value, which creates loyal donor relationships.

Traditionally, non-profits focused on building strong positive relationships in the community and built a case for action based on the emotions around the critical needs in our community. For many years this model has served well. In today’s world, with so many philanthropic possibilities, non-profits need to better position and differentiate their value. Because frankly, there are so many needs in our community and many very good non-profit organizations that meet those needs.

When you get inside the head of your donor you shift your thinking to the things that are important to them. Along

with this shift in thinking you focus your efforts on understanding the emotional connection the potential donor has to your organization (or the need in the community you serve).

This is done by asking questions to discover or surface what is “most important” to the donor. Failure to solidify this connection can get short term results but will typically not have long term impact.

Questions are the key to understanding our donors and enabling us to connect to their needs.

As we grow to better understand our donors we can create Points of Connection that will enhance their emotional connection to the organization and hence grow donor loyalty. Creating donor loyalty for your organization is a strategic decision that must be implemented throughout and encompasses development of plans, people and processes to assure that at every Point of Connection, your donors’ experience rates an “A” grade.

### **About Aspire:**

Aspire Consulting is dedicated to helping companies and organizations in the Greater Hudson Valley discover their potential and get results that are important to them and those they serve.